

## **Analyst of the Impact of Taxpayer Compliance After Participating in the Tax Amnesty Program in the Food and Beverage Subsector on the Indonesia Stock Exchange**

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Received: March 6, 2022

Revised: March 29, 2022

Accepted: April 10, 2022

### **Abstract**

The purpose of this study was to determine whether there was a significant difference in taxpayer compliance before and after taxpayers participated in the tax amnesty program in food and beverage sub-sector companies on the Indonesia Stock Exchange. Taxpayer compliance in this study was measured by the effective tax rate (ETR), ETR in this study was measured by the authors ETR1 (current tax expense proxy/earnings before tax) and ETR2 (current tax expense/operating cash flow). The population of this study amounted to 60 companies and 19 issuers were obtained as samples of the study using the purposive sampling method with the criteria of issuers having been registered on the IDX in 2016 and issuers participating in the tax amnesty program according to Law No. 11 of 2016. This form of research uses a comparative test. The data analysis technique used a paired data difference test. The results of the study which were processed with the help of SPSS version 25 showed that there was no significant increase in tax compliance as measured by ETR1 and ETR2.

**Keywords:** Tax Amnesty, Effective Tax Rate, Compliance

### **Introduction**

On July 18, 2016, the Tax Amnesty Law (UU) was passed which is better known as “Tax Amnesty”. This law is expected to be a reconciliation in tax problems that have been faced so far. Taxpayers who have been practicing tax avoidance illegally or not complying with their tax obligations are expected after participating in the tax amnesty program to become taxpayers who comply with all existing tax regulations.

The tax amnesty was carried out on July 1, 2016 to March 3, 2017, which resulted in a ransom of IDR. 114 trillion and the declared assets of IDR. 4,855 trillion ([www.pajak.go.id](http://www.pajak.go.id)). Tax amnesty participants reached 956,000 taxpayers. Taxpayers can be corporate taxpayers or individual taxpayers (Puspita et al., 2016; Rahmayanti & Prihatiningtias, 2020). One of the participants in the tax amnesty is a food and beverage sub-sector listed on the Indonesia Stock Exchange (Aryatama & Raharja, 2022). There are 19 issuers participating in the tax amnesty program from 46 listed companies in the food and beverage sub-sector with details participating in the 2016 period as many as 14 issuers and the remaining 5 issuers in 2017. One of the backgrounds of the tax amnesty program is the low level of taxpayer compliance in carrying out their tax obligations. For more details can be seen in Table 1 as follows.

Table 1. Achievement of Taxpayer Compliance Year 2013-2015

<b>Description/Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
REGISTERED WP	24.347.763	27.379.256	30.044.103
WP Registered Compulsory Tax Return	17.731.736	18.357.833	18.159.840
Compliance Ratio Target (%)	65,00%	70,00%	70,00%

Target Compliance Ratio- Tax Return (3x2)	11.525.628	12.852.301	12.711.888
Realization of tax returns	9.966.833	10.852.301	10.972.336
Compliance Ratio (5:2)	56,21%	59,12%	60,42%

Source: [www.pajak.go.id/statistik](http://www.pajak.go.id/statistik)

Based on Table 1, it can be seen that the compliance ratio is still far from 100%, namely 56.12% in 2013, increasing to 59.12%, and 60.42% in 2015. The compliance ratio is indeed an increasing trend, but the increase is still tends to be slow so that it is suspected that it has not met the expectations that appear from the receipt of the tax revenue target that has not been achieved. Therefore, the existence of the tax amnesty program is expected to be a significant driver in increasing the tax compliance ratio both in terms of SPT reporting and in terms of honesty in paying taxes owed.

Based on the description of the research background presented, the problems in this study can be formulated as follows: Is there an increase in taxpayer compliance after participating in the tax amnesty program in Food and Beverage sub-sector companies on the Indonesia Stock Exchange? The purpose of this study was to determine the impact of participation in the tax amnesty program on taxpayer compliance.

## Methods

The form of research used in this study is a comparative study because it compares taxpayer compliance before and after participating in the tax amnesty program. Taxpayer compliance in this study was measured by using the effective tax rate ratio (Alm et al., 1992). The effective tax rate can be used as an indicator of tax compliance, the higher the ETR value, it is assumed that the taxpayer is more obedient in fulfilling their tax compliance (Kabaka, 2019; Mustaqim & Nurhidayati, 2020). This study uses a documentary study in which the data is obtained from audited financial statements obtained from issuers' publications on the IDX. The population in this study amounted to 64 companies and after purposive sampling was carried out with two criteria, namely companies that had made an initial public offering (IPO) no later than 2016 and issuers participated in the tax amnesty program. Based on these two criteria, 19 issuers were obtained. The issuers who were sampled in this study can be seen in Table 2 below:

Table 2. Food and Beverage Subsector Companies on the IDX who Follows the Tax Forgiveness Program

No.	Code	Issuer Name	Year of Participation
1	AISA	PT FKS Food Sejahtera Tbk.	2016
2	ALTO	PT Tri Banyan Tirta Tbk.	2016
3	BTEK	PT Bumi Teknokultura Unggul Tbk	2016
4	BWPT	PT Eagle High Plantations Tbk.	2016
5	CPIN	PT Charoen Pokphand Indonesia Tbk	2016
6	DPUM	PT Dua Putra Utama Makmur Tbk.	2017
7	GZCO	PT Gozco Plantations Tbk.	2016
8	INDF	PT Indofood Sukses Makmur Tbk.	2016
9	JAWA	PT Jaya Agra Wattie Tbk.	2017
10	MAGP	PT Multi Agro Gemilang Plantation Tbk.	2016
11	PALM	PT Provident Agro Tbk.	2017
12	SGRO	PT Sampoerna Agro Tbk.	2016

13	SIMP	PT Salim Ivomas Pratama Tbk.	2016
14	SIPD	PT Sreeya Sewu Indonesia Tbk.	2017
15	SKBM	PT Sekar Bumi Tbk.	2016
16	STTP	PT Siantar Top Tbk.	2016
17	TGKA	PT Tigaraksa Satria Tbk.	2017
18	UNSP	PT Bakrie Sumatera Plantations Tbk.	2016
19	WAPO	PT Wahana Pronatural Tbk.	2016

Source: processed data, 2022

## Results and Discussion

Based on the results of data processing on a sample of 20 issuers who have participated in the tax forgiveness program obtained the following results:

### Descriptive Statistical Analysis

The ETR1 and ETR2 data that the authors combined in this study can be seen in Table 3 as follows:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ETR1_SebelumTA	19	-1.6912	.7506	.038605	.4801764
ETR1_SetelahTA	19	-.4744	.5358	.133442	.2413196
ETR2_SebelumTA	19	-1.4616	.5287	.062353	.4254658
ETR2_SetelahTA	19	-1.2356	2.8724	.271263	.8270586
Valid N (listwise)	19				

Source: SPSS processed data 25, 2022.

From Table 4 it can be known etr1 has an average of 0.0386 in the tax forgiveness period and the average ETR1 increased to 0.1334. Likewise, ETR2, which averaged before the tax forgiveness period of 0.062 increased to 0.2712.

### Normality Test

Normality testing for ETR1 can be seen in Table 5 and ETR2 can be seen in table 6 below:

Table 4. ETR1 Normality Test

		Tests of Normality					
		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
TaxAmnesty		Statistic	df	Sig.	Statistic	df	Sig.
ETR1	ETR Sebelum Tax Amnesty	.257	19	.002	.715	19	.000
	ETR Setelah Tax Amnesty	.125	19	.200*	.956	19	.491

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: SPSS Output Result 25, 2022.

Based on the data in Table 4 it can be known for ETR1 data calculated based on tax burden now divided by pretax profit found that for ETR1 before tax amnesty is not normal (kolmogorov-Smirnov significance 0.002) and for ETR after tax amnesty the data is normal (0.200). For testing will still be continued with the Wilcoxon test method.

Table 5. ETR2 Normality Test

TaxAmnesty		Tests of Normality					
		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ETR2	ETR2 Sebelum Tax Amnesty	.242	19	.005	.719	19	.000
	ETR2 Setelah Tax Amnesty	.281	19	.000	.809	19	.002

a. Lilliefors Significance Correction

Source: SPSS Output Result 25, 2022.

Based on the data in Table 5, it can be known for ETR2 data calculated based on tax expense now divided by operating cash flow found that for ETR2 before tax amnesty is not normal (kolmogorov-Smirnov significance 0.005) and for ETR2 after Tax Amnesty the data is also abnormal (0.000). For this reason, testing will be carried out with the Wilcoxon Test.

### Hypothesis Test

Testing whether there is a significant improvement in compliance as measured by ETR1 can be seen in Table 6 and Table 8 below which are conducted with wilcoxon two related sample test.

Table 6. Wilcoxon Two Related Sample Test Results for ETR1

		Ranks		
		N	Mean Rank	Sum of Ranks
ETR1SetelahTA - ETR1SeblumTA	Negative Ranks	7 <sup>a</sup>	8.43	59.00
	Positive Ranks	10 <sup>b</sup>	9.40	94.00
	Ties	2 <sup>c</sup>		
	Total	19		

a. ETR1SetelahTA < ETR1SeblumTA

b. ETR1SetelahTA > ETR1SeblumTA

c. ETR1SetelahTA = ETR1SeblumTA

Source: SPSS ouput results

From Table 6 it is known that of the 19 issuers data, there are 6 issuers that have decreased ETR1 after participating in tax forgiveness with an average ranking of 8.43, 10 issuers that have increased with an average ranking of 9.40 and 2 issuers that have not changed. So, quantitatively it is still dominated by the increase in ETR1.

Table 7. Wilcoxon Two Related Sample Test Results for ETR1

Test Statistics <sup>a</sup>	
	ETR1Setelah TA - ETR1Sebelum TA
Z	-.828 <sup>b</sup>
Asymp. Sig. (2-tailed)	.407

a. Wilcoxon Signed Ranks Test  
b. Based on negative ranks.

Source: SPSS processed data 25, 2022

Based on the test results of Table 7, the significance value of wilcoxon 0.407 or greater than 0.05 is received H0 which means that there is no significant difference in ETR1 before and after participating in the tax collection program. Furthermore, taxpayer compliance testing will continue in Table 8 and Table 9.

Table 8. Wilcoxon Two Related Sample Rank Test Resultstest for ETR2

		Ranks		
		N	Mean Rank	Sum of Ranks
ETR2SetelahTA - ETR2SebelumTA	Negative Ranks	8 <sup>a</sup>	9.25	74.00
	Positive Ranks	9 <sup>b</sup>	8.78	79.00
	Ties	2 <sup>c</sup>		
	Total	19		

a. ETR2SetelahTA < ETR2SebelumTA  
b. ETR2SetelahTA > ETR2SebelumTA  
c. ETR2SetelahTA = ETR2SebelumTA

Source: SPSS processed data 25, 2022

From Table 9 it is known that of the 19 issuers data, there are 8 issuers that have decreased ETR2 after participating in tax forgiveness with an average rating of 9.25, 9 issuers that have increased with an average rating of 8.78 and 2 issuers that have not changed. So, quantitatively it is still dominated by the increase in ETR2.

Table 9. Wilcoxon Two Related Sample Test Results for Etr2

Test Statistics <sup>a</sup>	
	ETR2Setelah TA - ETR2Sebelum TA
Z	-.118 <sup>b</sup>
Asymp. Sig. (2-tailed)	.906

a. Wilcoxon Signed Ranks Test  
b. Based on negative ranks.

Source: SPSS processed data 25, 2022

Based on the test results of Table 9, the significance value of wilcoxon 0.906 or greater than 0.05 is received  $H_0$  which means that there is no significant difference in ETR1 before and after participating in the tax collection program.

From the results of research that has been done that tax compliance as measured by ETR1 shows that on average the value of ETR1 which is calculated from current tax expense divided by profit before tax has indeed increased from 0.0386 to 0.1334, quantitatively from 19 In the sample, there were 10 data whose ETR1 increased compared to 7 data that decreased. Although the indicators show that there is a slight improvement in tax compliance, the results of the study show that there is no significant difference in tax compliance (ETR1) before and after participating in tax amnesty (Koumanakos et al., 2017).

Likewise, tax compliance as measured by ETR2 shows that on average indeed the value of ETR2 calculated from current tax expense divided by operating cash flow has indeed increased from 0.0623 to 0.2712, quantitatively from 19 samples there are 9 data that ETR2 which is increasing compared to 8 data which is decreasing. Although the indicators show that there is a slight improvement in tax compliance, the results of the study show that there is no significant difference in tax compliance (ETR2) before and after participating in tax amnesty.

The absence of a significant improvement in tax compliance is indicated by several factors, one of which is that the taxpayers of issuers of the food and beverage sub-sector are already compliant or complying with tax payments, where participation in tax amnesty is only to obtain facilities, no tax audits are carried out, for example: (1) PT Tri Banyan Tirta Tbk (ALTO) only disclosed assets in the form of cash IDR. 10,000,000 and its two subsidiaries PT Tirtamas Abadi Berjaya and PT Tirtamas Lestari each also IDR. 10,000,000. Overall, the parent company and its subsidiaries only disclose assets of IDR 30,000,000 (2016 ALTO Financial Statements page 51); (2) PT Provident Agro Tbk. (PALM) submitted the Asset Disclosure Letter (SPH) on the last day of the tax amnesty program, which was on March 31, 2017 with the expression of assets in the form of cash IDR. 5,000,000 with a ransom value of IDR. 100,000 (PALM Financial Report 2017 page 58).

Even though taxpayers are obedient, tax audits are undesirable because they take time and cost a lot of money to prepare data and sometimes use the services of experts (Lawsky, 2008). Based on the two examples presented by the author, it is indeed an indication that participation in the tax amnesty program is solely to obtain tax amnesty facilities, not because of unreported income so that it does not cause a drastic increase in tax payments in the coming period.

## **Conclusion**

This study examines whether there are differences in tax compliance before and after issuers participate in the tax amnesty program. The results showed that there was no significant difference in tax compliance either as measured by ETR1 and ETR2. Future research is expected to be able to use a wider research sample, not only in the food and beverage sub-sector such as the primary consumer sector. Further research can also use other proxies of tax compliance such as withholding tax compliance obligations.

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