Tax Management for Sustainable Development in Indonesia

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Abstract- Tax is the provision of the people to the state treasury based on Law Number 19 of 1959 concerning the collection of state levies without including complementary services (contrapretations) that can be directly shown and used to pay general levies. Taxation plays a very important part in the profitable development of the country. National development is an effort that takes place continuously and in a balanced manner, which aims to improve the welfare of the people, both materially and spiritually. To be feasible to carry out these pretensions, it is necessary to pay attention to the problem of development backing, one of which is sweating to realize the independence of a nation or development backing, namely exploring financial sources. from within the country in the form of taxes, the tax itself is used to finance development that is beneficial to the common interest.

Index Terms- Taxes, Laws, Economics.

I. Preliminary

Indonesia is a country whose main source of income comes from the fiscal sector. Tax revenues in Indonesia represent around 70% of all government revenues. Therefore, taxes are important, because, without taxes, most government activities are difficult to carry out properly. (Pajak.go.id). Thus it is clear that the role of tax revenue in a country is very dominant in supporting government activities in development. Finance Minister Sri Mulyani revealed that the government is currently aggressively pursuing taxes from those who do not comply with taxes (Merdeka.com). Even now the government is starting to look at the private sector such as Micro, Small, and Medium Enterprises (MSMEs) which are certain to have great potential for tax revenue. Therefore, Government Regulation no. 46 of 2013 was made to encourage tax revenues from the MSME sector to make it easier for MSMEs to carry out their tax obligations.

It is known that Indonesia is one of the developing countries, this characteristic indicates the existence of development in various fields with the intent and purpose of fulfilling obligations to the community. Various efforts have been made by Indonesia as a form of optimizing all types of people's income. One way to optimize state revenues is in the field of taxation. The reason for the focus of tax collection is because this tax has a very significant role for taxpayers, both in terms of direct form and performance, as well as fulfilling their tax obligations for public finances and national development. The problem that occurs is that the Ministry of Finance (Kemenkeu) claims to have implemented the 2017 (APBNP) effectively, efficiently, credible, and has a relationship (Angriani, 2018). Not only are the claims unfounded, but there are positive macroeconomic signs amid the economic uncertainty over the past period. In 2017, tax revenues amounted to Rp. 1,339.8 trillion, meaning that it has reached 91 percent of the target of the Revised State Budget (APBNP) 2017 of Rp. 1,450.9 trillion. Medcom.id has collected data on tax receipts and tax payment receipts for the last 9 years. Indonesia has never met the target since 2009. The realization of tax revenues in 2009 was only 94.5 percent or Rp 545 trillion. In 2010, the realization reached 94.9% or Rp. 628 trillion of the target of Rp. 662 trillion. Over the past 13 years, the government has observed that it has succeeded in achieving the projected tax revenues set out in the APBN and APBNP twice. The best tax revenue occurred in 2008 with a fairly good increase.

Taxes are people's contributions to the state treasury based on Law Number 19 of 1959 concerning the collection of state taxes without consideration, which can be directly reported and used to pay general expenses. Meanwhile, Waluyo (2013:2) taxes are contributions to the state (which can be collected) owed by those who are obliged to pay them according to laws and regulations without claiming benefits, which can be named directly and whose purpose is to cover general expenses related to the duty of the state to administer the government. Tax is an obligation to surrender some assets to the treasury due to a situation, but there is no direct consideration by the state for the maintenance of shared goods. (Official 2014:1). The level of tax revenue is very dependent on the awareness of paying taxes, this awareness is very necessary for the context of national development which is one of the principles of national development. In addition, taxpayers have also been given confidence in calculating, calculating, and reporting their tax obligations following the principle of the self-assessment system regulated in the tax regulations in force in Indonesia.

Taxation plays a very important role in the economic development of the country. In Indonesia, the largest contribution to the economy comes from the taxation department, particularly income taxes regulated by Law no. Law Number 36 the Year 2008 explains that taxpayers are required to pay taxes following the law. The taxpayer is an individual or entity whose income or income fulfills the requirements and is determined to be a Taxpayer. However, there are still many people who believe that taxes are one of the biggest cost items that can reduce company profits, therefore if the company's profits are getting bigger then the company is also obliged to pay large amounts of tax, which is directly proportional to the company's income.

If there are two objectives of tax administration, namely: (a) proper application of tax laws and regulations, and (b) efforts to increase efficiency to achieve appropriate profits and liquidity, then good tax planning aims to minimize the amount of taxes. When launching an opening plan, the basic questions are usually related to content and form. Business content is one or several types of business forms that will be sold in the future, either selling goods or selling services. For example, two certified engineers plan to open a consulting business. Tax laws and regulations always affect the development of the business world in each country. For the state, taxes are the most important thing to receive because they will affect state financing and expenditures, both routine expenditures and development expenditures. On the other hand, taxes are used for a country.

II. Tax as a Source of State Revenue

National development is a sustainable and balanced activity aimed at improving the material and spiritual welfare of the community. National development requires large funds and a solid plan, without being supported by large funds, either fund originating from domestic revenues or funds originating from foreign revenues. To achieve this goal, we must prioritize the issue of financing development, which is an effort to achieve national independence or financing development, namely by utilizing sources of funds. From within the country, in the form of taxation, taxation itself is used to fund development that is beneficial to the general welfare. Taxation in Indonesia is based on the Constitution. Taxation is included in Article 23A of the 1945 Constitution of the Republic of Indonesia which reads "taxes and other taxes" for the national interest and is mandatory and bound by law. ". The function of taxation is an instrument for determining economics and politics. The main purpose and benefit of taxation are to improve the general welfare. A country does not want the livelihood of its people to decline. Usually, two functions are called, namely the water budget function and the regular final function

The function of the budget is to use taxation as a source of government funding to fund its expenditures. The conventional function of taxation is as a tool to regulate or implement government policies in the social and economic fields. Taxation is the obligation of the state to pay taxes on wealth that we have by taxpayers so that it can be enforced according to laws and regulations without any violations. Achievement or not receive direct compensation, only for the welfare of the people. One type of tax collected in Indonesia is the income tax. (PPh) is the tax year imposed on income earned or earned by individuals or entities in a taxpayer's income tax can be subject to final and non-final taxes. This final tax is one of the taxes levied on corporate income earned or obtained by the Taxpayer with a certain gross turnover.

Taxation is a source of income that cannot be doubted, and taxpayers who are obedient and aware of fulfilling their tax obligations will be the main capital of economic stability. The existence of problems and cases related to this tax has raised the suspicion of taxpayers. The purpose of this interpretation is that taxpayers do not want taxpayers to pay taxes that do not meet the target or do not enter the state treasury, or even become personal consumption by the tax authorities. Facing these problems, the tax authorities continue to improve themselves by providing socialization to taxpayers. Therefore, taxpayers will better understand and always maintain the 1945 Constitution and the tax supervision system. Likewise, if the taxpayer realizes that compliance will increase or even be better, it will also increase national income.

III. Tax Management for Sustainable Development in Indonesia

Tax management is an obligation that must be carried out by company management. Many studies have proven that tax management is an activity that can increase the value of a company and provide benefits for shareholders, which will cause differences in economic interests between the principal and the manager as an agent to fulfill tax obligations following the law. The purpose of tax management is to reduce the tax burden. In general, tax management is a kind of action or thought, which refers to the use of legal loopholes to design the business processes and transactions of a taxpayer or a group of taxpayers at a minimum. In a state of not violating the applicable tax regulations, to reduce the company's expenses, the amount must not exceed the amount to be paid. Permatasari (2004) argues that tax management is the management of corporate tax obligations so that corporate tax obligations can be carried out properly following applicable tax laws, to reduce tax debt as effectively as possible. Obtain the expected benefits by not making efforts to violate tax regulations that can lead to tax sanctions.

The benefits of tax management can be distinguished, such as the correct application of all tax and business laws so that income tax savings can meet profits and fair liquidity. The benefits of tax management can be realized by carrying out tax management functions effectively, including tax planning, tax implementation, and tax control. The main purpose of tax management is to apply tax regulations correctly and efforts to streamline the tax burden payable so that the company's profits and liquidity levels are good. Suandy (2014;6) also explains that there are three tax management functions, which include: 1) Tax Planning; 2) Implementation of Tax Obligations (Tax Implementation); 3) Tax Control (TaxControl). Meanwhile, Pohan (2013; 13-15) expressed a different opinion about the tax management function, which consists of: 1) Tax Planning; 2) Tax Administration/Tax Compliance; 3) Tax Audit; 4) Other Tax Matters.

IV. Conclusion

Taxes are fundamental for a country, especially developing countries like Indonesia. The state has the power to force people to pay taxes and the tax money must be used for the administration of government. This is one of the driving factors for the government in collecting taxes on the community, from the tax revenue used for the development of a country, from the infrastructure sector to education. So it is important to carry out a tax management system so that it is structured in tax management to achieve common goals.

V. Suggestion

Therefore, the Indonesian people must obey and obey the taxpayers. For policymakers to manage the finances of tax proceeds wisely and follow the law so that they can be used properly for nation-building.

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