The Effect Of The Whistleblowing System And Tax Sanctions On Individual Taxpayer Compliance AT KPP Pratama Medan Timur

Putri Wahyuni [1] , Susan Grace Veranita Nainggolan [2]
Accounting, STIE Eka Prasetya
Merapi Street, Medan City, Indonesia
Email : putriwahyuni_18@yahoo.co.id

ABSTRACT

This study aims to determine whether the Whistleblowing System and Tax Sanctions have a significant effect on individual taxpayer compliance at KPP Pratama Medan Timur. This study uses quantitative data types and data sources are primary data. The population in this study is an individual taxpayer who pays an annual tax return to the KPP Pratama Medan Timur. The analytical method used in this study is multiple linear regression using SPSS program. The results partially show that the Whistleblowing System has a significant effect on taxpayer compliance at KPP Pratama Medan Timur. The results partially show the Tax Sanctions has a significant effect on taxpayer compliance. The results of the study simultaneously showed that Whistleblowing System and Tax Sanctions has a significant effect on taxpayer compliance a KPP Pratama Medan Timur. . The coefficient of determination (R Square) means that the Taxpayer Compliance variable can be explained by the Whistleblowing System variable and Tax Sanctions and the remaining Taxpayer Compliance variable is explained by other variables not included in the study.
Keywords: Whistleblowing System; Tax Sanctions; Taxpayer Compliance

INTRODUCTION

Tax payments are a manifestation of state obligations and the participation of taxpayers to directly and jointly carry out tax obligations for state financing and national development (https://www.pajak.go.id). Therefore, the Government has issued various economic policies to carry out such development, including fiscal policy, namely increasing state revenues sourced from tax sector revenues. The level of tax revenue can be influenced by one factor, namely taxpayer compliance.

Taxpayer compliance is a condition of taxpayers who must fulfill their tax obligations while exercising their taxation rights. Tax compliance is considered very important because tax compliance can increase state revenues and make taxpayers more aware of the importance of paying taxes. Indonesia applies a self-assessment system in its tax collection. In this system, the government acts as a supervisor of the taxpayers. However, the possible consequence of implementing a self-assessment system is that it is possible that taxpayers will commit fraud in reporting their tax amounts so that taxpayers can deposit their obligations as small as possible.

One of the factors that influence taxpayer compliance is the Whistleblowing System. Whistleblowing system (WiSe) is an application provided by the Ministry of Finance to accommodate and process complaints related to fraud and corruption crimes that occur within the Ministry of Finance, including the Directorate General of Taxes. If the use of the Whistleblowing system increases, it will certainly reduce fraudulent actions in

submitting the amount of tax in the financial statements, so taxpayer compliance and tax revenue will also increase.

Tax sanctions also play a major role in increasing taxpayer compliance. The imposition of this tax sanction can be in the form of a letter of reprimand or hostage-taking or gijzeling. Tax sanctions need to be known and understood by taxpayers so that taxpayers are aware of fulfilling their obligations. In the tax law, there are two sanctions, namely administrative sanctions and criminal sanctions. It is expected that tax sanctions can be enforced firmly in order to increase taxpayer compliance in carrying out their obligations.

However, in practice, the tax collection system in Indonesia is still difficult to run as expected because there are still many taxpayers who do not comply with reporting and paying their obligations. Judging from the data obtained through the KPP Pratama Medan Timur, PPh 21 revenue continues to decline. Even though the number of registered taxpayers continues to increase every year. The following is the income level of PPh 21 in 2016 to 2020:

Table 1. PPh 21 Acceptance Rate at KPP Pratama Medan Timur 2016 - 2020

No	Tax year	Registered Individual Taxpayer	Individual Taxpayers who Report SPT	Income Tax 21 (Rupiah)
1	2016	118.041	38.376	124.172.502.647
2	2017	123.136	35,375	88,752,545.816
3	2018	129,619	37.004	126,817,595,213
4	2019	136.509	35,227	118,551,456,749
5	2020	151.569	37,740	101.402.420.494

Based on data obtained from the KPP Pratama Medan Timur until 2020, it can be seen that PPh 21 receipts are decreasing. In 2016, there were 118,041 taxpayers registered at KPP Pratama Medan Timur and 38,376 taxpayers who reported Annual Tax Returns with income tax revenue of Rp. 124,172,502,647. In 2017, taxpayers reporting Annual Tax Returns decreased by 7.81% to 35,375 taxpayers with a decreased revenue of 28.52. In 2018 there was an increase in the number of registered taxpayers by 5.26% and those reporting an increase by 4.60% to 37,004 taxpayers with revenues of Rp 126,817,595,213 or an increase of 42.89%. In 2019, registered taxpayers continued to increase to 136,509 taxpayers but those reporting Annual Tax Returns decreased to 35,227 taxpayers or decreased by 4.80% and revenues decreased by 6.52% to Rp 118,551,456,749. In 2020 there was an increase in the number of registered taxpayers by 11.03% to 151,569 taxpayers, and those reporting Annual Tax Returns increased by 7.13% to 37,740 taxpayers but income for PPh 21 decreased by 14.47% to Rp 101,402 .420.494. This proves that there are still many taxpayers who do not comply and may commit fraud in the reporting and payment of the Annual Tax Return so that the level of tax revenue decreases every year.

Based on the description above, the purpose of this study is to determine whether the Whistleblowing System and Tax Sanctions have a significant effect on Individual Taxpayer Compliance at KPP Pratama Medan Timur.

LITERATURE REVIEW

Tax

Rahayu (2017), defines that taxes are defined as contributions, which are given by the people who fulfill their tax obligations to the government in monetary units. Jumaiyah & Wahidullah (2020), argue that taxes are things that the people must give to the state for the benefit of the state in carrying out its obligations to carry out government. According to Tampubolon (2017), tax is the right of the state to withdraw wealth from taxpayers to the state treasury then distributed to all people in accordance with the state budget.

According to the official (2013:2), the characteristics inherent in the definition of tax are as follows:

1. Taxes are collected based on or with the force of the law and its implementing rules.
2. In the payment of taxes, it cannot be shown that there is an individual contra-achievement by the government.
3. Taxes are levied by the state, both central and local governments.
4. Taxes are intended for government expenditures, which if there is a surplus from their income, they are used to finance public investment.

Taxpayer Compliance

Rahayu (2017) argues that tax compliance is the obedience of taxpayers in implementing the applicable tax provisions. Obedient taxpayers are taxpayers who obey and fulfill and carry out tax obligations in accordance with the provisions of tax laws and regulations. According to Zakya (2014), Compliance in terms of taxation means the condition of the Taxpayer exercising his rights, and especially his obligations, in a disciplined manner, in accordance with the laws and regulations and applicable taxation procedures. According to Rahayu (2017: 193), tax compliance is divided into two, namely:

1. Formal Tax Compliance, is the obedience of the Taxpayer in fulfilling the formal provisions of taxation. These formal provisions consist of:
    a. Timely in registering to obtain a NPWP or to be determined to obtain an NPPKP.
    b. Timely in depositing the tax owed
    c. Timely in reporting taxes that have been paid and the calculation of taxation
2. Material Tax Compliance, is the obedience of the taxpayer in fulfilling the material tax provisions. Material provisions consist of:
    a. Accurate in calculating the tax payable in accordance with tax regulations
    b. Appropriate in calculating the tax payable in accordance with tax regulations
    c. Precise in cutting and collecting taxes (Taxpayer as a Third Party)

According to PMK No. 192/PMK.03/2007 (2007), taxpayers with certain criteria, hereinafter referred to as Obedient Taxpayers, are Taxpayers who meet the following requirements:

1. Timely in submitting Notification Letters.
2. Do not have tax arrears for all types of taxes, except tax arrears that have obtained permission to make installments or delay tax payments.
3. The Financial Statements are audited by a Public Accountant or government financial supervisory agency with an Unqualified opinion for 3 (three) consecutive years.
4. Never been convicted of a crime in the field of taxation based on a court decision that has permanent legal force within the last 5 (five) years.

Whistleblowing System

Effendi (2016) stated that the Whistleblowing System is a system used to accommodate, process and follow up, as well as make reports on the information submitted by the whistleblower regarding violations that occurred within the company. Based on the Minister of Home Affairs Regulation Number 109 of 2017, the Whistleblowing System

(WBS) is a violation reporting system to make it easier for anyone who has information and wants to report an act indicating a violation that occurred within the Ministry of Home Affairs and the National Border Management Agency. According to Effendi (2016), the Whistleblowing System that occurs in the company environment really requires the participation (participation) of all elements of the company in the disclosure and reporting process. The Whistleblowing System is part of the internal control system in an effort to prevent and detect irregularities and fraud practices as well as to strengthen the implementation of GCG.

According to Effendi (2016), the Whistleblowing System can be expressed through several indicators, including:
1. How to submit a violation report
2. Whistleblower protection
3. The handling of complaints
4. The party that manages the complaint
5. Result of complaint handling

Tax Sanctions

Mardiasmo (2016) said Tax Sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be obeyed / adhered to / complied with. Setyawan (2021), argues that sanctions in the field of taxation are accumulative sanctions, meaning that if a taxpayer violates one of the provisions, it will result in a violation of the other provisions, the sanctions will be accumulated.

According to Mardiasmo (2016: 63), in the tax law there are two kinds of sanctions, namely Administrative Sanctions and Criminal Sanctions. Threats for violating a tax norm are only threatened with administrative sanctions, some are threatened with criminal sanctions, and some are threatened with administrative and criminal sanctions. The difference between administrative sanctions and criminal sanctions are:
1. Administrative Sanctions. It is the payment of losses to the state, especially in the form of interest and increases.
2. Criminal sanctions. It is torment or suffering. It is a last tool or legal fortress used by the tax authorities to comply with taxation norms.

According to the Law on General Provisions and Tax Procedures Article 39 paragraph (1), the indicators of tax sanctions are:
1. Not registering or abusing or using without rights the Taxpayer Identification Number as referred to in Article 2
2. Not submitting Notification Letter
3. Submitting Notification Letters and/or information whose contents are incorrect or incomplete
4. Showing false or falsified books, records, or other documents as if they were true
5. Not showing or not lending books, records, or other documents
6. Not depositing taxes that have been withheld or collected

RESEARCH METHOD

The location of the research conducted by the author was carried out at the Tax Service Office (KPP) Pratama Medan Timur, having its address at Jl. Suka Mulia No.17A, AUR, Kec. Medan Maimun, Medan City. The research time is from January 2022 – May 2022, with the object of research being Individual Taxpayers who are registered at KPP Pratama Medan Timur. The type of data used is quantitative data and the data source is primary data. Data was obtained through distributing questionnaires to individual taxpayers registered at KPP Pratama Medan Timur via google form. The research population used in the study is the individual taxpayers registered at the KPP Pratama

Medan Timur in 2020 as many as 151,569 people. Because the total population used is 151,569 people, the population will be reduced by using the Slovin formula with a 90% confidence level and an error rate of 10%. The sample that will be used in this research is 100 individual taxpayers who are registered at KPP Pratama Medan Timur with the sampling technique using Simple Random Sampling. The data analysis model used in this study is a multiple regression analysis model.

Researchers use multiple linear regression because this model is useful for explaining the effect of two or more independent variables on the existing dependent variable. The multiple regression equation model is:

$$= + 1\,1 + 2\,2 + \_\_\_\_\_$$

Information :
Y = Taxpayer Compliance
a = Constant
b1, b2 = Variable coefficient
X1 = Whistleblowing System
X2 = Tax Sanction
e = Standard error

RESULTS

Descriptive statistics
This test aims to provide an overview of the research variables, namely the Whistleblowing System, Tax Sanctions and Taxpayer Compliance based on the minimum, maximum, average (mean) and standard deviation values. Here are the results of descriptive statistical tests:

Table 1. Descriptive Statistics

	N	*Minimum*	*Maximum*	*mean*	*Std. Deviation*
Whistleblowing System	100	15	50	35.70	7.346
Tax Sanctions	100	14	55	41.53	7.945
Taxpayer Compliance	100	15	39	28.34	5.520

Based on Table 1 above, it can be explained that the amount of data used is 100 taxpayers who are registered at the Tax Service Office (KPP) Pratama Medan Timur. The Taxpayer Compliance variable (Y) produces a minimum score of 15 for respondent number 84, a maximum value of 39 for respondent number 27, an average value of 28.34 and a standard deviation of 5.520. The variable Whistleblowing System (X1) produces a minimum value of 15 for respondent number 44, a maximum value of 50 for respondent number 62, an average value of 35.70 and a standard deviation of 7.346. The Tax Sanctions variable (X2) produces a minimum score of 14 for respondent number 84, a maximum value of 55 for respondent number 3 and 28, an average value of 41.53 and a standard deviation of 7.945.

Normality test
The normality test aims to determine whether the distribution of a data follows or approaches the normal distribution. The results of the normality test are as follows:
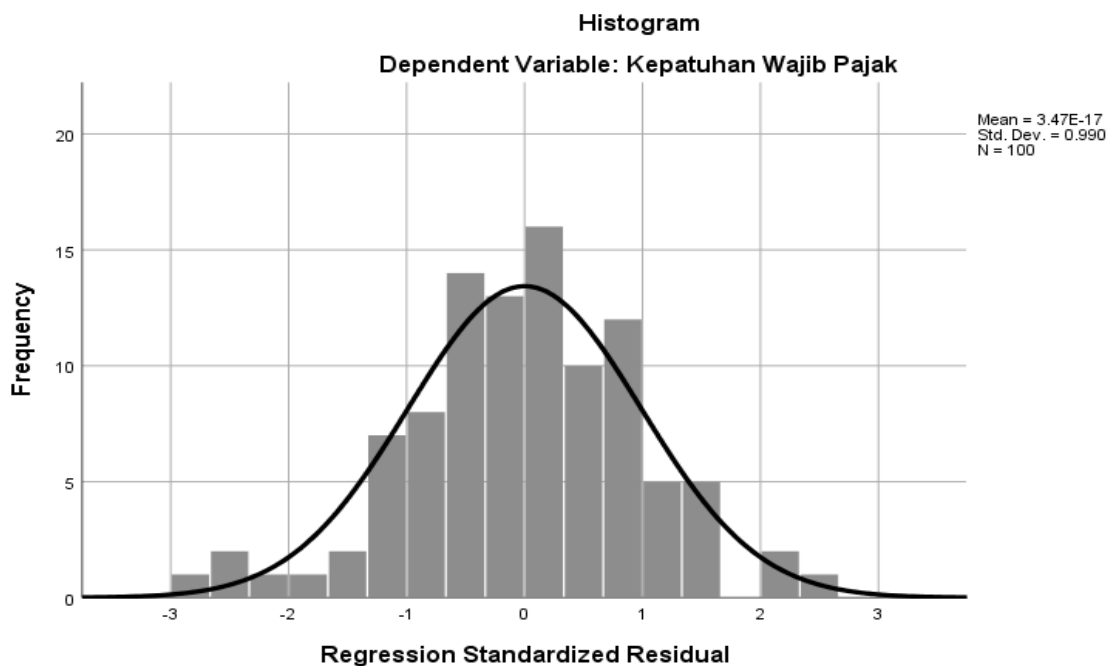
Figure 1. Normality Test Results (Histogram Graph)

Based on Figure 1, the histogram graph results show that the image forms a bell-like image, where the pattern of this research data has followed a bell-shaped curve line so that the data is normally distributed.

Multiple Linear Regression Analysis
Multiple linear regression analysis is a linear regression model involving more than one independent variable or predictor. Multiple linear regression analysis in this study aims to determine how big the regression coefficient of the influence of the Whistleblowing System and Tax Sanctions on Individual Taxpayer Compliance at KPP Pratama Medan Timur.

Table 2. Results of Multiple Linear Regression Analysis

	B
(Constant)	4,241
Whistleblowing System	0.124
Tax Sanctions	0.474

Based on the table above, the formulation of this analysis is:

Taxpayer Compliance = 4.241 + 0.124 Whistleblowing System + 0.474 Tax Sanctions

The constant value indicates that if there is no value for the independent variable, namely the Whistleblowing System and Tax Sanctions, then the value of Taxpayer Compliance as seen from Y will increase by 4.241. For every 1 unit increase in the Whistleblowing System, the change in the value of Taxpayer Compliance as seen from Y will increase by 0.124 units assuming other variables are considered zero. For every increase in Tax Sanctions by 1 unit, the change in the value of Taxpayer Compliance as seen from Y will increase by 0.474 units assuming other variables are considered zero.

Hypothesis testing
Table 3. t test results

	t	Sig.
(Constant)	2,077	0.040
Whistleblowing System	2.203	0.030
Tax Sanctions	9.112	0.000

Based on the table above, the results of the t-statistical test show that the Whistleblowing System variable has a value of tcount > ttable, namely with a value of 2.203 > 1.984467 and a significant value of <0.05, namely with a value of 0.030 <0.05, which means that the Whistleblowing System has a significant effect on Mandatory Compliance. Individual Taxes at KPP Pratama Medan Timur. The Tax Sanctions variable has a value of tcount > ttable, with a value of 9.112 > 1.98447 and a significant value of <0.05, with a value of 0.000 <0.05, which means that tax sanctions have a significant effect on individual taxpayer compliance at KPP Pratama Medan Timur.

Table 4 F. Test Results

Model		F	Sig.
1	*Regression*	76,701	.000 [b]

Based on Table 6 above, it can be seen that the value of Fcount > Ftable is with a value of 76.701 > 3.09 and a significant value < 0.05, namely with a value of 0.000 < 0.05, which means that the Whistleblowing System and Tax Sanctions have a significant effect on Individual Taxpayer Compliance. Personal At KPP Pratama Medan Timur.

CONCLUSION

The conclusion of the study shows that the results of this study state the effect of the Whistleblowing System and Tax Sanctions on Taxpayer Compliance. It is shown from the results of multiple linear regression analysis which means that the Whistleblowing System and Tax Sanctions variables together have an influence on Taxpayer Compliance. Partially, the Whistleblowing System variable has a significant effect on individual taxpayer compliance at KPP Pratama Medan Timur. Partially, the tax sanctions variable has a significant effect on individual taxpayer compliance at KPP Pratama Medan Timur. Simultaneously, the variable Whistleblowing System and Tax Sanctions have a significant effect on the Compliance of Individual Taxpayers at KPP Pratama Medan Timur. The coefficient of determination shows that the Whistleblowing System and Tax Sanctions can explain the relationship with individual taxpayer compliance at KPP Pratama Medan Timur.

REFERENCES

Effendi, M. A. 2016. The Power of Good Corporate Governance : Teori dan Implementasi. Jakarta: Penerbit Salemba Empat.

Jumaiyah, & Wahidullah. 2020. Pajak Penghasilan - Teori, Kasus dan Praktik. Yogyakarta: Penerbit Andi Offset.

Kemendagri. 2017. Peraturan Menteri Dalam Negeri Nomor 109 Tahun 2017 tentang Kebijakan Pengawasan di Lingkungan Kementerian Dalam Negeri dan Badan Nasional Pengelola Perbatasan Tahun 2018.

Kementerian Keuangan. 2007. Peraturan Menteri Keuangan No. 192/PMK.03/2007 tentang Tata Cara Penetapan Wajib Pajak dengan Kriteria Tertentu dalam Rangka Pengembalian Pendahuluan Kelebihan Pembayaran Pajak.

Kementerian Keuangan. 2013. Undang-Undang Republik Indonesia Nomor 6 Tahun 1983 Tentang Ketentuan Umum Dan Tata Cara Perpajakan Dengan Rahmat Tuhan Yang Maha Esa Presiden Republik Indonesia.

Mardiasmo. 2016. Perpajakan Edisi Terbaru 2016. Yogyakarta: Penerbit Andi.

Rahayu, S. K. 2017. Perpajakan Konsep dan Aspek Formal. Bandung: Rekayasa Sains.

Resmi, S. 2013. Perpajakan : Teori dan Kasus Edisi 7 Buku 1. Jakarta: Penerbit Salemba Empat.

Setyawan, S. 2021. Perpajakan. Malang: Penerbit Universitas Muhammadiyah Malang.

Tampubolon, K. 2017. Akuntansi Perpajakan Dan Cara Menghadapi Pemeriksaan Pajak. Jakarta: Penerbit Indeks.

Zakya, I. 2014. Kepatuhan Wajib Pajak. Pekanbaru: Penerbit Alaf Riau Pekanbaru. www.pajak.go.id2.