

**EFFECTIVENESS OF THE USE OF ELECTRONIC TAX INVOICES IN  
INCREASING THE COMPLIANCE OF TAXABLE BUSINESSMEN FOR INCOME  
TAX REPORTS IN INDONESIA**

**EFEKTIVITAS PENGGUNAAN FAKTUR PAJAK ELEKTRONIK DALAM  
MENINGKATKAN KEPATUHAN PENGUSAHA KENA PAJAK UNTUK  
PELAPORAN SURAT PEMBERITAHUAN PAJAK  
PENGHASILAN (PPh) DI INDONESIA**

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**Abstract: Effectiveness of the Use of Electronic Tax Invoice in Increasing Taxable Entrepreneur Compliance for Reporting Income Tax Returns (PPh) in Indonesia.** The purpose of this research is to determine the effectiveness of the use of electronic tax invoices in increasing the compliance of taxable businessmen (PKP) for reporting income tax returns (PPh) in Indonesia. The objective of this study is to determine the level of compliance with the reporting of Income Tax Returns (PPh) in Indonesia before (in 2013-2015) and after (in 2016-2018) the use of electronic tax invoices were made compulsory. The data analysis technique uses the ratio of PKP compliance level which can be calculated by comparison between the number of PKP conventional tax invoice makers and the number of electronic tax invoice makers. The analysis shows that the level of compliance before using the electronic tax invoice in 2013-2015 was 89.5% (between 80% -90%), meaning that the level of PKP compliance in applying electronic tax invoices was quite effective. While the level of achievement after using the electronic tax invoice for 2016-2018 was 86.9% (between 80% - 90%), meaning that the level of PKP compliance in implementing the use of electronic tax invoices was also quite effective. So it can be concluded that the level of achievement before using the electronic tax invoice in 2013-2015 is quite effective. While the level of achievement after using an electronic tax invoice in 2016-2018 is also quite effective.

**Keywords:** Effectiveness, Electronic Tax Invoice, Taxable Entrepreneur Compliance, Income Tax Return

**Abstrak: Efektivitas Penggunaan Faktur Pajak Elektronik Dalam Meningkatkan Kepatuhan Pengusaha Kena Pajak untuk Pelaporan Surat Pemberitahuan Pajak Penghasilan (PPh) di Indonesia.** Tujuan dalam melakukan penelitian ini untuk mengetahui efektivitas penggunaan faktur pajak elektronik dalam meningkatkan kepatuhan pengusaha kena pajak (PKP) untuk pelaporan Surat Pemberitahuan Pajak Penghasilan (PPh) di Indonesia. Objek yang diteliti yaitu tingkat kepatuhan pelaporan Surat Pemberitahuan Pajak Penghasilan (PPh) di Indonesia sebelum diwajibkan (tahun 2013-2015) dan sesudah (tahun 2016-2018) menggunakan faktur pajak elektronik. Teknik analisis data menggunakan rasio tingkat kepatuhan KPP yang dapat dihitung dengan perbandingan antara jumlah PKP pembuat faktur pajak konvensional dan jumlah pembuat faktur pajak elektronik. Hasil analisis menunjukkan bahwa tingkat pencapaian sebelum menggunakan faktur pajak elektronik tahun 2013-2015 sebesar 89,5% (di antara 80%-90%), artinya tingkat kepatuhan

PKP dalam penerapan penggunaan faktur pajak elektronik cukup efektif. Sedangkan tingkat pencapaian sesudah menggunakan faktur pajak elektronik tahun 2016-2018 sebesar 86,9% (di antara 80%-90%), artinya tingkat kepatuhan PKP dalam penerapan penggunaan faktur pajak elektronik juga cukup efektif. Sehingga dapat disimpulkan bahwa tingkat pencapaian sebelum menggunakan faktur pajak elektronik tahun 2013-2015 cukup efektif. Sedangkan tingkat pencapaian sesudah menggunakan faktur pajak elektronik tahun 2016-2018 juga cukup efektif.

Kata kunci: Efektivitas, Faktur Pajak Elektronik, Kepatuhan Pengusaha Kena Pajak, Surat Pemberitahuan PPh.

## A. INTRODUCTION

Tax is the main source of state revenue which has an important role in the financial management of the State Revenue and Expenditure Budget (APBN). The amount of state expenditure used for people's prosperity is followed by the amount of tax revenue. Tax is a mandatory contribution to the state owed by individuals or entities that are forced based on the Act with no direct compensation and is used for the country's needs for the greatest prosperity of the people. The Directorate General of Taxation of the Ministry of Finance noted that the realization of tax revenue in 2017 reached Rp 1,151 trillion or 89.7 percent of the revised Budget target of Rp. 1,283.6 trillion.

There are three sectors that contribute the most to tax revenue. These sectors are the manufacturing, trade and financial services industries. From the realization of Rp 1,151 trillion in tax revenue, the processing industry contributed around 31.8 percent, trading 19.3 percent and financial services 14.0 percent. The Ministry of Finance recorded state revenues as of April 2018 are Rp 527.8 trillion. One of these revenues was contributed by tax revenue of IDR 383.2 trillion and customs duties of R. 33.6 trillion (<https://www.merdeka.com>., Accessed March 21, 2019). In order to support this increase in tax revenue, the Directorate General of Taxes always makes improvements both to the organizational structure as well as services. Moreover, the development of science and technology increasingly helps these improvements.

The development of science and technology is very useful and supports the modernization of tax administration mainly in improving the system. *System*, where initially the taxation system that applies is

the *official assessment system* (Pandiangan, 2014: 8). The tax collection system in Indonesia adheres to the principle of *self assessment system*, the self assessment system is a taxation system that gives trust to taxpayers to fulfill and carry out their own tax obligations and rights, especially the obligation in reporting tax returns (SPT). According to Mardiasmo (2016: 9), the *official assessment system* is a tax collection system that authorizes the government (tax authorities) to determine the amount of tax owed by taxpayers. While the *self assessment system* is a tax collection system that authorizes taxpayers to determine their own amount of tax owed.

One of the forms of tax administration modernization is Electronic Income Tax Invoice (PPh Electronic Tax Invoice). A Tax Invoice is proof of tax collection made by a Taxable Entrepreneur (PKP) that submits Taxable Goods (BKP) or submits Taxable Services (JKP). Regulation of the Director-General of Tax Number PER-16 / PJ / 2014 article 1 provides the meaning of Electronic Tax (electronic tax invoice) Invoice is a tax invoice made through an electronic application or system that is determined and / or provided by the Directorate General of Taxes. Because of the electronic form, the tax invoice was signed electronically in the form of an *online barcode*, so that the electronic tax invoice is considered valid. The application of electronic tax invoices has advantages and benefits that are not only felt by the Directorate General of Taxes and Tax Service Officers, but are also felt by PKP.

The use of electronic tax invoices protects PKP from misuse of tax invoices by non-PKP. In addition, PKP can also save time, energy, and costs when implementing electronic tax invoices. PKP can reduce the cost of printing the tax invoice. PKP can also

save time and energy because tax submission can be done anywhere and anytime by accessing the electronic tax invoice menu that has been provided online at the Directorate General of Tax's website. Because the use of electronic tax invoices is done online, it is possible to utilize, produce and report E-Invoice in *real time*. So by using an electronic tax invoice, PKP no longer needs to print paper invoices and PKP does not have to go to the Tax Service Office to report it.

Electronic Tax Invoice is expected to increase the compliance of Taxable Businessmen in carrying out their tax obligations. According to Khairani & Awwaliatul (2015: 16) electronic tax invoice is referred to as one of the strategies to implement a centralized data approach in building a future tax compliance environment. Taxable Entrepreneur Compliance is a condition in which Taxable Businessmen as Taxpayers fulfill all tax obligations and exercise their tax rights in accordance with formal and material provisions in the Taxation Law (Sutedi, 2013: 27). The stipulation of the Director-General of Taxes Regulation Number PER-16 / PJ / 2014 which is effective from July 1, 2014 is the basis for the electronic tax invoice (electronic tax invoice) to be applied.

Furthermore, Taxable Entrepreneur Compliance in terms of utilization of tax invoices and data collected by the Director General of Taxes. Specifically, in Java and Bali, there was 14.48% or as many as 36,799 Medium and Large Taxable Businessmen with a yearly turnover of more than Rp. 4.8 billion that made a tax invoice and there was 40.46% or as many as 102,796 Small PKP with a yearly turnover of less than Rp. 4.8 billion which makes a tax invoice. As of the end of June 2015,

there were 89,857 PKP or 64.43% of the total PKP in Java and Bali that made tax invoices that already had certificates, and a total of 632 PKPs had used electronic tax invoices before 1 July 2015 (HTTP: // www. tax.go.id/, accessed March 21, 2019).

The implementation of electronic tax invoices is expected to be effective and efficient not only from the perspective of the Director-General of Taxes and the Tax Service Office but also from the side of Taxable Businessmen as a Taxpayers. Effectiveness is the relationship between what is planned, the process of activities and outputs with the goals or objectives to be achieved. Operational activities are said to be effective if the activity process reaches its final policy goals and objectives (*spending wisely*) (Mardiasmo, 2009: 132).

Indicators of effectiveness include the accuracy of use, the result of use and the support of goals. The indicator of the accuracy of use, that is, what has been determined in terms of use already represents what was expected beforehand in relation to the process. Then the indicator of results, illustrates the output of the process of activities carried out, whether it will give a good change and have the expected results. While indicator of the support of goals relate to outputs that are in accordance with planned activities and expected goals.

The obligation to report Tax return/SPT is an obligation that must be carried out by all taxpayers. The rules in Indonesia regarding the obligation to report tax returns are clearly regulated in the General Taxation Provisions Act (KUP). Initially this taxation regulation was regulated in Law No.6 of 1983 which then underwent several changes and the most recent amendment namely Law No.16 Year

2009. In Law No.16 Year 2009 Article 3 (three) paragraph one is explained about the obligation in reporting SPT are as follows; Every taxpayer must fill in the notification letter correctly, completely, and clearly in Indonesian by using Latin letters, Arabic numbers, rupiah currency units, and signing and submitting it to the Office of the Directorate General of Taxes (KPP) where the taxpayer is registered or confirmed or other places determined by the Director-General of Tax (DJP).

Taxable Businessmen (PKP) are also required to report and account for the calculation of the amount of income tax through the income tax period (SPT masa PPh). With the aim of minimizing the fraud that often occurs in reporting tax payable as well as to facilitate PKP in reporting the tax return period, the DGT launched a new program which is electronic invoicing, but in implementing the use of electronic tax invoices PKP often experiences obstacles, whether constraints from the electronic tax invoicing system itself or the lack of PKP knowledge in using electronic tax invoices due to the lack of adequate socialization from tax officials.

One of the tax that is applied in Indonesia is income tax (PPh). PPh is based on Law No. 8 of 1983 established since April 1, 1985 as amended the last time with Law Number 42 of 2009, which until now is still valid using Income Tax. The rationale for Value Added Tax is to impose a tax on the level of people's ability to consume, the imposition of which is done indirectly to consumers (ortax.org., Accessed March 21, 2019). Income Tax, which is classified as objective tax, is considered to be very closely related to the business world because it encompasses the "Taxable Entrepreneur" described in the Law on Income Tax as a Businessmen who submits Taxable Goods

and or Taxable Services. Apparently, not all Taxable Businessmen who are entrusted with collecting income tax, calculating income tax payable, and reporting it to the Tax Service Office, are compliant with their obligations. The case of taxable Businessmen who issued Fictitious Tax Invoices that caused losses to the state finances, made the Directorate-General of Taxes finally carry out further reforms, namely Reform of the PPh Administration System.

Based on the descriptions above, the authors chose the title "**Effectiveness of the Use of Electronic Tax Invoice in Increasing Taxable Entrepreneur Compliance for Reporting Income Tax Returns (PPh) in Indonesia**".

## **B. LITERATURE REVIEW**

### **Relevant Research**

There are previous studies that have been conducted which examine the income tax revenue associated with various independent variables.

Research by Lintang et al. (2017) titled "Analisis Penerapan Faktur pajak elektronik Pajak Dalam Upaya Meningkatkan Kepatuhan Pengusaha Kena Pajak untuk Pelaporan SPT Masa PPN pada KPP Pratama Manado". The purpose of this study was to analyze the implementation of an electronic tax invoice application on taxable Businessmen in the reporting of VAT Period SPT and to see the level of compliance of taxable Businessmen registered at the Manado Primary Tax Office. The method used is descriptive method. The results showed the level of compliance of taxable Businessmen who use electronic tax invoices in the first 6 months since the implementation of electronic tax invoices is equal to 74.62%. This shows that the application of electronic tax invoices is

still relatively ineffective in terms of increasing the compliance of taxable Businessmen invoice makers who are registered on KPP Pratama Madiun.

Sulistiyowati et al., (2017) research titled “Analisis Efektivitas dan Efisiensi Penerapan Faktur pajak elektronik PPN Guna Meningkatkan Kepatuhan Pengusaha Kena Pajak (Studi pada PKP Terdaftar di KPP Pratama Madiun)”. This study aims to analyze and test the application of VAT electronic tax invoices on the compliance of Taxable Businessmen (PKP) registered at KPP Pratama Madiun. This research is a descriptive qualitative one. Data sources are primary data obtained from interviews with Taxable Businessmen (PKP) and Tax Officers. The data analysis of this study utilized a non-statistical data analysis method with descriptive techniques. The results showed that: (1) The application of electronic tax invoices within the scope of KPP Pratama Madiun has been effective, (2) The application of electronic tax invoices within the scope of KPP Pratama Madiun has been efficient, (3) The effectiveness and efficiency of implementing electronic tax invoices increases tax compliance, (4) Several interviews indicated that the problem with using e-invoices was an internet connection issue, and application errors sometimes occurred.

Research by Gisbu et al. (2015) titled “Pengaruh Modernisasi *e-Nofa* terhadap Kepatuhan PKP dalam Penerapan Penomoran Faktur”. The purpose of this study is to see the effect of electronic modernization of tax invoice numbering (*e-Nofa*) Value Added Tax on the level of compliance of Taxable Businessmen in the application of invoice numbering in the Ilir Timur Primary Tax Office. This study uses the Simple Random Sampling method with a sample of 98 Taxable Entrepreneur

respondents who are registered at KPP Pratama Ilir Timur. The data used are primary data obtained directly from questionnaires containing answers from respondents. In this study, a *t count* of 6,719 was obtained with a significance level of 0,000 and *t table value* of 1,985. Therefore  $t \text{ count} > t \text{ table}$  which is  $6,719 > 1,985$ . This means that the electronic modernization of tax invoice numbering (*e-Nofa*) Value Added Tax significantly influences the level of compliance of Taxable Businessmen in the application of invoice numbering at the Ilir Timur Primary Tax Office. This study has an Adjusted R Square value of 0.313 or 31.3%. This shows that the modernization of Value Added Tax *e-Nofa* has an effect of 31.3% on the compliance of Taxable Businessmen in the application of invoice numbering. And 68.7% is influenced by other variables not examined.

Research by Lavanda (2014) titled “Penerapan E-SPT Sebagai Sarana Pelaporan PPN (Studi Evaluasi Efektivitas Penerapan E-SPT Masa PPN pada Kantor Pelayanan Pajak (KPP) Pratama Singosari)”. This study aims to provide an overview and evaluation of the application of *e-SPT* as a VAT reporting tool in KPP Pratama Singosari, one of the Modern Tax Service Offices that applies *e-SPT Masa PPN* (VAT Period). Evaluation of the effectiveness of the application of *e-SPT VAT Period* in KPP Pratama Singosari uses Krech, Cruthfied & Ballachey's program effectiveness measurement (Danim, 2012: 119) which states that a program can be said to be effective if it meets 4 (four) elements as follows: the number of results released, the level of satisfaction to be obtained, creative products, and the intensity to be achieved. The data used are primary data and secondary data. Structured interviews were conducted with tax officials and taxpayers to find out their perceptions of the

application of the VAT Period e-SPT. The results of this study indicate that the application of the VAT Period e-SPT in Singosari KPP has been quite effective. It is said to be quite effective because most of the criteria have been fulfilled well, although they have not been able to achieve the expected intensity to the maximum and the results are felt to be uneven for all taxpayers. The implementation of VAT Period e-SPT will be more effective if the Singosari Tax Office provides refinements and improvements to the services and facilities provided to taxpayers.

Research by Handayani & Ni Luh (2013) titled "Pengaruh Efektivitas E-SPT Masa PPN pada Kepatuhan Wajib Pajak Badan di KPP Pratama Denpasar Barat". This study is intended to explain the effect of the effectiveness of electronic tax returns (e-SPT) on the compliance of corporate taxpayers in reporting the VAT Period Tax Return in West Denpasar Primary Tax Office. Through the *accidental sampling* method, 94 respondents were set to be determined as samples in order to obtain primary data with a questionnaire instrument. The results of the study using simple linear regression analysis techniques showed that the effectiveness of the Implementation of the VAT Period e-SPT had a positive and significant effect on the compliance of Corporate Taxpayers in West Denpasar's KPP.

## C. RESEARCH METHODS

### Research Types and Design

The type of this research is quantitative descriptive, namely a critical problem solving to get the right information on a particular problem and object in the area of a particular community group or location, which describes or elucidates a situation as clearly as possible without any

treatment to the object under study (Ruslan, 2010: 21).

The object under study is the effectiveness of the use of electronic tax invoices in increasing the compliance of taxable Businessmen for reporting income tax returns (PPh) in Indonesia before and after using electronic tax invoices from the year 2013 to 2017.

### Place and Time of Research

This research was conducted at the Directorate General of Taxes. This research was conducted in August 2019.

### Object of Study

The object of this study is PKP compliance for income tax returns (PPh) and the effectiveness of using electronic tax invoices.

### Research Variable

The variable of this study is the effectiveness of using electronic tax invoices.

### Operational Definitions of Research Variables

The effectiveness of the use of electronic tax invoices is a quantitative description of the level of compliance of taxpayers in accordance with what has been planned by the government since the enactment of electronic tax invoices, until the achievement of taxation targets and objectives. Effectiveness also relates to taxation activities since the enactment of electronic tax invoices, where the process of taxation activities runs in accordance with taxation policies.

The effectiveness of the use of electronic tax invoices is measured using the level of compliance calculated by comparing the numbers of taxpayers who use

conventional tax invoices and the taxpayers who uses electronic tax invoices.

### Data Collection Techniques

The secondary data collection technique in this study is using data on the number of conventional tax invoice users and the number of electronic tax invoice users in Indonesia documented on the website <https://www.pajak.go.id>. The data downloaded are the ones before (2013-2015) and after (in 2016-2018) using electronic tax invoices.

### Data Analysis Technique

Effectiveness is the relationship between outputs with goals or objectives that must be achieved (in this study is the level of compliance with Taxable Businessmen/PKP users of electronic tax invoices). Operational activities are said to be effective if the process of activity achieves the goals and objectives of the final policy (spending wisely). Therefore, the greater the contribution of output produced to the achievement of specified goals or objectives, the more effective the work process of an organizational unit (Mardiasmo, 2009: 132). Therefore, the data analysis technique in this study is to determine the effectiveness of the use of electronic tax invoices by calculating the level of compliance of PKP users of electronic tax invoices. The effectiveness of the use of electronic tax invoices is measured through the level of PKP compliance in applying electronic tax invoices.

The level of PKP compliance in implementing electronic tax invoices is based on the number of taxable Businessmen who have activated electronic tax invoices. Therefore, the level of tax compliance can be calculated by comparing the number of PKP users using conventional

tax invoices and the number of electronic tax invoice users.

$$\text{PKP Compliance Level} = \frac{\text{Number of Electronic Tax Invoice Users}}{\text{Number of Conventional Tax Invoice Users}}$$

Effectiveness comes from the word 'effective'. According to the Great Indonesian Dictionary, the word 'effective' has the meaning of effect, influence, consequence, or bring results. Effectiveness is categorized as follows (Pandiangan in Lintang et al., 2017);

1. Achievement level above 100% means the level of PKP compliance in the application of the use of electronic tax invoices is very effective, which means the level of PKP compliance in applying the use of electronic tax invoices is **very compliant**.
2. Achievement rate between 90% - 100% level of PKP compliance in the application of the use of electronic tax invoices means effective, which means that the level of PKP compliance in applying the use of electronic tax invoices is **compliant**.
3. The achievement rate between 80% -90% level of PKP compliance in the application of the use of electronic tax invoices means that it is quite effective, which means the level of PKP compliance in applying the use of electronic tax invoices is **quite compliant**.
4. The achievement rate between 60% -80% level of PKP

compliance in the application of the use of electronic tax invoices means less effective, which means the level of PKP compliance in the application of the use of electronic tax invoices is **less compliant**.

5. Achievement level below 60% of the level of PKP compliance in the use of electronic tax invoices means that it is not effective, which means that the level of PKP compliance in the use of electronic tax invoices is **not compliant**.

## **D. RESEARCH RESULTS AND DISCUSSION**

### **Overview of Research Sites**

The Directorate General of Tax (DGT) is an echelon I unit under the Ministry of Finance which has the task of formulating and implementing policies and technical standardization in taxation. These tasks can be further elaborated in the implementation of functions which include: 1)formulation of policies in the field of taxation; 2)implementation of policies in the field of taxation; 3)drafting norms, standards, procedures and criteria in the field of taxation; 4)providing technical guidance and supervision in the field of taxation; 5)implementation of monitoring, evaluation and reporting in the field of taxation; 6)DGT administration implementation; and 7)the implementation of other functions provided by the Minister of Finance. The scope of taxation managed by DGT covers central tax collection / collection administration, namely Income Tax (PPh), Value Added Tax (PPN), Sales Tax on Luxury Goods (PPnBM), Land and Building Tax in addition to urban and rural sectors, and Stamp Duty. The regional tax management is carried out by the local government both at the provincial and

district / city level (DGT Annual Report, 2016).

In summary, DGT organizations can be distinguished from headquarters and operational offices. The head office carries out the functions of policy formulation and technical standardization, analysis and development (transformation), as well as coaching and administrative support (management, staffing, finance, and equipment). The operational office carries out operational and/or technical support functions. The DGT head office consists of the Secretariat of the Directorate General, 14 directorate units, and 4 office workers reviewer.

The operational office within the DGT consists of the DGT Regional Office (DGT Regional Office), the Tax Service Office (KPP), the Taxation Service, Counseling and Consultation Office (KP2KP), and the Technical Implementation Unit (UPT).The DGT Regional Office has the task of carrying out coordination, guidance, control, analysis, and evaluation of the implementation of the KPP's duties, as well as the elaboration of policies from the central office. This unit can be distinguished by: a. Large Taxpayer Regional Tax Office and Jakarta Special Regional Tax Office located in Jakarta; and The DGT Regional Office in addition to the Large Taxpayer Regional Tax Office and the Special Jakarta DGT Regional Office located in all regions of Indonesia. KPP has the task of carrying out counseling, services, and supervision to taxpayers. KPP is differentiated based on (DGT Annual Report, 2017).

The DGT's vision is to become the best state revenue collection institution in order to guarantee the sovereignty and independence of the country. Whereas DGT's mission is to guarantee the implementation of a sovereign and

independent state by: 1) collect receipts based on high voluntary tax compliance and fair law enforcement; 2) modern technology-based services to facilitate the fulfillment of tax obligations; 3) tax apparatus with integrity, competence and professionalism; and 4) competitive compensation based on a performance management system (DGT Annual Report, 2017).

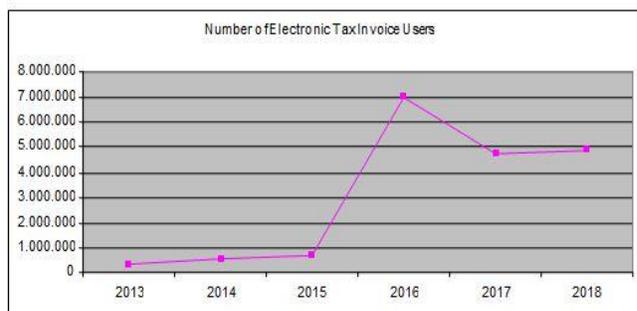
**Research Data**

The following data is the number of electronic tax invoice users for the period of 2013-2018:

**Table 1. Data on Number of Electronic Tax Invoice Users for 2013-2018**

Year	Number of Electronic Invoice Users
2013	346.440
2014	556.542
2015	710.709
<b>Average</b>	<b>537.897,0</b>
2016	7.000.000
2017	4.762.217
2018	5.800.480
<b>Average</b>	<b>5.854.232,3</b>

Source: Secondary Data, Processed, 2019.



**Figure 2. Graph of Number of Electronic Tax Invoice Users in 2013-2018**

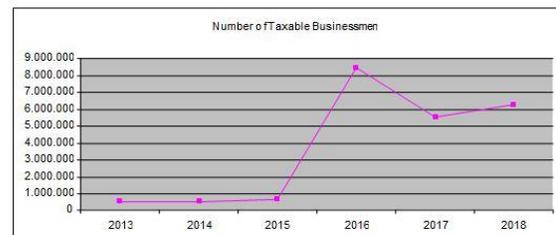
From the chart data on the number of PKP users of electronic tax invoices for

2013-2018, it can be seen that there is an increase in the number of PKP who uses electronic tax invoices in Indonesia. The rising number of PKP users of electronic tax invoices can be seen from the change in the number of data of PKP using electronic tax invoices before (2013-2015) and after (2016-2018). The average number of PKP users of electronic tax invoices in 2013-2015 was 537,897.0, while the average number of PKP users of electronic tax invoices in 2016-2018 was 5.854.232,3.

The following data is the number of PKP from 2013-2018:

**Table 2. Data on Number of PKP in 2013-2018**

Year	Numbers of PKP
2013	546.346
2014	552.714
2015	681.331
<b>Average</b>	<b>593.463,7</b>
2016	8.441.188
2017	5.555.816
2018	6.299.742
<b>Average</b>	<b>6.765.582,0</b>



**Table 2. Data on Number of PKP in 2013-2018**

From the graphic data on the number of PKP in 2013-2018 it can be seen that the number of PKP in Indonesia tends to increase before using electronic tax invoices (2013-2015 period) and after using electronic tax invoices for the period 2016-2018. The average number of PKP in 2013-2015 was 593,463.7, while the number of PKP in 2016-2018 was 6,765,582.0. Although the number of PKP in Indonesia tends to increase, the number of PKP in

Indonesia from 2016 to 2017 had decreased from 8,441,188 to 5,555,816 or decreased by 51.93%.

### Data Analysis

This analysis is to determine the level of compliance with the Income Tax Returns (PPH) in Indonesia before (2013-2015) and after (2016-2018) using electronic tax invoices. The level of PKP compliance in implementing electronic tax invoices is based on the number of taxable Businessmen who has activated electronic tax invoices. Therefore, the level of PKP compliance can be calculated by comparison between the number of PKP users of conventional tax invoices and the number of users of electronic tax invoices.

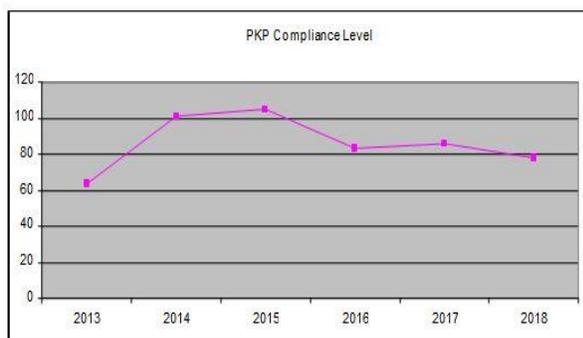
$$\text{PKP Compliance Level} = \frac{\text{Number of Electronic Tax Invoice Users}}{\text{Number of Conventional Tax Invoice User}}$$

The following is the results of PKP compliance levels:

**Table 3. Calculation of 2013-2018 PKP Compliance Ratio**

Year	Number of Electronic Invoice Users	Number of PKP	Level of Compliance (%)
<b>Before</b>			
2013	346.440	546.346	63,4
2014	556.542	552.714	100,7
2015	710.709	681.331	104,3
<b>Average</b>			89,5
<b>After</b>			
2016	7.000.000	8.441.188	82,9
2017	4.762.217	5.555.816	85,7
2018	5.800.480	6.299.742	92,1
<b>Average</b>			86,9

Source: Secondary Data, Processed, 2019.



**Figure 3. Graph of PKP Compliance Level**

From the data above, it can be seen that there are differences in the level of PKP compliance in Indonesia before and after using electronic tax invoices from 2013 to 2018 where prior to using electronic tax invoices in 2013-2015 the level of PKP compliance in applying electronic tax invoices have an average of 89.5 %, whereas after using the electronic tax invoice in 2016-2018 the level of PKP compliance in applying the use of electronic tax invoices have an average of 86,9%. This means that there is a decrease (from the period of the year before 2013-2015 to the period of the year after 2016-2018).  $\times 100\%$

The level of achievement before using the electronic tax invoice in 2013-2015 was between 80% -90% (amounting to 89.5%), meaning that the level of PKP compliance in applying electronic tax invoices was quite effective. While the level of achievement before using the electronic tax invoice in 2016-2018 was also between 80% -90% (amounting to 86,9%), meaning that the level of PKP compliance in applying the use of electronic tax invoices was also quite effective.

### Discussion

The analysis shows that the level of achievement before using the electronic tax invoice in 2013-2015 was 89.5% (between 80% -90%), meaning that the level of PKP compliance in applying electronic tax invoices was quite effective. While the level of achievement after using the electronic tax invoice for 2016-2018 was 86,9% (between 80% -90%), meaning that the level of PKP compliance in implementing the use of

electronic tax invoices was also quite effective. The use of electronic tax invoices is supported by the application server, the socialization carried out by the Tax Office, and the character of the taxpayer, although when using e-invoice errors often occurs in connection with the server. Requirements that must be met by a Taxable Businessmen for VAT purposes in order to be able to use an Electronic Tax Invoice includes an application for an Activation Code and password, an electronic certificate request and a request for a Tax Invoice Serial Number. Request for an Activation Code and password can be made by making a request letter and submitting it to the Tax Service Office where the Taxable Entrepreneur is confirmed. Submission of electronic certificate requests is made in relation with requests for Tax Invoice Serial Numbers online and the use of electronic tax invoices. Furthermore, the request for the Tax Invoice Serial Number can be made through the website or through the Tax Service Office where the Taxable Entrepreneur is confirmed.

Enforcement of the E-Invoice is expected to be effective and efficient not only from the perspective of the Director General of Taxes and the Tax Service Office but also from the side of the Taxable Entrepreneur as a Taxpayer. Effectiveness is the achievement of goals appropriately or choosing the right goals from a series of alternatives or choice of ways and determining the choice of several other choices. Effectiveness is the relationship between what is planned, the process of activities and outputs with the goals or objectives to be achieved. Operational activities are said to be effective if the process of achieving the policy objectives and objectives (spending wisely). Therefore, the greater the contribution of output produced to the achievement of specified

goals or objectives, the more effective the work process of an organizational unit (Mardiasmo, 2009: 132).

Indicators of effectiveness include the accuracy of use, results and support goals. An indicator of the accuracy of use, that is, what has been determined in terms of use already represents what was expected beforehand related to the process. Then the outcome indicators to illustrate the output of the process of activities carried out whether it will give a good change and have the expected results. Whereas indicators supporting the objectives relate to output in accordance with planned activities and expected goals. Minister of Home Affairs Regulation No. 13/2006 explains that effective is the achievement of program results with a predetermined target of comparing outputs with results. When it comes to to taxation in Indonesia, effectiveness illustrates that the amount of tax revenue is in accordance with what has been planned by the government so that the achievement of taxation targets and objectives, not only that effectiveness also relates to taxation activities in which the process of taxation activities runs in accordance with taxation policies.

The results of this study that electronic tax invoices have increased the compliance of Taxable Businessmen in carrying out their tax obligations. According to Khairani & Awwaliatul (2015: 16) electronic tax invoices are referred to as one of the strategies to implement a data centralization approach in building a tax compliance environment in the future. Taxable Entrepreneur Compliance is a condition where a Taxable Entrepreneur as a Taxpayer fulfills all tax obligations and performs his tax rights in accordance with formal and material provisions in the Taxation Law (Sutedi, 2013: 27).

The results of this study are consistent with the results of research Sulistyowati et al., (2017) which states that the application of electronic tax invoices within the scope of KPP Pratama Madiun has been effective, the application of electronic tax invoices within the scope of KPP Pratama Madiun has been efficient, effective and efficient implementation of electronic tax invoices improve taxpayer compliance, and several times interviewed stated the use of inefficiencies is an internet connection problem, and application errors sometimes occur.

The results of this study are also in accordance with the results of Lavanda's study (2014) which states that the application of the VAT Period e-SPT in the Singosari KPP has been quite effective (between 80% -90%). It is said to be quite effective because most of the criteria have been fulfilled well, although they have not been able to reach the expected intensity to the maximum and the results are felt to be uneven for all taxpayers. The implementation of e-SPT VAT Period will be more effective if the Primary Tax Office provides improvements and improvements to the services and facilities provided to taxpayers. The use of electronic tax invoices protects PKP from misuse of tax invoices by non-PKP. In addition, PKP can also save time, energy and costs when implementing an electronic tax invoice. PFM can reduce the cost of printing the tax invoice. PKP can also save time and energy because the delivery of taxes can be done anywhere and anytime by accessing the electronic tax invoice menu that has been provided online on the website of the Directorate General of Taxes. Because the use of electronic tax invoices is done online, it is possible to utilize, produce and report E-Invoice in real time. So by using an electronic tax invoice, PKP no longer needs to print paper

invoices and PKP does not have to go to the Tax Service Office to report it. While the results of this study are not in accordance with the results of research by Lintang et al., (2017) which states that the level of compliance of taxable employers using electronic tax invoices in the first 6 months since the application of electronic tax invoices, amounting to 74.62% (between 60% - 80%). This shows that the application of electronic tax invoices in Manado Primary Tax Office is still not effective enough.

## **E. CONCLUSION AND SUGGESTION**

### **Conclusion**

The analysis shows that the level of achievement before using the electronic tax invoice in 2013-2015 was quite effective, which means that the level of PKP compliance in applying the electronic tax invoice was quite compliant. While the level of achievement after using the electronic tax invoice in 2016-2018 is also quite effective, which means that the level of PKP compliance in applying the electronic tax invoice is also quite obedient.

### **Suggestion**

After providing conclusions on the results of the study in the description above, the researcher will attempt to give the following advices to the Directorate General of Taxes and taxable Businessmen.

1. In an effort to support the use of electronic tax invoices, the Directorate General of Taxes needs to overcome the barriers of app crashes and server downs by increasing the speed of access and server capabilities. In addition, the use of electronic tax invoices by the Directorate General of Taxes must be further supported by the application server, education and

socialization conducted by the Tax Office, and the character of the taxpayer.

2. The Directorate General of Tax's efforts to further enhance and expedite the use of e-invoicing should be followed by further socialization of e-invoicing, so that problems can be overcome.
3. Taxable Entrepreneurs (PKP) can further improve the reporting of the Periodic Income Tax Return by independently studying e-invoicing, more actively participating in e-invoicing socialization, and implementing e-invoicing.

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