

ONLINE TAX SERVICE EXPLANATIONS ON MSME’S IN TANGERANG CITY

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ABSTRACT

Tax is the largest income that supports national development, which is indirectly enjoyed by taxpayers and society in general. Aware of this, the Directorate General of Taxes as the party authorized to collect central tax revenue continues to improve tax services to the public, both from its own human resources to other resources with the aim that taxpayers are encouraged to comply with taxes so that the tax revenue target is achieved. The online tax application is a tax service breakthrough that has been started a decade ago and continues to grow today. Increasing tax services does not necessarily encourage people to comply with taxes and take advantage of these online tax services. Especially Micro, Small and Medium Enterprises (MSMEs) which generally lack information and counseling about these online tax services. The limited socialization carried out by the Directorate General of Taxes and the self-assessment system that applies in Indonesia creates a considerable distance between the Government and Taxpayers in the use of online tax applications, plus the limited human resources owned by MSMEs so that information about the existence of online tax applications, the benefits of the application online taxes, as well as how to operationalize online tax applications are limited. This has a fairly high impact both on the fulfillment of tax obligations from the community itself, which sometimes leads to tax bills which also have an impact on less than optimal state tax revenues. This community service activity was delivered to MSMEs in the Tangerang city area by zoom online on February 16, 2022. Information about online tax services is rarely known by MSME taxpayers so that they usually carry out their tax rights and obligations manually, this activity helps people to carry out their tax rights and obligations more easily using a variety of online tax services.

Keywords: MSME, online tax services

1. INTRODUCTION

The level of tax compliance in Indonesia is still relatively low compared to other countries, even though the level of tax compliance can increase state revenues (Gurria; Republika.co.id, 2021). Even so, the Government continues to act actively, both in ways that are pleasant such as services to frightening for taxpayers such as inspections. The modernization of taxation that has been carried out since 2005 has encouraged the development of tax services that have made it easier for taxpayers to exercise their tax rights and obligations. Field services (Tax Service Office) and online tax services should be appreciated by all levels of society and the government. Currently, almost all tax services can be done anytime and anywhere. Queuing at the Tax Service Office to report taxes, queuing at Bank Tellers to deposit taxes with congested and hot road conditions, is now rarely felt by taxpayers. Because all tax services can be done online, although face-to-face or direct services are still served for certain cases.



Figure 1. Tax Online Services

The availability of online tax services does not necessarily increase the level of tax compliance in Indonesia, the limited information submitted by the Directorate General of Taxes and the limited ability of the public to obtain information about this tax service are one of the reasons. Especially for private individuals or micro, small and medium enterprises (MSMEs) who so far have limited resources in running a business, including MSMEs in Tangerang City. In the city of South Tangerang itself, the number of MSME actors has continued to increase over the last few years with various products being sold, both in the form of primary, secondary to tertiary needs and service products (umkm.tangerangkota.go.id).

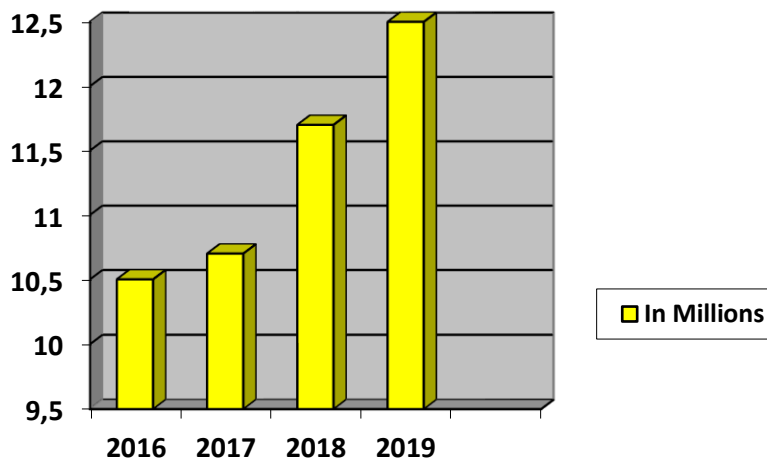


Figure 2. Amount of UMKM in Tangerang City
Sources: umkm.tangerangkota.go.id

From Figure 2 it can be seen that the number of MSME actors in Tangerang City continues to increase, especially in 2020 there is a very significant growth in connection with MSME assistance from the Government (Kompas, 2020). Generally, the MSME sector relies on the marketing and production teams only, so that recording and taxation are usually carried out simply or even unnoticed (Samsiah & Lawita, 2017). This has big risks in the future, especially in tax obligations. The case of an online merchant who received a tax bill of Rp. 35 million has grown recently in the world of social media (kompas.com, 2021), with a tax bill of that amount based on the final PPh rate of 0.05% according to Government Regulation Number 23 of 2018 then the online sales turnover of the merchant is Rp. 7 Billion for 2 Years.

Considering this case, the tax accounting lecturer at Mercu Buana University together with partners from the School of Management University Sains Malaysia have a moral obligation to assist the Directorate General of Taxes of the Republic of Indonesia in counseling the operationalization of online tax services which so far can be used by taxpayers anywhere and anytime, given the source Human Resources at the Directorate General of Taxes also have a limited number. Community Service Activities in 2022 are a continuation of Community Service activities that have been carried out in early 2021 with the topic "Socialization of Income Tax and Tax Audit Risks for Micro, Small and Medium Enterprises (MSMEs) in the Tangerang City Area". With this online tax service operationalization counseling, it is hoped that micro, small and medium business actors will have knowledge in the use of online tax services so as to encourage tax compliance (Sarpingah, et al., 2017; Syahputra, 2019; Tarmidi, et al., 2017).

Based on these problems, it is necessary to hold informative and educational activities in terms of the use of online tax services, especially for MSMEs. The activities to be carried out are expected to 1) Assist the Government in counseling the operationalization of online tax services, 2) Assisting Taxpayers, especially Micro, Small and Medium Enterprises (MSMEs) in carrying out their tax rights and obligations using online tax services. The benefit of this community service activity is to provide knowledge and information about the operation of online tax services, especially for MSME actors in the Tangerang City area. This is a form of organizational social responsibility as educators at Mercu Buana University, University Sains Malaysia, and the Tangerang City Government towards the community or as corporate social responsibility and responsibility as good citizens in helping the Government increase state revenues from taxes. . With the implementation of this socialization activity, it is hoped that harmonious family relationships will be established between the community as taxpayers and micro, small and medium entrepreneurs with Mercu Buana University, University Sains Malaysia and the Tangerang City Government as well as with the Directorate General of Taxes of the Republic of Indonesia and the Central Government as a regulator.

2. METHOD

The method of this Community Service activity is carried out through:

- a. Socialization Method: which will explain the types of online tax services, especially eRegistration, eBilling and eFilling, as well as the purpose of their use, so as to increase the growth of awareness to comply with taxes (Herawati, et al., 2018) by using online tax services
- b. Demonstration Method: an example of how to use online tax services, especially eRegistration, eBilling and eFilling, and the purpose of their use.
- c. Practice/Practice Methods: where participants will be given the opportunity for participants to practice using online tax services. With this method, participants are clearer in understanding how to use online tax services directly, so they can improve the ability of participants to use them (Nugraeni & Susilawati, 2020; Mintarti, et al., 2020).
- d. Question and Answer Method: where participants are given the opportunity to ask questions related to online tax services. In addition to training, consultations or discussions in the form of questions and answers on taxation help participants to be more open in understanding all the topics explained (Maghriby, et al., 2017; Rahmi, et al., 2020).

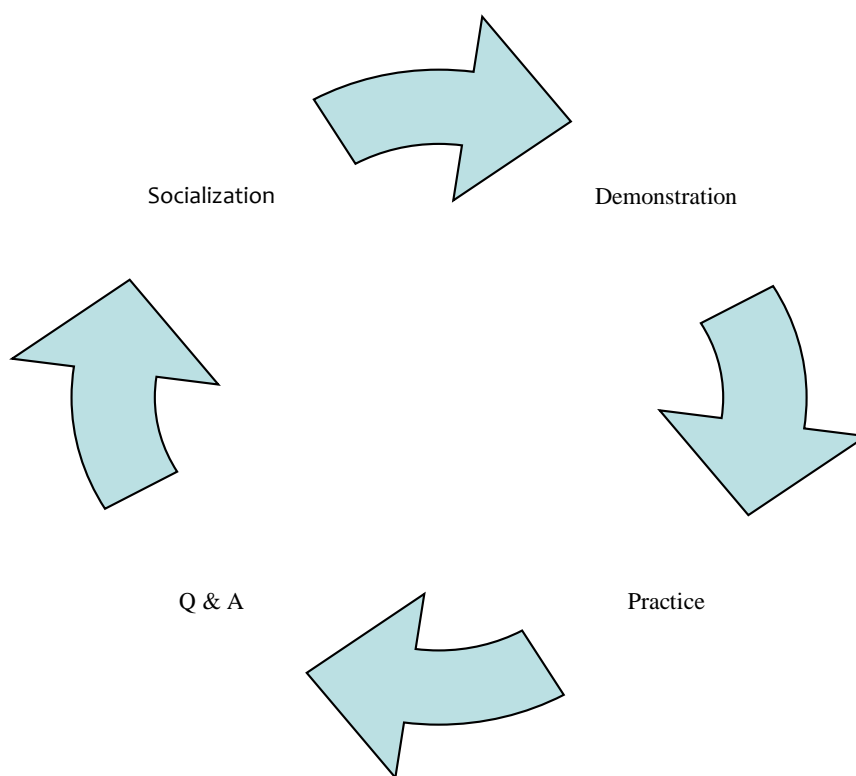


Figure 3. Method of Activity

3. RESULT AND DISCUSSION

Result

Community Service Activities regarding Online Tax Service Explanation for MSME Actors in the Tangerang City Area have been carried out on Wednesday, February 16, 2022 at 08.30 to 12.30 WIB using the zoom meeting channel as the result of communication between the Community Service team of Mercu Buana University and the Department of Industry, Trade, Cooperatives and SMEs Tangerang City. The zoom channel used at the implementation stage is ID 84045764360 and passcode 856915 as the results of the discussion of the Community Service team at Mercu Buana University with partners in the preparation process, using the zoom meeting channel considering the state of the covid pandemic that is still happening in Indonesia during the activity. Participants who attended and participated in the event were 79 people who were MSME actors under the supervision of the Tangerang City Industry, Trade, Cooperatives and SMEs Office.

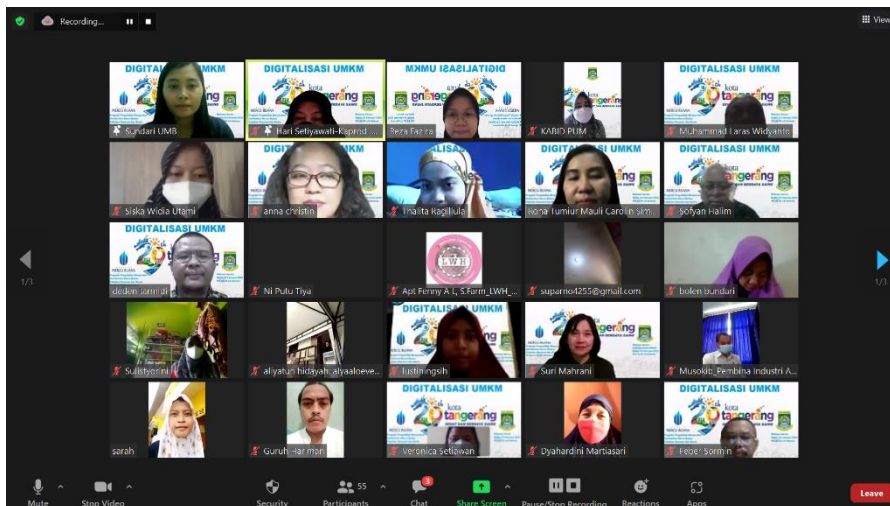


Figure 4. Participant

The demographics of the participants who attended can be described as follows:

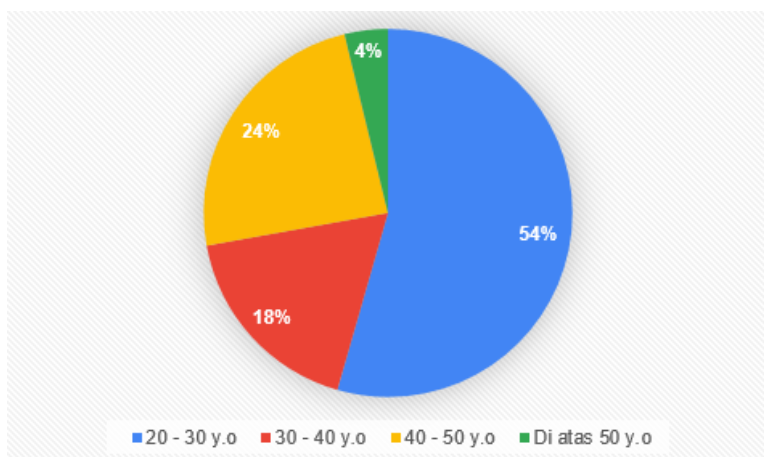


Figure 5. Age of Participant

Based on the age demographics of the activity participants described in Figure 5, it is known that participants aged 20 to 30 years old are the most at 54%, while participants over 50 years old are the lowest at 4%. From the age demographics described, it explains that the interest of MSME actors between the ages of 20 to 30 is very high, this information indicates that the younger generation of MSME actors is very concerned with tax information, especially in online services that can be utilized in their business activities.

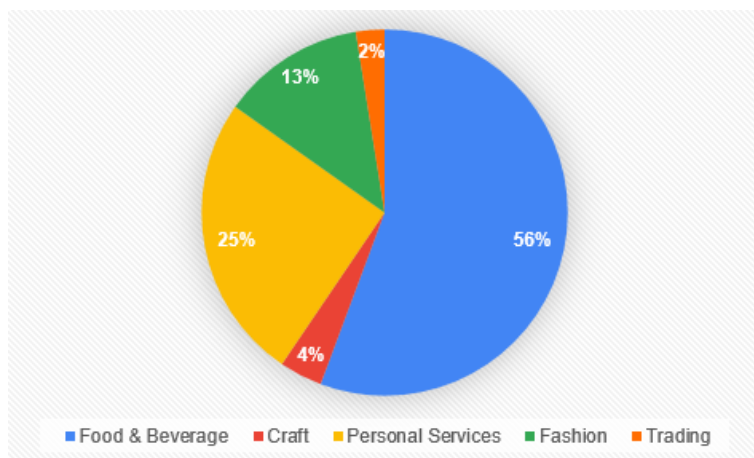


Figure 6. Business Type of Activity Participants

Based on the demographics of the type of business participating in the activity as described in Figure 6, it is known that the most participants are MSME actors from culinary or food and beverage businesses, which is 56%, followed by MSME actors from personal service businesses. There are indeed many culinary entrepreneurs (Amin, et al., 2022), not only in Tangerang City but also throughout Indonesia. The enthusiasm of MSME actors from culinary businesses and individual services such as online motorcycle taxi services is quite good considering the high transactions from the two business sectors, while the resources they have in carrying out tax rights and obligations are generally the majority of workers in the production or service department.

Of all the processes that have been carried out, both preparation, implementation and evaluation, the following are the results of activities in the form of online tax service explanations for MSME actors in Tangerang City:

a. Preparation

At this step, all implementing members held discussions for the division of tasks, namely Mr. Feber Sormin as a communicator with partners (Department of Industry, Trade, Cooperatives and SMEs of Tangerang City) and as PIC for zoom facilities, Mr. M. Laras Widiyanto as PIC in handling correspondence, PIC in the management of Flyers and Certificates, as well as Prof. Noor Hazlina Ahmad and Mr. Deden Tarmidi as speakers at the joint implementation other than as PIC reports and publications.

At this step, coordination is also carried out with partners from the Tangerang City Department of Industry, Trade, Cooperatives and SMEs regarding the socialization activities that will be carried out. According to the agreement, a decision was made that the socialization activities would be carried out online, considering the COVID-19 virus, especially in Tangerang City.

b. Implementation

This step is the core stage of this Community Service activity, this stage is carried out with several parts, namely:

- 1) Opening speech by an official from Mrs. Dr. Hari Setiyawati, SE. Ak., M.Si. CA. as Head of Accounting Study Program, Faculty of Economics and Business, Mercu Buana University, and Mrs. Hastuti Handayani, A.P., M.A.P. as the Head of Micro Business Empowerment representing the Industry, Trade, Cooperatives and SMEs Office of Tangerang City.



Figure 7. Opening Speech

On that occasion, Mrs. Hari as Head of Accounting Study Program, Faculty of Economics and Business, Mercu Buana University explained the importance of the Tridharma carried out by FEB UMB Lecturers, especially Community Service to MSME actors because MSMEs are the largest business sector in Indonesia, which means they absorb a lot of labor and in fact have resilience strong in the current pandemic.

And on this occasion, Mrs. Hastuti Handayani, A.P., M.A.P. as the Head of Micro Business Empowerment representing the Industry, Trade, Cooperatives and SMEs Office of Tangerang City explained that the number of MSME actors in the city of Tangerang was quite large. Community Service Activities carried out by Lecturers of the Faculty of Economics and Business, Mercu Buana University, which is the 3rd year are very important and useful for the participants of the activity, namely SMEs in Tangerang City.

2) Socialization, Demonstration, and Praticce

After the opening and remarks, the activity continued with socialization about MSMEs by Prof. Noor Hazlina Ahmad as well as information on online tax services provided by the Directorate General of Taxes to be used by taxpayers in fulfilling their tax rights and obligations, delivered by the speaker, Mr. Dr. Deden Tarmidi, SE., M.Ak., BKP. as part of the Mercu Buana University Community Service team. The material that is socialized needs to be known and understood by MSME actors because it relates to the fulfillment of tax rights and obligations, especially micro, small and medium business actors who usually do not have the human resources to run it. In addition to socializing, the speaker also gave demonstrations on how to register for NPWP, SPPKP to how to pay taxes and how to report taxes online. In this section, the speaker invites participants to practice or try using an online tax application (for those who already have an Tax ID Number / NPWP).

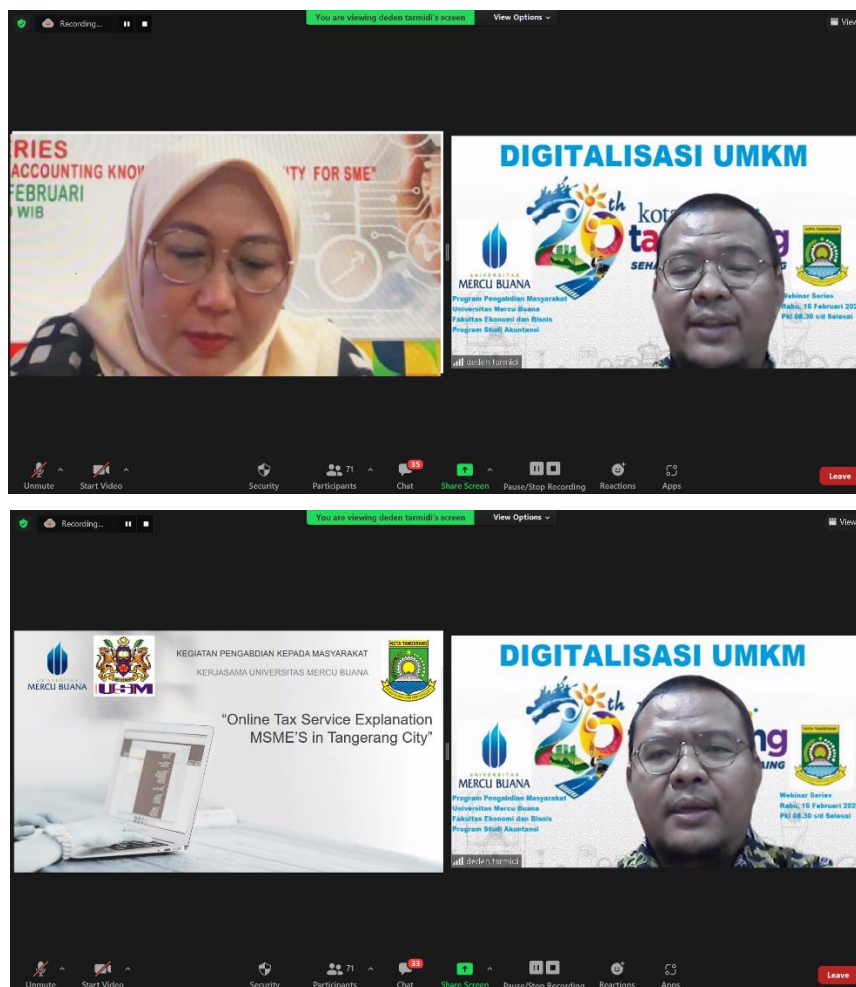


Figure 8. Socialization, Demonstration and Practice

3) QA and Discussion

In the last part of the implementation, the moderator leads a discussion room for participants to ask questions about the topic of online tax services and other taxation topics in general.

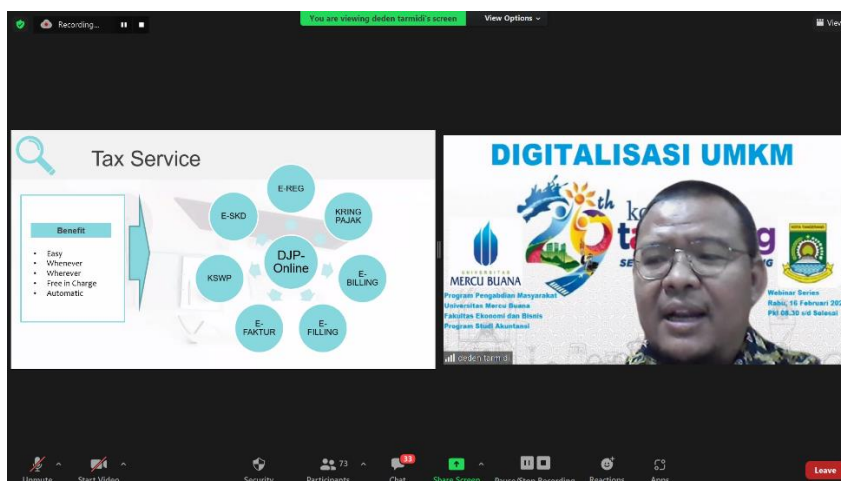


Figure 9. QA and Discussion

In this session it was also known that many participants as MSME actors did not know the process of registering a TIN, calculating income tax from business, depositing income tax, and reporting annual tax returns, many participants still thought that tax payments and tax reporting were still done manually so they were reluctant to do so, even though online tax services are available that can be used easily. Moderators, speakers and other PKM Teams take turns helping participants in solving cases that occur directly to activity participants.

The enthusiasm of participants in asking questions about their business taxes seemed high in this session, so the time spent in the question and answer process was the most. In this question and answer session, participants may ask questions via chat or raise hand to be able to ask questions and discuss directly with speakers and other participants.

c. Reporting and Evaluation Stage

After completing the Community Service implementation activities, the Community Service team from Mercu Buana University and University Sains Malaysia conducted an evaluation in the form of collecting data and information from activity participants in relation to the activity topic, namely online tax services.

This evaluation process is more focused on how to increase the understanding of participants before and after the implementation of Community Service activities, and how the process of activities that have been carried out. The evaluation process functions as a control of the results of activities that have been carried out in order to ensure the quality of activities that are systematic, effective and efficient. At this stage, participants were asked questions about the topics explained by the speaker, such as how to deposit taxes, the process of reporting final income tax in the Annual SPT. The process of giving questions is done directly in the zoom room and participants answer directly. This evaluation process was also carried out in order to obtain information about the impact of PKM activities for participants on the problems that existed before, the majority of participants understood the material that was socialized, demonstrated and exemplified. The evaluation process was also carried out to obtain feedback from participants through questionnaires to improve future activities.

From the results of the evaluation, it was found that participants actually understood the importance of taxes for the state and participants also felt indirectly, such as good roads, electricity and other public facilities so that participants knew that all the benefits they felt came from taxes paid by the community as well. . The level of participants' ability to understand how to deposit taxes online and understand the online tax reporting process has increased and has encouraged participants to use online tax services to become compliant taxpayers.

Closing the series of community service activities, a Community Service Report is made which must be submitted to the PPM Directorate of Mercu Buana University.

Discussion

Based on the results of the activities described previously, it is known that Community Service activities between Mercu Buana University, University Sains Malaysia and the Tangerang City Industry, Trade, Cooperatives and SMEs Office have been running for several years. This explains that MSME actors in Tangerang City receive benefits from this activity so that partners from the Tangerang City Department of Industry, Trade, Cooperatives and SMEs are willing to continue similar activities. This community service activity, apart from being a lecturer's Tridharma, was also well received by participants under the supervision of the Tangerang City Industry, Trade, Cooperatives and SMEs Office.

Implementers of community service activities have carried out a series of activity processes ranging from preparation, implementation, to reports, all of which are carried out responsibly and in cooperation with fellow implementing members and activity partners. The participants who attended this webinar activity were 79 participants who have various types of MSME level businesses in Tangerang City. This community service activity is carried out online using the zoom facility, according to the agreement of implementing members and partners at the preparation stage. This was done because the activity was carried out at a time when the COVID-19 pandemic was still high, both regionally in Tangerang City, nationally and globally.

At the implementation step, support from officials from the Mercu Buana University and the Tangerang City Department of Industry, Trade, Cooperatives and SMEs were seen in the attendance and remarks at the beginning of the event. The implementation method consists of 3 sessions, namely a socialization session about online tax services, demonstrations and practices, as well as a question and answer session about socialized topics and other tax topics experienced by participants.

Evaluation is the last process of community service activities, with the aim of knowing the level of benefits from this activity for participants and it was found that there was an increase in participants' understanding of the material that was socialized, demonstrated and trained to participants. Meanwhile, reporting is carried out as a form of responsibility to Mercu Buana University

4. CONCLUSION

This Community Service Activity with the topic of online tax services found the following conclusions:

- a. PKM activity participants consisting of MSME actors in Tangerang City have limited resources in the field of taxation, so more socialization is needed from the Directorate General of Taxes or other parties such as lectures to improve the skills of MSME actors on tax rights and obligations.
- b. MSME actors are aware that taxes are indeed needed for state development which will indirectly be enjoyed by the community, but information about online tax services is quite limited so that many taxpayers have not used them. This is also a concern for regulators and other parties such as tax consulting organizations in providing assistance to taxpayers, especially MSMEs in order to create increased tax compliance.

Meanwhile, Community Service Activities with the topic of online tax services are expected to have the following implications:

- a. It was found that increasing participants' understanding of how to calculate, how to deposit and how to report taxes online, had good implications for partners and activity implementers to carry out this activity in the future.
- b. It was found that many participants did not know information about online tax services and how to use them, this has implications for future research broadly on similar topics so that more taxpayers understand how to operate online tax services.
- c. The implication for university from this activity is the inclusion of case studies on online tax services in the syllabus of courses from taxation to tax research or MSME research.

ACKNOWLEDGMENT

This Community Service (PkM) activity is a collaboration between Mercu Buana University, the University of Sains Malaysia, and the Tangerang City Government, especially the Department of Industry, Trade, Cooperatives and SMEs. Apart from being a lecturer's tridharma obligation, this activity is in fact directly beneficial for activity participants in increasing participants' understanding of the material being socialized, in addition to increasing participants' awareness of tax rights and obligations related to their business.

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