Application Benchmark Behavioral Analysis Model in Supervision and Inspection Tax

DOI: https://doi.org/10.33096/atestasi.v3i1.377

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ABSTRACT: This study aims to determine and describe how the application of methods Benchmark Behavioral Model in the process of supervision and inspection of taxes that have been applied in the North Makassar STO. Data collection method used is the open interview and go directly to the location of the STO North Makassar. This study uses a case study with a qualitative approach. Data analysis method used is descriptive analysis method. The results showed that the method Benchmark Behavioral Model is only used as a reference tool in the supervision and examination but cannot be used as the basis for the issuance of tax assessment. Benchmark Behavioral Model also play a role in helping the process of supervision and inspection of taxes for Account Representative so that the process of supervision and inspection can be run efficiently and effectively. This method can also be used as a tool for inspectors to determine the extent of the examination as early guidance examination.

Keyword: Benchmark Behavioral Model, Control, examination, Tax

Introduction

Self-Assessment System adopted in Indonesia is a concept that gives tax collection authority, trust, responsibility to the taxpayer to compute, calculate, pay and self-reported amount of tax to be paid (Waluyo and Elias, 2003). Implementation of self-assessment system will be effective if the condition of voluntary compliance (voluntary compliance) on society has been formed (Damayanti and Adiritonga, 2011). Factual conditions in Indonesia shows the level of tax compliance is still low. It is known from the not yet optimal tax revenue drawn from the data are not yet optimal tax ratio over the last five years from the year 2012 - 2016, which dropped 10.7 percent to 10.4 percent.
Table 1. The tax ratio (the period 2012-2016 in percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11.9</td>
</tr>
<tr>
<td>2013</td>
<td>11.3</td>
</tr>
<tr>
<td>2014</td>
<td>10.9</td>
</tr>
<tr>
<td>2015</td>
<td>10.7</td>
</tr>
<tr>
<td>2016</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Source: Financial Notes and Draft Budget 2016

Based on table 1, the tax ratio in Indonesia is quite low and decreasing. Identifies the low tax ratio is not optimal taxation, which can be caused by the efforts of tax evasion through the use of cracks of legislation (tax avoidance). Up to September 30 2015 Indonesia’s tax revenue reached Rp 686.274 billion or 53.02% of the tax revenue target established under the revised budget in 2015 amounted to Rp 1294.258 trillion (Pajak.go.id, 2015). Such acceptance is still very far from the target (Darmayasa, Aneswari, & Yusdita, 2016), The implications of noncompliance taxpayer is the low tax ratio Indonesia which is only at the level of 12% in 2014 (Hidayat, 2014). According to data from the World Bank Indonesian tax ratio is the lowest compared with the countries of Southeast Asia. Comparison of the tax ratio Southeast Asian countries and Australia in 2012 were: 1) Indonesia (12%), 2) the Philippines (12.9%), 3) Singapore (14%), 4) Malaysia (16.1%) , 5) Thailand (16.5%), and 6), Australia (21.4%) worldbank.org, (2015). The low tax ratio was the culmination of ineffective implementation of SAS (Belkaoui, 2004; Kusumawati, 2005; Permita et al., 2014; Saad, 2012, 2014; Darmayasa et al., 2016),

Relied upon for income tax state, efforts are needed to secure the tax revenues and the need for better management of tax revenue as well as accurate. Much research has been done on the factors affecting voluntary taxpayer compliance. Some of the study theorized that the antecedent of voluntary tax compliance among other things: 1) Religiosity or spiritualitas (Darmayasa & Aneswari, 2015; Fidiana, 2014b; Torgler, 2003), 2) Moral Tax (Goksu & Sahpaz, 2015; Torgler, 2012), 3) Culture (Lubian & Zarri, 2011; Torgler, 2012), 4) Education or tax information (Ali, Fjeldstad, & Sjursen, 2014; Goksu & Sahpaz, 2015), and 5) confidence and power authority (Gangl, Hofmann, & Kirchler, 2015; Kogler, Batrancea, et al., 2013).

Supervision and inspection of taxes is an essential part of the activities of tax authorities in an effort to increase tax revenues from oil taxes. Meanwhile, the fuel becomes one of the tools used in supporting activities to increase tax revenue(Laicha, Astuti, and Darono, 2016),

This research issues related to the Benchmark Behavioral Model, which is a development of methods Ratio Total Benchmarking. The Directorate General of Taxation (DGT) developed a method of benchmarking as a potential exploration tools taxpayer in order to carry out its function to provide guidance and oversight of the taxpayer. DJP
make comparisons with the notion that taxpayers have the same characteristics will have a tendency to have the same business behavior. Benchmarking is used to determine or detect taxpayers who have a high risk of non-compliance, so that it can do the appropriate follow-up (Circular of the Director General of Taxation, 2009).

Taxation is a form of civic duty as a taxpayer as proof active role in community support national development, (Waluyo, 2008; Hasoloan, 2010). The application of the model behavioral benchmarks are a tool used by the tax authorities in fostering tax taxpayers, oversight of the taxpayer and be the starting point in determining the taxpayer at risk (Iqbal & Santoso, 2015). As a tool to determine or detect taxpayers who have a risk of non-compliance is high, benchmark the behavioral model into one method that can help and support the activities of supervision and inspection where the activity is an important part of the activities of tax authorities to tax as an effort to increase acceptance of the tax sector in good and accurate. Benchmark method behavioral model is a benchmarking methods used to determine or detect taxpayers who have a high risk of non-compliance, so that it can do the appropriate follow-up Circular of the Director General of Taxation, 2009.

There are several studies conducted by researchers earlier regarding the application of the Benchmarking Behavioral Model including research conducted by Laicha, Astuti, and Darono (2016) with the results of research that suggests that the method Benchmark Behavioral Model is a tool in the supervision and inspection of the taxpayer, Results of research conducted also by Damayanti and Adiritonga, (2011) demonstrated a method Behavioral Model Benchmarking policy can not be used as an absolute to assess the fairness of the financial statements of a company, but only as an indicator used in the examination of the taxpayer's tax compliance.

According Siagian (2008) supervision is the process of observation of the implementation of the entire organization to ensure that all work is being done run in accordance with a predetermined plan. Supervision is a process to establish what work has been carried out, vote, and correct it if necessary with the intention that the implementation of the tasks in accordance with the original plan (Manullang, M. 2012). The essence of supervision is an attempt to ensure the implementation in accordance with the predetermined plan and agreed. Supervision of the tax side is any action or activity to ensure that the implementation of an activity does not deviate from the plan that has been set (Rahayu, 2010). Based on previous research make driving factor for researchers to conduct studies that are relatively the same. What distinguishes with previous studies lies in the research object, the place and the period of study.

**Research Methods**

This study used descriptive qualitative approach. Sugiyono (2015) explains that the descriptive method is a method that aims to describe or give a picture of an object of
research study through samples or data that has been collected and made generally accepted conclusion. The location of this research is done Tax Office Primary North Makassar, district of Makassar, South Sulawesi Province. STO North Makassar is located in Jalan Urip Sumohardjo km 4 GKN 1 South Sulawesi. The data collected in this study are primary data and secondary data. Where in this data collection researchers used interviews and observations of the Section of Supervision and Consulting on STO North Makassar.

**Result and Discussion**

**Benchmark Application of Behavioral Model on STO North Makassar**

The tax authorities to develop policies to help maximize the potential of fuel taxation of corporate taxpayers. Excavation tax potential is one of the programs run by the government in order to improve compliance with tax payment by taxpayers. Benchmark Behavioral This model is a development Total Ratio Benchmarking has been applied in the Directorate General of Taxation since the issuance of Circular Letter No. SE-96 / PJ / 2009 on Benchmarking and Guidance Ratio Total Utilization. Benchmarking is a manifestation of the use of financial ratios as the basis for assessing and analyzing a business that is already commonly used in the business world. Financial ratios used in this benchmarking sourced from financial statements and tax returns the taxpayer to analyze compliance with corporate taxpayers.

Based on the Director General of Taxation Circular Letter No. SE-40 / PJ / 2012, BBM is one of the tools taxpayer potential exploration by mapping the risks of noncompliance taxpayer tax payment. The purpose of benchmarking is to provide a tool and as a comparison with the condition of the reported annual SPT taxpayers and facilitate the monitoring of tax compliance, especially with regard to compliance of material.

This is in line with that expressed by the informant I stating that:

"..... So, the fuel itself is a method that is structured as a starting point to see a comparison of the financial statements of the entities with which lainnya.BBM prepared based on the financial statements ratios and by comparing the ratio of the financial statements of the taxpayer bodies with a group of financial ratios similar taxpayer, ie who has KLU and the same scale of business and registered in the same KPP.

Director General of Taxation No-96 / PJ. / 2009 and No-40 / PJ. / 2012 that the benchmark is a tool (supporting tools) that can be used by the tax authorities in fostering taxpayers, oversight of the taxpayer and assess the tax compliance, as has been disclosed Informant I:

"..... there are many techniques in the process of extracting the tax potential one Benchmark Behavioral Model. The method of this fuel can help the process of supervision of the taxpayer submits tax, but we need to emphasize that this method is a last resort because it just sort of triggered or as a starting point to a destination
Fuel can not be the main reference in the issuance of tax assessment. Value benchmark ratios set by the group Business Field Classification (KLU) and carried out gradually by the headquarters of the DGT. Source of data used in the first stages of establishing benchmarks is data internal in DGT taxation information system, which consists of elements of the Agency Annual Income Tax, VAT and transcript return period financial statements (Circular of the Director General of Taxation, 2009).

**STO Control Section in the North Makassar**

North Makassar STO consists of several sections, each has the duty and authority one of them is Section of Supervision and Consultation or commonly referred to as Section Waskon. Section of Supervision and Consultation (Waskon) I, II, III and IV have the authority to conduct surveillance on STO North Makassar, where each charge of supervising the excavation of potential taxpayers. Embedded in the application of methods Benchmark Behavioral Model, Waskon II and III is the section in charge to supervise the implementation of the method using Benchmark Behavioral Model. As dictated by the informants I found:

".... In the application of own benchmarks are in charge of implementing the method that is sexy supervision and consultation, or commonly referred to as sexy waskon, an account representative who did the application by using these methods, it usually also does aided by the functional implementation."

Benchmark monitoring process carried out by the Account Representative as well as functional. The regulatory process is divided into three main stages, namely profiling, analysis and appeal. Profiling is an activity in order to construct profiles of registered taxpayers in KPP concerned and on-site visit taxpayer. An initial analysis Account Representative (AR) is to determine the fairness of the tax payer reports, one of the tools to find out the ridiculousness that is using a model behavioral benchmarks. Then proceed with the appeal stage is divided into two kinds, namely the call response and call not responded.

**Inspection Section in the North Makassar STO**

Section Inspection function to support administration Functional checks run by the Tax Audit. Examination of the North Makassar KPP has the task to the planning of inspection, supervision of implementation of the rules of the examination, publication, distribution and administration Investigation Order of tax examination and implementation officer examination by tax inspector appointed by the head office. This is in line with that disclosed information I stating that

"..... In the process, we also can not directly establish that the taxpayer no errors. Because the name of the examination is to test the compliance of taxpayers then we need to analyze in advance .. "
One way to tell is by checking examination or analyzing taxpayer compliance, which can be seen through the tax return, reporting, payment or other data of the taxpayer. In the examination to test taxpayer compliance are the tests based on the analysis of risk. Taxpayers included in the risk analysis will be carried out a special examination by the examiner functional.

**Benchmark Application of Behavioral Models in Supervision and Examination of Tax**

In the tax administration system requires that Account Representative is responsible for overseeing the administration of taxpayer compliance. In an effort to overcome the limitations of functional examiner, the Account Representative materials also have limited supervision. An average Account Representative shall conduct supervision of the taxpayer 500-1000. Results of interviews with informants II states that:

"...Oversight to the high amount of supervision Taxpayers will not be maximized as well as the limitations of competency, hours of flying, and Account Representative experience itself, other administrative jobs also time consuming and mind"

From the explanation above, we need a tool to facilitate the task of this Account Representative in conducting surveillance. As said by informants i stating that:

"... One of the methods used by the tax authorities is Benchmark Behavioral Model where this method helps the process of tax control, which is expected to be carried out thoroughly with tools or methods are scalable, effective, and non-subjective."

One method used by the Directorate General of Taxation is Benchmark Behavioral Model. With some improvements made related to benchmarking, is expected to methods Benchmark Behavioral This model can present the data is more valid and can be fully utilized by the Account Representative in conducting surveillance.

DJP create and update this fuel then generates a list of nominative taxpayer risk. Nominative list is compiled using regression method which the taxpayer ranked based on the value of the risk index. Tasks Account Representative will be more targeted with their nominative list of corporate tax risk assessment as well as individual files issued by the Regional Office. High risk corporate taxpayers it is the taxpayer who has a low performance of financial ratios (under-performed) compared to the average taxpayer's other financial ratios within a group.

For taxpayers with low financial ratios will later be grouped again with the use of priority. There are eight levels of priority in which the scale of 1-6 top priority, intended for taxpayers who belong to under-performed. While priority 7 and 8 for taxpayers classified as middle and upper performed performed. Account Representative only required to concentrate on the priorities 1-6 only. Priority 1 is to group Taxpayers who have the highest risk and so on until the priority 6. As expressed by informants II:

"... With the clustering of high-risk corporate taxpayers are divided based on priorities in this regard could help as well as simplifying the duties of Account Representatives in implementing the benchmark method for comparing financial statements of corporate taxpayers with the same scale of business."
With the availability of this data, Account Representative can be more selective in which the taxpayer who really should be watched. Thus, control measures can be more effective and efficient to do. For taxpayers that goes on under-performed, Account Representative is not necessarily directly provide a letter of appeal. Previous provide a letter of appeal, they are required to do the analysis first.

This is in line with that expressed by the informant II states that:

".... Earlier we must understand that a company has its own traits and characteristics are different from other companies on a scale despite the same effort, we can not directly provide a letter of appeal without prior analysis of the company is to collect data required in supervision ".

In SE-40 / PJ / 2012, to conduct a comprehensive analysis of this set that Account Representative together with the Head Section of Supervision and Consultation discussions, collect the necessary data. Analysis of this effort includes the process of assessing the business environment, strategies, financial position and performance of the company. After a comprehensive analysis and the obtained data and strong evidence underpayment numbers, there will be follow-up by the Account Representative who will issue a letter of appeal. Actions taken shape is the issuance of an appeal by the tax office to request clarification from the taxpayer to the allegations of unfulfilled tax obligations in accordance with the provisions of the tax laws in accordance with the Regulation of the Director General of Taxation No.Per-170 / PJ / 2007. On this appeal letter is provided counseling facilities for clarifying the data included in the appeal letter. Head Office is obliged to provide counseling to the taxpayer the opportunity to provide clarification. At this stage, the taxpayer was asked to explain how their company's ratio can differ greatly with the benchmark established by the backed up data and evidence. Under the Rules of Taxation Director General Per-170 / PJ / 2007, article 3, paragraph 11, the implementation of the counseling is done no later than 14 days after the expiration of the period referred to in the letter of appeal. Based on the research conclusions, Account Representative provides recommendations for further action against the taxpayer as outlined in the Report of the Counseling later than 7 days after the counseling. Head Office is obliged to provide counseling to the taxpayer the opportunity to provide clarification. At this stage, the taxpayer was asked to explain how their company's ratio can differ greatly with the benchmark established by the backed up data and evidence. Under the Rules of Taxation Director General Per-170 / PJ / 2007, article 3,
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Follow-up of this counseling is when the taxpayer recognize the validity of data and are willing to carry out the rectification of the Notice, counselors are required to supervise the implementation of the correction. In the event that after a period of 14 days from the date of implementation of the counseling ends taxpayer has not corrected the Notice, on the taxpayer to be proposed for examination. If the evidence has been obtained strong enough Account Representative can propose doing special examination of the taxpayer’s. In terms of the clarification given by the taxpayer is not enough to be accepted and taxpayers who are not cooperative, counselors will propose to the head of the Tax Office (specific check the bottom up) for examination.

In analyzing SPT taxpayers, AR could not ask for any other evidence data from the taxpayer, but AR analysis by comparing them alongside other data that is already available in the database of taxation or data from other institutions.
Figure 1. Flow control methods Benchmark

Data benchmark results for the taxpayer being examined functional forwarded to the examiner for further action. It is as published in the SE-40 / PJ / 2012 on the follow-up procedure of the fuel that reads "Over the taxpayer who is being examined, the data to be forwarded to the benchmark results Functional Audit team who are carrying out checks on taxpayer is to be followed up." Data benchmark results can be used by examiners to assist the task in terms of planning the examination (audit plan).

Figure 2. Benchmark Role in the examination of the taxpayer

Source: processed by the researcher (2019)
With the benchmarking the inspection plan will be more mature because it knows the terrain. Planning will create a more focused inspection was carried out and thus the course of the investigation will be more effective. The ratio of total benchmarking is a tool used by the tax authorities to assess the fairness of the financial performance and fulfillment of tax obligations. The total ratio benchmarking is simply a tool (supporting tools) that can be used by the tax authorities in fostering taxpayer and assess the compliance of taxation that should not be used directly as the basis for the issuance of tax assessment. However, it is often misunderstood by implementing taxation in decision-making in determining the reasonableness of a company's tax returns. Organizers examination often use the ratio of total taxation in absolute benchmarking to assess the fairness of the taxation of companies which are not in accordance with the main goal of the formulation of this policy, ie as an early indicator of the tax examination process.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>85.13%</td>
</tr>
<tr>
<td>2011</td>
<td>87.65%</td>
</tr>
<tr>
<td>2012</td>
<td>89.20%</td>
</tr>
<tr>
<td>2013</td>
<td>90.24%</td>
</tr>
<tr>
<td>2014</td>
<td>99.57%</td>
</tr>
<tr>
<td>2015</td>
<td>91.37%</td>
</tr>
<tr>
<td>2016</td>
<td>88.76%</td>
</tr>
</tbody>
</table>

Source: Section management of data and information year (2019)

Table 2 is the percentage of the tax revenue in the North Makassar STO from 2010 - 2016. It can be seen from the table, in 2010-2011 prior to the implementation of the method the fuel amount of tax revenue is only about 85.13 to 87.65 percent. Then, in 2012 the Regional Office issued a circular regarding the policy methods Benchmark Behavioral Model as a method with the aim to improve the efficiency and effectiveness of supervision on tax compliance that will affect tax revenues. With the application of this method, can be seen in the years 2012-2014 tax revenue has increased significantly by 89.20 to 90.24 percent. This indicates that the application of methods Benchmark Behavioral This model has a role in helping increase the amount of tax revenue in the North Makassar STO. However, we can see in the year 2015 to 2016 the percentage of the tax revenue declines fluctuate with the value of 91.37 to 88.76 percent. It shows that the application of the method is not applicable Benchmark Behavioral optimally and therefore need an evaluation to review the causes of declining tax revenue.

From the analysis, ratio analysis or benchmarking analysis is not the only analysis done in the regulatory process, but only one tool and only a preliminary stage which will be followed by the analysis of more complex surveillance. Analysis of the ratio of the fuel can not be a determinant of whether or not the taxpayer and the tax liability can not be the reason for the issuance of tax assessment. Taxpayers who have lower financial performance of the benchmark is not a proof that the taxpayer did not perform tax
obligations properly. If there is a value or transaction of financial statements that show irregularities taxpayer or a value more or less than the benchmark, Benchmark Behavioral Model could become a reference and a means of early detection of the occurrence of non-compliance by the taxpayer. By using this reference fuel, Account Representative can undertake further scrutiny of the taxpayer risk. After the analysis, in the event of findings unfulfilled tax obligations by the taxpayer will be carried out follow-up in accordance with the provisions of the applicable tax. Phase tax examination be a last resort as law enforcement action (law enforcement) if the taxpayer after the appeal and counseling was not cooperative. An examiner should really have the data and sufficient supporting evidence, before making a tax audit and set the tax correction.

Benchmark Application of Behavioral Model as a tool in monitoring compliance DJP taxpayer is also not free from the constraints and problems. One of the obstacles encountered in the manufacture Benchmark by the Regional Office is the availability of data. Data sourced fuel manufacture of Taxation Information Technology Directorate DGT. However, in this directorate data recorded yet. In addition, there are some invalid data that can not be included directly in the calculation to make benchmarking. It is based that not all taxpayers whose data recorded in full in the Directorate of Information Technology Taxation. The database is incomplete become one of the considerations for choosing KLU Regional Office which will be conducted benchmarking. In addition, another problem was the number of taxpayers who do not renew KLU when changing the type of business that will complicate the Office of the record and classify its taxpayers based KLU.

Conclusions

The results of this study found that the fuel usage can improve the effectiveness of inspection and supervision of the taxpayer and Fuel was also instrumental in helping Account Representative in monitoring and inspection of taxes which in turn can increase the level of tax compliance. Problems encountered with regard to the application of methods such fuel problems in internal databases DJP limitations, as well as less detailed KLU. Therefore, this study suggests that the Directorate General of Taxes make improvements, for example, the acceleration data recording SPT taxpayer and have appealed to the taxpayer to update and improve Industrial Classification (KLU) when changing the type of business. Directorate General of Taxes need to conduct more training for Computer Technical Support Division Regional Office makes this fuel in order to have an understanding and can make optimal fuel.

Reference


