

The Growth and Impact of e-Filing in Indonesia

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ABSTRACT

e-Filing is an application provided by the Directorate General of Taxes to facilitate taxpayers in reporting their Annual SPT and as a support to increase state revenue from tax sector. This study aims to find out how the growth and impact of e-Filing in Indonesia over a period of 7 years, namely 2014 to 2020 and what things the government should do in order to maintain or increase the use of e-Filing as a means of receiving tax in Indonesia. This type of descriptive research is carried out with a desk study approach where both types of qualitative and quantitative data are used and taken from trusted secondary data sources. The conclusion of this research is the average percentage of e-Filing users compared to the number of registered taxpayers who are required to SPT for a period of 7 years is only 39% and that the growth of e-Filing users is indicated to decline from 2017 to 2020. In order to maintain or increase the use of e-Filing in Indonesia, government must continue to improve the quality of e-Filing in terms of ease of access, trust, environmental interaction functions, reliability, display of information content, support for users, and responsiveness to feedback, continuing socialization and counseling activities, accelerate the mandatory use of e-Filing in reporting SPT and focus on the growth of compliance ratio of each taxpayers division.

Keywords : e-Filing, SPT, DGT, taxaxtion, e-government, e-SPT

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1. INTRODUCTION

Up until the present, state revenue from the tax sector is the largest revenue compared to other sector. The latest DGT Annual Report 2020 shows revenue data from the tax sector with Non-Tax State Revenue. The data can be calculated in comparison as follows:

Table 1. Comparison of tax revenue and Non-tax State Revenue for 2019 and 2020

2019	2019	Comparison (In %)		2020	2020	Comparison (In %)	
Non-Tax State Revenue (Rp)	Tax Revenue (In Billions of Rp)			Non-Tax State Revenue (Rp)	Tax Revenue (In Billions of Rp)		
43.032.188.952	1.332.659,15	3,1	96,8	38.132.041.941	1.072.114,57	3,4	96,5

(Source: DGT Annual Report, 2020)

As seen on Table 1 above, comparison of revenue from tax sector and non-tax sector has been calculated using data from DGT Annual Report in 2020. It is shown clearly that tax revenue is the biggest sector for the state revenue where in 2019, non-tax sector only given about 3,1% of revenue to the state while tax sector has given about 96,8%. Even in 2020, non-tax sector has only participated about 3,4% on state revenue and tax sector majority given about 96,5%.

Heru Akhmadi (2017) stated that one form of administrative improvement taxation is the submission of letters Annual Notice online called e-Filing. Based on the regulation of the Minister of

Finance Number 181/PMK 03/2007, e-Filing is a way submission of SPT or Notification of Extension Annual SPT which is done online and real time via the website of the Directorate General of Taxes. The tax e-Filing was born from the implementation of the Second Generation State Revenue Module (MPN G2) system which was started in 2007. In this system, the state uses electronic mail and payment by billing as part of its transaction system. According to the Ministry of Finance's official website, this system applies to both tax and non-tax state revenues. The Directorate General of Taxes (DGT) is one of the recipients of the official bill (biller) at the Ministry of Finance. The government then created a special website to support e-Filing and e-Billing, namely *sse.pajak* and *efiling.pajak*. However, these sites have a separate system from the official DGT website. In 2014, DGT unified all tax reporting and payment services under one system. DGT has also created a DGT Online website (*djponline.pajak.go.id*) as an electronic SPT service center. All old service sites whose systems were still separate were also removed, so that the public could use one practical system.

In order to improve tax services, in 2005 the government also accommodated a number of private companies that provide services and technology for online tax reporting. DGT's official partner is called an Application Service Provider (ASP). Initially, DGT separated e-Filing channels for individual taxpayers and corporate taxpayers. For individual taxpayers, the channel provided is a government-owned application, while corporate taxpayers can use ASP for their tax reporting. Before there used to be a few ASP that has cooperated with DGT that is *pajakku*, *laporpajak*, *layananjajak*, and *spt.co.id*. However, in its development, not all ASP can continue their business activities. Fortunately, a number of new ASPs have emerged. One of them is *OnlinePajak* which officially operated in 2015. This application was appointed as an electronic SPT service provider through the Decree of the Director General of Taxes Number: KEP-193/PJ/2015. In its development, *OnlinePajak* does not only provide e-Filing services (online tax reports) but also becomes a solution for calculating and paying taxes online.

Even though DGT has launched e-Filing and e-Billing applications under one system for the first time, there is still an option for the public to use the manual system. This is to anticipate groups of people who are not familiar with the technology used. Tax office staffs are also trained to assist the community in using e-Filing and e-Billing. DGT also provides an e-form feature, which is a combination of offline and online systems. The public can fill out the form manually, then upload and send it through the online filing system. The government also continues to carry out socialization related to tax technology to familiarize the public with the e-Filing system. In March 2018, the DGT recorded more than 8.2 million taxpayers who used e-Filing. DGT also announced plans that in the future all tax reporting will be done online. In order to anticipate the surge in users, DGT has also increased the DGT Online server capacity.

The use of the e-Filing system is not only for convenience, but also to support the economic and business systems. The government also aims to increase Indonesia's ranking in the list of Ease of Doing Business (EODB) levels in the world. One indicator is the use of technology to shorten bureaucracy and increase time and cost efficiency. The Ministry of Finance then issued Regulation of the Minister of Finance Number 9 of 2018 (PMK-9/PMK.03.2018) regarding the obligation to use e-Filing. The regulation, which took effect on April 1, 2018, requires the use of e-Filing to report SPT PPh 21/26 and VAT. The government also abolished the obligation to report for mass tax returns with zero status. The use of this technology is starting to show results which can be seen as Fig. 1 below.

Jurisdiction	Classification	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		[53] ♦	[54] ♦	[55] ♦	[56] ♦	[57] ♦	[58] ♦	[59] ♦	[60] ♦	[61] ♦	[62] ♦	[63] ♦	[64] ♦	[65] ♦	[66] ♦	[67] ♦
 Indonesia	Easy	73	73	72	91	109	114	120	128	129	121	122	129	123	135	115

Fig 1. Indonesia's rank on EODB
(Source: The World Bank's official report)

In fig. 1 according to the APBN report on the official website of the Ministry of Finance, the level of state revenue through taxes began to increase since 2016. The World Bank's official report on the EODB index also raised Indonesia's ranking on November 1 2017, from 91 to 72 in 2018. However, in 2019 and 2020, Indonesia's rank decreased by 1 place to 73. This should be one of the priority interests of the government to try to maintain its ranking in the EODB considering that Indonesia is still inferior to countries around S.E.A., such as Brunei Darussalam (ranked 66th with the classification "Easy"), Malaysia (ranked 12th with the classification "Very Easy") and other countries beyond. The development of technological change towards more convenience will certainly be a challenge for the State.

Currently, the government and DGT are still working on improving their services. The long-term goal is to realize all the objectives of implementing the *MPN G2* program, namely: 1) Fully electronic system where records of the results of the SPT reporting of the DGT as of March 2018 noted that there are still around 1.83 million taxpayers in Indonesia who use the manual system. The long-term goal of developing e-Filing is to ensure that this system is fully implemented; 2) Easy service where the government and the DGT continue to strive to improve the quality and service of taxes so that they can serve the public anytime and anywhere. The aim is to reduce face-to-face services, especially for people who live far from the Tax Service Office; 3) Covers all state revenue transactions where the long-term goal of the Indonesian government is to create electronic services for all types of transactions related to state revenues; and 4) Centralized data management and coordination where the creation of the DJP Online official website aims to centralize services and data management. The government strives that all services in all transaction sectors do not need to be carried out per Echelon I unit, but are centralized.

Many changes, developments and policies have been carried out since 2014 until now by adjusting the needs of the State and society in order to increase the growth of tax revenues. In addition, e-system is made to make it easier for the community to become obedient taxpayers by providing convenience facilities especially in terms of taxation. This changes, undeniably, is because with the growth of the globalization and Revolutionary Era 4.0, the needs of the State and society are also increasing, and the use of technology is also rapidly growing, so that any mechanism being done manually will be a backwardness and thus become a problem for the State.

With the phenomenon that has been described, related research questions arise, namely: 1) How is the growth and impact of e-Filing in Indonesia? 2) What could the government do to continue to maintain and increase the use of e-Filing as a support to increase tax revenue in Indonesia?

2. LITERATURE REVIEW

A. e-Government

According to the World Bank Group (Suaedi and Wardianto, 2010), e-Government is an effort to use information and communication technology to improve government efficiency and effectiveness, transparency and accountability in providing better public services. Wibawa (2009:), e-Government is the use of information technology by government agencies such as Wide Area Networks (WAN) internet, mobile computing, which can be used to build relationships with the community, the business world and institutions other governments. Based on the above understanding, it can be concluded that e-Government is the use of advances in information technology to improve the effectiveness and efficiency of government services to the public so that relationships are established good for both parties.

B. e-Filing

1) Definition

Through the Decree of the Directorate General of Taxes (DGT) No Kep-88/PJ/2004 in May 2004 officially the e-system filing is launched. According to the Regulation of the Directorate General of Taxes No 47/PJ/2008 article 1 states that e-Filing is a way submission of SPT and submission of notification of extension Electronic annual tax return which is done online and real time through Application Service Providers (ASP).

2) Objective

Based on the Directorate General of Taxes Number PER-1/PJ/2014 aims to:

- a) Achieve transparency and eliminate practices of Corruption, Collusion and Nepotism (KKN).
- b) Taxpayers no longer need to come to the Tax Service Office if they already use the e-Filing system so that delivery of SPT becomes easier and faster.
- c) e-Filing makes it easier to submit SPT and gives confidence to the taxpayer that the SPT is correctly received by the Directorate General of Taxes and security is much more guaranteed.

3) Type of SPT

According to the website of the Directorate General of Taxes (DGT) for now, e-Filing serves the submission of two types of tax returns, namely:

- a) Annual Income Tax Return for Individual WP Form 1770S.
Used for Private WP source income is derived from one or more employers and have other income that is not from business activities or freelance work. For example employees, Civil Apparatus State (ASN)/ Civil Servants (PNS), National Army Indonesia (TNI), the Indonesian National Police (POLRI), and other state officials who have other income including renting a house, honorarium for speakers/teachers/coaches and etc.
- b) Annual Income Tax Return for Individual WP Form 1770SS.
This form is used by Individual Taxpayers who have income other than business or independent work with a gross income of not more than Rp. 60,000,000.00 a year (occupation of one or more employers).

4) Advantages of e-Filing

According to the website of the Directorate General of Taxes, there are seven advantages in using the e-Filing system facilities, namely:

- a) SPT submission can be done quickly, safely, and anytime.
- b) Cheap, free of charge at the time of reporting the SPT.
- c) The calculation is done correctly because it uses computer system.
- d) Ease of filling out the SPT because filling in the SPT is wizard form.
- e) The data submitted by WP is always complete because there is validation filling out the tax return.
- f) Environmentally friendly by reducing paper usage.
- g) Complementary documents (photocopy of Form 1721 A1/A2 or proof withholding PPh, SSP 3rd Sheet PPh Article 29, Power of Attorney Specifically, the calculation of income tax payable for WP Married Separated Assets and/or have their own TIN, photocopy of Evidence Zakat payment) does not need to be sent again unless requested by KPP through Account Representative (AR).

5) Ways to use e-Filing

According to the website of the Directorate General of Taxes, to get conducting an e-Filing system, can be done through three stages main. The first two steps are performed only once

while the third stage is carried out every time you submit an SPT. The three stages are, among others:

- a) Submitting an e-FIN application to the Tax Service Office nearest which is the WP identity number for e-Filing users
- b) Register yourself as a WP e-Filing on the DGT site at the latest 30 calendar days from the issuance of e-FIN.
- c) Submitting the Annual Income Tax Return for Individual Taxpayers by e-Filing through the DGT website through four procedural steps only that is:
 - Fill out the e-SPT in the e-Filing application on the DGT website.
 - Request a verification code for sending e-SPT, which will be sent via email or SMS.
 - Sending SPT online by filling in the code verification.
 - Notification of e-SPT status and Electronic Receipt will be provided to WP via email.

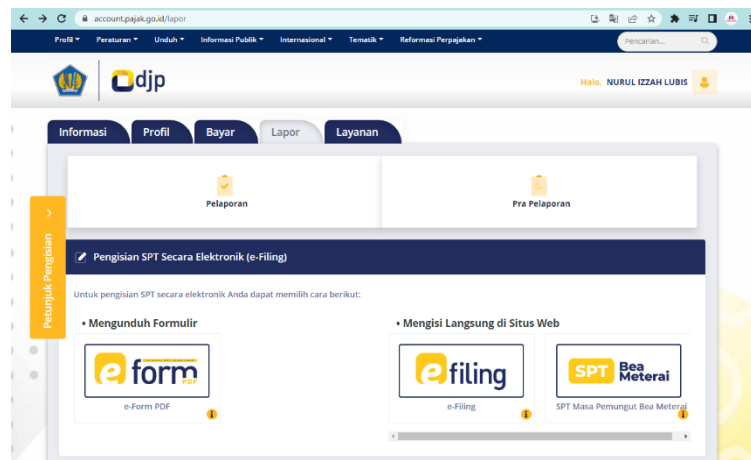


Fig 2. e-Filing Page View

C. Differences of e-SPT and e-Form/e-Filing

1) Definition of e-SPT

e-SPT is short for electronic mail notification e-SPT is an application created by Directorate General of Taxes (DGT) to be used by taxpayers (WP) in reporting the SPT or Notification Letter (for more information) easy and doesn't take up a lot of paper). e-SPT is an SPT in the form of an electronic document and is a form of innovation from the Directorate General Tax.

2) Type of e-SPT

The following are the types of e-SPT:

- a) Agency Annual e-SPT 1771 (available for Rupiah and Dollar),
- b) Individual Annual e-SPT,
- c) e-SPT PPh Article 4 paragraph 2,
- d) e-SPT PPh Article 15,
- e) e-SPT PPh Article 22,
- f) e-SPT PPh Article 23,
- g) e-SPT PPN 1111 DM, and e-SPT PPN 1107.

3) Ways to use e-SPT

Reporting the Annual SPT using the e-SPT, the process in outline is:

- a) Download installer
- b) Install the e-SPT Application and Laptop/computer

- c) Fill in the SPT through an application that has been installed on your laptop/computer
- d) Generate csv file.
- e) Log in to the DJP Online account (<https://djponline.pajak.go.id/account/login>)
- f) Upload csv
- g) Done

Fig 3. Example of e-SPT

4) Ways to use e-Form PDF

Annual SPT report using e-Form PDF with the process:

- a) Log in to the DJP Online account (<https://djponline.pajak.go.id/account/login>)
- b) Click the Report Tab
- c) Choose e-Form PDF
- d) Enter the form menu
- e) Download Adobe PDF Reader
- f) Install Adobe PDF reader on your laptop or computer
- g) Login to DJP Online account again
- h) Download the SPT File in PDF e-form
- i) Open the SPT file using the Adobe PDF Reader application
- j) After completing the SPT, click submit
- k) Done

D. Research Design

Based on the phenomenon of the problem and the theories that have been put forward, the following is a picture that shows the conceptual framework of this research

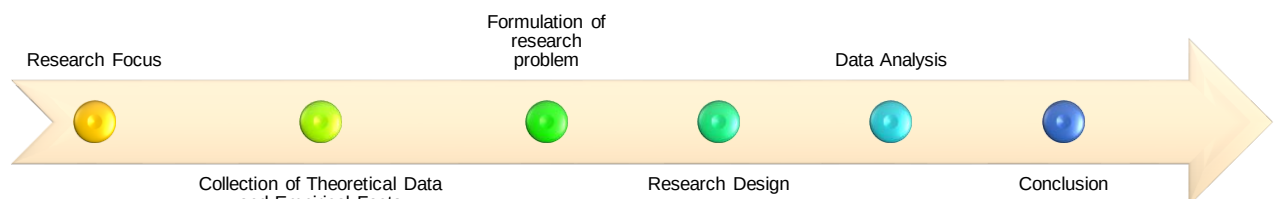


Fig 4. Research Design

3. METHODS

A. Research Types and Data Sources

This research is a descriptive research with desk research method where data collection is secondary data that can be taken from various sources, such as literature books, related reports, scientific articles, official websites and other sources that can be used. The data used is a combination of quantitative and qualitative data.

B. Location and Research Periods

The location of this research focuses in Indonesia based on empirical data mainly from Directorate General of Taxes Annual Report with the research period taken from 2014 to 2020.

C. Data Analysis Technique

This study uses data analysis techniques related to the development and impact of e-Filing on tax revenue in Indonesia. A number of secondary data in the form of qualitative and quantitative data, such as reports from the DGT, the results of previous research concerning e-Filing, the history and development of e-Filing, quantitative data on tax revenues in Indonesia over the past years will be used in this study to be analyzed and used as conclusions to answer research questions.

4. RESULT AND DISCUSSION

A. How is the growth and impact of e-Filing in Indonesia?

The self-assessment tax collection system that has been running for more than three decades in Indonesia has succeeded in moving the responsibility for calculating, paying and reporting taxes to the shoulders of the people themselves. This system mandates that even though the implementation of tax payments has been carried out through a withholding mechanism by other parties, for examples by the employer, taxpayers (Taxpayers/WP) are still obliged to submit an annual tax return (SPT). Therefore, even though the income tax (PPh) has been deducted by the employer, employees, workers or permanent employees are required to fill out and submit an annual SPT to the tax office. To make it easier for the public to submit their SPT, the Directorate General of Taxes (DGT) of the Ministry of Finance has also launched e-Filing, a method of electronically submitting the annual income tax return which is done online and in real time via the internet on the DJP Online website (<https://djponline.pajak.go.id>) or the website of the electronic SPT service provider.

Since 2014, the use of e-Filing has grown rapidly in Indonesia. The Directorate General of Taxes (DGT) has introduced a program for submitting Annual Income Tax Return (SPT) through an electronic application known as e-Filing since 2004. This step follows several developed countries that have introduced e-Filing first. Learning from their experiences, DGT sees that in addition to providing benefits for taxpayers and tax authorities, the use of e-Filing is also environmentally friendly (go green). Ministry of Finance in its website mention that from the taxpayer's perspective, reporting using e-Filing provides flexibility regarding time and place. Taxpayers can use the e-Filing application at any time, no longer limited to working days and hours, because e-Filing can still be accessed on holidays and after working hours. Taxpayers also no longer need to queue and spend valuable time at the Tax Service Office just waiting for the receipt of the Annual SPT. Therefore, the e-Filing facility makes it easy for users to fill in the filling process and encourages users to use the facility because it is considered not difficult and users feel satisfied (Ginting and Marlina, 2017).

Ever since then, socialization has been made to the society by the Minister of Finance itself, the DGT and Tax Offices all over Indonesia to achieve the goal of increasing tax revenue by giving a lot of ease within submitting SPT. The DGT reports that there have been 18 million with 42 million registered taxpayers submitting an annual income tax return (PPh) for the 2018 fiscal year through the electronic e-Filing system. This number continues to increase from year to year. In 2016 the number of

taxpayers who reported using e-Filing was 7 million with 36 million registered taxpayers. Meanwhile, in 2017 it increased to 14 million taxpayers who reported using e-Filing with a total of 40 million registered taxpayers. The following is data showing an increase in SPT reporting through e-Filing for 7 years:

Table 2. Growth of e-Filing users in Indonesia from 2014-2020

Year of SPT received	2020	2019	2018	2017	2016	2015	2014
Number of registered Taxpayers required SPT	19.006.794	18.334.683	17.653.046	16.598.887	20.165.718	18.159.840	18.357.833
Number of Taxpayers using e-Filing	10.874.284	10.580.475	9.152.817	8.410.515	7.538.009	2.577.440	1.029.892
Percentage of e-Filing users (%)	0,57	0,57	0,52	0,51	0,37	0,14	0,06
Growth of e-Filing users (%)	0,03	0,16	0,09	0,12	1,92	1,50	-

(Source: DGT Annual Report, 2018-2020)

From table 2 above, it can be seen that over a period of 7 years there has been an increase in the number of registered taxpayers required SPT, as well as the number of taxpayers who use e-Filing in submitting SPT. This certainly looks very good, where from 2015 to 2016 there was a significant increase in the percentage of e-Filing users by 37% and increased to 51% in 2017. However, when viewed from the percentage of registered taxpayers using e-Filing from 2017 to 2020, there is no visible increase that is qualified to say that taxpayers have switched to using e-Filing in submitting their SPT. This can be seen in table 2 where in 2018 percentage of e-Filing users were only 52% of the total registered taxpayers required SPT, and in 2019-2020 only increased 5% to 57% of taxpayers who used e-Filing.

The same thing can be seen in the growth of e-Filing users over the past 7 years as shown in table 2. The growth of e-Filing users was fairly good in 2015 and 2016 after the launch of the e-Filing site from the Ministry of Finance and the Directorate General of Taxes at the beginning of 2014. The growth of taxpayers using e-Filing in 2015 was 150%, increasing to 192% in 2016. However, along with the percentage of taxpayers using e-Filing compared to the number of registered taxpayers, the growth of e-Filing users can be said to be decreasing and not having a significant increase. From 2017, the growth of e-Filing users decreased to 11% and 9% in 2018. Meanwhile, a small increase occurred in 2019 to 16% but decreased drastically again with growth of only 3% in 2020.

By looking at the growth in table 2, it can be said that e-Filing users have only accumulated an average of only 39% of the total number of registered taxpayers required SPT over a period of 7 years. While 61% of other taxpayers either only use e-SPT, e-Form or manual SPT and come directly to the registered Tax Service Office. Of course, this is not a problem for the state, as long as the taxpayer complies with the rules and submits or reports the SPT in a way that is still provided and acceptable, such as filling out the SPT manual and not using e-Filing. However, when looking at the many factors that can support the progress of the country both in terms of economy and business as well as state revenue from taxes, of course the use of e-Filing by registered taxpayers must be pushed to its optimal and effectivity.

Indonesia must be able to compete with countries in S.E.A. related to Ease to making it easier for the public to report SPT and become obedient taxpayers, the government also has many other factors that can be achieved by increasing the use of e-Filing. Such as increasing of Doing Business (EODB) so it must maintain its ranking at number 73 or even increase the ranking from 'easy' to at least 'medium' or 'very easy'. In addition the compliance ratio of taxpayers who report SPT, increasing state revenues from the tax sector, helping accelerate economic recovery, maintaining stability in the development of e-government as a means of competitiveness with other countries. In addition, the use of e-Filing from the DGT website can easily record SPT reporting and prevent gaps in tax avoidance practices from both corporate taxpayers and individual taxpayers because the use of e-Filing is very easy and saving time as it's faster by using the internet network, can be done anywhere and anytime, an application that is easy to understand and without installation, fast and easy supervision and checking from the tax authorities, does not require extra fees, and of course it is free to use.

Apart from the Covid-19 pandemic factor at the end of 2019 which caused the economic decline of many countries, Indonesia must be observant in maintaining and strengthening economic stability from the tax sector. With many challenges faced in terms of declining GDP, limited export-import activities, many layoffs occurring and not a few companies experiencing decreased revenues and even losses for more than two years, these things are not reasons for the government not to keep trying to make improvements in various aspects within the country including increasing e-Filing users. Considering that the tax sector is the country's largest revenue source, the government has to do much homework in providing convenience and policies that can be used by the society so that it can support an increased in compliance ratio, targeted tax revenues, and stability in the development of e-government in Indonesia.

Seeing as many factors related to the increasing growth of e-Filing users and its impact in Indonesia, the government must work harder to build society who are aware of technological changes, especially the use of e-Filing in SPT reporting.

B. What could the government do to maintain and increase the use of e-Filing as a support to increase tax revenue in Indonesia?

1) Maintaining the quality of e-Filing

The e-Filing application was first introduced by the Application Service Provider (ASP) and ratified through the PER Director General of Taxes Number KEP-05/PJ./2005 concerning Procedures for Submission of Electronic Notification Letters (e-Filing) through Application Service Providers (ASP). In its development, DGT then developed a government-owned e-Filing application that can be accessed through the DGT website. Since the State Revenue Module Generation 2 (MPNG 2) was launched, DGT has integrated all tax applications, both e-Filing and e-Billing, into the DJP Online website. This website was launched in 2014, along with the launch of the government-owned e-Filing service.

From a security perspective, online taxes are considered safer. One of the reasons is because the online tax system is supported by the existence of an e-FIN or Electronic Filing Identification Number (e-FIN). With e-FIN, online tax transactions, whether done through the DGT Online site or ASP taxation, will be encrypted, securely and confidentially. The online tax system also frees taxpayers from having to include signatures. Instead, the DGT and ASP for taxation send verification codes that must be entered by the taxpayer when making transactions, whether it is reporting taxes online or paying taxes online. It is also considered much more secure because this verification code cannot be faked.

Many studies have been conducted related to the quality of e-government through e-Filing where many factors influence people's desire to use e-Filing, including information quality,

system quality, and service quality. Utomo (2019) stated that the results of the analysis carried out in his research showed that there was a positive effect of system quality and service quality on E-Filing user satisfaction, while information quality had no effect on E-Filing user satisfaction. Based on the results of Nur Widiyani's research (2018), it can be concluded that the quality of e-Government services through the e-Filing application of KPP Pratama Bandung Cibeunying has a positive effect on application user satisfaction by 70.5%, while the remaining 29.5% is influenced by other factors which were not investigated in this study. As for, among others, things that must be considered by the government in implementing e-government are such as ease of access, trust, environmental interaction functions, reliability, display of information content, support for users, and responsiveness to feedback. Improving the quality of e-Filing that is good and qualified will certainly have a positive influence on increasing users.

2) Continue to carry out socialization and counselling

Tax socialization is an effort that carried out by DGT to provide knowledge, information and guidance to the public and especially taxpayers to know the regulations of taxation, taxation procedures and all matters of taxation law. According to Herryanto and Toly (2013), socialization activities or tax counseling can be carried out in two ways i.e. Direct Socialization and Indirect Socialization.

The government in general, and the Minister of Finance and the DGT in particular must continue to monitor periodic socialization and counseling activities that should be carried out by Tax Service Offices throughout Indonesia. Mapping and socialization and counseling schedules should be made to facilitate the process of these activities being monitored properly so that every side of the region and city and even the hinterland has received the expected socialization. This is done to reduce public ignorance or awareness regarding their obligations as taxpayers, especially if they have a business or position where they should have become registered taxpayers and are required to report SPT.

The socialization referred to here is not only socialization of the understanding of taxation, tax law, tax procedures and domicile. Socializing the understanding of the internet and its use, so that it relates to the application of e-Filing, how to use it and the reasons why people should use e-Filing in their tax reporting. Materials prepared at the time of socialization and counseling must be made well so that it is expected to provide a good understanding for the community, discussion forums are opened to provide opportunities for people to ask questions so that information gets conveyed. Apart from that, training on the implementation and use of e-Filing must also continue to be provided by tax officials.

3) Accelerate the mandatory use of e-Filing to submit SPT

The Ministry of Finance through the Directorate General of Taxes (DGT) has issued a new announcement, namely PENG-5/PJ.09/2022 regarding the transfer of the Annual SPT reporting channel from the e-SPT application to e-Form and e-Filing.

The Directorate General of Taxes (DGT) has provided an "e-Form" application service for the types of Tax Returns (SPT) 1770 S, 1770, and 1771. This is done by the Directorate General of Taxes (DGT) in order to improve services to taxpayers who wish to report SPT Annually electronically. By transferring the application from e-SPT to e-Form, it is possible for taxpayers to report their Annual SPT online or online by downloading the Annual SPT form, filling it out, and re-uploading it in Portable Document Format (.pdf). Here are some conditions that must be considered based on the announcement:

- a) The e-SPT channel for reporting electronic SPT in the form of ".csv" will be closed by the DGT in order to improve the efficiency and quality of taxation data.

- b) The closure of the e-SPT channel will be carried out in stages with the following timeline:
- SPT Form 1770 S, 1770, and 1771 on February 28, 2022, at 15.00 WIB
 - Corporate Income Tax Return Form 1771 in United States Dollars or US\$ and a special attachment for Oil and Gas Taxpayers on March 30, 2022, at 15.00 WIB
- c) With the closing of the e-SPT application, taxpayers who wish to report their Annual SPT, whether normal or corrected, can do so through:
- e-Form or e-Filing application provided by DGT
 - SPT reporting application provided by the Tax Application Service Provider (PJAP)

As reported by the Ministry of Finance on its official website on March 8, 2021, based on data from the Directorate General of Taxes (DGT), “to date the number of incoming SPTs is 5,152,006, of which 96 percent are submitted via e-Filing. Compliance with the submission of SPT is an important point for increasing tax revenues and in the long term being able to increase the independence of the nation. When compared to 2020, the 2021 SPT reporting rate has decreased”. The following data shows the decline in the submission of the SPT:

No	Metode Pelaporan SPT	Jumlah	
		2020	2021
1	E-Filing ASP	0	10,220
2	E-Filing DJP	5,340,497	4,640,533
3	E-Form	331,119	266,037
4	E-SPT	63,084	40,380
5	Manual	252,521	194,836
Total		5,987,221	5,152,006

Fig. 5. Progress of 2021 Annual SPT receipts (Updated data March 8, 2021)
(Source: Ministry of Finance’s official website)

The sooner the government makes a policy to oblige all registered taxpayers to use SPT to use e-Filing in reporting the Annual SPT, the better it is for many factors impacted by it.

- 4) Focus on the growth of compliance ratio of Annual SPT submission
- According to the DGT's 2020 annual report, the compliance ratio for the submission of the Annual SPT seems to have increased overall from 2014 to 2020 and can be seen in the following table:

Table 3. Growth in the compliance ratio of annual tax returns for 7 years

Compliance Ratio (in %)	2020	2019	2018	2017	2016	2015	2014
Total	77,63	73,06	71,10	72,58	60,75	60,42	59,13
Corporate	60,16	65,47	58,86	65,14	58,15	57,52	47,42
Growth	0,08	0,11	-0,10	0,12	0,01	0,21	-

Compliance Ratio (in %)	2020	2019	2018	2017	2016	2015	2014
Individual (Employee)	85,41	73,23	71,83	74,86	63,08	63,31	66,82
Growth	0,17	0,02	-0,04	0,19	-0,00	0,05	-
Individual (Non-Employee)	52,44	75,93	74,28	61,53	43,83	41,18	23,48
Growth	-0,31	0,02	0,21	0,40	0,06	0,75	-

(Source: DGT Annual Report, 2018-2020)

As seen on table 3, numbers of tax compliance has increased throughout the years by dividing the compliance ratio of corporate taxpayers and individual taxpayers (employee and non-employee). However, if we look at the growth in the compliance ratio of each taxpayer, there is an unstable increase from year to year. Like the compliance ratio of Corporate Taxpayers, its growth tends to decrease, especially in 2016 and 2018, as well as in 2020. The growth looks good and tends to increase until 2020 for the compliance ratio for individual employee taxpayers. But not so for non-employee individual taxpayers, where in 2017 the growth increased by 40% from 2016 but only grew by 21% in 2018, 2% in 2019 and decreased more drastically in 2020 to -31 %.

From table 3 above, it can be calculated that the average 7-year compliance ratio of corporate taxpayers is 59%. Meanwhile, for individual employee taxpayers, the average tax compliance ratio is 71%, while non-employee individual taxpayers only have an average of 53% in the last 7 years. From here, the government can focus on increasing the growth of compliance ratio for each type of taxpayer and looking for the root cause of each related aspect. Like corporate taxpayers, the tax authorities should be able to carry out further examinations and reviews regarding why the growth of tax compliance is still at an average of 60% while the number of corporate taxpayers registered as SPT taxpayers continues to increase. Likewise, the factors that can affect the compliance of individual taxpayers should also increase and reach an optimal average within the last 7 years.

5. CONCLUSION

The conclusions from the results of this research are:

- 1) The average percentage of e-Filing users compared to the number of registered taxpayers who are required to SPT for a period of 7 years is only 39% and 61% of taxpayers who are required to SPT can be declared still using e-SPT and/or manual SPT.
- 2) The growth of e-Filing users is indicated to decline from 2017 to 2020.
- 3) The government must continue to improve the quality of e-Filing in terms of ease of access, trust, environmental interaction functions, reliability, display of information content, support for users, and responsiveness to feedback.
- 4) Continuing socialization and counseling activities that are mapped and monitored directly by the government, both the Ministry of Finance and the DGT, not only related to taxation, laws and procedures for reporting SPT, but also the important role of technology, internet

understanding, use of e-Filing so that training continue to be held until the information is actually conveyed.

- 5) Accelerate the mandatory use of e-Filing in reporting SPT to develop e-government by closing the e-SPT and manual SPT applications so that the rate of development of tax revenue and SPT reporting increases.

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