

# E-Filing Implementation, Tax Compliance, and Technology Authority

Resi Ariyasa Qadri<sup>a,\*</sup> and Emanuel Eko Darmawan<sup>b</sup>

<sup>a</sup>*Department of Accounting, Polytechnic of State Finance STAN, resi.ariyasa@pknstan.ac.id, Indonesia*

<sup>b</sup>*Directorate General of Tax, Ministry of Finance, emanueleko11@gmail.com, Indonesia*

**Abstract.** The study explicates how the real picture of the implementation of E-Filing at the mezzo level is, how far E-Filing utilization influences the level of compliance of WP OP in KPP, and how wide the gap is between taxpayer's technology authority and E-Filing implementation. The research employed the case study qualitative research framework using the five-step model. The data collected were gathered from interviews with four informants, the tax office's internal documents, and observation at the office. Those data were analyzed using thematic analysis. The research findings indicate that the individual taxpayers in rural areas in Indonesia are not technologically literate. Therefore, the implementation of an electronic income tax report program is mostly ineffective because most of the taxpayers are still submitting their income tax reports manually to the tax office. Nevertheless, The E-filing program is proven to increase the compliance level of the taxpayers. To increase the E-Filing literacy is to improve the technology authority of the taxpayers by holding more seminars on how to have out the E-Filing.

**Keywords:** Tax Accounting, E-Filing, Tax Compliance, Technology Authority

---

\*Corresponding author. E-mail: resi.ariyasa@pknstan.ac.id

## Introduction

In modern times, Information Technology is very influential on the behavior of humans who use it. The concept of the Technology Acceptance Model (TAM) is a theory about the use of information technology systems which is generally used to explain the individual acceptance of the use of information technology systems (Laihad, 2013). This theory can actually be felt in people's lives at this time. The use of smartphones has now become a necessity for the general public. As the main communication media, smartphones have an influence on individual communication behavior (Gifary & Kurnia, 2015).

Based on the data shown in Figure 1, the number of smartphone users in Indonesia continues to increase from 2016 to 2019. The growth in the number of smartphone users in Indonesia is in line with the development of Information Technology (IT) which is considered to improve performance and productivity (Wardiana, 2002). Coupled with the presence of new media such as the internet, smartphones are now devices that make one's life easier (Hanika, 2015). With its various functions and features, using a smartphone makes many things more practical. The use of IT can also be a form of innovation to create a more efficient government administration, especially in providing public services (Winanda, Cikusin, & Muchsin, 2016). By providing better public services, people feel they are being well served by the government as they should.

The government, in this case, the Directorate General of Taxes (DJP), has also innovated by introducing E-Filing to taxpayers. E-Filing is a method of submitting an electronic tax report that is done online and in real-time via the internet on the website of the Directorate General of Taxes or Tax Application Service Providers (PJAP). Taxpayers, especially Individual Taxpayers (WP OP), who were previously required to report their Annual Tax Report to the nearest Small Tax Office (KPP), can report their Annual Income Tax Report via their smartphones or other gadgets. The initial goal of implementing E-Filing is to provide satisfaction and comfort to taxpayers so that in the end it will increase taxpayer compliance (Husnurrosyidah, 2017). In general, tax compliance is a form of willingness to fulfill obligations for taxpayers in accordance with applicable regulations (Dewi & Supadmi, 2014).

In contrast to our observations and experiences, not all WP OPs who used the E-Filing facility in the year can reuse them smoothly in the following year. DJP's E-Filing was not without obstacles. Both tax authorities and taxpayers must experience difficulties due to an unstable internet connection. Also, server network limitations are an undeniable obstacle (Damayanti, 2014). Winanda, Cikusin, and Muchsin (2016) explained that server down, system errors, and taxpayers who forgot their email account or email password were factors inhibiting the implementation of E-Filing. Even though the Annual Tax Reporting is an annual routine agenda implemented by KPP throughout Indonesia.

A study by Astuti (2015) revealed that the implementation of E-Filing at KPP Pratama Gresik Utara was in accordance with the procedures based on tax regulations. However, the realization of the Annual Income Tax Report reporting has not been maximized because there are still several weaknesses in the application of E-Filing.

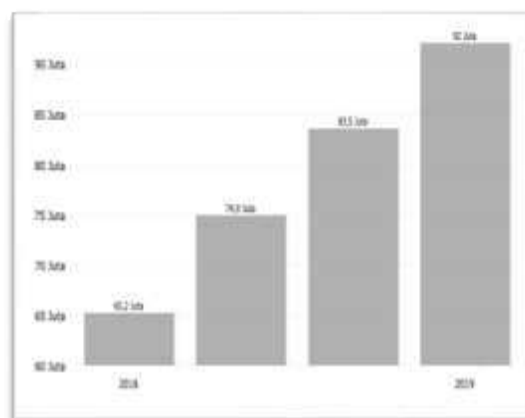


Fig. 1. Smartphone Users in Indonesia  
Source: databoks.katadata.co.id

The development of information technology (IT) has not been able to solve the problems arising from this inefficiency. The quality of IT provided by DJP also affects the quality of services provided to taxpayers. E-Filing implementation is still not optimal because taxpayers feel uncomfortable using the application made by the DGT (Saputra, 2016).

The growth of WP OPs who report their Annual Income Tax Report through E-Filing shows that WP OP compliance has also increased. However, this number does not fully imply that the implementation of E-Filing has been effective and efficient. Another problem is the different digital divide between urban and rural communities. This is a major problem faced by developing countries. This gap can be caused by various factors, including the availability of facilities, equipment, and IT human resources (Praditya, 2014).

Based on research conducted by Rosliyati (2016) at KPP Ciamis, taxpayers still do not understand how to fill out their SPT either manually or online. The result is that taxpayers choose to come to the Tax Office in droves to fill out their SPT. Taxpayers feel they still have to be directly guided by the tax authorities in filling out the SPT. Of course, this is contrary to the expectations in the implementation of E-Filing, namely reducing the impact of queues and the volume of work in the SPT receipt process. Dyanrosi (2015) mentions one suggestion for the DJP, namely to improve the E-Filing system so that Individual Taxpayers (WP OP) want to use the E-Filing system to report the WP OP's Annual SPT.

Research conducted by Anjanni, Hapsari, and Asalam (2017) concluded that the partial application of the self-assessment system has a positive and significant effect on the compliance of non-employee WP OPs at KPP Ciamis. In this study, the taxpayers' compliance data at KPP Ciamis was displayed but did not yet explain whether the compliance was included as a result of the implementation of E-Filing or not.

Apart from those previous studies, our main focus of this study is to answer three research questions: (1) how is the real picture of the implementation of E-Filing for reporting the Annual Personal Tax Income in KPP? (2) how is the interplay between the E-Filing implementation and the level of individual taxpayer compliance in KPP? (3) how can the gap between taxpayer's technology authority and E-Filing implementation be minimized?

## Theoretical Framework

### *Indonesian Taxation Outlook, Individual Taxpayers, and Personal Income Tax Reporting*

Article 1 number 1 Law (UU) Number 28 of 2007 on the Third Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures states that national tax is mandatory contributions to the state-owned by private persons or entities that are compelling under the Law, by not getting direct

compensation and being used for the needs of the state for the greatest prosperity of the people. In her book entitled *Tax Theory and Cases*, Resmi (2014, p. 2) explains the meaning of tax according to several experts. One of them according to Feldmann stating that: *"tax is an achievement imposed unilaterally by and owed to the authorities (according to established norms in general) without any contradictions, and is solely used for general expenses."* Meanwhile, Brotodiharjo, in his book entitled *Introduction to Tax Law* (2003, p. 2), defines: *"tax is considered as an obligation to surrender part of the assets to the state treasury due to circumstances, events and actions that give a certain position, not as a punishment according to regulations established by the government and can be imposed, but there is no reciprocal service from the state directly to maintain the general welfare."* Sumitro adds that *"tax is the people's contribution to the state treasury, namely the transfer of wealth from the people's treasury to the government sector based on law, can be enforced without receiving lead services which can be directly demonstrated and used to finance general expenses."* (Assa, Kalangi, & Pontoh, 2018; Mangkuprawira, 2018).

In the Indonesian taxation system, there are several main elements that will always be embedded within the system.

#### 1. Taxpayers

Pratami and Sulindawati (2017) explain that based on article 1 point 2 of Law Number 28 of 2007 on the Third Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures, taxpayers are individuals or entities which include taxpayers, tax withholders and tax collectors who have tax rights and obligations based on the taxation rules.

#### 2. Type of Tax

Simanjuntak (2006) explains that taxes, according to its collection agency, are classified into 2 (two) types: the central tax and local tax. Included in the types of central taxes are Income Tax (PPh), Value Added Tax (PPN), Luxury Sales Tax (PPnBM), Stamp Duty, and Land Tax for Forestry and Mining (PBB P3). Then included in the types of regional taxes are Restaurant Tax, Entertainment Tax, Motor Vehicle Tax, Rural and Urban Land Tax, and other regional taxes.

#### 3. Tax Rights and Obligations

Advianto (2018) states that the rights possessed by taxpayers are the right to overpayment of taxes, the right to be examined, the right to be able

to file legal remedies (Objections and Appeals), and other rights regulated in tax regulation. Meanwhile, the taxpayer obligations are the obligation to register themselves and obtain a Taxpayer Identification Number (NPWP), the obligation to carry out taxation activities by self-assessment, and the obligation to provide data for a tax audit.

#### 4. *Administrative Sanctions*

Pujiwidodo (2016) describes that the tax administrative sanction is a sanction in the form of payment of losses to the state, for example, fines, interest, or an increase. Violation of reporting obligations will be subject to sanctions in the form of fines of different amounts, in accordance with the provisions of laws and regulations. Interest sanctions are imposed on taxpayers who commit violations related to tax payment obligations. Meanwhile, increased sanctions are imposed on taxpayers who materially violate regulated obligations, such as falsification of tax data.

#### 5. *Income Tax*

Adiyanta (2018) argues that income tax is a central tax that is imposed on any increase in economic capacity received or obtained by a taxpayer, from inside or outside Indonesia, which is ultimately consumed or increases the wealth of the taxpayer. The legal basis used by the DJP in regulating the implementation of Income Tax (PPh) in Indonesia is Law Number 7 of 1983 on Income Taxes, as amended several times by Law Number 36 of 2008. Based on this Law, the taxable income of a taxpayer is the income earned within one tax year. If the taxpayer's subjective liabilities begin or end in the tax year, the income that is subject to tax is the income received in that part of the tax year.

#### 6. *Income Tax Subject*

Kartini, Suhadak, and Aziza (2016) says that taxpayers whose income is subject to PPh can also be referred to as Income Tax Subjects. Article 2 of Law Number 36 of 2018 on Income Tax explains the types of tax subjects that are divided into 3 types: (a) individual, (b) inheritance that is not yet distributed as a unit to replace the heir, (c) company, and (d) permanent business entity (BUT). Then it is further divided into two, namely: domestic tax subject (SPDN) and foreign tax subject (SPLN) (Anggarsari, 2010).

What is meant by SPDN is an individual who resides in Indonesia, or who for some reason has to be in the territory of Indonesia for more than 6 months (183 days). The time of 183 days is not defined as a consecutive, but rather an accumulative which is calculated within one tax year. SPDN includes individuals who have an intention to reside in Indonesian territory for any reason. Apart from individuals, SPDN also includes corporate taxpayers who are already established or whose position is located inside the Indonesian territory. Exempted from corporate SPDN is a government agency that meets the criteria stipulated in statutory regulations. An undivided inheritance is also included in the SPDN category.

What is meant by SPLN is an individual whose presence in the territory of Indonesia does not exceed a period of 6 months (183 days) and a company that does not exist and is not domiciled in Indonesia. The corporate SPLN means a company that runs a business, including activities as a BUT in the territory of Indonesia, or is not a BUT yet earns income from Indonesia. Similar to SPDN, the term 183 days is the accumulative period of one tax year. To determine the place of residence for both SPLN and SPDN is to look for the facts in the field, so it is not only formal.

#### 7. *Income Tax Object*

Muammar (2012) states that basically, the object of income tax is more to the additional economic capacity that has been received by the taxpayer. Hence, it is the best measure in determining the ability of taxpayers to participate with the government for state development. Article 4 paragraph (1) Law Number 36 of 2008 on Income Tax states that the PPh object is an additional economic capacity of the taxpayer, originating from both inside and outside the territory of Indonesia, which is then used by the taxpayer for consumption or increasing wealth.

The income tax object becomes very broad because the types of income taxpayers obtained are various. So, the tax base is calculated by combining the income received in the period of one tax year. Apart from the calculation is the income that is final in nature and the income that is not an object of income tax. One common type of income tax object for individual taxpayers (WP OP) is income from work-related compensation or rewards.

In general, these types of income tax objects include salaries and allowances, wages,

honoraria, pension money, operating profits, or other similar types. In the event that the WP OP receives a benefit in kind as a form of compensation, that kind of benefit is also considered as an object of income tax.

Other PPh objects can also be in the form of income received irregularly or at any time by the WP OP. The examples are the results of a lottery from work or activities, forms of rewards, profits obtained from sales activities by transferring ownership rights, income from leasing the assets, and revenue sharing in the form of dividends.

#### *Individual Taxpayers and Self-Assessment System*

Anggarsari (2010) explains that taxpayers are generally divided into two common types, namely individual taxpayers (WP OP) and corporate taxpayers (WP Badan). The WP OP category is an individual who runs a business or a free job, an individual who receives income as an employee or an employee, and finally a certain entrepreneur individual taxpayer (WP OPPT) (Santi, 2012). Both WP OP and WP Badan have the same tax obligations as explained in the previous section of tax rights and obligations. The difference between the two types of taxpayers lies in how the laws and regulations regulate in more detail the implementation of their tax obligations. The example is the difference in the application of the PPh rate on dividend income earned by WP OP and WP Badan.

The Indonesian government has replaced the system used in carrying out tax collection from an official assessment where the tax authority needs to establish the amount of tax owed, becomes a self-assessment where WP OP himself is responsible for fulfilling his tax obligations. The application of self-assessment in Indonesia began in 1983. With the existence of self-assessment, the taxpayer is given the trust by the DJP to calculate, pay, and report the tax owed independently (Kusumawati & Tarjo, 2006). So, the task of tax authority becomes more focused on providing guidance, supervision, consultation, and analysis on the tax collection potential. At the next level, the self-assessment system is expected to increase tax awareness. So, in the end, there will be a positive assessment from the community on how the government carries out its functions as a country (Santi, 2012).

#### *The Obligation to Report the Annual Income Tax Payment for WP OP*

Annual Income Tax Report (SPT) is a type of letter used by the WP OP in order to fulfill the obligation to report the results of the calculation, and the payment of taxes at any particular tax period. The major WP OP obligation in carrying out its tax activities through self-assessment is the obligation to report the annual income tax payment. Based on Law Number 28 of 2007 on General Provisions and Tax Procedures, every annual income tax payment reported by the OP WP must at least report on income, whether it is a tax object or not an object, payment of tax through the collection mechanism by the employer, the assets owned by the WP OP including if there is an increase in assets in the period of one tax year.

The reporting of the annual income tax payment for WP OP is carried out by submitting the annual income tax report to the KPP where the WP OP is registered. Article 8 Regulation of the Minister of Finance (PMK) Number 243/PMK.03/2014 on SPT states that there are three ways of submitting the SPT, namely: directly coming to the KPP, using postal services, or by other means. What is meant by using other means is defined as follows: (1) using courier services that have been determined by DJP which takes into account the developments in information technology.

After submitting the annual income tax report properly and correctly, the WP OP will receive the proof of receipt in which indicates the annual income tax payment received by KPP, and the WP OP is deemed to have completed the obligation to report his annual income tax payment.

#### *The Submission of the SPT WP OP through E-Filing*

Services to taxpayers electronically provided by DJP are continuously developed with the aim of achieving maximum service effectiveness and efficiency. In submitting the annual income tax report, the WP OP can use the service facilities provided by the DJP, namely E-Filing. The facility was made by the DJP to increase the trust of the WP OP. With the hope, it will increase the tax compliance rate.

Through the Decree of the Director-General of Taxes number KEP-88/PJ/2004 on Electronic Submission of Tax Report (SPT), E-Filing was formed. Taxpayers, through the Application Service Provider (ASP), submit their SPT electronically. Along with the development of information technology, the DJP website ([www.pajak.go.id](http://www.pajak.go.id)), finally, became the authorized ASP for E-Filing in

2014. Article 1 number 8 of Regulation of the Director-General of Taxes number PER-02/PJ/2019 on Procedures for Submitting, Receiving, and Processing Tax Returns, explains that E-Filing is a method of submitting SPT through certain channels determined by the DJP. The regulation also states E-Filing is an SPT in the form of an electronic document submitted by taxpayers.

The channels used for E-Filing are (1) website provided by DJP, (2) website provided by electronic SPT distributors, (3) digital channels as determined by the DJP specifically for certain taxpayers, (4) special data communication networks between the DJP and the taxpayers, and (5) other channels determined by the DJP. The Circular Letter of the Directorate General of Taxes Number SE-42/PJ/2017 on Guidelines for the Implementation of Electronic Transaction Security for Online Tax Services explains that DJP Online is a form of online service through a website that has been provided by the DJP. Not only in the form of a page, but DJP Online can also be accessed through an application on a mobile device. So, the SPT submission channel through E-Filing can be used within a period of 24 hours a day, 7 days a week with the standard time used is West Indonesia Time (WIB).

#### *The Obligation to Submit SPT WP OP via E-Filing for Civil Apparatus*

The Ministry of State Apparatus and Bureaucratic Reform (Kemenpan RB) previously issued Circular Letter number SE/02./M.PAN/2009 on the Obligations of Civil Servants to Comply with the Provisions of Taxation Laws. The main concern is that all civil apparatus (ASN) should follow the regulations on tax obligations, starting from registering as a taxpayer, paying taxes, and reporting the annual income tax payment properly and correctly. By doing that way, ASN will also contribute to DJP's efforts to increase the compliance of WP OP.

To support the implementation of E-Filing by the DJP, Kemenpan RB also issued Circular Letter Number 8 of 2015 on the Obligation to Submit Annual Income Tax Report of Individual Taxpayers by State Civil Apparatus/Members of the Indonesian National Army/Indonesian Police through E-Filing. This letter is made with the hope that ASNs will become an example to the community in terms of using E-Filing. The government hopes that the community will become motivated to use E-Filing.

Besides the compulsory of using E-Filing, the regulation also explains several important things,

including (1) government treasurers are required to publish Form 1721-A2 (evidence of withholding PPh Article 21) within a period of no later than a month after the end of one calendar year; (2) appealing to the chiefs of KPP to accommodate the taxpayers for EFIN registration; and (3) urging DJP to organize seminars on the use of E -Filing.

## **Research Method**

### *Yin's Case Study as a Research Methodology*

The authors employed the qualitative research method in conducting their research. We chose the qualitative research method because it has several main characteristics that comply with our research nature, namely, data is not in the form of numbers, mostly in the form of narratives, descriptions, stories, written and unwritten documents (Qadri, 2019). In addition, the nature of this research focuses on elaboration to find solutions to problems that occur (Qadri & Jauhari, 2020).

The sole objectives of this research focus on finding out what factors affect the inefficiency of the implementation of E-Filing for reporting the annual tax income payment of the WP OP, examining how far E-Filing utilization influences the level of compliance of WP OP in KPP, and how wide the gap is between taxpayer's technology authority and E-Filling implementation. To achieve those objectives, we chose the qualitative research framework of Yin's case study because it fits with the characteristics of our research (Qadri, Gunawan, & Zikrulah, 2020; Yin, 2014)

### *Yin's Case Study: Data Collection and Analysis Procedures*

The case study research procedures carried out in this study follow Qadri and Jauhari's (2020) case study steps including five main procedures. The data collection and analysis are embedded within the procedures (Yin, 2018). *The first step* is identifying the characteristics of research problems (Qadri & Jauhari, 2020). There are three main questions to be answered using the question word of "how". Because the type of question is "how", it complies with the type which Yin used in his seminal case study framework (Yin, 2009). *The second step* is composing a research proposition if any (Qadri & Jauhari, 2020). This research did not use such kind of proposition so that we skipped this step. *The third step* is explaining a

concise overview of the object of our study (Qadri & Jauhari, 2020).

Our research object was a small tax office (KPP) placed in Ciamis Region in West Java Province, namely KPP Ciamis. We chose this object because we had a consent to collect data from the office so that having the consent would be beneficial for us working on the case of E-Filing, tax compliance, and technology authority in the selected office.

*The fourth step* is collecting the data. The authors, in collecting research data, compiled data from various sources, such as laws, derivative regulations, and other related regulations. Not only those, but we also gathered data from literature and scientific books related to our research topic. We have conducted interviews with several parties who are directly related to the implementation of annual personal income tax reporting activities through E-Filing. Our informants were two account representatives, a one-stop-service (TPT) officer, and other employees of the KPP. We also conducted field research directly at the KPP to understand more about the numbers of WP OP who have used E-Filing in 2016-2018, the number of registered WP OPs up to 2018, as well as achievements of E-Filing implementation at the KPP. These data will then be used as the basis for our analysis. The fifth step is interpreting the collected data. We utilized the way Qadri and Jauhari (2020) interpret their findings by making use of thematic analysis.

## Analysis and Discussion

### *The First Conundrum: How is The Real Picture of E-Filing Implementation at Mezzo Level?*

In general, the number of taxpayers registered at KPP Ciamis has grown every year. This growth was mainly due to the growing economic factors in the KPP area. The data in Table 1 shows the number of registered taxpayers' growth.

Table 1  
Registered Taxpayers at KPP Ciamis

Type	2016	2017	2018
Corporate taxpayer	13.093	15.170	16.980
Personal taxpayer	144.744	162.082	187.545
Withholder	2.894	2.969	2.985
Others	2	2	2
Jumlah	160.733	180.223	207.512

Source: IT Department of KPP Ciamis

It is very clear that the implementation of E-filing must be supported by the ability to operate electronic devices because E-filing is an electronic-based service application. Without being supported by this ability, tax officers have to spare additional time and energy to teach taxpayers to properly master the use of E-filing apps. So, the next problem is the WP OPs think it is not necessary to switch from a manual reporting system to an E-filing system.

Based on the interview with the account representative of KPP Ciamis, we called him "A", he argued that

*"WP OPs in our area have different characteristics compared to WP OPs in other areas, especially in the city area. WP OPs in our area are still not technology literate. So, at the time of SPT's reporting period, our WP OPs still prefers to report the SPT using the manual method."* – Interview script on July 5, 2020.

His statement aligned with the National Statistics Agency (BPS) report on Indonesian telecommunication literacy showing that the ownership of a computer is the main indicator used as the basis to measure information technology literacy. Therefore, computer ownership has a big influence on the WP OP decision to use E-filing.

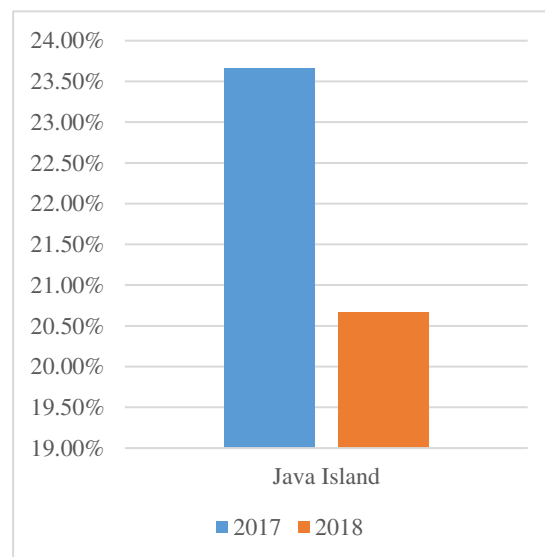


Fig. 2. Computer Ownership by Household  
Source: Indonesia Telecommunication Statistics 2018

Figure 2 showed that the percentage of computer ownership by households in the Java area in 2017 was 23.66% but the ownership percentage fell to 20.66% in 2018. Actually, Java Island's data is the second-highest after Kalimantan Island.

So, we can conclude that KPP Ciamis has a sufficient percentage of computer ownership by households in its area.

Table 2  
Computer Ownership by Households in West Java Province

Description	Year		
	2016	2017	2018
Urban	23,09	23,60	24,96
Rural	9,28	6,70	6,57
Rural and Urban	17,93	18,62	19,92

Source: Indonesia Telecommunication Statistics 2018

Table 2 showed the percentage of household computer ownership in 2018, which are divided into 3 (three) major groups, namely urban, rural, and combined rural and urban areas. The table implies the percentage of computer ownership in a rural area is very small, even under 10%. In the period of 2016 to 2018, this percentage has decreased. The same condition happened to the KPP, as illustrated from the table because the KPP's working area covers so many rural areas.

During the same period (2016-2018) the percentage of household access to the internet in Indonesia continued to increase. This increase was shown in Figure 3 below. In 2016 the accessibility percentage was 47% then increased to 57.3% in 2017, 66.22% in 2018. This increase was arguably uneven due to the fact that the use of the internet in the KPP area was not reaching the optimum level. The number of households that can access the internet in the KPP area was not in line with the growing interest of WP OP to use E-filing. The contrasting fact was caused by WP OP's behavior that was still comfortable with the manual reporting method as stated by account representative "B":

*"The WP OPs in our area are still not familiar with the digital format of E-filing. In certain cases, the WP OPs tend to think that it is easier to report their SPT manually than using E-filing."* – Interview script on July 6, 2020.

The purpose of establishing E-Filing is to provide better services to taxpayers in line with the development of increasingly sophisticated information technology. The application of E-Filing can reduce the use of paper reporting forms used by tax officers and taxpayers. In addition, E-Filing is a

solution to the queue problems of WP OPs that have accumulated near the end of the SPT reporting period on March 31, every year.

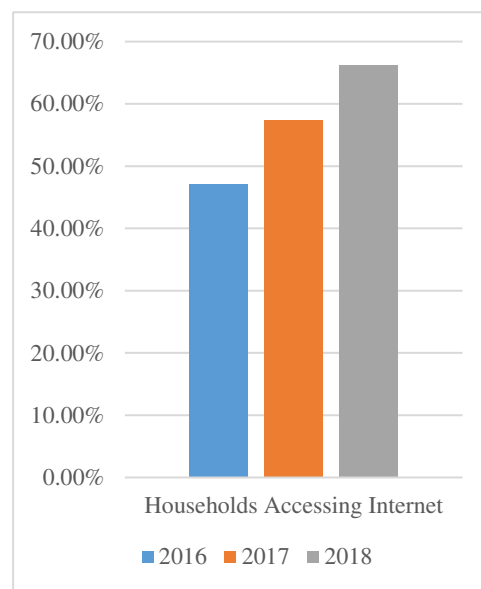


Fig. 3. Households Accessing the Internet in Indonesia  
Source: Indonesia Telecommunication Statistics 2018

"Fast, Safe, Easy", those are the motto used by the DJP to disseminate information about how to use E-Filing, which is a form of electronic-based service innovation. The objective of the DJP is to increase the interest of WP OP in using E-Filing. There are several differences between using the online reporting method of E-Filing and the manual ones. Table 3 told us that there is a clear difference between the two methods of reporting SPT. Compared to manual reporting methods, using E-Filing seems easier and more practical for the WP OP. These differences illustrate the development and improvement of services provided by the DJP to taxpayers in a better direction.

Table 3  
The Difference between Manual Reporting and E-Filing

No	Description	Manual Reporting	E-Filing
1.	Form	Paper	Electronic form
2.	Reporting place	Nearest KPP	Anywhere as long as supported with internet connection access
3.	Receipt	Paper	Electronic file



No	Description	Manual Reporting	E-Filing
4.	Taxpayer Data and Calculation Errors	Through a further evaluation process by the tax officer	Direct detection by the system, visible in real-time
5.	Electronic Equipment Supplement	No need	Need

Source: Data Processed by Authors

Basically, E-Filing replaces all physical documents used by taxpayers with electronic documents. E-Filing can effectively increase tax officer's productivity at work because E-Filing eliminates the SPT evaluation process which is usually carried out by tax officers. However, there are several requirements for the WOP OPs to use E-Filing: the first is the need for additional electronic devices. Secondly, there is also a need to improve understanding of tax obligations via self-assessment. Thirdly, to achieve the maximum implementation of E-Filing, taxpayers are forced to understand independently how to submit online reporting via E-Filing.

The implementation and implementation of E-Filing at each tax office must be different. This is influenced by various factors internally and externally. The KPP also felt the challenge of achieving the E-filing target. Various problems arising along with the implementation of E-filing must be resolved properly and correctly. The resolution of these problems is the result of the tax officer's analysis with a focus on improving services to taxpayers.

Electronic data used in the E-Filing reporting process is the responsibility of each WP OP. The data will be used continuously over and over again in every reporting period of the SPT. There will be new problems arising if the WP OP forgets or even removes his electronic data.

The aforementioned is what happened at KPP Ciamis. There were lots of WP OPs that did not take care of their electronic data. The ignorance can cause the officer's work to become divided and unfocused. Our informant "C", a tax officer who once served as a one-stop-service (TPT) task force, revealed that:

*"Many WP OP had forgotten their 'djponline' account password. During the SPT reporting period, this WP OP came to the KPP asking for help resetting the password again. If this kind of situation happens to many WP OPs, it will cause long queues."* – Interview script on July 5, 2020.

In the end, the implementation of E-filing can be ineffective if it is not followed by the WP OP's

responsibility of maintaining his electronic data. To improve their responsibility, the KPP can hold dissemination to remind the WP OP on requirements that must be prepared in order to report the SPT via E-filing. Also, the WP OPs are seen coming back to the KPP in the second year they use E-filing. The reason is that the WP OP do not remember exactly the procedure for reporting the SPT through E-filing. This problem causes additional work for the officers because normally officers only focus on helping WP OPs who have just registered and are using E-filing for the first time.

Unlike the WP OP in general, fewer taxpayers who are local government employees (ASN Pemda) come back to the KPP in the second year of reporting via E-Filing. The ASN Pemda was usually assisted by the operator. Based on our investigation, the operator is a computer administrator who works in the local government office. The operator collectively collects electronic data belonging to ASN, then complete the filling and reporting of the SPT. In this condition, the ASN Pemda is only sitting tight and well served by the operator because all of his responsibility in E-Filing submission is settled by the operator.

Operator's activities in helping ASN Pemda to report their SPT have a domino effect for DJP. The operator has lightened the tax officer's work because the officer has no longer needed to go to regional government offices. The task is easier. The KPP can gather operators from each local government office to study about E-Filing submission system. Thus, the reporting activity is carried out by the local operator.

As an annual agenda, E-filing can be a suitable benchmark for the KPP on measuring the compliance level of WO OPs in fulfilling their tax obligations. Problems arising every year should be handled as warning notices for the KPP. There are many other factors making the problem cannot be resolved easily, such as the characteristic condition of the WP OP that is not too technologically literate.

#### *The Second Conundrum: How Far does E-Filing Utilization Influence the Level of Compliance of Personal Taxpayers?*

The Directorate General of Taxes (DJP) always strives to provide maximum service in order to increase the compliance level of WP OP. With the increase in compliance level, the hope is that the tax revenue target can also be achieved. So, DJP needs a strategic effort to achieve good taxpayer compliance. WP OP compliance itself is a condition in which a WP OP can consciously fulfill his tax obligations in

accordance with the applicable tax laws and regulations (Rosliyati, 2016). The compliance level is further divided into two types, namely formal compliance, and material compliance. Formal compliance means that the WP OP can understand tax regulations and then fulfill their tax obligations. Meanwhile, material compliance focuses more on the correctness of the WP OP's activities in fulfilling tax obligations. Based on article 17C of Law Number 28 of 2007 concerning General Provisions and Tax Procedures, compliant WP OPs are those who meet the following criteria: (1) being on time in submitting the SPT, (2) having no tax arrears on any types of taxes, and (3) never previously being convicted of tax crime.

The sole objective of the E-filing program is to make an easier way for WP OPs to fulfill their tax obligations by submitting their SPT via financial technology. By doing so, the hope is the WP OP's compliance level can increase. However, it turns out that the use of E-filing at KPP Ciamis is still unable to effectively increase the compliance of WP OP.

Table 4  
E-Filing Submission of SPT WP OP

Type of Taxpayers	2016	2017	2018
Employee	33.552	37.062	39.896
Non-employee	61	212	1.681

Source: Data Processed by Authors

The majority of WP OP at KPP Ciamis is still dominated by employees including civil servants, private employees, state-owned enterprise employees, and local-owned enterprise employees. Table 4 shows the growth in the achievement of the E-filing program in each year since 2016. There was a sharp increase in the number of SPT for non-employees in 2018. Previously, it was only 212 in 2017 and then increased by 1,469 to 1,681 in 2018. So, it can be concluded that the increase in the realization of the E-filing program is in line with the increased awareness of the WP OP to submit the SPT through E-filing. However, there is a possibility that there are WP OPs who are late in submitting their SPTs even though they have used E-filing. This is further explained in Table 5 below.

Table 5  
The Late Reporting of E-filing

Year	Employee	% Late Reporting	Non-Employee	% Late Reporting
2016	10.605	31,61 %	25	40,98 %
2017	8.039	21,69 %	87	41,04 %

Year	Employee	% Late Reporting	Non-Employee	% Late Reporting
2018	3.863	9,68 %	1.404	83,52 %

Source: Data Processed by Authors

The SPT is categorized as a late SPT if the WP OP does not submit the SPT within the specified deadline. The data in Table 5 are obtained by calculating the number of SPT WP OP submitted through E-filing after March 31 each year. Furthermore, the percentage is calculated by comparing the number of overdue SPTs with the total number of SPTs that have been received by KPP Ciamis through E-filing.

During the period between 2016 and 2018, there were still WP OPs who were late in submitting their SPT despite using E-filing. This situation becomes interesting because employees and non-employees are inversely proportional. The percentage of employees who are late in submitting the SPT has decreased every year, while the percentage of non-employees who are late in SPT submission continues to increase. In 2018, the percentage had been more than doubled compared to the previous two years. The increase in E-Filing usage does not necessarily raise the awareness of the WP OP to report the SPT in a timely manner according to tax regulations. KPP does still play an important role in educating the WP OP about fulfilling their tax obligations.

Furthermore, the compliance of the WP OP can also be seen from the awareness of the WP OP to submit the SPT every year. The author assumes that there are a number of WP OPs at the KPP who have not been able to routinely submit their SPT through E-filing within three consecutive years. The data in Table 6 shows the number of WP OPs from each category which is divided into 3 categories. The first is the WP OP submitting the SPT for one year in the period of 2016 to 2018. The second is the WP OP submitting the SPT for two consecutive years either 2016-2017 or 2017-2018. The last one is the WP OP submitting the SPT for the period of three consecutive years from 2016 to 2018.

Table 6  
Annual Personal Income Tax Report through E-filing

Category	Employee	Non-employee
One Year	12.469	1.506
Two Years	10.427	126
Three Years	25.877	58

Source: Data Processed by Authors

The total number of WP OPs who submitted their SPT via E-filing during the period of 2016 to 2018 was 48,773 people (Table 6). In fact, not all WP OPs can

routinely submit the SPT. Basically, the WP OP as shown in Table 6 is not limited to new WP OPs registered during the period of 2016 to 2018. However, there are also WP OPs that were registered before 2016.

Table 7  
New WP OP and Annual Personal Income Tax Report through E-filing

Description	The Year of Registration					
	Employee			Non-employee		
	2015	2016	2017	2015	2016	2017
First Year	1.379	1.381	1.630	58	10	581
Two Years	1.029	1.101	-	11	65	-
Three Years	951	-	-	2	-	-

Source: Data Processed by Authors

There are slight differences in the data used in comparing the new WP OP data. We used KPP Ciamis report data for 2016 to 2018, then for the new WP OP data is the previous year data, 2015 to 2017. The new WP OP data in table 7 is compared with the total number of new WP OPs registered each year. From the results of these comparisons, we obtained the percentage figure for the new WP OP submitting the SPT in the following year after being registered using E-filing. The percentage is then more clearly shown in Table 8 below.

Table 8  
Percentage of New WP OP Using E-filing

Year	Total Registered WO OP	New WP OP E-filing	Percentage
2015	14.929	1.437	9,63 %
2016	15.969	1.391	8,71 %
2017	15.969	2.211	13,85 %

Source: Author processed data

Based on table 8, we can conclude that the KPP is still lacking in educating and directing the WP OP to use E-filing. We can see from the percentage of new WP OP using E-filing in the first year of submitting the SPT. The percentage is still very small, where the highest percentage is only 13.85%. The KPP's efforts in increasing the compliance level were paid off. As we can see from the realization of the E-filing submission which always reached above 100% off target.

However, the KPP still has an important task to educate WP OP because there is still WP OPs who do not submit their SPT on time. As the latter is the major indicator for WP OP compliance. We also discovered

that the WP OPs were not able to submit the SPT regularly even though they used the E-filing application. In addition, the percentage of new WP OPs submitting the SPT using E-filing in the first year is still very small. In the end, DJP still has a tough task in order to maximize the implementation of E-filing, especially in terms of increasing the tax compliance of the WP OP.

### *The Third Conundrum: How Wide is The Gap between E-Filing implementation and Taxpayer's Technology Authority?*

The problem that is commonly faced by the KPP is the lack of knowledge of the WP OP about how they should fulfill their obligation to submit annual personal income tax reports, especially through E-filing. Based on the interview with the account representative, we can call him "A" (AR) in the KPP, he said that:

*"The office needs to conduct a more massive outreach to the WP OP by gathering WP OPs via seminars, disseminating information in various forms of mass media, or through direct consultation."* – Interview script on July 5, 2020.

The most effective form is through direct consultation with an account representative, especially at this time where the Covid-19 pandemic has not yet disappeared from Indonesia. The KPP provides an opportunity for WP OP to consult directly with the account representative via the WhatsApp application. Another effective effort based on our experience working in the taxation field is by issuing a Tax Collection Letter (STP). This effort is aligning with Law Number 28 of 2007 on General Provisions and Tax Procedures, where STPs are issued to WP OP for the delay in submitting annual personal income tax report. Apart from being late, STPs can also be issued for the negligence of the WP OP who does not submit the annual personal income tax report. By issuing STP, there will be a deterrent effect arising from the WP OPs side because they have neglected their tax obligations.

The next problem is about the implementation of E-filing which is still not effective at the KPP. It is not yet effective because, in every reporting period of the annual personal income tax report, there are still many WP OP who still need AR's assistance. This is very inversely proportional to the original goal of E-filing which is to increase the independence of the WP OP.

Another account representative, we can call him “B”, stated that:

*“The most appropriate way to increase the independence of WP OP is to apply E-filing as a whole for all WP OPs. The point is that there is no longer manual-based submission of the annual personal income tax report using paper forms.”* – Interview script on July 6, 2020.

By forbidding the manual-based submission, WP OP will slowly begin to get used to the new system for submitting annual personal income tax report through E-filing. However, the KPP cannot simply make and implement this method because normally such policies fall under the authority of the DJP Head Office or on a national scale. If it is forced to be implemented at the KPP level, it will cause new problems, for example, many WP OPs will complain about the KPP to the DJP head office.

Each attempt has its own risks. Therefore, the tax authority must also be careful in implementing all forms of policies in the context of evaluating the implementation of the E-filing program. But in the end, there is still at least a definite effort made and evaluated continuously by the authority. Because only then, the KPP can provide the best service to taxpayers in accordance with the values of the Ministry of Finance.

## Conclusion

In general, the purpose of the E-filing program is to facilitate the WP OP in submitting the annual personal income tax report each year. However, there are several things related to electronic data that must be prepared by the WP OP before using E-filing. In submitting the annual personal income tax report through E-filing, the WP OP is differentiated based on the form used. When the WP OP has completed preparing his electronic data and understood the type of form to be used, he can use the E-filing according to the prescribed order of procedures. The ease with which E-filing is achieved is not without obstacles. The arising problems can cause the implementation of E-filing to be less effective. Those problems are the uneven distribution of information technology in the KPP work area, WP OP who is less responsible for the completeness of electronic data, and a civil servant that has not submitted the annual personal income tax report.

The submission of the annual personal income tax report can be an indicator to determine the level of compliance of the WP OP. The most important criterion for a compliant WP OP is being punctual in submitting the SPT. Therefore, we can conclude that the implementation of E-filing is also related to the level of compliance of the WP OP. The E-filing program is proven to increase the compliance level of the WP OP. It is evidenced by the personal income tax collection at KPP which has always reached a figure of more than 100% for 3 (three) consecutive years since 2016. However, of the total realization, there were WP OPs who were apparently late in submitting the SPT. Furthermore, researchers also found that there were still numbers of WP OPs who did not submit their SPT regularly. Besides that, the number of new WP OPs who use E-filing is still very small. In the end, the KPP still has a big responsibility to maximize the implementation of E-filing for increasing the compliance level of WP OP.

Several efforts are taken by the KPP to tackle the problems that occurred during the E-filing implementation. The KPP has made a big step by taking legal action in accordance with the tax laws and regulations against the uncompliant WP OPs. Not only that, but the KPP also provides extra efforts by providing consultation to the WP OPs and issuing STPs for the negligence of the WP OPs in submitting their SPT. Although these efforts have their own respective risks, those are the best way to solve the problems one by one.

The authors propose several suggestions regarding the implementation of E-filing in the KPP. Firstly, the KPP should conduct more seminars on how to use E-filing massively in order to anticipate the accumulation of WP OPs and as reminders on the importance of completing electronic data before executing the E-filing. Secondly, the KPP can create an application program or a message blast at the beginning of each year to remind WP OPs to submit their SPT. The KPP can also stipulate a special regulation so that newly registered WP OP can still use E-filing. At the time of registration, the WP OP should immediately be educated to understand how to use E-filing. Further research can define a broader context of E-filing implementation. The next research can elaborate the E-Filing implementation from other perspectives of taxpayers like corporate taxpayers, like how the corporate taxpayers use E-filing for reporting the VAT and so forth.

## References

- Adiyanta, F. S. (2018). Kebijakan Penghapusan Sanksi Administrasi Perpajakan sebagai Stimulus Peningkatan Penerimaan Negara dari Sektor Pajak (Studi Evaluatif Normatif Kebijakan Perpajakan Nasional). *Administrative Law and Governance Journal*, 1(2), 165–181. <https://doi.org/10.14710/alj.v1i2.165-181>
- Advianto, L. Y. H. S. (2018). Pengakuan dan Perlindungan Hukum Hak Hak Wajib Pajak dalam Sistem Hukum Pajak Indonesia. *Simposium Nasional Keuangan Negara*, (7), 19. Retrieved from <https://jurnal.bppk.kemenkeu.go.id/snkn/article/view/251/130>
- Anggarsari, S. D. (2010). Analisis Perlakuan Pajak Penghasilan Bagi Wajib Pajak Wanita Kawin. *Bisnis & Birokrasi, Jurnal Ilmu Administrasi Dan Organisasi*, 17(2), 138–147.
- Arnati, & Muammar. (2012). Dampak Perencanaan Pajak Penghasilan Pasal 21 terhadap Jumlah Pajak Penghasilan Tahunan. *Jurnal Integrasi*, 4(2), 187–193.
- Assa, J. R., Kalangi, L., & Pontoh, W. (2018). Pengaruh Pemeriksaan Pajak Dan Sanksi Perpajakan Terhadap Kepatuhan Wajib Pajak Pada Kantor Pelayanan Pajak Pratama Manado. *Going Concern: Jurnal Riset Akuntansi*, 14(1), 516–522. <https://doi.org/10.32400/gc.13.04.21412.2018>
- Brotodihardjo, R. S. (2003). *Pengantar Ilmu Hukum Pajak*. Bandung: Refika Aditama.
- Damayanti, D. (2014). *Biaya Kepatuhan E-filing Rendah, Benarkah?* 13(128), 234.
- Dewi, I. S., & Supadmi, N. I. (2014). Pengaruh Pemeriksaan Pajak, Kesadaran, Kualitas Pelayanan Pada Tingkat Kepatuhan Wajib Pajak Badan. *E-Jurnal Akuntansi*, 9(2), 505–514.
- Gifary, S., & Kurnia, I. (2015). Intensitas Penggunaan Smartphone dan Perilaku Komunikasi (Studi Pada Pengguna Smartphone di Kalangan Mahasiswa Program Studi Ilmu Komunikasi Universitas Telkom). *Jurnal Sosioteknologi*, 14(2), 170–178. <https://doi.org/10.5614/sostek.itbj.2015.14.2.7>
- Hanika, I. M. (2015). Fenomena Phubbing di Era Milenia (Ketergantungan Seseorang pada Smartphone terhadap Lingkungannya). *FENOMENA PHUBBING DI ERA MILENIA (Ketergantungan Seseorang Pada Smartphone Terhadap Lingkungannya)*, 4(1), 42–51. <https://doi.org/10.14710/interaksi.4.1.42-51>
- Husnurosyidah, H. (2017). Pengaruh E-Filing, E-Billing Dan E-Faktur Terhadap Kepatuhan Pajak Pada Bmt Se-Kabupaten Kudus. *Jurnal Analisa Akuntansi Dan Perpajakan*, 1(1), 97–106. <https://doi.org/10.25139/jaap.v1i1.99>
- Kartini, D. A., Suhadak, & Aziza, D. F. (2016). Pengaruh Persepsi dan Perilaku Wajib pajak atas Penerapan E-Filling terhadap Kepatuhan Wajib Pajak Orang Pribadi (Studi pada WPOP yang terdaftar pada KPP Pratama Batu Periode 2015). *Jurnal Perpajakan (JEJAK)*, 10(1), 1–8.
- Kusumawati, I., & Tarjo. (2006). *Analisis Perilaku Wajib Pajak Orang Pribadi Terhadap Pelaksanaan Self Assessment System: Suatu Studi banding di Bangkalan*. 1, 229–247. <https://doi.org/10.4018/978-1-4666-6114-1.ch009>
- Laihad, R. C. . (2013). Pengaruh perilaku wajib pajak terhadap penggunaan e-filing wajib pajak di kota manado. *Jurnal Emba*, 1(3), 44–51.
- Mangkuprawira, T. E. (2018). Perlukah reformasi hukum pajak. *Selidik*, 4(6), 36–71. Retrieved from <http://journal.univpancasila.ac.id/index.php/selidik/article/view/674>
- Praditya, D. (2014). *Pemanfaatan Teknologi Informasi dan Komunikasi (TIK) di Tingkat Pemerintah Desa*. (88), 129–140.
- Pratami, L. P. K. A. W., Sulindawati, N. L. G. E., & Wahyuni, M. A. (2017). Pengaruh Penerapan E-System Perpajakan Terhadap Tingkat Kepatuhan Wajib Pajak Orang Pribadi Dalam Membayar Pajak Pada Kantor Pelayanan Pajak ( Kpp ) Pratama Singaraja. *Jurnal Ilmiah Mahasiswa Akuntansi UNDIKSHA*, 7(1).
- Pujiwidodo, D. (2016). Persepsi Sanksi Perpajakan Terhadap Kepatuhan Wajib Pajak Orang Pribadi. *Jurnal Online Insan Akuntan*, 1(1), 92–116.
- Qadri, R. A. (2019). Menakar model pembelian langsung rumah negara di indonesia. *JURNAL PKN (Jurnal Pajak Dan Keuangan Negara)*, 1(1), 1–20.
- Qadri, R. A., Gunawan, E., & Zikrulah, A. (2020). Emancipating Homo Pancasilaus principles for resolving obfuscation in designing residency provision policy. In A. Solikin, Y. Hadiwibowo, B. Setiawan, A. Firmansyah, & H. D. Mulyaningsih (Eds.), *Public Sector Accountants and Quantum Leap: How Far We Can Survive in Industrial Revolution 4.0?* (First, pp. 1–5). Retrieved from <https://www.taylorfrancis.com/books/e/9780367822965/chapters/10.1201/9780367822965-20>
- Qadri, R. A., & Jauhari, R. (2020). Desain Kerangka Konseptual Balanced Score Card pada Lembaga Riset Pemerintah. *Jurnal Pajak Dan Keuangan Negara*, 2, No.1, 19–37. Retrieved from <http://www.aeaweb.org/jel/guide/jel.php>
- Resmi, S. (2014). *Perpajakan Teori dan Kasus Edisi 4*. In *Jakarta: Salemba Empat*. Salemba Empat.
- Rosliyat, A. (2016). Peranan Kepatuhan Wajib Pajak dalam Meningkatkan Penerimaan Pajak Penghasilan Orang Pribadi di Kantor Pelayanan Pajak Pratama Ciamis. *Jurnal Wawasan Dan Riset Akuntansi*, 3(2), 71–80.
- Santi, A. N. (2012). Analisis Pengaruh Kesadaran Perpajakan, Sikap Rasional, Lingkungan, Sanksi Denda dan Sikap Fiskus terhadap Kepatuhan Wajib Pajak. *Thesis Strata - 1 . Faculty of Economics and Business, University of Diponegoro . Semarang*. Kurnia.
- Saputra, E. N. (2016). Pengaruh Kualitas Teknologi Informasi dan Penerapan E-Filing terhadap Kualitas Pelayanan (Survei Pada Wajib Pajak Orang Pribadi Di PT. Kereta Api Indonesia (Persero)). *E-Jurnal Akuntansi*, 15(1), 349–377.
- Simanjuntak, R. A. (2006). *Bagi Hasil Pajak Pertambahan Nilai: Sebuah Alternatif Penguatan Keuangan Daerah di Era Desentralisasi*. *Jurnal Ekonomi Pembangunan Indonesia*, VI(2), 47–62.
- Wardiana, W. (2002). *Perkembangan Teknologi Informasi di Indonesia*. 243(5), 6. <https://doi.org/10.1007/BF02191578>
- Winanda, N. R., Cikusin, Y., & Muchsin, S. (2016). *Optimalisasi E-Filling dalam rangka Peningkatan Kualitas Pelayanan Perijinan (Studi pada Kantor Pelayanan Pajak Pratama Mojokerto)*. VII, 41.
- Yin, R. K. (2009). Introduction. In *Case study research: design and methods* (Fourth Edi, pp. 3–21). Thousand Oaks,CA: SAGE Publications, Inc.

Yin, R. K. (2014). *Studi Kasus: Desain dan Metode* (Empat Bela). Depok: Rajawali Press.

Yin, R. K. (2018). *Case study research and applications : design and methods* (Sixth). Los Angeles: SAGE Publications, Inc.