

Value Added Tax (VAT) Restitution and Revenue

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Abstract

The purpose of this study is to determine and analyze the application of VAT refund, VAT revenue and the relationship between VAT refund and VAT revenue. This study was conducted at the Regional Office of DGT I North Sumatra. The research method used in this research is descriptive and the type of data used is qualitative. The data sources used in this study are primary and secondary data using data collection techniques including documentation and interviews. The results of this study indicate that each year not all submissions of restitution or returns can be made due to one of the things such as the submission process for 12 months. And the amount of VAT revenue has increased every year, the increase in value-added tax revenue is also influenced by the value-added tax collection system which currently uses E-Invoicing. The North Sumatra I DGT Regional Office has complied with the Tax Council regulations in implementing VAT restitution.

Keywords: *tax refund, VAT revenue*

1. BACKGROUND

One of the most influential sources of government revenue in Indonesia is tax revenue. According to the Ministry of Finance, the share of the tax sector in total revenue is the largest, more than 80%. This is supported by Finance Minister Sri Mulian's view that taxes are the backbone of the country. In 2019, VAT will be the second source of state revenue. According to Waluyo (2011:9), VAT is a tax imposed on the consumption of goods and services (within the customs area). Value-added tax is a value-added tax, i.e. the value-added tax payable, which must be collected by the taxation body that delivers taxable goods or provides taxable services. In addition to sales tax, there is also the concept of value-added tax, namely. value-added tax that should be paid by Taxable Entrepreneurs to obtain Taxable Goods and/or receive Taxable Services. If the input tax is greater than the output tax, the taxpayer has to pay too much and the taxpayer is entitled to a refund. Because the state is not only obliged to collect taxes from citizens, but also obliged to return the overpayment of taxes paid by taxpayers.

Taxpayers or taxable entrepreneurs to report, collect, deposit and report unpaid VAT and VAT on luxury goods in accordance with applicable laws and regulations. This commitment is expected to increase government revenue from the tax sector. Due to the increase in tax revenue realization until April 2017, the rate of overpayment refunds or tax refunds also continues to increase. The Directorate General of Taxes (DG) noted that as of April 30, 2017, the value of restitution amounted to IDR 53 billion, an increase of 18% compared to the same period last year or around IDR 46 trillion. The increase in restitution is roughly equal to the increase in taxable income. The Department General of Taxes reported tax revenue up to April 2017 amounted to IDR 343.7 trillion and is said to have increased by 18.9 percent compared to last year. The increase in restitution occurred in all economic sectors in line with tax revenue in all economic sectors. However, Director of Tax Potential, Compliance, and Revenue of the Directorate General of Taxes of the Ministry of Finance Yon Arenal revealed that the highest revenue came from the mining, trade, and manufacturing sectors. The Tax Law provides the right to fulfill and carry out tax obligations, one of which is the right to return or refund.

According to Simanjuntak, tax collection includes Value Added Tax (VAT) which is an objective tax imposed on the delivery of taxable goods or the delivery of taxable services. According to Djuanda,

who deals with VAT, taxes are often exceeded because input tax is higher than sales tax. Refunds can be claimed for all types of taxes. VAT refund is defined as a refund of VAT because the amount of input VAT is greater than the amount of sales tax. VAT can be reclaimed in each tax period, but in each tax period only taxable entrepreneurs who export tangible taxable goods, deliver taxable goods or provide taxable services that are not subject to VAT, or deliver intangible taxable goods, export taxable services or are only in the production stage, non-taxable businesses can only be refunded at the end of the reporting period.

The Directorate General of Tax Administration is a tax service center operating in North Sumatra using a modern tax administration system, where taxpayers can receive tax information through internet-based taxation, one of which is Corporate VAT. Commonly associated with value added tax (VAT) are underpayment of value added tax, overpayment of value added tax and nil. However, what usually affects the level of tax revenue is the VAT overpayment because it affects the level of tax revenue. According to Suand, tax refunds returned to taxpayers automatically reduce the amount of taxable income.

Value-added tax (VAT) restitution is the return of VAT overpayment because the nominal tax rate is higher than the nominal tax rate. Law No. 42 of 2009, Article 9 paragraph 4 of VAT and STLG states that if in a tax period it can be requested to refund more input VAT than transfer tax, then the request for refund of tax overpayment can be repaid at the end of the accounting period. The return is made by refund. There are several problems in the refund, including taxpayers not reporting taxes, lack of documents or company data, taxpayer ignorance about tax refunds, etc. Whereas article 17B of the General Provisions of Taxation Law (UU KUP) states that the Director General of Taxes will not give a decision within a maximum of 1 (one) month from the expiration of the period.

There are several things that taxpayers must do when claiming a VAT refund related to the Treasury. In terms of submitting a statement letter that must be complied with by taxpayers. Starting from the submission of the restitution application, the process of tax investigation or examination of the restitution application by the Directorate General (Dirje). Requests for additional tax refunds are submitted by taxation companies (PKP) with certain criteria, PKP that meet the requirements of § 17D of the Law - Law Number 16 of 2009 concerning General Provisions and Procedures for Taxation (KUP) or Low Taxation are investigated. risk of PKP In addition to PKP, requests for additional tax refunds are being processed. FULL TEXT

Based on the information received, it can be said that VAT revenue from 2018-2020 has increased, but what distinguishes between repeaters and returns. According to Untung Sukarji, overpayment refunds affect government revenue from the tax sector. Because PKP takes too much money or more than the amount of tax that should be paid or even not paid because the relevant provisions are not yet due. In Akhiruddin's research (2010), the results showed that VAT restitution had a major impact on the tax revenue of the Makassar City Tax Office. while Wandra (2014), based on the results of previous research, argues that VAT restitution that occurs has a negative impact on existing tax revenue. At the main tax office in Manado.

2. LITERATURE REVIEW

A. Restitution

1. Definition of Restitution

According to Sukardji (2015: 592) "restitution is the excess of input tax (PM) over Output Tax (PK) in a certain tax period for which the excess is requested back". The definition of restitution according to Djuanda and Lubis (2011: 121) "is an overpayment of Value Added Tax occurs because the amount of Input Tax paid is greater than the amount of Output Tax collected in a Tax Period."

According to the explanation of Article 11 of KUP Law No. 28 of 2007, Restitution is the calculation of the amount of tax actually payable with the amount of tax credit that shows the amount of excess difference (the amount of tax credit is greater than the tax payable), or tax payments have been made that should not be payable. Taxpayers have the right to request a refund of tax overpayments, provided that the taxpayer does not have a tax debt.

From the above definitions, it can be said that VAT Restitution is the excess amount of input tax paid over the amount of output tax collected.

2. Legal Basis of Restitution

VAT restitution has a legal basis in Law No. 28 of 2007 and is strengthened by Minister of Finance Regulation (PMK) 192/PMK.03/2007 and then amended to PMK Number 74/PMK.03/2012 and then amended again to PMK Number 198/PMK.03/2013, and most recently PMK Number 39/PMK.03/2018. The provisions in the form of laws are the government's efforts to inform the requirements of corporate taxpayers / CPAs in applying for VAT restitution. Meanwhile, the PMK, which has been amended three times, is a procedure for the preliminary implementation of tax overpayments or acceleration of tax refunds/VAT refunds.

3. Causes of Restitution

Restitution is the right of the taxpayer to request back the overpayment of tax payable that has been deposited after being calculated with other tax debts. Tax overpayment or restitution can occur if:

- a. For Income Tax (PPh), the amount of tax credit is greater than the amount of tax payable or tax payments have been made that should not be payable.
- b. For Value Added Tax (VAT):
 - 1) The amount of Input Tax is greater than the amount of Output Tax in a tax period due to :
 - a) Purchase of Taxable Goods or acquisition of Taxable Services made before the business starts or at the beginning of the business,
 - b) Taxable Entrepreneur conducts export activity of Taxable Goods,
 - c) Taxable Entrepreneurs deliver Taxable Goods and/or Taxable Services to VAT Collectors,
 - d) Taxable Entrepreneurs deliver Taxable Goods and/or Taxable Services in connection with government projects whose funds are sourced from foreign loans/grants,
 - e) Taxable Entrepreneurs make delivery of Taxable Goods for further processing to Enterport production for export purposes,
 - f) In the form of raw or auxiliary materials and/or Taxable Services to Certain Exporting Companies (PET)
 - 2) Payable or payment has been made of tax that should not be payable.
- c. For PPnBM, the amount of tax paid is greater than the amount of tax payable or tax payments have been made that are not payable.

4. Restitution Payment Procedure

In PMK Number 39/PMK.03/2018, it is stated that the application for refund of excess tax for income tax, VAT, and/or STLG can be returned (restitution) in the following cases:

- a. The overpaid tax as stated in Surat Ketetapan Pajak Lebih Bayar Article 17 paragraph (1) of UU KUP: "The Director General of Taxes, after conducting an audit, issues an Overpaid Tax Assessment Letter if the amount of tax credit or the amount of tax paid is greater than the amount of tax payable."
- b. Taxes that should not be payable as stated in the Surat Ketetapan Pajak Lebih Bayar Article 17 paragraph (2) of the KUP Law: "Based on the taxpayer's request, the Director General of Taxes, after examining the correctness of the tax payment, issues an Overpaid Tax Assessment Letter if there is a tax payment that should not be payable, the provisions of which are regulated by or based on the Minister of Finance Regulation."
- c. The overpaid tax as stated in the Tax Assessment Letter of Overpayment Article 17B of KUP Law:
- d. The overpaid tax as stated in the Decision Letter of Preliminary Refund of Excess Tax Article 17C of KUP Law:
- e. The overpaid tax as stated in the Decision Letter for Refund of Excess Tax Article 17D of KUP Law;

- f. Tax that has been paid on the purchase of Taxable Goods brought outside the Customs Area by individuals holding foreign passports as referred to in Article 17E of the KUP Law and Article 16E of the VAT Law: Article 17E of the KUP Law: "Individuals who are not domestic tax subjects who purchase Taxable Goods within the customs area that are not consumed in the customs area may be granted a refund of Value Added Tax that has been paid, the provisions of which are regulated by or based on the Minister of Finance Regulation."
- g. The overpaid tax as stated in the Decision Letter for Preliminary Refund of Excess Tax Article 9 paragraph (4c) of the VAT Law: "The refund of excess Input Tax to Taxable Entrepreneurs as referred to in paragraph (4b) letters a through e, which have the criteria as low-risk Taxable Entrepreneurs, is carried out with a preliminary refund of excess tax in accordance with the provisions referred to in Article 17C paragraph (1) of Law Number 6 of 1983 concerning General Provisions and Tax Procedures and its amendments."
- h. Taxes that are overpaid due to the issuance of an Objection Decision Letter or Appeal Decision or Judgment of Reconsideration by the Supreme Court;
- i. Taxes that are overpaid due to the issuance of a notification letter Article 16 of the KUP Law: "Errors in writing, miscalculations, or errors in the application of the provisions of tax laws and regulations contained in the tax assessment letter, can be corrected by the Director General of Taxes by office or at the request of the taxpayer."
- j. Taxes that are overpaid due to the issuance of Administrative Sanctions Reduction Decree or Administrative Sanctions Elimination Decree Article 36 paragraph (1) letter a of UU KUP: "Reducing or eliminating administrative sanctions in the form of interest, fines, and increases owed under the provisions of tax laws and regulations in the event that the sanctions are imposed due to the taxpayer's mistake or not due to his fault."
- k. Taxes that are overpaid due to the issuance of a Tax Assessment Reduction Decree or a Tax Assessment Cancellation Decree Article 36 paragraph (1) letter b of UU KUP: "To reduce or cancel incorrect tax assessment."
- l. Taxes that are overpaid due to the issuance of a Tax Collection Letter Reduction Decree or a Tax Collection Letter Cancellation Decree Article 36 paragraph (1) letter c of the KUP Law. "To reduce or cancel the Tax Collection Letter as referred to in Article 14 which is incorrect."

Requests for refunds of tax overpayments can be submitted through the SPT by selecting the restitution option on the SPT or with the status of the SPT Overpayment.

B. Value Added Tax (VAT)

1. Definition of Value Added Tax (VAT)

In addition to Income Tax, a business entity is also required to pay Value Added Tax or VAT. According to Sukardji (2015: 1) states that: Value Added Tax (VAT) is a tax imposed on any increase in the value of goods or services in circulation from producers to consumers. In English, VAT is called Value Added Tax (VAT) or Goods and Services Tax (GST). VAT is an indirect tax, meaning that the tax is deposited by another party (trader) who is not the taxpayer or in other words, the taxpayer (end consumer) does not directly deposit the tax he is responsible for.

Meanwhile, according to Resmi (2012: 3) defines value added tax, namely: It is a tax imposed at the time the company makes a purchase of taxable goods (BKP) / taxable services (JKP) which is imposed from the tax base (DPP). According to Rahayu and Suhayati (2010: 238) value added tax (VAT) is a tax that replaces sales tax (PPn) because it has positive characteristics that sales tax does not have.

According to Waluyo (2011:90) "value added tax (either goods or service consumption) is a tax imposed on domestic consumption (within customs) both consumption of goods and consumption of services".

From the above definitions, although in essence the definitions are different, but basically the intent and purpose contained therein are the same, the author can conclude that Value Added Tax (VAT) has elements of purchase/submission of taxable goods and services made by PKP to its consumers.

2. Legal Basis of Value Added Tax (VAT)

The legal basis of Value Added Tax (VAT) is Law No. 8 of 1983. Then this law was amended by Law No. 11 of 1994, and the last one was amended again by Law No. 18 of 2000 and amended again to Law No. 42 of 2009 concerning value added tax (VAT) on goods and services and sales tax on luxury goods (PPnBM). The latest implementation rules are regulated in the regulation of the directorate general of taxation number PER-14/PJ./2010 concerning the time of making, shape, size, procurement, procedures for submission, and procedures for correcting tax invoices standard circular letter of the directorate general of taxation no. SE-43/PJ./2010 dated March 26, 2010.

3. Characteristics of Value Added Tax

According to Rosdiana, (2003: 96) there are several characteristics of Value Added Tax (VAT), namely as follows:

- a. Objective Tax. What is meant by objective tax is a type of tax whose tax obligation is determined by the tax object. The state of the tax subject does not become a determinant except for certain cases.
- b. Imposed on each distribution chain (Multi Stage Tax). As long as a transaction meets the requirements as mentioned in number 2, the PKP Seller is obliged to collect VAT on the transaction that occurs and then deposit it into the State Treasury and report it.
- c. Using a crediting mechanism. As the name implies, in essence, VAT is only imposed on the added value that occurs on taxable goods due to the manufacturing and distribution process. Therefore, the VAT payable in a tax period is calculated in advance with the VAT paid by the Taxable Person for VAT Purposes when purchasing raw materials and other production factors, so that even though VAT is imposed several times, it does not have a double tax effect.
- d. It is a tax on domestic consumption. Therefore, one of the conditions for the imposition of VAT on a transaction is that the taxable goods/ services are consumed within the Customs Area. This is the basis for the imposition of VAT at a rate of 0% on export activities while import activities are still subject to 10% VAT.
- e. It is the burden of the final consumer. VAT is an indirect tax so that the tax burden can be transferred by PKP. The imposition of VAT that is carried out several times does not become the burden of the Taxable Person for VAT Purposes because the VAT burden will eventually be transferred to the consumer who enjoys the taxable goods in the last chain.
- f. Neutral to competition. VAT is not an expense that adds to the cost of goods sold because VAT adheres to a crediting system that allows VAT paid at the time of purchase to be calculated with VAT that must be collected at the time of sale.
- g. Adhering to the destination principle. To determine whether a transaction is subject to VAT or not, it must first be seen in which country the consumer is located. If the consumer is abroad, the transaction is not subject to VAT because VAT is a tax on domestic consumption.

4. Value Added Tax (VAT) Object

The following provisions on VAT objects are regulated in Article 4 paragraph (1), Article 4A paragraph (2), and Article 4A paragraph (3) of Law No. 42/2009:

- a. Article 4 paragraph (1) regulates the VAT imposed on:
 - a) delivery of taxable goods within the customs area carried out by entrepreneurs,
 - b) BKP imports,
 - c) delivery of JKP within the customs area carried out by entrepreneurs,
 - d) utilization of intangible taxable goods from outside the customs area within the customs area,
 - e) utilization of JKP from outside the customs area within the customs area,
 - f) export of tangible taxable goods by taxable entrepreneurs,
 - g) export of intangible taxable goods by PKP, and

- h) export of JKP by PKP.
- b. Article 4A paragraph (2) regulates the types of goods that are not subject to VAT, namely:
 - a) mining or drilling products taken directly from the source;
 - b) basic goods that are needed by many people;
 - c) food and beverages served in hotels, restaurants, stalls, and the like, including food and beverages whether consumed on the spot or not, including food and beverages delivered by catering services;
 - d) money, gold bars, and securities.
- c. Article 4A paragraph (3) regulates the types of services that are not subject to VAT, namely certain services in the following service groups:
 - a) medical health services,
 - b) social services,
 - c) mailing services with stamps,
 - d) financial services,
 - e) insurance services,
 - f) religious services,
 - g) education services,
 - h) arts and entertainment services,
 - i) broadcasting services that are not advertisements,
 - j) public transportation services on land and in water and domestic air transportation services which are an integral part of foreign air transportation services,
 - k) labor services,
 - l) hospitality services,
 - m) services provided by the government in order to run the government in general,
 - n) parking lot provision services,
 - o) public telephone services using coins,
 - p) money transfer services by postal money order, and
 - q) catering services.

5. Subject of Value Added Tax (VAT)

The following provisions on VAT subjects are contained in Article 3A of Law No.42/2009, namely:

- a. Entrepreneurs who make delivery of taxable goods and/or delivery of taxable services within the customs area and/or export tangible taxable goods, export taxable services, and/or export intangible taxable goods are obliged to report their business to be confirmed as Taxable Person for VAT Purposes and are obliged to collect, remit, and report the VAT and STLG payable. The above obligations do not apply to small entrepreneurs whose total gross receipts for a tax year do not exceed Rp 600,000,000.
- b. Small entrepreneurs are allowed to choose to be confirmed as taxable persons. If a small entrepreneur chooses to become a taxable person, this law applies fully to the small entrepreneur.

6. Value Added Tax (VAT) Rate

Based on law number 8 of 1983 concerning VAT and STLG tax as last amended by law number 42 of 2009 that VAT and STLG payable is calculated by multiplying the tax rate by the Tax Imposition Base (DPP).

- a. VAT and STLG rates
 - 1) The VAT rate is 10% (ten percent).
 - 2) The PPnBM rate is a minimum of 10% (ten percent) and a maximum of 75% (seventy-five percent).

- 3) The rate of VAT and STLG on the export of taxable goods is 0% (zero percent).
- b. Tax imposition base (DPP) Tax imposition base (Mardiasmo, 2013: 305) is the basis used to calculate the tax payable, in the form of: the amount of selling price, replacement, import value, export value, or other value determined by KMK.
 - 1) Selling price is the value in money, including all costs requested or should have been requested by the seller due to the delivery of taxable goods, excluding VAT collected according to the VAT law and discounts included in the tax invoice.
 - 2) Reimbursement is the value in the form of money, including all costs requested or should have been requested by the service provider because of the delivery of JKP excluding VAT collected under the VAT law and discounts included in the tax invoice.
 - 3) Import value is the value in the form of money that is the basis for calculating import duties plus other levies that are taxed based on the provisions in customs legislation for the import of taxable goods, excluding VAT collected under the VAT law.
 - 4) Export value is the value in money, including all costs that the exporter demands or should demand.
 - 5) Other value is an amount determined as DPP by KMK.
- c. Other values determined as DPP.
 - 1) Self-use of Taxable Goods and or Services is the Selling Price or Replacement Price after deducting gross profit.
 - 2) The free gift of taxable goods and or taxable services is the selling price or reimbursement after deducting gross profit.
 - 3) Delivery of sound or image recording media is an estimated average Selling Price.
 - 4) Story movie submission is the estimated average yield per movie title.
 - 5) The remaining inventory of BKP at the time of dissolution of the company is the fair market value.
 - 6) Assets that were not intended for sale or that remain at the time of dissolution of the company, to the extent that VAT on the acquisition of such assets is creditable under the provisions, are at fair market value.
 - 7) Used motor vehicles are 10% of the Selling Price.
 - 8) Delivery of travel agency services or tourism bureau services is 10% (ten percent) of the amount of the bill or the amount that should have been billed.
 - 9) Package delivery service is 10% (ten percent) of the billed amount or the amount that should have been billed.
 - 10) Factoring fee is 5% of the total amount received in the form of service charges, fees, and discounts.
 - 11) The delivery of taxable goods and or taxable services from the Center to the Branch or vice versa and the delivery of taxable goods and or taxable services between branches is the Selling Price or Replacement after deducting gross profit.
 - 12) The delivery of BKP to intermediary traders or through an auctioneer is the auction price.

7. Output Tax and Input Tax in Value Added Tax

According to the Value Added Tax Law No. 42 of 2009 Article 1 paragraph (25), Output tax is the payable Value Added Tax that must be collected by Taxable Entrepreneurs who make delivery of Taxable Goods, delivery of Taxable Services, export of Tangible Taxable Goods, export of Intangible Taxable Goods, and/or export of Taxable Services.

Meanwhile, according to the Value Added Tax Law No. 42 of 2009 Article 1 paragraph (24), the definition of Input Tax is Value Added Tax paid by Taxable Entrepreneurs due to the acquisition of Taxable Goods and/or receipt of Taxable Services or utilization of intangible Taxable Goods from outside the Customs Area or utilization of Taxable Services from outside the Customs Area and/or Import of Taxable Goods.

C. Tax Revenue

The development that is being carried out by our country is inseparable from the active role of taxes, because the tax sector has become revenue for the State which is active role of taxes, because the tax sector has become revenue for the State which is quite competent. Revenue or opinion is a result that every company wants to achieve optimally.

According to Soemitro written by Mardiasmo, "Taxes are contributions of the people to the State treasury based on the Law (which can be imposed) by not getting reciprocal services (counter-achievement) which can be directly shown and which are used to pay for public expenditures".

The definition of tax revenue according to Ray quoted by Inti Rahmi is that tax revenue can be interpreted as government revenue used for State expenditure for the greatest prosperity of the people, which in the broadest sense is starting from domestic revenue. Tax revenue is the dominant State financing for both routine and development financing.

Tax revenue as written by Mardiasmo in his book entitled Taxation states that:

According to its imposition, taxes are grouped into 3 parts, namely:

1. State taxes consist of:
 - a. Income Tax
 - a. Value Added Tax and Luxury Goods Transfer Tax
 - b. Stamp Duty
 - c. Land and Building Tax
 - d. Fees on Acquisition of Land and Building Rights (BPHTB)
2. Local taxes include:
 - a. Motor Vehicle and Vehicle on Water Tax
 - b. Transfer Fee for Motor Vehicles and Vehicles on Water
 - c. Motor Vehicle Fuel Tax
 - d. Tax on Extraction and Utilization of underground and surface water
2. District/City taxes include:
 - a. Hotel Tax
 - b. Restaurant Tax
 - c. Entertainment Tax
 - d. Billboard Tax
 - e. Street Lighting Tax
 - f. Non-metallic Mineral Tax
 - g. Parking Tax
 - h. Swallow Tax
 - i. Rural and Urban Land and Building Tax
 - j. Fees on acquisition of land and building rights

So with the grouping of taxes based on the deposit, the deposit of local taxes and central taxes can be grouped properly in order to create an equitable development throughout the region.

3. RESEARCH METHOD

A. Research Approach

In this study, researchers used a descriptive approach, namely research by collecting data and presenting data from data sources to be analyzed so as to provide a clear enough picture of the object under study. According to Sugiyono (2012) the descriptive approach method is research that aims to present a complete picture of the phenomenon or reality that occurs obtained from subjects in the form of individuals, organizations, industries, and other perspectives to explain relevant aspects and observed phenomena.

B. Operational Definition

1. Value Added Tax Restitution

Value Added Tax Restitution is a refund of value added tax because the amount of input tax paid is greater than the output tax collected in a tax period.

2. Tax Revenue

Tax revenue is the income obtained by the government from taxes. It is not only up to the brief definition above that the funds received from the State treasury will be used for State expenditure for the greatest prosperity of the people, which in the broadest sense is starting from domestic revenue. Tax revenue is the dominant State financing for both routine and development financing.

C. Place and Time of Research

1. Place of Research

The place where this research was conducted was the Regional Office of DGT SUMUT I which is located at Jl. Suka mulia no. 17 A, AUR, Medan Maimun, Medan City, North Sumatra.

2. Research Time

While the research time was conducted in January 2023.

C. Data Type and Source

Types and Sources of Data in this study consist of:

1. Type of Data The data used in this research is qualitative data. Qualitative data method is a method that emphasizes more on the aspect of in-depth understanding of a problem.

2. Data Sources The data sources used in this study are two:

(a) Primary data, ie. data obtained directly from surveys conducted at the research site or at the location that is the subject of the research to find information to support research, such as interview or observation data.

b) Secondary data is a source of material that researchers get indirectly through the media. The data source of this research was obtained directly from the Data and Information Processing Section (PDI) of the Regional Office of the DGT SUMUT I. The information received is a report on the number of VAT returns for 2018-2020 and the amount of VAT revenue for 2018-2020 in the Regional Office of DGT SUMUT I.

D. Data Collection Technique

The data collection techniques for this study are as follows:

1. Interviews Researchers ask questions and answer directly to informants whose purpose is to obtain basic knowledge or information needed for this research.

2. Documentation Researchers collect information about documents related to this research, such as the number of VAT refunds in 2018-2020, and through the management of VAT revenue reports.

F. Data Analysis Technique

The data analysis technique used in this study uses a descriptive method, namely. determining the data to be used, collecting the data provided, then classifying, interpreting and analyzing the data and comparing it with the theory, drawing conclusions and then making suggestions. The steps taken in analyzing the research data are as follows:

1. Request and collect information where the information collected is in the form of numbers, such as the number of registered corporate income taxpayers, the number of VAT refunds and the amount of VAT revenue in 2018-2020.

2. Analyzing the data, the author compares theory with reality in the implementation of VAT restitution at the Regional Office of DGT SUMUT I at the current stage.

3. Describing the material, namely the author in this case describes the information obtained, provides reasonable information with existing information and explains the results of this study using sentences in the form of stories.

4. RESULTS AND ANALYSIS

A. Research Results

1. Value Added Tax Restitution Data

Table 4.1
Data of Corporate Taxpayers who Submitted and Received VAT Restitution
Year 2018-2020

Year	Number of taxpayers who filed Restitution	Number of taxpayers who received Restitution	Total Restitution (IDR)	Number of taxpayers Agency Registered	Total PKP registered
2018	36	21	28.236.130.651	11.427	276
2019	28	24	24.942209.440	12.370	334
2020	41	31	36.788.144.027	13.185	201

Source: KANWIL DJP Sumut I

It can be seen from the data above that the number of taxpayers who apply for restitution (TA) is not as large as the number of taxpayers who receive restitution. this is due to the procedure for applying for refunds at each tax period and several requirements. In 2018 there were 36 restitution in the TT column, while in 2018 there were 21. This is because article 17B of the General Provisions of Taxation Law (UU KUP) regulates that the Director General of Taxes must issue a Tax Assessment Letter-Tax Assessment Letter. Overpayment Letter (SKPLB) no later than 12 months after the receipt of the full refund. This means that taxpayers who filed returns in 2018 filed returns in the previous year (2017) or taxpayers who filed returns in 2018 will receive returns in the following year (2019).

In 2018, 36 taxpayers applied for tax refunds and 31 taxpayers received refunds, and 28,236,130,651 rubles were received. In addition, in 2019 there were 28 taxpayers who applied for restitution and 24 taxpayers who received restitution, and the amount refunded was 24,942,209,440 rubles. And in 2020 there were 41 taxpayers who applied for restitution and 31 taxpayers who received restitution, and the amount of restitution was 36,788,144,027.

2. Value Added Tax Revenue Data

Table 4.2
VAT Revenue Data

YEAR	Number of Taxpayers Reporting Periodic	Total VAT Revenue Target (IDR)	Total VAT Revenue Realization (IDR)	Percentage
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	VAT Return			
2018	2158	944.892.234.000	864.039.138.425	56,76%
2019	2123	898.118.330.000	913.610.434.868	118,31%
2020	2240	995.288.673.000	953.273.234.338	106,29%

Source : Regional Office of DGT North Sumatra I

The data table above shows that the number of taxpayers declaring seasonal VAT rates increased between 2018 and 2020, then decreased slightly in 2019 and increased in 2020. It can also be seen that the VAT revenue of the North Sumatra I Regional DGT Office in 2018 has increased. has not yet reached the 100% VAT collection target, which is only 864,039,138,425 or only 56.76%. However, in 2019, the achievement reached and exceeded the target of IDR 813,610,434,868 or 118.31% with a percentage exceeding 100%. The 2020 achievement also reached the target and exceeded 100%, namely Rp 953,273,234,338 or a percentage of 106.29%. It can also be seen from the table above that the amount of VAT revenue of the North Sumatra DGT I Regional Office from 2018-2020 has increased.

B. Discussion

1. Implementation of Value Added Tax Restitution at the North Sumatra I DGT Regional Office

The restitution settlement process can be done by :

a. Inspection

The return process of non-taxable companies, certain taxes is carried out by examination. In order to conduct an audit, the examiner may secure books, letters or other papers relating to the refund claim. If the time limit has passed and the Director General of Taxes does not issue a tax assessment or decision letter, the application shall be deemed accepted and a tax overpayment control letter or tax repayment decision letter shall be issued within 1 month after the end of the period at the latest.

b. Research

The restitution settlement process for certain Taxable Entrepreneurs is carried out through research. If until the time period expires, the Taxable Entrepreneur does not complete all the documents required in the refund application, the refund application is still processed in accordance with the existing or received data.

The following is the procedure for implementing value-added tax restitution in the North Sumatra I DGT Regional Office based on the results of the author's interview with the audit section:

- a. Taxpayers (WP) report the VAT periodic tax return through e-filling or e- SPT.
- b. The service section sends an official memorandum to the audit section in accordance with the provisions of the Directorate General of Taxes. Then propose an audit through the tax administration application in SIDJP.
- c. After being approved by the head of the office or regional office, an Inspection Order (SP2) is issued for taxpayers who make VAT overpayments.
- d. After the SP2 is issued, an audit is then carried out by a functional tax auditor.
- e. After the audit report is completed, a Tax Assessment Letter (SKP) is issued.
- f. The service section prints the legal product in the form of SKP and then sends it to the tax address.
- g. The service section then forwards to the Supervision and Consultation Section (WASKON) to issue a tax overpayment order (SPMKP) if there is an overpayment.
- h. If a Tax Assessment Letter of Overpayment (SKPLB) is issued, after the SPMKP is completed, a refund of tax payment will be made to the taxpayer through account transfer.

The following are the obstacles in the implementation of Value Added Tax Restitution at the North Sumatra DGT Regional Office I based on the results of the author's interview with the examination section and functional section:

- a. There are still taxpayers who are late in submitting Periodic VAT Returns, for restitution so that the audit section will also be late in issuing its SP2 within the adjusted time period.
- b. The files/documents provided by taxpayers are incomplete so it will be difficult to adjust between what is reported by taxpayers and the files in the WP.
- c. Companies that record output tax sometimes do not report, which will hamper the restitution process.

The following are the efforts made by the Regional Office of DGT North Sumatra I in overcoming the obstacles that occur in the implementation of Value Added Tax Restitution:

- a. Appeal to taxpayers to immediately report their Periodic VAT Return so that SP2 can be issued immediately and restitution will be processed immediately.
- b. Appeal to taxpayers who will apply for VAT Restitution to first complete the required documents or files so that the restitution can be processed immediately.
- c. If there is a sale and purchase transaction between, for example, PT.A and PT.B, where PT.B should report its output tax but PT.B does not, it will provide a solution by conducting a flow test which includes a cash flow test and a goods flow test. The cash flow test is carried out by checking the bank statement whether PT.A made a transfer to PT.B for the amount stated on the invoice, if there is then PT.A is considered to have paid the VAT. While the flow of goods test is carried out by checking the completeness of the documents if it is true that there are goods and documents.

Based on the results of the study, the realization of VAT refunds by the North Sumatra I DGT Regional Office is in accordance with the habits of taxpayers in filling out VAT returns. Ministry of Finance of the Republic of Indonesia, Director General of Taxes.

Thus, the implementation of the return of VAT overpayments can minimize the existence of procedural irregularities that can be carried out by employees of the North Sumatra Regional DGT Office from the parties involved in the return, such as Service Office I, Inspection Service, operational parts that participate in the return procedure carried out by the North Sumatra Regional DGT Office I, so that the return of tax overpayments runs optimally, so that one of the taxpayer's rights is fulfilled properly.

2. Value Added Tax Revenue at the North Sumatra I DGT Regional Office

The Director General of Taxes is reforming the tax administration system to increase state revenue. Tax reform includes political reform, administrative reform and control reform. The policy reform consists of amendments to laws, including Income Tax Law No. 36 of 2008, General Provisions and Taxation Law No. 16 of 2009, Value Added Tax Law No. 42 of 2009 and STLG. Management reform is reform related to organization, information technology and human resources.

To achieve the purpose of VAT collection, efforts must be made to increase taxpayer compliance among the community. Taxable companies (PKP) that deposit and collect Value Added Tax (VAT) affect Value Added Tax (VAT) revenues and mainly support state revenues which are the source of the state budget. According to a study (Nuraeni, 2011), the number of Taxable Companies (PKP) registered at the tax office adds value significantly. tax revenue.

The obligation to deposit taxes at the North Sumatra DGT Regional Office I by tax companies is carried out according to procedures. The deadline for filing PKP-PPN at the North Sumatra DGT Regional Office I is also in accordance with Article 15 (1) of Law No. 42 of 2009, namely. not exceeding the specified time limit.

Based on the results of data analysis, it can be seen that the VAT revenue of the North Sumatra DGT I Regional Office has increased as seen from the realization of VAT revenue exceeding the target in 2018 and 2020. . The VAT revenue of the North Sumatra Regional Office of DGT I also increased every year in 2018-2020. Therefore, it is expected that in 2020 the realization of VAT revenue will reach the 100% target in line with the growing economic development of the community.

3. Relationship between Value Added Tax Restitution and Value Added Tax Revenue at the North Sumatra I DGT Regional Office

Based on the research results obtained from the interview of the inspection section of the North Sumatra Regional Office I, VAT restitution does not guarantee a reduction in VAT income, because the income affects the income of the taxpayer concerned. And there are many taxpayers in the North Sumatra DGT Regional Office I and not only taxpayers who will pay back. There could be new taxpayers or old taxpayers who are not problematic, in which case VAT payments will be higher than last year. The taxpayer concerned can affect VAT revenue, but does not affect overall VAT revenue. Because VAT revenue is entirely paid by other taxpayers who are not problematic. Thus, the return does not directly affect the amount of VAT revenue in the North Sumatra DGT I Regional Office.

This statement is different from the results of previous research by Agustin Mauludiyah (2017) which found that VAT refunds or restitution affect the value. VAT revenue, but it affects the return more, because the return means that the taxpayer takes the money, so the VAT revenue will automatically decrease.

5. CONCLUSION

A. Conclusion

From the results of the research and data analysis described in the discussion, the authors can draw several conclusions as follows:

1. VAT revenue at the Regional Office of the DGT SUMUT I from 2018-2020 has increased.
2. Not all restitution submissions each year are given, due to the reporting time and the restitution submission period for 12 months from the submission period.
3. The application of value-added tax refunds carried out by the North Sumatra I Regional DGT Office is in accordance with the standard procedure for resolving applications for Value Added Tax (VAT) refunds.
4. Restitution does not affect VAT revenue at the North Sumatra I DGT Regional Office

B. Advice

From the conclusions described above, suggestions can be made that the author can provide:

1. Regional Office I of DGT North Sumatra must continue to implement the SOP set by the Tax Council in the implementation of VAT restitution, especially in file selection, so that fraud does not occur which is detrimental to the state.
2. Business entity taxpayers requesting a refund must first make a complete, accurate and valid submission or supporting documents so that the refund can be processed immediately.
3. The government is stepping up specific policies to facilitate, yet remains cognizant of the state losses involved in demanding tax refunds.

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