

Evaluation Of Tax Incentive Policy For MSMEs In The Context Of National Economic Recovery At Tanjung Priok Small Tax Office In 2021

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ABSTRACT: The purpose of this study was to evaluate the policy issued by the government regarding MSME Tax Incentives during the pandemic based on PMK Number 44 of 2020 at Tanjung Priok Small Tax Office Jakarta in the context of National Economic Recovery. The type of study used was a qualitative approach, where the researcher described the results of interviews and analyzed the data obtained in the field. This study was conducted from February to July 2022. The results of this study showed that the taxpayers enthusiastically welcome the policy issued by the government regarding MSME Tax Incentives. However, there are still taxpayers who do not know or have a lack understanding of the policies applied in their tax obligations on this tax incentive, therefore the taxpayers hope to get more detailed information and guidance for this policy.

Keywords: Evaluation, Tax Incentives, MSMEs, National Economic Recovery



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INTRODUCTION

The crisis hit Indonesia in 1997 the rupiah exchange rate against the US dollar and the monetary crisis which had an impact on the Indonesian economy, namely an economic recession. Looking at Bank Indonesia data, the monetary crisis for the 1997-1999 period did experience a depreciation of the rupiah up to 600% in one year, from IDR 2,350 to IDR 16,650 per 1 USD. In the midst of the world economic crisis, in fact, the struggle for Micro, Small and Medium Enterprises (MSMEs) has become Indonesia's economic modality when facing the global economic crisis. These MSMEs looked strong in facing the crisis at that time, but they were also able to survive in such a way amidst the global recession. Global economic development will be dominated by small and medium enterprises, and countries with strong small business networks will succeed in global market competition.



Figure I.1 Number of MSMEs

Source: Ministry of Cooperatives SMEs

Micro, Small and Medium Enterprises (MSMEs) are a form of business that is actively socialized by the government because they have a large contribution to the Indonesian economy on a micro basis. According to data from the central statistics agency, the MSME development table continues to increase from year to year. This means that the Micro, Small and Medium Enterprises (MSMEs) are currently in great demand by many people. Starting from students, to housewives. MSMEs themselves have become the backbone of the economy in Indonesia and ASEAN (Drucker et al., 2020; Jia et al., 2020; Sánchez-Braza et al., 2014).

According to Rohmad Hadiwijoyo, coordinator of the Board of Directors of the Center for Information and Development Studies, MSME is not yet a significant driver of national economic growth, however, MSME can play a crucial role as a backbone and buffer zone that saves Indonesia from an uncontrolled economic downturn. based on BPS data, after the economic crisis of 1997-1998, the fact is that MSMEs did not decrease, but increased, even in 2012 it was recorded that there had been an absorption of 85 million to 107 million workers. And in 2016-2017, the number of business actors is still outperformed by MSMEs. based on data originating from the website of the Ministry of Cooperatives and small and medium enterprises (depkop.go.id), the total number of business actors reached 61,655,547 units in 2016. Furthermore, in 2017, there was still an increase in the number of business actors in the MSME category as well as an increase in the amount of energy absorption Work. In fact, in 2020 even though MSMEs were hit hard by the pandemic, MSMEs are still able to stand up amid the Covid-19 pandemic (Dinica, 2017; Doussantousse et al., 2011; Maystadt & Salihu, 2019; Sharma & Gupta, 2020).

The Covid-19 pandemic is the spread of the 2019 coronavirus disease worldwide, this disease was first detected on December 31, 2019 in the city of Wuhan. The consequences of this pandemic have affected not only the manufacturing sector, there have also been some that have been affected by the MSME sector since April 2020. The national economic efforts carried out by the government during the pandemic were to encourage the MSME sector, because MSMEs themselves have an important role in the national economy. the existence of MSMEs as one of the strong national economic fundamentals for Indonesia. From the 1997-1998 Asian economic crisis to the 2020 economic crisis due to the Corona pandemic. MSMEs can survive as a booster for Indonesia's economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) it shows that in 2018 there were 64,194,057 MSMEs in Indonesia and employed 116,978,631 workers. Indonesia is dominated by MSMEs which play a role as the backbone of the national economy which has been seriously affected not only in terms of production and their income, but also in the number of workers who have had to be reduced due to this pandemic. (Pakpahan, 2020).

In facing an increasingly open and competitive market mechanism, market control is a requirement for small, medium and micro enterprises to increase their competitiveness. To control the market, small, medium and micro enterprises need to obtain information easily and quickly, including information on the production market and market information on factors of production. Information about the production market is urgently needed in order to expand the marketing network for products obtained by small, medium and micro businesses. Therefore, MSMEs can predict various market requirements to be more innovative in their business. The latest innovations in buying and selling are very easy, for example, E-Commerce transactions are used as an opportunity to start a business for MSME players (Purwaningsih, 2019).

Table I.1 Target and Realization of Primary KPP Tax Revenue

Jakarta Tanjung Priok 2016-2020

Year	Target	Acceptance Realization
2016	1.207.189.811.424	928.972.943.089
2017	1.014.819.891.000	899.341.009.553
2018	1.129.540.490.000	1.120.619.788.237
2019	1.375.675.150.000	1.166.779.127.666
2020	1.152.638.382.000	952.768.993.002

Source: Processed from KPP Pratama Jakarta Tanjung Priok

One of the sectors that the government pays attention to in the framework of the National Economic Recovery (PEN) is the taxation sector. Based on the target data and realization of tax revenue at KPP Prataman Jakarta Tanjung Priok in 2016-2020 every year it continues to increase from the previous year even though it has not reached the target or it can be said that tax revenue has not been optimal. Based on APBN funds from the 2019 Ministry of Finance, it shows that taxes are the largest state income with a percentage of 82.5%. And seen from the amount of tax revenue from year to year tends to increase. (Wijaya & Buana, 2019)

According to (Government Regulation Number 46 of 2013) concerning Income Tax on Income from Business Received or Earned by Taxpayers Having Certain Gross Turnover. The nature of tax collection is individual taxpayers or non-BUT corporate taxpayers who have income from businesses with a gross turnover that does not exceed IDR 4,800,000,000 in 1 (one) tax year. Also get MSME Tax facility of 1% (one percent). to encourage the public to participate in formal economic activities, by providing convenience and more equity to taxpayers who have a certain gross turnover for a certain period of time, amended (Government Regulation number 46 of 2013) regarding businesses that have a certain gross turnover to (Government Regulation number 23 of 2018) which reduces the MSME tax rate to 0.5% (half a percent) multiplied by monthly turnover (comes into effect July 1 2018) the PPh rate imposed in this government regulation is 0.5% and is final (Basten et al., 2017; Cnossen, 2018; Ordower, 2014; Xu, 2022).

The increase in tax compliance to taxpayers must always be considered and maintained. The various facilities provided to taxpayers must continue to be improved. The Ministry of Finance as the agency responsible for controlling the country's economy issues a tax incentive policy for MSMEs. The MSME tax incentives regulated in PMK Number 44 of 2020 concerning tax incentives for taxpayers affected by the 2019 corona virus pandemic are one of the policies taken from the economic sector to protect taxpayers so they can fulfill their tax obligations. With this provision, it means that the final PPh of 0.5% for MSMEs will be borne by the government (DTP) or waived. The purpose of this incentive is for people to continue to carry out their obligations as taxpayers even though they are affected by the pandemic and the public is given tax relief by the government at rates borne by the government.

The obstacle to running a business during a pandemic is the cash flow of expenses and income of MSME actors which also has an impact on government taxation. Efforts made by the government to increase taxation in Indonesia have been carried out, one of which is tax incentives for MSMEs during the Covid-19 period. However, it is not completely perfect. Because there are still many MSME actors who are ignorant of taxation, even though the tax incentives provided by the government are one of the efforts to restore the economy in the tax sector. Therefore researchers are interested in studying tax incentive policies for MSMEs.

METHOD

The approach that the writer will use in this study is a type of research using qualitative methods. That is a descriptive approach that uses analysis that is collected and expressed in the form of words, tables and pictures. According to Neuman (2000) that qualitative research begins with the selection of topics, which are usually general topics. This topic then develops and narrows down to be specific. Then proceed to adjust the topic to scientific journals or books known as literature searches.

John Creswell (2008) provides the following stages of qualitative type research. First, by identifying problems which are specification issues or symptoms to be studied, and stating that these issues are worthy of research. Second, discussion or literature review (literature review) researchers look for journal reading material that contains theories about the topic to be studied. Contains several questions, namely whether this research has previously been made, what was emphasized in previous research, what are the advantages of this research compared to previous studies. Third, the purpose of the research. Fourth, data collection concerning the selection and determination of potential participants. Fifth, data analysis and interpretation. Sixth, the last stage is reporting.

The author makes observations regarding the MSME Tax Incentive Policy whether it is in accordance with the procedure for imposing taxes on these tax transactions and the purpose of this research is to find out what tips the government is making regarding national economic recovery during this pandemic.

The type of approach that the writer uses is a descriptive approach. The descriptive method according to Sugiyono (2009: 21), "Is a method used to draw or analyze a research result but not used to make broader conclusions." The data obtained in this study will be analyzed more deeply so as to obtain an objective explanation.

RESULT AND DISCUSSION

The following discussion is meant to describe the research results that the author obtained from several interviews with informants on the Evaluation of Tax Incentive Policies for MSMEs at KPP Pratama Jakarta Tanjung Priok.

1. Evaluation of Tax Incentive Policies for MSMEs

At the time of the issuance of the policy regarding MSME Tax Incentives, KPP Pratama Jakarta Tanjung Priok continued to maximize tax rates and socialization or counseling conducted to evaluate MSME actors the importance of tax reporting. Even so, there are some MSMEs who do not understand and neglect to report their tax obligations.

The theory used in this research is the theory introduced by William Dunn which is quoted in Riant Nugroho's book (Public Policy: Public Policy Analysis) Year 2021 which produces information about policy evaluation. Evaluation criteria according to William Dunn are Effectiveness, Efficiency, Adequacy, Alignment, Responsiveness and Accuracy. Based on these criteria, the researchers made a comparison between the effectiveness and ineffectiveness of the tax incentives imposed in PMK No. 44 of 2020.

1. effectiveness

Effectiveness (process) is concerned with whether an alternative achieves the expected results or achieves the goal. From the results of interviews that the authors obtained with the Implementing Section and two other informants, namely taxpayers, in conclusion, the effectiveness of MSME policies has been running properly according to policies issued by the government, but it is still not optimal because there are still many taxpayers who do not understand MSME actors or understand the mechanism. in this tax incentive.

2. Efficiency

Efficiency (resources and optimization) is the relationship between effectiveness and the effort used, and is usually measured by calculating the resources and optimization used to achieve the highest effectiveness. In measuring the success of the policies issued by the government, the informants agreed that the policies implemented in these tax incentives were efficient, however, from several answers given by the informants, MSME actors did not feel efficient because there was still a lack of understanding given to the importance of tax incentives.

3. coverage

Coverage (performance) in William Dunn's theory is how far a level of effectiveness is made by the government to satisfy value needs, which includes coverage is performance. According to the interviews that the authors obtained with the Executive Section, the performance carried out at KPP Pratama Jakarta Tanjung Priok was in accordance with government regulations, namely regarding MSME tax incentives. In the performance carried out by KPP Pratama Jakarta Tanjung Priok it has been maximized but the taxpayers themselves still do not feel optimal due to the limited information provided.

4. alignment

Equity (public accountability) is closely related to legal and social rationality and refers to the distribution of businesses within society. The matter of smoothing in this theory that the author obtained in interviews conducted with informants with the enactment of the KPP Pratama Jakarta Tanjung Priok policy by educating the public about the importance of taxation. And the expected goal for the taxpayers themselves is to thoroughly enforce this incentive because the impact of the pandemic is not only the MSME sector.

5. Responsiveness

Responsiveness is how far to solve problems, preferences or values contained therein. The responsiveness referred to in this study is to measure the performance carried out at KPP Pratama Jakarta Tanjung Priok in a success or a problem. According to the Executive Section in the interviews that were conducted to measure it, it can be seen from the compliance of the taxpayers. The number of taxpayers who take advantage of incentives from 2020 to 2021 has increased, meaning that awareness of taxpayers during the pandemic has increased due to policies issued by the government in the form of tax incentives.

6. Accuracy

Accuracy (impact) is related to substantive rationale which refers to the value or self-esteem of policy goals. Accuracy includes the impact on government officials and the impact on policies for the community. This accuracy relates to whether what is implemented in this policy is right on target, in interviews conducted with informants that this policy is right on target in its implementation but there is still a lack of counseling that is carried out.

According to the data stated in Article 21 Income Tax Incentives at the Jakarta Tanjung Priok KPP Pratama, from 2020 the number of taxpayers utilizing it reached 278 taxpayers, then with an increase in 2021 it reached 2174 taxpayers. In this case, the authors conclude that the existence of this tax incentive during the Covid-19 period was enthusiastically welcomed by taxpayers because it made it easier during the pandemic, especially in 2021 when the pandemic peaked. However, the counseling is still not maximal at KPP Pratama Jakarta Tanjung Priok.

2. Obstacles faced

In implementing the MSME Tax Incentive Policy at the Tanjung Priok KPP Pratama there were several obstacles including internal and external constraints. These internal constraints include taxpayers and MSME actors who take part in the implementation of this tax incentive, only a few people, meaning that the target has not been optimal. The external obstacle is the lack of outreach or counseling by the tax authorities regarding the importance of reporting and paying taxes.

The following are some of the things that become obstacles or obstacles in implementing the MSME Tax Incentive Policy Evaluation, including:

- Lack of socialization carried out or constraints to make people aware of the obligation to pay taxes.
- The low interest of MSME business actors in taking advantage of tax incentives is due to several things, including the lack of attractiveness itself and many MSME actors who feel that the tax itself is a burden where it is difficult for them to fulfill their daily needs, let alone having to pay taxes.

Based on the description above, the authors conclude that the obstacles or obstacles in implementing the MSME Tax Incentive Policy in National Economic Recovery are that many people do not understand or do not understand to take advantage of these tax incentives issued by the government or lack of counseling conducted to MSMEs who do not understand mechanism issued by the tax authorities.

The obstacle faced by the KPP Pratama Jakarta Tanjung Priok in implementing this policy was the initial condition of the Covid-19 pandemic where the Work From Home (WFH) work system was implemented which made counseling or outreach carried out through media zoom not be realized routinely, meaning that it was less maximum. So that many MSMEs do not report their tax

obligations. The obstacles faced by MSMEs are the lack of taxpayer knowledge about these tax incentives, and the low knowledge of science and technology so that they experience difficulties in reporting the realization of the use of incentives.

3. Solution

Evaluation of Tax Incentive Policies for MSMEs in the Context of National Economic Recovery in overcoming any obstacles or obstacles in its implementation KPP Pratama Jakarta Tanjung Priok provides motivational encouragement or outreach to MSME actors to have awareness in reporting paying taxes, and provides in-depth understanding and provides encouragement and motivation. Among other things, socialization or counseling can be done through social media or other platforms that make it easier for taxpayers to find out. As well as in order to evaluate the extent to which this Tax Incentive is implemented.

At KPP Pratama Jakarta Tanjung Priok, especially for Account Representatives (AR), they must actively conduct or screen MSME business actors, especially online or e-commerce businesses with the aim of reminding them of the importance of paying taxes.

CONCLUSION

Based on the discussion in the previous chapters which discussed the Evaluation of Tax Incentive Policies for MSMEs in the Context of National Economic Recovery at KPP Pratama Tanjung Priok Year 2021 the following conclusions can be drawn:

1. Evaluation of the MSME Tax Incentive Policy that was in effect during the pandemic was not optimal because there were several aspects that had not been fulfilled, including the low interest of MSME business actors in taking advantage of tax incentives.
2. The obstacle faced by MSME actors is that the community still does not know about reporting or the mechanism for this tax incentive, meaning that there is a lack of counseling or socialization provided from KPP Pratama Jakarta Tanjung Priok to the public due to the limited distance during the pandemic where counseling was carried out only from media zoom. This means that the service has not been maximized.
3. Efforts made by the government continue to evaluate in order to recover the economy, such as by issuing this Incentive Policy which can help recovery during a pandemic. And it must be even more intense so that taxpayers comply with taxation.

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