

## **INTERNSHIP REPORT IN ABSOLUTION TAX CONSULTANT FIRM ABOUT TAX AMNESTY**

**Christopher Tjandra, Sujoko Efferin**

Professional Accounting / Faculty of Business and Economic

[tjandrachristopher@yahoo.co.id](mailto:tjandrachristopher@yahoo.co.id)

### **Abstract**

Indonesia is a developing country and thus requires a large amount of fund for its development. The mains source of funding of a country is from tax. However, a significant amount of Indonesians have not paid their tax duties despite of the law. The low quality and complicatedness of taxation bureaucracy are the two main factors that causes the disobedience. The Mister of Economy is well aware of this situation and he believes that there is a high tax potential in Indonesia. Indonesians however, fear the administration sanctions and punishments the might receive if they were to pay off the tax debts that they have put off for years. Hence, the Mister of Economy implements a reformation on taxation system policy, which is the Tax Amnesty. This report explores the procedures, requirements, scope, and mechanism of Tax Amnesty, observed from the internship done at tax consultant office called Absolution, as a junior service staff on reporting the to the Tax Amnesty. The office accepts tax services such as facilitating clients who are interested in joining tax amnesty program.

Keyword: Tax Amnesty, Indonesia

**Intisari:**

Indonesia adalah sebuah negara yang berkembang. Dalam membangun sebuah Negara, pasti dibutuhkan dana yang besar. Pendapatan dana sebuah Negara, berasal dari pemabayaran pajak penduduk Negara tersebut. Namun, masih banyak penduduk Indonesia yang belum taat dalam melakukan kewajibannya. Birokrasi perpajakan yang tidak mendukung dan kerumitan dalam membayar pajak menjadi dua faktor utama keengganan wajib pajak melakukan kewajibannya. Hal ini disadari betul oleh menteri keuangan Indonesia. Ia meyakini bahwa terdapat potensi pajak yang sangat besar di Indonesia. Penduduk Indonesia hanya khawatir akan sanksi administrasi dan pidana yang akan menjerat mereka apabila hendak memulai membayar pajak yang telah ditunggak bertahun – tahun lamanya. Oleh sebab itu, menteri Ekonomi Indonesia mengimplementasikan sebuah reformasi kebijakan dalam sektor pajak, yakni program Tax Amnesty. Pada laporan ini, penulis menjelaskan langkah – langkah prosedural dalam melakukan tax amnesty di Indonesia. Penulis juga menjelaskan syarat dan ketentuan dalam mengikuti tax amnesty. Mulai dari siapa saja yang berhak mengikuti tax amnesty, tarif yang dipakai, tempat membayar pajak, fasilitas yang didapat, konsekuensi dan sanksi yang ada. Penulis melakukan kerja lapangan di sebuah kantor konsultan pajak yang bernama ABSOLUTION dengan tujuan mempelajari dan terlibat aktif Kantor ini terletak di Surabaya, Indonesia. Kantor konsultan pajak ini menerima berbagai macam jasa perpajakan, salah satunya ialah melayani klien yang hendak mengikuti program tax amnesty.

Kata Kunci: Tax Amnesty, Indonesia

## **Introduction**

Every country needs money for building their needs such as infrastructure, food, and so on. The income of APBN comes from many sources such as Export and Tax. Every person in the country has to pay the tax in order to achieve "pemerataan/kesejahteraan sosial". To achieve the goals, the country needs resources. Indonesia Government has revealed its *RAPBN (Rancangan Anggaran Pendapatan dan Belanja Negara)* annually. In 2016 it is shown that the APBN got 85% its income from the tax section. The data show that taxation is the majority of the Government income. Therefore, participation from the tax payer is very crucial.

Other data from *BPS (Badan Pusat Statistik)* in Indonesia show that there are approximately 250 Billion Indonesian people at the end of 2015. From the number, *DJP (Direktoart Jendral Pajak/ Indonesia Tax officer)* has received the income from 30.044.103 WP (*wajib pajak/ subject that supposes to pay taxes*), which is divided into 2.472.632 WP *Badan*, 5.239.385 WP *Orang Pribadi (OP) Non Karyawan*, dan 22.332.086 WP *OP Karyawan*.

BPS also stated that there are 93,72 million people in 2013 who have been working and getting their salary. Which mean, there are only 29,4% from the total potential taxpayer do their responsibility. There are around 70% taxpayer haven't fulfilled their duty. There are many factors that trigger taxpayer did not fulfill their responsibility such as corruption and complicated tax regulation in Indonesia. As the result, the tax income for the government has not reached the maximum target.

There are many issues that make the government has not fulfilled the APBN target. First, the government lacks of human resources. There are only 61.333 tax officers in Indonesia. It means, 1 tax officer has to handle 489,8 (almost 500) case. There are also many Indonesian villagers that have not fulfill their responsibility. If we compare to Japan, which has 66.000 Tax Officer, while its county has only 126.919.659 people.

The second factor that holds the government to achieve its target is a lack of the database. In this case, there are many people who pay the taxes, yet have not

declared its whole asset. As the results, they did not pay the whole taxes that need to be paid to the government.

Therefore, one of the ways government to achieve their target in 2016, is to establish a sensational policy. It is known as Tax Amnesty. Tax amnesty is a program that is given by the government to the taxpayer by declaring their own asset and liability.

By taking part in Tax Amnesty, the tax officer will not investigate where the asset comes from. Taxpayer only needs to pay the tax of their asset according to its rate. Its rate is different, and it depends on the period and the venture of the business. There will not be any additional tax fee such as administration fee and criminal fee. Furthermore, tax payer data are fully classified, that officer who exposes any data will be punished. The taxpayer will not be examined about its asset history.

As stated before, every country needs revenues in order to run the country. The revenue comes from tax and non-tax sector. In Indonesia, around 85% of its revenues comes from the tax sector.

However, Indonesia lacks of human resources in the taxation sector. Yet, the government sets a high target for the tax officer. This condition leads the tax officer to find more income. Those people who have fulfilled its obligation are being targeted to pay more. It creates fear in those who want to pay the tax obediently.

Ms. Sri Mulyani (Indonesia Economic Prime Minister), realized if this condition persists than the government will not be able to achieve its goals. In the other hand, the taxpayer will not pay the tax regularly. So, she establishes tax amnesty. The purpose of tax amnesty is to create a new gate. A gateway to pardon people who do not pay the tax obediently. Tax officer will get a new database of people who must pay the tax regularly. This database will help the tax officer in the future.

### **Scope of Internship**

In implementing this internship, there are scopes of the internship, which explains the job desk of the writer.

Doing a tax amnesty for a client means that the client needs to cooperate with the partner of the tax consultation firm. In this condition, the writer who works as the junior staff is not responsible for the discussion between the partner and the client.

After some discussion, the partner will hand over all the data that have been collected from the client. The data have to be processed and it will be done by the writer as the junior staff.

Tax amnesty that has been done by the writer is for the Small medium and enterprise which total declaration off asset is less than tell billion Rupiah. It is one of the simplest example of tax amnesty for the writer position in the firm is a junior staff.

The writer was doing the internship in Absolution Tax Consultant Firm. Absolution tax consultant firm launches its first services on January 31<sup>st</sup>, 2011. Absolution is offer professional expertise and in-depth knowledge of General Accepted Accounting Procedures (GAAP), Indonesian tax laws and practices.

Absolution has provided services to almost all nation area. Its client is from several sectors such as trading, manufacturing, service, property, hospitality, finance, and others.

For this firm has around 20 workers who work in several positions, vision and mission are very crucial to be known by all workers. Each of the worker has their own positions. The positions in this firm are divided into Partner, Director, Associate partner, senior manager, manager, supervisor, senior, and junior. Each position has their own job desk. Understanding vision, mission, and the job desk of its position are important so the firm will go to the same direction.

Since tax regulation is changing rapidly, in-house training is held by the top level manager. The purpose of in-house training is to synchronize perception about the regulation that published by the minister of the economic.

Absolution firm provides several services such as personal tax services, corporate tax services, international tax services, tax disputes services, transfer pricing services, merger & acquisitions services, accounting services, and education & training services.

### **Literature Review**

The discussion in this literature review underlines the internship and is used as the guidance to develop the concept in this journal. According to the *PMK. Undang – Undang Republik Indonesia Nomor 11 Tahun 2016* about Tax Amnesty

According to *Undang – Undang Republik Indonesia Number 11 in 2016*, Tax amnesty is a redemption program provided by the Government to taxpayers which includes the elimination of tax that is owed to the government, the removal of sanctions of tax administration, as well as the elimination of criminal sanctions in the field of taxation on wealth acquired in 2015 and previous years that have not been reported in the annual tax return report, by paying off the whole owned tax arrears and the legal fine.

Pinaki Bose and Michael Jetter (2012) in *Liberalization and tax amnesty in developing economy Journal* stated, "The potential success of a tax amnesty may now be predicted in advance: liberalization, technological improvements or economic prosperity, in general, may be observed and predicted to a certain degree".

In 2017, many countries have agreed to disclose their people asset. One of the reasons to do so is to fight terrorism. By disclosing the information, we can know the flow of the money, then it can minimize the latitude of the terrorist. This agreement also boosts the tax amnesty program. Sooner or later, people cannot hide their asset anymore.

This program socialization is also led by the President of Indonesia Joko Widodo, in several cities such as Jakarta and Surabaya. Not only the president but also all level of society also helps socialize this program. Church, bank, mass media such as newspaper, radio and television are co-operated to spread the news. The Economy Minister of Indonesia plays the big role in this program. They established a website so people who want to participate this program will have deep understanding of it.

The tax amnesty is divided into two there are declarations and repatriation. The declaration means we declare the asset of our asset in Indonesia or overseas. Repatriation means we declare our asset which located overseas and will be withdraw to Indonesia. The rate is divided into 3 periods. Until the end of September 2016, December 2016, and March 2017. Declaration rate for domestic and repatriation are 2,3,5% and declaration rate for overseas asset are 4,6,10%. For SME the rate is 0,5% for those SME who owned less than equal to 10 Billion Rupiah and 2% for SME who owned more than 10 Billion Rupiah. It valid until at the end of March 2017.

From the accounting perspective, we can compare there are different understanding about fair value. In accounting, fair value means the market value of the asset. However in the application of tax amnesty, tax payer are allowed to declare and decide the fair value of their asset according to their personal judgment which is stated in the PMK UU no. 11 tahun 2016 Pasal 6 ayat 4.

### **Steps to do the Tax Amnesty**

There are 6 steps in order to do a tax amnesty. First, declaring a fair value of its asset and liability which exist. Step 2, filling the Tax Amnesty form. Step 3, Preparing and attaching needed document. Step 4, paying its rate and attaching with others document. Step 5, going to the tax office and submitting the form and the CD. For the last step, after submitting the document, we will get a temporary receipt. It will be replaced within the real receipt within 10 working days.

According to the regulation, the theory of tax amnesty is simple and easy to understand. We only need to pay the asset with the rate in the certain period. However, in practical, there are lots of ambiguities. For example, there is a grandfather who has 10 kids and a piece of land. When the grandfather is dead, he bequeaths the land to his kid. When a kid one to join the tax amnesty and use his name as the ownership of the land, the tax office did not agree. It creates conflict among them. The officer believes that the land belongs to all of the kids. Each of the kid needs to sign the letter of ownership. However, some of the siblings have been pass away. So, the request of the tax officer is impossible to be done. As the conclusion, the kid needs to create a statement of ownership that the land belongs to him.

Since the writer work as a junior staff, then the report only consist about small medium and enterprise tax amnesty report. There are more complex type of tax amnesty report such as for declaration of listing firm, repatriate asset, etc. The asset and liability will be more complex compare to small medium and enterprise business entity. However, the steps and document needed to be submitted almost the same for it has been stated in the PMK UU nomer 11 tahun 2016.

## **Conclusion**

Tax amnesty in Indonesia is not a new product. It has been launched in 1964 and 1984. The main purpose of tax amnesty is to boost the government income from the tax. The fund that has been collected will be used by the government such as building infrastructure, military sector, public health, education, etc.

As an Indonesian citizen, we have the option to join the tax amnesty program or not. For example, as a college student, Mr. Daniel did not go to work and did not have any income or asset yet. Therefore, Mr. Daniel did not need to join the tax amnesty. Another example, Ahok (DKI Jakarta governor) has paid his tax annually and there is no other asset that he has not published yet. Therefore, he doesn't need to follow the tax amnesty program.

In contrast, every person, small medium enterprise, and company who has not paid or done their taxation honestly and regularly must be grateful for this is a beginning to live and do the taxation according to the rules. All of the assets that have not been declared must be declared and the person only needs to pay for 2, 3, 5 % depends on the period, or 4, 6, 10% if it is not in Indonesia.

### **Lesson learnt**

By doing the internship, there are several things that I got. First of all, having a good communication skill is very important. In order to work well as a junior staff in the firm, we need to communicate well higher level manager. Choice of words, the phrases that being used, intonation that we said, and the body language that we show, are very crucial for our interlocutor. The main issue in every company is missing communication. The speaker is unable to deliver their message well. On the other hand, the receiver has misinterpreted the message. This condition is a big issue for every firm.

The second thing that has been learned by doing this internship, is having a solid teamwork. There are 400 clients that want to join the tax amnesty program. The goal of the firm is set. Complete 400 tax amnesty of the client at the end of September. Every manager has their own task and responsibilities to do. When a junior/ internship student has already finished their task, they need to be active and ask the other managers, "What can I do for you?" A good manager can delegate the job to their team. Absolution team is able to complete 400 tax amnesty client at the end of September. I was able to submit 20 out of 400 form when doing the internship.

Ubaya-Universitas Surabaya also plays significant role for the writer to complete the internship. There are some subjects that can be applied in this internship. First, *Perpajakan* (taxation) understanding and memorizing the rate is very crucial. To determine how much tax a taxpayer need to pay, we have to know the asset that they have, where it come from, and how much rate that being charge according to each condition.

Second, the subject is leadership. Leadership is very important in every aspect. The first thing that we need to lead is ourselves. Time management is important. When we cannot lead ourselves enter the office on time, and finished the job on time, then there are lots of punishment will appear.

Last, is tax planning applications (*Aplikasi Perencanaan Pajak*). In implementing the tax amnesty, tax planning is very crucial. It is stated in the rules that the asset declare for tax amnesty, cannot be depreciated. Therefore, it is better for the owner or a shop, which is being used as the working places, declare the asset as their own asset. Tax planning is important to complete the tax amnesty.

### **Recommendation**

To complete the government target, income from tax amnesty plays significant roles. Therefore, each element that involves needs to understand completely about it. There is some tax offices that do not support the program for its lack of knowledge. Besides, there is some person who makes difficulties towards taxpayer by their behavior.

Lacking of human resource in taxation is the main issue in this country. On the other hand, there are many unemployment fresh graduate students. Government task is to fill the gap between both of it.

Another issue is, when the government asked all the taxpayer to fulfill their taxation duty using a website, please ensure that the platform is compatible. For example, the website of [sse.pajak.go.id](http://sse.pajak.go.id) frequently down in working hour. It is uncomfortable for the user. We need to fill the data over and over again.

For Ubaya, taxation subject needs to be improved. For example, there must be a subject about filling SPT *masa* (monthly) *tahunan* (yearly). So, when fresh graduate student enters taxation firm, they are familiar with the form. Also, they are able to report SPT *masa* and/or *tahunan* by themselves. Another example is filling SSE. The website is easy to use. However, there is no subject that teaches student using it.

The real application needs to be done so when the student will be graduated from Ubaya, the student are ready to use by taxation firm (if they want to work in tax field)