An Analysis of the Effectiveness of the Policy of Allocation on Income Tax Incentive Covered by the Government in the Context of Handling Corona Virus Disease 2019 (A Case Study of West Bekasi KPP Pratama in 2020)

Mainita Hidayati¹, Cintya Safira Putri², Wuwuh Andayani³, Vandyarman Mulya Priyanda⁴

¹²³⁴Institut Ilmu Sosial dan Manajemen STIAMI, Indonesia
Correspondent: mainita.h@gmail.com¹

ABSTRACT: The background of this study was Pandemic Covid-19 which created some effects on the economic or taxation sectors. Also, it gave an impact on the decline of companies’ income which led to cutting the salaries of many employees and termination of the working relationship. Thus, it required the government to allocate the incentives PPh 21 DTP to relieve the burden on taxpayers and can help restore people's purchasing power. The purpose of this study was to analyze the policy of allocation of PPh 21 DTP incentives in the context of handling Corona Virus Disease 2019 at West Bekasi KPP Pratama based on an analysis of effectiveness, obstacles faced and efforts made to overcome obstacles. This research was descriptive qualitative. The data collection was using observation, documentation, and interviews. The results of this study were that allocating PPh 21 DTP on West Bekasi KPP Pratama was still not effective because many taxpayers did not take advantage of this incentive because of the lack of information and socialization given. This was based on the achievement of objectives, integration, and adaptation. The obstacles encountered were the socialization was less rigorous as many taxpayers were ill-informed, many taxpayers who did not take advantage of the policy well, and the lack of awareness of mandatory taxes by not reporting the realization of utilization of PPh 21 DTP. Last, the efforts made by KPP Pratama, West Bekasi were to conduct socialization thoroughly and maintain the synergy/cooperation between the KPP and the taxpayers.

Keywords: Effectiveness, Tax, Incentives Tax.

INTRODUCTION

Pandemic Corona Virus Disease (COVID-19) is an incident spread of a disease that is caused by a Coronavirus, which has spread in almost any country (Abdelrahman & Ismail, 2022; Habib et al., 2021; Han et al., 2020; Padovani & Iacuzzi, 2021; Stebbins, 2020; Sulistiani & Wijaya, 2021; Tsui et al., 2021). In Indonesia itself, Covid-19 has started to enter in early March until now. Here, so far, there are no signs of a scheme to reduce the spread of the virus (Anggarini, 2021; Djalante et al., 2020; Nugraha, 2020; Utami & Kafabih, 2021; Wiryawan, 2020). Based on the record on July
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7, 2021, the number of patients that confirmed the virus COVID-19 reached 2,379,397 people with accretion case 34,379 confirmed people and 62,908 victims died from the Covid-19 virus. The increasing number of victims has resulted in several countries, including Indonesia (UNICEF, 2021). Here, it was experiencing lockdowns and closing access to foreign nationals (de la Rosa et al., 2022; Martín-Rodríguez et al., 2022; Orfali et al., 2021; Scivicco et al., 2022). Thus, it reduced income in the economic sector.

Table 1
Target and Realization of Tax Revenue in West Bekasi KPP Pratama in 2018-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Realization</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,331,140,230,000</td>
<td>239,895,723,343</td>
<td>93.15%</td>
</tr>
<tr>
<td>2019</td>
<td>1,270,884,947,000</td>
<td>233,407,823,413</td>
<td>97.05%</td>
</tr>
<tr>
<td>2020</td>
<td>1,164,123,018,000</td>
<td>985,521,248,476</td>
<td>84.66%</td>
</tr>
</tbody>
</table>

Source: Data and Processing Section, West Bekasi KPP Pratama

Based on the data obtained from the West Bekasi KPP Pratama, the achievement receipts tax years 2018-2019 experienced an increase but in the year 2020 the achievement of tax revenue has decreased by comparing the Covid-19 pandemic is only 86%. During the Covid-19 pandemic, the tax revenue in almost all countries in the world has experienced a decline. In addition, the impact was also on the employment and income of companies that declined drastically, so that the company must perform the reduction of employees (layoffs) or cutting salaries of employees (Aulawi, 2020; Kumala & Junaidi, 2020; Masdi, 2021; Padyanoor, 2020; Rahmawati & Apriliasari, 2021; Wijaya & Melati, 2021). This happened because many companies do not want to close their business and were unable to pay for operational activities and employee salaries. Thus, so many employees have been sent home. Based on the data of workers’ status per December 2020, it was reported by the Company to the Department of Labor Bekasi City, as many as 411 workers were laid off (discharged), as many as 923 workers were excluded, as well as 1601 workers, were exposed Termination of Relationship Work or FLE (Ayuningtyas et al., 2021; Damayanti, 2021; Kusumastuti, 2020; Nabilah et al., 2021; Resmi & Barmawi, 2022).

In such a pandemic condition, how shall taxpayers be able to pay taxes when the economy was not as stable as it is today. On the condition of the economy that was not healthy and many employees were affected by the termination of the relationship work, reduced fieldwork, as well as a decrease in receipts taxes; it made the government formulate a policy of taxation which was appropriate to assist the public in the middle of this pandemic. The government made policies to ease the burden on society. One of them was the allocation of incentives Income 21 Covered by Government (DTP). Incentive Income 21 DTP is a tax that is covered by the government, or the taxes owed are paid by the government to limit the budget that has been set out in the Budget Revenue and Expenditure state that where a policy is contained in the PMK 110/PMK.03/2020. In such conditions, the Government was faced with a difficult challenge. On another hand, the government should collect tax revenue following the targets of the state budget. However, on the other hand, the government should provide incentives to help the taxpayers and companies that did not shut down their business and could survive and back to recover. As the economy in this country was not stable and declined, it was very impossible if the government still had to add the burden of society to continue to pay taxes.
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In this study, the researcher used several references taken from previous studies that had similar themes to the problems that the authors took. There are researches which examines to the role of government-borne tax incentives (DTP) in the era of the Covid-19 pandemic (Marlina & Syahribulan, 2021), and regarding policy studies on tax incentives in overcoming the impact of the virus (Selvi & Ramdhan, 2020). There are studies regarding the analysis of tax incentive policies in the midst of the COVID-19 outbreak in Indonesia and Indonesia’s tax policy in response to the COVID-19 Crisis (Kumala & Junaidi, 2020; Kumar & Aribowo, 2021; Padyanoor, 2020; Sarjono, 2021; Song et al., 2020). There are some international journal about efficiency of tax incentives during Covid-19 pandemic (Andrew et al., 2022; Cui et al., 2022; Dai & Chapman, 2021; Garnov et al., 2020; Tarkom, 2021).

Therefore, the objective of the study was to analyze the effectiveness, obstacles, and efforts in the Income Tax incentives Article 21 DTP in the handling of Corona Virus Disease in 2019 at the West Bekasi KPP Pratama in 2020. It was by using the Theory of Effectivity consisting by three sizes of effectivity: achieving purpose, integration, and adaptation. Those three sizes would be elaborated, so it would reveal the obstacles of the implementation of the policy and later could be analyzed (Duncan, 1985; Prasetyo et al., 2020; Sun & Sankar, 2022; Wittfoth et al., 2022; Zhang et al., 2020).

Figure 1.

Conceptual Model

Source: Author, 2021

METHOD

This study employed a qualitative approach with descriptive methods, i.e. the data are collected in the form of words, pictures instead of numbers and try to describe a symptom, events, events that
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happened when present. In the study, the researchers used the theory of effectiveness (Duncan, 1985), which there are 3 indicators, namely:
1. Achievement of objectives. The whole effort to achieve the goal is considered a process. The achievement of objectives consists of several entities, namely the work plan and the length of time in the implementation program.
2. Integration. The level of organizational capability (West Bekasi KPP Pratama) is conducted by dissemination of consensus development (regarding collective agreements) and communication with taxpayers. Integration consists of several entities, namely procedures and socialization.
3. Adaptation. The ability of the organization (West Bekasi KPP Pratama) is to adapt to its environment. Adaptation consists of several entities that reject measure the process of procurement and replenishment labor/ HR.

The data collection techniques in this study were through structured interviews, where researchers used interview guidelines and recording tools, thorough observation where researchers observed and collected data from West Bekasi KPP Pratama, and through documentation where researchers obtained documents or written data from West Bekasi KPP Pratama. The data analysis was carried out using three stages of data analysis techniques (Rahmadhani et al., 2020; Sugiyono, 2019), namely data reduction, data display, and data verification (withdrawal of conclusions).

RESULT AND DISCUSSION

Based on the data and the results of interviews obtained researchers elaborated the Effectiveness of Policy of Allocation on Income Tax Incentives Article 21 covered by the Government (DTP) in the Context Handling Corona Virus Disease in 2019 by using the theory of effectiveness (Duncan, 1985), as follows:

- **Achievement of objectives**

  Based on the PMK 110/ PMK.03/ 2020 which is now refurbished into FMD 9/ PMK.03/ 2021 on Incentive Taxes to Mandatory Tax Affected by Epidemic Virus Covid-19 where the policy of income tax incentives Article 21 by the government (DTP). It was the help of stimulus that has not been long in applied by the government to the taxpayer at the time of the pandemic Covid-19 which has been in force from April to December 2020, then the policy is extended back to June 2021. The policy was aimed at helping to ease the burden of tax on compulsory taxes, especially employees to survive from economic hardship due to the pandemic Covid-19 and can restore the purchasing power of people in the middle of the outbreak Covid-19.

  Table 2
  Number of Taxpayers Received Tax Incentives of PPh 21 DTP

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of applicants of PPh 21 DTP’s Incentives</td>
<td>525</td>
</tr>
<tr>
<td>Number of applicants approved</td>
<td>452</td>
</tr>
<tr>
<td>Number of applicants rejected</td>
<td>73</td>
</tr>
</tbody>
</table>

Source: Data Processing Section, West Bekasi KPP Pratama
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Number of KLU Registered in West Bekasi KPP Pratama

<table>
<thead>
<tr>
<th>Number of KLU received the incentives</th>
<th>1,119</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Data Processing Section, West Bekasi KPP Pratama</td>
<td></td>
</tr>
</tbody>
</table>

Table 4
Target and Realization of Tax Incentives of PPh 21 DTP in West Bekasi KPP Pratama in 2020

<table>
<thead>
<tr>
<th>Income Tax Incentives Article 21 covered by the Government (DTP)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Realization of Tax Incentives of PPh 21 DTP</td>
<td>8,438,430,556</td>
</tr>
<tr>
<td>Target of Tax Incentives of PPh 21 DTP</td>
<td>NO</td>
</tr>
<tr>
<td>Source: Data Processing Section, West Bekasi KPP Pratama</td>
<td></td>
</tr>
</tbody>
</table>

If viewed from the perspective of overall taxpayers in this Policy, based on the data from West Bekasi KPP Pratama and through interviews with informants 1,2,3,4,5; it can be seen that only 452 applicants were approved for income tax incentives of Article 21 of this DTP and there are 1,119 KLU’s that have received PPh 21 DTP Incentive facilities registered at West Bekasi KPP Pratama. Then, if the data can be compared with the approved Applicant Data and calculated using the Effectiveness Ratio formula ((452: 1.119) x 100%) then only 40% of applicants take advantage of these incentives. Thus, it can be concluded that by using the Effectiveness Table that the allocation of this PPh 21 DTP Incentive has not been said to be effective because the number of taxpayers who have not utilized this policy is more than the taxpayers who have utilized this incentive policy of PPh 21 DTP. This is because there were still many taxpayers who did not aware of any policy of allocation of Tax Income Article 21 DTP incentives. Thus, this allocation of incentives was not optimally used by the taxpayers because of strategy and administration of the socialization of the policy was not complete and has not been effective yet.

However, related to the taxpayers who take advantage of Tax Incentives 21 DTP, it can be seen that despite the absence of the target in the granting of these incentives, its realization has been exploited by the taxpayers which amounted to Rp. 8,438,430,556 which was well-implemented. Moreover, the taxpayers, especially the employees who received Tax Incentives 21 DTP, felt that this policy has been effective. It was because they have taken the advantage of the incentive, felt very helped, and received full income.

- Integration

In terms of procedures, based on the results of research through interviews with the tax authorities of West Bekasi KPP Pratama, academics, and taxpayers; the procedures must be carried out, so the taxpayers can receive incentives for PPh 21 DTP. Also, the companies where taxpayers/employees worked and that have met the criteria, must apply to receive the PPh 21 DTP incentive to the West Bekasi KPP Pratama or through the DGT official website. The entire taxpayers affected by the pandemic Covid-19 were eligible for income tax incentives under Articles 21 DTP. If the KLU company that filed the petition incentive was registered in the PMK 110/PMK.03/2020 and met other requirements such as income employees will get tax relief 21 DTP did not exceed Rp.200,000,000/year or equivalent to Rp. 16.600,000/month and fulfilled other requirements following the Regulation of the Minister of Finance. Also, later the Account
Representative (AR) would examine if the company experienced refusal in applying PPh 21 DTP Incentives related to the applicable requirements and criteria. Based on total data of Incentive Income 21 DTP in West Bekasi KPP Pratama, it can be known that as many as 525 companies that apply for tax relief 21 DTP and only 452 applicants were approved amounting to 84% the percentage of approved applicants and as many as 73 applicants, or 14% of applicants who suffered rejection. It was when the company and its employees were also qualified according to the criteria, then the company is entitled to request incentives related to approved tax income Article 21 of DTP. However, conversely, if companies did request that was not following the requirements and criteria applied or any incomplete document, the application will experience rejection by the West Bekasi KPP Pratama.

In terms of socialization, based on the results of research through interviews that the socialization of the PPh 21 covered by the government (DTP) has been carried out by the West Bekasi KPP Pratama either through social media or online. It was done because when the pandemic Covid-19, West Bekasi KPP Pratama has imposed restrictions on face-to-face access. Thus, the socialization was carried out online by the KPP. However, the socialization delivered by the tax authorities was not comprehensive and was not conveyed properly to the public. Based on the results of interviews with taxpayers, there was no socialization carried out by the KPP regarding the existence of the Incentive’s Policy of PPh 21 DTP. This means that the socialization conducted by the LTO regarding the Incentive’s Policy of PPh 21 DTP was not maximized and not exhaustive. Therefore, this resulted in many taxpayers who were not aware of their policy of incentives.

- Adaptation

Based on the results of the research through interviews with informants 1, 2, 3, 4, 5; it states that the measurement of Incentive’s Policy of PPh 21 DTP is said to be effective if the policy is used and implemented properly and on target. It means that the taxpayers who received this incentive were following the applicable criteria and requirements. Besides that, the policy is said to be effective if the taxpayers who took advantage of the PPh 21 DTP incentive were satisfied and very helpful with this policy.

In terms of Human Resources (HR), the quality of human resources at West Bekasi KPP Pratama was quite good and alert and always conducted some training and education to improve the performance quality of West Bekasi KPP Pratama’s employees. If there is a tax policy or new regulations, then the employees conduct some training. Thus, the new regulations and policies can be implemented and socialized properly. However, the extension of the system of socialization in giving information on taxation was needed, especially on new policies such as the PPh 21 DTP incentive. It was because of the quality of the performance or the human resources at KPP Pratama well, it also will affect the increase of the tax revenues in the future. During the Covid-19 pandemic, the West Bekasi KPP Pratama must be able to adapt or adjust its organizational capabilities, which previously carried out direct or face-to-face socialization through visits to various places. However, during a pandemic like this, the socialization must be adjusted according to the existing conditions, namely by online socialization. This can reduce effectiveness when providing important information regarding taxation because not all taxpayers want to join in online socialization and seminars conducted by the KPP. This made many taxpayers did not know the latest and most important information. This became an important challenge for the KPP in adjusting its policies and activities during the current pandemic.
The obstacles in implementing this policy are in terms of adjusting education and socialization activities during the COVID-19 pandemic. Because of the presence of a pandemic, as now, the cause of education and socialization are less well received by the community which resulted in the socialization is not complete because of the limitations of face-to-face in direct and routed entirely through the media online, things that result in not all people can understand well informed presented by the LTO and still many mandatory taxes, especially employees who do not know information about their policies tax Incentives 21 DTP and do not take advantage of the policy. Another obstacle is reporting on the realization of the use of PPh 21 incentives borne by the government (DTP), in which the company's employees/employees have approved the application for PPh 21 incentives, but the company forgot or did not report the realization of the use of PPh 21 incentives. This has resulted in the KPP experiencing obstacles in processing data regarding the utilization of the incentives provided.

The effort that must be made is that the KPP must continue to provide information through comprehensive education and socialization activities, so it can be well-received by all taxpayers, especially regarding new policies during this pandemic. One of them was the allocation of incentives for PPh 21 DTP and reporting on the implementation of PPh 21 DTP incentives. Thus, the taxpayers can understand the information and did not forget to report the realization of the incentive policy. In addition, the efforts were made by maintaining the synergy between the KPP with the taxpayers and also by having cooperation with various companies to conduct seminars or webinars as well as dissemination through electronic media, radio, social media, and television in the form of information through advertising and broadcast news about information taxation and new taxation policies. Next, another effort was by simplifying the scheme/procedure in terms of submitting applications for PPh 21 DTP incentives to make it easier for companies to apply for incentives for their employees, so these incentives would be maximally absorbed. Moreover, the KPP should continue to check related to the reporting of the incentive of income tax 21 DTP, so the incentives given by the government can be measured and targeted.

Based on the result and discussion, there were several researches which examines to the role of government-borne tax incentives (DTP) in the era of the Covid-19 pandemic (Marlina & Syahribulan, 2021), and regarding policy studies on tax incentives in overcoming the impact of the virus (Selvi & Ramdhan, 2020). There are studies regarding the analysis of tax incentive policies in the midst of the COVID-19 outbreak in Indonesia and Indonesia's tax policy in response to the COVID-19 Crisis (Kumala & Junaidi, 2020; Kumar & Aribowo, 2021; Padyanoor, 2020; Sarjono, 2021; Song et al., 2020). There are some international journal about efficiency of tax incentives during Covid-19 pandemic (Andrew et al., 2022; Cui et al., 2022; Dai & Chapman, 2021; Garnov et al., 2020; Tarkom, 2021) The similarity was all of them discussed the policy of incentives covered by the government in the Covid-19 pandemic and the tax revenue. However, there was also the difference between this research towards the others which was the research object, research sector, and the different regulation involved.

**CONCLUSION**

Based on the results of research, discussion, and interpretation that have been carried out in previous chapters, as well as by referring to the theory and results of previous research, the
researcher can conclude that the effectiveness of the allocation of Article 21 Income Tax Incentives covered by the government (DTP) in the context of handling Corona Virus Disease 2019 at West Bekasi KPP Pratama can be said to be ineffective because the number of applicants who take advantage of the income tax incentive article 21 DTP was lower compared to the registered KLU, which is only 40%. This was because the socialization and strategy in implementing the PPh 21 DTP incentive have not been comprehensive and not optimal. Thus, there were still many taxpayers who did not know about this policy. However, based on the side of taxpayers who took advantage of the income tax incentives article 21 DTP, it is stated that this policy has been said to be effective because it has greatly helped and eased the tax burden and the economy during the Covid-19 pandemic.

The obstacles that occur in implementing the provision of income tax incentives article 21 covered by the government (DTP), namely from education and socialization that were not comprehensive due to the limited direct face-to-face access due to the covid-19 pandemic. Thus, socialization was completely diverted through online media. This made many taxpayers did not know information about the existence of PPh 21 DTP incentive policies and the latest tax information. In addition to the obstacles, the procedures and requirements were quite complex, and still, the taxpayers who did not do reporting the implementation of the utilization of PPh 21 DTP incentive DTP may result in the KPP that will have problems in processing the data regarding the use of incentives.

The efforts made by the West Bekasi KPP Pratama, namely by carrying out comprehensive socialization and education activities. Thus, it can be well-received by all taxpayers, especially related to new policies during this pandemic. One of them is the allocation of incentives for PPh 21 DTP and reporting on the implementation of allocation of PPh 21 DTP incentive, as well as maintaining the synergy/cooperation between the LTO with the taxpayers to conduct seminars or webinars at several companies as well as the dissemination through electronic media, radio, media social and television both in the form of information through advertising and broadcast news regarding taxation information and a new policy taxation authorities. Next, the KPP must swiftly conduct a thorough inspection and re-collection of the requirements for the PPh 21 DTP incentives, and whether the incentives are conveyed by their employees or not, as well as other efforts, namely by simplifying schemes/procedures in terms of filing a permit. The application for PPh 21 DTP incentives is to make it easier for companies to apply for incentives for their employees, so these incentives are well absorbed by all employees.

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