
The Influence of Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting on Tax Revenue of Large Taxpayer Office Two

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Abstract

The research is about The Influence of Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting on Tax Revenue of Large Taxpayer Office Two. The sample in this research is 150 taxpayers selected from 250 taxpayers registered at Large Taxpayer Office Two. This research is using questionnaire as an instrument of data collection that is related to Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting to Tax Revenue. Based on the result of this research is found, there is a positive effect of Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting to Tax Revenue. Through significance test by using F distribution, it is obtained the value of $F_{\text{calculate}}$ is 55.345. Meanwhile F_{tabel} is 2.670. So, $F_{\text{calculate}}$ is $55.345 > F_{\text{tabel}}$ is 2.670. Therefore, H_0 is rejected and H_1 is accepted. This case showed that excellence service, integrity of tax officer, and electronic tax reporting simultaneously can improve tax revenue of Large Taxpayer Office Two. The value of Determination Coefficient that is obtained from 0.729. This research showed that 53.2% variable on Tax Revenue is caused by Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting. Thus, 46.8% remains caused by others.

Keywords: Excellence Service, Integrity of Tax Officer, Electronic Tax Reporting, Tax Revenue.

1. Introduction

The implementation of development activities carried out by the Indonesian state in the context of advancing public welfare as stated in the fourth paragraph of the preamble to the 1945 Indonesian Constitution, requires a large source of funds. One reliable source of funds is income from taxation.

Global economic conditions have a major influence on tax revenues. Here is a table of national tax revenues that the Directorate General of Taxes has collected in the last .five years

Table 1: Indonesian Tax Revenue from 2016 to 2020

| | Tax Revenue (Trillion IDR) | Growth Percentage (%) |
|------|-------------------------------|--------------------------|
| 2016 | 1.105,9 | - |
| 2017 | 1.151,1 | 4.08 |
| 2018 | 1.313,3 | 14.09 |
| 2019 | 1.332,6 | 1.46 |
| 2020 | 1.072,1 | (-19.7) |

Source: Buku Saku Pajak Dalam Angka, 2021

Tax revenue during 2016 to 2019 experienced an upward trend in revenue, but in 2020 there was a decline in tax revenue due to the Covid-19 pandemic condition which made economic activity tend to decline. Indonesian Finance Minister, Sri Mulyani, at the 2020 State Budget Press Conference, said that almost business sectors were under pressure, which resulted in deteriorating tax revenues throughout 2020. (Santoso, Kontan 2021)

The tax system in Indonesia, which adheres to a self-assessment system, gives full authority to taxpayers to calculate, deposit, and self-report the tax paid. The Directorate General of Taxes has facilitated taxpayers to report their Annual Tax Return through the e-filing system and the e-formSPT.

This online reporting will make it easier for taxpayers to report their taxes, thus supporting an effective government service program by reducing face-to-face services, especially during the covid pandemic. A further impact is reduced desire to carry out corruption, collusion, and nepotism between state officials and citizens who need government services, because service activities have shifted from offline to online.

Government Effectiveness and Control of Corruption are two of the six criteria in the assessment of Worldwide Governance Indicators. Effective public service by the government to citizens is an important indicator in assessing government performance. Good governance is carried out by being oriented to the interests of the community, including the millennial generation who are literate in information technology, so that they become satisfied with government services. Community satisfaction with the service and the integrity of the apparatus is an indicator of government administration successfully. Sayekti (2021) explains that integrity is not only about preventing a corruption, but also about securing and maintaining public trust.

Given importance of these things, it is necessary to study an internal factors determining tax revenue, in the form of improving the quality of taxation services to taxpayers, especially the provision of Excellence Services based on information technology advances in the form of Electronic Tax Reporting. It is also important to study an Integrity of Tax Officer in the context of control corruption. High integrity will have an impact on increasing public trust and increasing tax payments, thus it will affect a tax revenue.

Based on these, a hypothesis can be stated in this study as a provisional allegation, namely:

H1: Excellence Service affects on Tax Revenue at Large Taxpayers Office Two

H2: Integrity of Tax Officer affects on Tax Revenue at Large Taxpayers Office Two

H3: Electronic Tax Reporting affects on Tax Revenue at Large Taxpayers Office Two

2. Literature Review

Zeithaml et al, provide an understanding of five dimensions of service quality, namely Tangibles, which refers to physical appearance, both personnel, equipment and tools used. Reliability, which refers to ability to perform the promised service, and be able to provide solutions if there are any problems. Responsiveness, which refers to the readiness of service delivery, as well as the timeliness of service delivery. Assurance, which refers to guaranteeing the quality of services that can be obtained with human resources who are knowledgeable and skilled, as well as friendly, polite and respectful. Empathy, which refers to an attitude that cares about customer needs, and understands about a character of recipient (Fachruddin, 2018).

Silalahi (2015) in his research concludes that the quality of tax services has a significant effect on taxpayer satisfaction. As known, taxpayer satisfaction has a significant effect on tax revenue at Middle Tax Office of Malang, East Java. According to Dian and Indra (2016) stated that a quality of tax services through a material compliance of taxpayers collectively contributed 98.7% in an increasing of tax revenues at Tax Offices within the West Java Regional One Tax Office.

Henry Cloud explains an aspects of integrity. First, an ability to connect authentically, which leads to a sense of trust. Second, truth-oriented ability, which leads to the discovery of reality and work according to reality. Third, an ability to work in a way that produces and finishes well, which leads to the achievement of a goal, profit, or mission. Fourth, an ability to be involved in dealing with negative things that lead to solving or changing problems. Fifth, an ability to be oriented towards growth that leads to improvement. Sixth, an ability to be transcendent which leads to the expansion of the bigger picture of oneself. (Lubis, 2013).

Isaac and Kazungu (2016) stated that administration and employee integrity are a core and important part of the Local Tax Office in Monzi Tanzania in terms of tax collection. According to McGill et al (Machmud, 2018) which states that an indicators of satisfaction with an information system are efficiency, effectiveness, and satisfaction.

Melatnebar (2019) stated that E-SPT and E-Filing System had a positive effect on corporate income tax receipts, due to ease of calculating and reporting. Kurniawan and Aprianto (2018) stated that an application of an e-filing system had a significant effect on tax revenue at the Palembang Ilir Timur Small Tax Office.

3. Method

This research is a quantitative research, using primary data in the form of a questionnaire given to all taxpayers who are required to report the Annual Tax Return, which are registered at the Large Taxpayers Office Two, at North Jakarta. Based on Sugiyono (2013), determining the number of samples from a certain population developed by Isaac and Michael, for an error rate of 5% in a number of samples from a certain population, it was found that for a population of 250, a sample taken minimum 146.

There are 250 taxpayers registered at Large Taxpayers Office Two. After sorting, a research sample obtained is 150 taxpayers who fill out the questionnaire, so that the sample obtained meets these criteria.

4. Results and Discussion

According to the Likert Scale, a score of 1 for opinions that strongly disagree with the statement, a score of 2 for disagree, a score of 3 for neutral, a score of 4 for agree, and a score of 5 for opinions that strongly agree. Based on a research sample, the results were obtained:

Table 2: Number of Questionnaire Results

| No | Variable | Score | Description |
|----|--------------------------|-------|---------------------------|
| 1 | Excellence Service | 6497 | Independent Variable (X1) |
| 2 | Integrity of Tax Officer | 7360 | Independent Variable (X2) |
| 3 | Electronic Tax Reporting | 3785 | Independent Variable (X3) |
| 4 | Tax Revenue | 3542 | Dependent Variable (Y) |

Table 3: Coefficient of Determination Test Results

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .729 ^a | .532 | .522 | 2.11937 |

a. Predictors: (Constant), X3, X2, X1

According to the table, a value of coefficient determination -R Square- is 0.532. It means that independent variable, -consisting of Excellence Service, Integrity of Tax Officer, and Electronic Tax Reporting-, influence to the dependent variable Y -Tax Revenue- by 53.2%, while the remaining 46.8% is influenced by other factors.

Table 4: Coefficient and Correlation

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Correlations | | |
|------------|-----------------------------|------------|---------------------------|-------|------|--------------|---------|------|
| | B | Std. Error | Beta | | | Zero-order | Partial | Part |
| (Constant) | 4.524 | 1.610 | | 2.810 | .006 | | | |
| 1 X1 | .148 | .071 | .280 | 2.086 | .039 | .701 | .170 | .118 |
| X2 | .132 | .057 | .231 | 2.316 | .022 | .664 | .188 | .131 |
| X3 | .246 | .119 | .263 | 2.060 | .041 | .694 | .168 | .117 |

a. Dependent Variable: Y

Based on the results, it is known that all variables dependent have a significance value less than 0.05 and t count > 1.976. All variables dependent have an influence on variables independent Tax Revenue, so the research hypothesis can be accepted.

The regression equation formula based on the table is formulated as follows:

$$Y = a + X_1 + X_2 + X_3$$

$$Y = 4,524 + 0,148X_1 + 0,132 X_2 + 0,246 X_3$$

Information:

| | |
|----------------|----------------------------|
| Y | = Tax Revenue |
| Constant (a) | = 4.524 |
| X ₁ | = Excellence Service |
| X ₂ | = Integrity of Tax Officer |
| X ₃ | = Electronic Tax Reporting |

Relationship between Excellent Service and Tax Revenue

Based on table, there is an affect of excellent service on tax revenue by 14.8%, with a positive relationship. The nature of a positive relationship is in accordance with research by Sulistyawati et al (2012), which states that taxpayer awareness, tax services, and taxpayer compliance have a significant effect on tax revenue performance with an effect of 64.5%, while the other 35.5% is influenced by other variables.

Relationship between Integrity of Tax Officers and Tax Revenue

Based on table, there is an affect of integrity of tax officers on tax revenue by 13.2%, with a positive relationship. According to Lushi (2016) in his research in Kosovo, stated that the integrity of tax officials has a high and positive effect on reducing tax evasion and increasing tax revenues.

Relationship between Electronic Tax Reporting and Tax Revenue

Based on table, there is an affect of electronic tax reporting on tax revenue by 24.6%, with a positive relationship. According to Olajide, et al (2019), stated that electronic tax administration has a positive impact and it is able to intensify tax revenue. In developing countries like Nigeria, the implementation of an electronic administration will reduce the immoral practices between tax officials and taxpayers.

Riyanto and Clarashinta (2021) stated that www.djponline.pajak.go.id as an electronic tax reporting page created by the Indonesian Directorate General of Taxes, not only for reporting, but also contains information about tax regulations.

5. Conclusion

Excellent service, integrity of tax officers, and electronic tax reporting, all together have affects a positive and significant correlation to tax revenues by 53.2% at Large Taxpayers Office Two, while the remaining 46.8% is influenced by other factors.

Based on the research, electronic tax reporting is the largest independent variable that influences tax revenue. Electronic tax reporting will make taxpayers easier to calculate a tax payable, than report it.

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