

## **TAXPAYER'S RESPONSE TO THE PROGRAM FOR TAX PENALTY RELIEF OF MOTOR VEHICLES IN EAST JAVA**

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### **ABSTRACT**

One of the benefits of paying taxes is to have a positive economic impact and is aimed at the welfare of the community. Almost all regions in Indonesia explore their potential income through local taxes. To be able to increase regional income, among others, it can be pursued through a policy that requires everyone to pay taxes in accordance with their obligations. One of the tax objects that is handed over to the provincial government for its regulation and management is the Motor Vehicle Tax. Motor Vehicle Tax is a tax on ownership and/or control of motorized vehicles. There is a low awareness of taxpayers to pay taxes resulting in arrears in payments. The East Java provincial government carried out a tax penalty relief program in the hope of easing the economic burden on the community in the midst of the Covid-19 pandemic. With this policy, it is hoped that motor vehicle owners who are late in paying vehicle taxes will not be penalized. The existence of this program should be able to be utilized by owners of privately owned vehicles, public transportation, and operational vehicles in the company. The purpose of this study is to find out the relationship between the motor vehicle tax penalty relief program and the awareness of taxpayers to pay motor vehicle tax arrears. This study shows that there is no significant relationship between the variable of the motor vehicle tax penalty relief program and the taxpayer's awareness of paying motor vehicle tax arrears. Awareness of good taxpayers has an impact by not responding to the tax penalty relief program because they have acted to comply with the provisions to pay on time.

**Keywords:** motor vehicle tax, tax penalty relief, taxpayer awareness, taxpayer compliance.

### **Introduction**

Tax is a contribution paid to the State based on the law and its application can be enforced without any remuneration. The contribution is used by the State to make payments in the public interest. Based on the authority to

collect, the types of taxes stipulated in Indonesia are central taxes and local taxes. Regional taxes are mandatory contributions to regions that are coercive in nature based on the law, and do not receive direct compensation and are used for regional purposes. Almost all regions in Indonesia explore their potential income through local taxes, for that local governments must be able to increase their potential sources of regional income.

To be able to increase regional income, among others, it can be pursued through a policy that requires everyone to pay taxes in accordance with their obligations. Regional taxes are taxes that are collected based on tax regulations set by the regions for the benefit of local government household financing and regional development financing (Resmi, 2017).

One of the tax objects that has been handed over to the provincial government for its regulation and management is the Motor Vehicle Tax (PKB) and the Transfer Fee for Motorized Vehicles (BBN KB). Considering the need for motorized vehicles in each region is very large. According to Article 2 paragraph (1) of the Law on Regional Taxes and Levies (UU PDRD), one type of regional tax under the authority of the provincial government is the motor vehicle tax (PKB). Each province has the potential to have a different amount of PKB tariffs, according to the policies of each local government. At least 10% of PKB revenue, including that which is distributed to regencies/municipalities, is allocated for road construction and/or maintenance as well as improvement of public transportation modes and facilities.

PKB is defined as a tax on ownership and/or control of motorized vehicles. In Article 1 number 12 of the PDRD Law it is stated that motorized vehicles are all wheeled vehicles and their trailers that are used on all types of land roads and are driven by technical equipment in the form of motorbikes or other equipment. The technical equipment functions to convert a certain energy resource into the motorized vehicle's motion power. This equipment includes heavy equipment and large equipment which in its operation uses wheels and motors and is not permanently attached as well as motorized vehicles operated in water.

Motor vehicle tax must be paid by the owner of the vehicle in a period of one year or five years. The calculation of the Motor Vehicle Tax is influenced by various factors such as the Sales Value of Tax Objects (NJKB), tax rates, and the Road Traffic Accident Fund Contribution (SWDKLLJ). Some of these factors then make it possible for the tax amount to change every year.

There is a low awareness of taxpayers to pay taxes resulting in arrears in payments. Taxpayers should carry out the obligation to pay taxes because this means supporting government programs to participate in development

and improving people's welfare through their awareness of paying taxes in an orderly manner. Awareness to fulfil tax obligations can arise if the taxpayer does not have tax arrears and the amount of administrative sanctions that exist (Siahaan, 2010). Taxpayer compliance is a condition that is carried out by the taxpayer to pay off all his tax obligations so that the taxpayer can exercise his tax rights.

Several regions in Indonesia have imposed a reduction in motor vehicle taxes. Car and motorcycle owners can take advantage of this to ease the burden of fines from tax arrears. One of them is East Java. Through the motor vehicle tax penalty relief program, the East Java provincial government hopes to be able to ease the economic burden on the community in the midst of the Covid-19 pandemic. With this policy, it is hoped that motor vehicle owners who are late in paying vehicle taxes will not be penalized.

The East Java Provincial Government has again rolled out a program for eliminating fines and vehicle tax discounts from September 9 to December 9, 2021. This program is related to the exemption of fines for late payment of vehicle taxes. This program for cancelling fines and vehicle tax discounts in the East Java region will be the second time in 2021. Previously, the same program had been carried out several months earlier in the same year. The tax discount given is also greater than the previous vehicle tax discount program which was held in the April-June 2021 period. If in the previous program the 2- and 3-wheel Motor Vehicle Tax (PKB) discount was 15 percent, now the discount has been increased to 20 percent. Likewise with 4-wheeled or more-wheeled vehicles, which were previously discounted at 5 percent, now they are 10 percent.

For the motor vehicle tax penalty relief program, the tax fines are given in the form of exemption from PKB fines, exemption from motor vehicle transfer fees (BBNKB), and exemption from the 2nd BBNKB principal and so on. The tax discount that is applied until December 2021 is intended for vehicles with black and yellow plates, privately owned and business entities. State-owned official vehicles are not included in the target of the program. To make it easier for the public to pay their vehicle tax, the East Java Provincial Government has collaborated with a number of payment facilities such as Bank Jatim, LinkAja, Gopay, Tokopedia, Indomaret, Alfamart, and several other channels.

The existence of this program should be able to be utilized by owners of privately owned vehicles, public transportation, and operational vehicles in the company. Based on this description, the author intends to conduct research on the topic of abolishing the motor vehicle tax penalty relief program and awareness of taxpayers to pay arrears of motor vehicle Tax.

## Research Method

In this study using quantitative research methods with survey methods. The use of the Survey method will make it easier for researchers to obtain data which is then processed with the aim of solving problems which are the ultimate goal of a study. According to Darmawan (2015), the survey method is used to obtain data from certain natural (not artificial) places, but researchers carry out treatments in data collection, for example by distributing questionnaires, tests, structured interviews and so on (the treatment is not like in the experiment).

The operational definition of variables is set to determine the extent to which research variables have a close relationship between them and also to facilitate understanding when discussing this research. Definition of Research Variables is anything in the form of anything determined by the researcher to be studied so that information is obtained about it, then conclusions are drawn.

There are two variables in this study, namely the program for refining motor vehicle tax fines and awareness of taxpayers to pay arrears of Motor Vehicle Tax. The definition of each variable is as follows.

The motor vehicle tax penalty relief program is the elimination of administrative sanctions for Motor Vehicle Taxes and Motor Vehicle Transfer Fees in the form of eliminating interest, fines and payable increases in accordance with the provisions of the tax law in order to increase regional income in the motor vehicle tax sector and relieve the public's burden on obligation to pay motor vehicle tax. The following are questions for the variable of the motor vehicle tax fines program.

- a. Taxpayers know about the motor vehicle tax penalty relief program.
- b. Taxpayers know the purpose of the motor vehicle tax penalty relief program.
- c. Taxpayers only pay if the government implements a motor vehicle tax fines program
- d. The motor vehicle tax waiver program improves taxpayer compliance in paying taxes.
- e. Taxpayers make good use of the motor vehicle tax penalty relief program.

Taxpayer awareness is a taxpayer's effort in carrying out his tax obligations in accordance with established regulations. With regard to motor vehicle tax, taxpayer awareness can be measured by the accuracy of taxpayers in fulfilling their tax obligations for one period (Azis, 2016). Taxpayer awareness in this case it means that taxpayers have a willingness to fulfil

their tax obligations in accordance with applicable regulations without the need for inspection, threats and the application of socialization both legal and administrative (Widodo, 2010). The following are questions for the taxpayer awareness variable to pay arrears of Motor Vehicle Tax.

- a. Taxpayers are always obedient to pay
- b. Paying taxes on time
- c. Never have arrears
- d. Taxpayers have never received a warning letter from SAMSAT.
- e. Paying taxes only if there is a motor vehicle tax penalty relief program.

The place of implementation of this research is in the city of Surabaya and the time of the study starts from August to September 2021. The population in this study is the taxpayer of motorized vehicles in the city of Surabaya.

Sampling that researcher will use in this study is the Incidental Sampling technique. According to Darmawan (2015) stating that incidental sampling is a sampling technique, based on coincidence, that is, anyone who coincidentally/incidentally meets a researcher can be used as a sample, if it is deemed that the person met is suitable as a data source. The number set is 100 respondents.

Data collection techniques are the methods used by researchers to collect data and other information in research on the problem that is the object of research. The data collection technique used in this research is the distribution of questionnaires. A questionnaire was created containing a list of questions which would then be distributed to taxpayers. Questionnaire is a data collection technique that is done by giving a set of questions or written statements to respondents to answer. List of questions based on indicators of each variable using a Likert scale.

In this study, the data analysis technique that the researcher will use is inferential statistics. Inferential statistics is a statistical technique used by researchers in analysing sample data, then the results of the analysis are applied to the existing population (Darmawan, 2015). The analysis used is validity, reliability, and correlation analysis. SPSS version 26 program will assist statistical analysis.

## **Data Analysis and Discussion**

There were 100 questionnaires that were processed to determine the relationship between the motor vehicle tax fines program and the awareness of taxpayers to pay motor vehicle tax arrears. There are 37 female

respondents, and 63 male respondents as vehicle owners. There are 29 owners of private cars, and 71 owners of motorcycles. There are 19 respondents who are late in paying taxes, and there are 81 respondents who are on time for paying motor vehicle taxes. The results were then tested for validity and reliability.

The validity test is guided by the corrected total item correlation value of not less than 0.3 to be declared valid. There were five questions from the motor vehicle tax fines program variable, and all of them were declared valid. There are five questions from the taxpayer awareness variable to pay motor vehicle tax arrears, and all of them are declared valid.

The reliability test is guided by the value of Cronbach's alpha which is not less than 0.6 to be declared reliable. The results of SPSS obtained that the value of Cronbach's alpha variable for the motor vehicle tax penalty relief program was 0.853 and the taxpayer awareness variable to pay motor vehicle tax arrears was 0.705.

The results of SPSS related to correlation analysis obtained a significant value of 0.075 which means there is no significant relationship between the variable of the motor vehicle tax penalty relief program and the taxpayer awareness variable to pay motor vehicle tax arrears.

Thus, it can be said that there is no relationship the motor vehicle tax penalty relief program and the awareness of taxpayers to pay motor vehicle tax arrears. This finding means that the program does not have an impact on taxpayers who already have the awareness to pay taxes according to the provisions. Taxpayer compliance is a taxpayer's effort in carrying out his tax obligations in accordance with the stipulated regulations. Taxpayer compliance includes compliance with calculating the amount of tax to be paid, compliance with reporting and paying taxes as well as compliance with all other tax rules. With regard to motor vehicle tax, taxpayer compliance can be measured by the accuracy of the taxpayer in fulfilling his tax obligations for a period. In an effort to improve taxpayer compliance in paying taxes, efforts are needed from the government, especially local governments, one of which is by providing a policy of eliminating motor vehicle tax administrative sanctions or commonly referred to as the motor vehicle tax penalty relief program.

Exemption or exemption from administrative sanctions is an exemption with respect to matters relating to motor vehicle tax administrative fines that have not been paid on time in paying motor vehicle tax. The motor vehicle tax penalty relief program is a step taken by the State to bring order to taxpayers who have not paid off their obligations to pay vehicle taxes by not paying or eliminating the burden of late payment penalties for a certain period. Thus,



based on the description, it can be understood that the behavior of taxpayers who have correctly paid taxes according to the stipulated time does not have an impact and is correlated with the motor vehicle tax penalty relief program.

## Conclusion

This study shows that there is no significant relationship between the variable of the motor vehicle tax penalty relief program and the taxpayer's awareness of paying motor vehicle tax arrears. Awareness of good taxpayers has an impact by not responding to the tax penalty relief program because they have acted to comply with the provisions to pay on time.

The Government as a policy maker is expected to provide legal certainty for the policies it issues, especially those related to taxation issues so that taxpayers are obedient in paying taxes.

To improve motor vehicle taxpayer compliance, the central government should be able to make the latest regulations on taxation that can ease the burden on taxpayers related to late tax penalties and can disseminate these regulations evenly to provide an understanding of the importance of paying taxes to the public and can improve taxpayer compliance in fulfil its obligations.

It is hoped that the Regional Revenue Management Agency of East Java Province, if the motor vehicle tax penalty relief program is held again, so that there will be an additional time for the implementation of the motor vehicle tax penalty relief program, so that more taxpayers will pay their tax arrears and maximize the motor vehicle tax penalty relief program so that it can increase the number of taxpayers in paying vehicle tax.

Considering that the policy of exemption from transfer of title for motorized vehicles is not the first time that the Government of East Java has implemented it, it is hoped that in making a policy the government should be able to assess the benefits and advantages for taxpayers from the implementation of exemption from the transfer of title for motorized vehicles in previous years so that the government can use one of the advantages and benefits that occurred at that time to be applied so that the exemption of transfer fees could affect the level of compliance of motorized vehicle taxpayers.

The role of the tax apparatus in the success of a tax program is very important, one of which is the socialization of taxation. However, for some taxpayers who are far from the hustle and bustle of the crowd, of course there

are still many taxpayers who do not know about the existing tax regulations, so that the tax apparatus is expected to be able to provide socialization of taxation evenly.

This research is survey research using a questionnaire in taking respondents' answers, so it is possible that the answers from the respondents do not reflect the actual situation due to certain conditions of each respondent.

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