



Taxpayer Compliance in Paying Land and Building Tax During the Covid 19 Period in Jayapura City

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Abstract

Taxpayers who know this do not assume that paying taxes is a burden, but considers it as their duty and responsibility as citizens, so they are not worried and voluntarily pay taxes, but rather the circumstances and conditions experienced by the people in Jayapura City so far. COVID-19 pandemic. it greatly affects the payment of property and building taxes. This research method is normative and empirical in nature, taking into account the applicable laws and regulations and the realities that apply in the field, systematically analyzing the material to obtain a comprehensive picture of the existing problems to obtain results that are in accordance with the objectives of the research. Based on the results of this study, taxpayer compliance in paying land and building tax during the Covid-19 period in Jayapura City has decreased significantly from year to year, in 2019 the target of land and building tax revenue for both individuals and districts/cities is Rp.27,099,075,000 (twenty-seven billion ninety-nine million seventy-five thousand rupiah), but until June 2020 the income from the land and building tax sector has decreased significantly, namely. around 15 percent (fifteen percent) compared to 2019. Related to several factors affecting Taxpayer Compliance with Land and Building Tax during the Covid-19 pandemic, there are factors that cause people to not understand taxes, tax sanctions imposed on Taxpayers who do not fulfill their obligations them, and finally the factor of reducing people's income for a year during the Covid 19 Pandemic.

Keywords: *Compliance; Taxpayers; Land and Building Tax; Covid 19 Period*

Introduction

In Indonesia cases of the spread of the Covid-19 virus are increasing day by day as well as in the Jayapura City area so that it has an impact on the economy, social, security and welfare of the community, so serious and directed handling is needed. The World Health Organization (WHO) declared COVID-19 a global health emergency on January 30, 2020. Corona virus is a type of virus that causes illness ranging from mild to severe symptoms.

Article 23 Paragraph (2) of the 1945 Constitution states that all taxes for the needs of the State are based on the Law. Formal tax laws are formal laws/regulations that explain who (subject), what (object), how much, how, and when an implementation of the determination, imposition and collection of taxes.

The definition of land and building tax according to Erly Suandy,¹ land and building tax is a tangible tax and the amount of tax owed is determined by the assets or objects, the condition of the assets and/or buildings. The status of the object (who pays) does not determine the amount of tax. Meanwhile, according to Suharno,² land and building taxes are related to central tax revenues, most of which are handed over to the regions. In the regional income and expenditure budget (APBD), land and building tax revenues are recorded in the tax distribution income group.

Land and building tax is a tax paid by individuals or legal entities who receive benefits and/or better socioeconomic status due to land and building rights. Therefore, taxpayers are individuals or entities that benefit from land and building rights. Individuals or entities registered as taxpayers must pay their taxes no later than 6 (six) months after receiving the SPPT.

In the administration of property and construction taxes in the era of regional autonomy, most of the taxes were handed over to the provincial government for the benefit of the local municipality where the tax object is located. According to Article 18 paragraph (1) of Law Number 12 of 1985, PBB revenue is government revenue that is shared between the central government and regional governments so that the distribution is at least 90% of the level II and level regional governments. I area rather than regional income. In Law Number 28 of 2009 concerning Regional Taxes and Regional Subsidies,³ objects of land and building tax are land and buildings that are owned, controlled and used by individuals or the community, excluding plantations, forests and mining.

PBB tax subjects are individuals or legal entities who actually have rights and/or benefits from assets, including, for example, owners, landlords, farmers, owners and cultivators. If the taxpayer is not clearly known, the finance director can determine the taxpayer. The legal basis for Land and Building Tax is the Land and Building Tax Law No. 12 of 1985 as amended by the Land and Building Tax Law No. 12 of 1994. In practice, PBB is also regulated by Government Council Decrees and Minister of Finance Regulations, including Minister of Finance Regulation No. 201/KMK .04/2000 concerning Adjustment of the Selling Value of Non-Taxable Goods (NJOPTKP) as the Basis for Calculation of Land and Building Tax, Circular Letter of the Director General of Taxes No. SE-26/PJ.6/2001 concerning Increasing the Target Amount of Land and Building Tax.

Taxpayer compliance is the compliance of taxpayers to fulfill their tax obligations in accordance with applicable regulations. Compliance means complying with applicable regulations. With regard to taxation, tax regulations apply. Conversely, taxpayers are individuals or entities required by tax regulations to report and pay taxes.

In order to provide services to Land and Building Taxpayers (PBB), the City Government of Jayapura opened more tax payer offices through the Regional Revenue Agency. Taxpayer payment counters are in the middle of the main hall and in the autonomous building of the Jayapura Mayor's Office and the Office of the Governor of Papua Province. This service is carried out as part of our strategy to collect land and building tax every year, especially for taxpayers from the City Government of Jayapura and the Governor of Papua Province.

In 2019, land and building tax compliance in paying land and building tax during the Covid period in Jayapura City experienced a significant decrease compared to the previous year. In 2019, the target for land and building tax revenue for both individuals and legal entities is Rp. 27,099,075,000.- (twenty-seven billion ninety-nine million seventy-five thousand rupiah), but in June 2020, the revenue from the land and building tax sector experienced a significant decrease of 15% in 2019, which of course

¹ Erly Suandy, *Perpajakan*, Salemba Empat, Jakarta, 1996, hlm 64.

² Suharno, *Pengelolaan Pajak Bumi dan Bangunan Era Otonomi Daerah*, Salemba Empat, Jakarta, 2003, hlm 32.

³ Soemarsono, *Perpajakan Pendekatan Komprehensif*, Salemba Empat, Jakarta, 2007, hlm 42.

will be reflected throughout the year. As a result of the Covid-19 pandemic, people's income has decreased, affecting their ability to pay land and building taxes.

Method

This research method is normative and empirical in nature, taking into account the applicable laws and regulations and the realities that apply in the field, systematically analyzing the material to obtain a comprehensive picture of the existing problems to obtain results that are in accordance with the objectives of the research.

Result and Discussions

This tax is for development, through taxes we can alleviate poverty and educate people's lives, because taxes are diverted to build road education infrastructure and others, so that people are expected to pay taxes according to the specified payment date because the community contributes to the development of Jayapura City by paying taxes. But in reality, during the Covid-19 period, most of the people in Jayapura City experienced difficulties in the economy, both from the lower, middle and upper levels, many businesses even closed and were no longer continued, some were in arrears in paying their installments at the Bank, because With this situation, the people in Jayapura City automatically have a direct impact on taxpayers who have difficulty paying their taxes according to the specified date.

During the Covid-19 pandemic around the world, it not only had an impact on the health aspect, but also had a broad impact on various aspects of the economy. Worse, the government predicts economic growth this year will still be minus 0.4%. That is one of the discussions of DDTC Fiscal Research in the Indonesian Taxation Quarterly report (Q1-2020) entitled Global Tax Policy Responses to Covid-19 Crisis. This prediction is commonplace considering that international institutions such as the IMF have stated that the impact of the spread of Covid-19 on the economy will be greater than during the 2007-2008 financial crisis. Also worldwide, several international agencies predict the economy will shrink 1.1-2.9 percent.

Field survey results show the compliance level of land and building taxpayers. In 2019, taxpayer compliance in paying land and building tax during the Covid period in Jayapura City has decreased significantly from year to year, in 2019 the target of land and building tax revenue is individuals and communities of Rp. 27,099,075,000.- (twenty-seven billion ninety-nine million seventy-five thousand rupiah), but since June 2020, revenue from the land and building tax sector has decreased significantly, namely around 15% in 2019, which is certainly in the era of Covid-19 reflects that people's income has fallen so low that their ability to pay property and building taxes has been affected.

Several factors influenced taxpayer compliance in paying land and building taxes during the Covid-19 pandemic, including:

1. Understanding of taxation, where understanding is the willingness to explain familiar topics and the ability to interpret the material correctly. Taxpayer understanding of tax regulations is an internal reason that can influence the perception of taxpayers in making decisions regarding taxpayer compliance with their tax obligations. Taxpayers who understand tax regulations better understand what their obligations as good taxpayers are to fulfill these obligations, and this leads to the taxpayer's responsibility in paying PBB. Based on the theory of attribution, the taxpayer's understanding of tax regulations is an internal reason that can influence how taxpayers make decisions about taxpayer compliance with their tax obligations.
2. Weak application of tax sanctions, where tax sanctions are a public perception of sanctions for violations in the implementation of land and building tax (PBB) obligations. In addition, tax consequences are external factors that can influence how taxpayers make tax compliance decisions in fulfilling their tax obligations. In general, laws and regulations contain rights and

obligations, actions that are permitted and prohibited by society. Therefore, in order for people to comply with tax regulations, individuals must be sanctioned for their violations, so that it becomes a separate consideration for taxpayers. Taxpayers can fulfill the obligation to pay taxes if they consider that the fine is more detrimental. If the remaining tax of the taxpayer increases, the amount owed by the taxpayer will also increase, making it difficult for the taxpayer to pay the tax owed. Thus, the attitude or view of the taxpayer towards the PBB fine affects the amount of the taxpayer's tax compensation. Based on empirical data, it shows that tax sanctions have a positive effect on taxpayer compliance. The better the taxpayer understands tax penalties and laws, the better the tax liability will increase.

3. Economic capability, where the current Covid 19 pandemic has resulted in most people experiencing difficulties in running their economy, this is because through a circular letter from the mayor of Bada in May 2020 there were restrictions on carrying out both business and office activities, to the provincial government's policy of closing airports and port for approximately one month in May, of course this has an effect on people's income, with reduced income of taxpayers affecting compliance in carrying out their obligations in paying Land and Building Tax (PBB).

Conclusion

During the Covid 19 period in Jayapura City, taxpayer compliance in paying land and building taxes has decreased significantly compared to last year where in 2019 the target of land and building tax revenues for both individuals and entities is Rp. 27,099,075,000 (twenty-seven billion ninety-nine million seventy-five thousand rupiah) but until June 2020 revenue from the Land and Building Tax sector has decreased significantly, namely around 15% from 2019. There are several factors that affect compliance taxpayers in paying Land and Building Tax during the Covid-19 pandemic are factors in the lack of understanding of taxes from the public, the application of tax sanctions for taxpayers who do not carry out their obligations, and finally the factor in the decline in people's income during the Covid 19 pandemic. Therefore it is suggested to the Regional Government, in this case BAPEDA, to conduct legal counseling related to the importance of taxes for regional development, and the application of tax sanctions must still be implemented for those who do not pay taxes.

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