TAXATION POLICY ON E-COMMERCE TRANSACTIONS

By

Destari Nurlaila Damanik, S.E., M.Ak
Tengku Eka Susilawaty, S.Pd., M.Ak
Muhammad Habibie, S.E., M.Ak

Lecturer in The Faculty of Social Sciences University of Development Panca Budi

ABSTRACT

Nowadays more and more economic activities are carried out with internet media. Electronic commerce with internet media, or better known as e-commerce. One of the potentials in taxation is taxation on e-commerce transactions, the potential for tax revenue for e-commerce transactions is very large. Many obstacles occur in tax collection on e-commerce transactions, this is a challenge for the Directorate General of Taxes in determining their tax policies. The purpose of this study is to uncover the policy of compliance with e-commerce transaction taxation. The method used in this study is a qualitative research method that is collecting data using literature studies. The results of the study found that there are several conditions where e-commerce transactions will be difficult to tax. So that the Directorate General of Taxes applies the Directorate General of Tax Circular No. SE-662 / PJ / 2013 concerning Affirmation of Tax Provisions for E-Commerce Transactions as a policy to optimize state revenue on Income Tax (PPh) and Value Added Tax (VAT) on e-transactions commerce.

Keywords: *Fulfillment of Tax Obligations, E-Commerce Transactions*

A. Introduction

Internet has a huge impact on society. The benefits of the internet are not only felt by the people in the field of technology and information, but also for all levels of society throughout the world also feel these benefits. One area that benefits directly from the internet is the economy.

Currently more and more economic activities are carried out with internet media. If traditional trade transactions must be done face-to-face, but with the internet, all the limitations of distance and time can be overcome easily, the ease of knowing the availability of products, the speed of the buying and selling process, this is what ultimately brings the internet as a popular media to conduct a business or trading activity.

The development of e-commerce in Indonesia in recent years has increased quite rapidly. To date, there have been more than 1,500 startups in Indonesia. In 2016, the Republic of Indonesia (RI) Ministry of Communication and Information (Kemenkominfo) noted there were around 93.4 million internet users in Indonesia. Meanwhile, there are around 80 million smartphone users. This provides new opportunities for several sectors, one of which is taxation Rao (2000) stated that the increasing number of internet users which had an impact on the increasing turnover of electronic commerce in fact caused several problems in the financial sector, one of which was the internet sales tax. Electronic commerce that knows no geographical boundaries raises questions about how tax regulations in anticipating income from e-commerce transactions, because without proper tax regulations on e-commerce transactions, the potential for tax revenue from e-commerce transactions can be lost.

According to the World Population Prospect, Indonesia has the largest digital economy market share in ASEAN, with a current contribution of 40.4% and is estimated to reach 41% in 2025 with a value of US $ 81 billion. Other research from the Brand and Marketing Institute (BMI) states that the value of e-commerce transactions in 2016 reached US $ 4.89 M or 68 trillion, a significant increase from 2015 which was only Rp 50 trillion, and is estimated to be able to reach US $ 130 billion in 2020. E-commerce investment in Indonesia is estimated to reach US $ 9 billion or Rp 120.3 trillion. (cnbcindonesia.com) The Government's intention to collect taxes from all E-commerce transactions is getting stronger. According to Minister of Finance Sri Mulyani and Director General of Tax Ken Dwijugiasetiadi in Sukmana (2017), in the near future, the government will issue regulations stipulated in the Minister of Finance Regulation, which since 2013, there have actually been regulations regarding the confirmation of taxation provisions for e-commerce transactions , but in the form of a Circular from the Directorate General of Taxes. The rules will govern various aspects. One of the most important is related to the procedures for payment of e-commerce taxes. The same thing was stated by the Executive Director of the Center for Indonesia Taxtion Analysis (CITA) Justin Prastowo and the Danny Darussalam Tax Center (DDTC), Bawono Kristiajdi in Sukmana (2017) agree on the e-commerce tax collection plan. According to him e-commerce tax collection can boost state revenue. However, to be effective, there must be a National Payment Gateway, making it easier to withdraw VAT on every digital transaction. And the government's plan to collect taxes from e-commerce must also be realized.

The Directorate General of Tax of the Ministry of Finance said that the E-Commerce market is growing rapidly in Indonesia, but only a handful of E-Commerce actors already have a Taxpayer Identification Number (NPWP). According to data obtained from the Directorate General of Taxes there are 1,600 (one thousand six hundred) samples (E-Commerce actors) that have been tried, of which there are 600 (six hundred) that have not been identified and 1,000 (one thousand) have been identified. Out of 1,000 (one thousand) new business operators, 620 (six hundred twenty) already have a Taxpayer Identification Number (NPWP). Of those who already have a Taxpayer Identification Number (NPWP), most have reported it but they are not known to report it according to the facts that occurred during the transaction. As the tax authority confirms that the tax treatment of e-commerce transactions is the same as conventional transactions (DJP Circular Letter No.SE-62 / PJ / 2013), but in some conditions e-commerce transactions are able to penetrate geographical boundaries between countries, selling goods or services in digital format that are easily accessible, happen quickly and throughout the world. The formulation of the problem in this study is How Taxation Policy on E-commerce Transactions.

E-commerce transactions are an interesting theme to discuss because of the nature of their activities. Transaction change from offline to online will be difficult to trace, if DGT only relies on physical or conventional trading. Therefore the purpose of this research is to find out the taxation policy on e-commerce transactions.

B. Method

The method used in writing this paper is a qualitative research method. Data collection uses literature studies and the type of data used is secondary data in the form of tax regulations that apply in Indonesia, supporting documents and previous research results by analyzing several journals with the theme of taxation in e-commerce. The literature data is collected and then analyzed by understanding how the author's interpretation in providing feedback on e-commerce taxation problems and providing solutions to the solutions of several quotations that have been concluded.

C. Research Finding

The development of e-commerce in Indonesia in recent years has increased quite rapidly. To date, there have been more than 1,500 startups in Indonesia. In 2016, the Republic of Indonesia (RI) Ministry of Communication and Information (Kemenkominfo) noted there were around 93.4 million internet users in Indonesia. Meanwhile, there are around 80 million smartphone users. This provides new opportunities for several sectors, one of which is taxation.

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D. Discussion

A tax is a people's contribution to the country that is required by law whose fees cannot be directly accepted by the public. According to the collection mechanism, taxes are divided into two, namely direct tax and indirect tax.

Direct tax is a tax whose tax burden cannot be transferred to another party, for example income tax, land and building tax, etc., while indirect tax is a tax whose tax burden can be transferred to another party, for example is value added tax, tax motor vehicle transfer fees, etc. (Suandy, 2011).

Taxes in Indonesia adhere to a self assessment system, where taxpayers (WP) are given the trust and responsibility to calculate, deposit and regularly report their tax obligations to the tax service office or Tax Office (Sultoni, 2013). In addition, based on Article 1 of Law Number 7 of 1983 concerning Income Tax as amended lastly with Law Number 36 of 2008, specifically governing tax subjects and objects, Indonesia adheres to the principle of source and domicile as its taxation system.

During this time the Directorate General of Taxes also observed the development of e-commerce that occurred in Indonesia. People think that there is no tax on e-commerce transactions, whereas in principle there is no difference between buying and selling transactions in e-commerce with conventional buying and selling transactions. Both must be taxed in accordance with applicable regulations.

To that end, the Directorate General of Taxes finally gave an affirmation, e-commerce actors must also fulfill their tax obligations through the issuance of SE-62. The regulation basically emphasizes that every person who receives income above a certain threshold, then he must be subject to tax, especially if the goods being traded are included in the type of Taxable Goods/Taxable Services (BKP/JKP). To avoid burdening e-commerce companies that are startups, new PPh taxes are levied if their income exceeds Rp 4.8 billion or above the Non-Taxable Income (PTKP) limit for Micro, Small and Medium Enterprises (MSMEs). In addition, the amount of tax paid to the state still adheres to a self-reporting system.

The Head Office of the Directorate General of Taxes has also conducted socialization related to the affirmation of taxation on e-commerce transactions to Regional Offices in several regions as well as through seminars or conferences. The aim is none other than for the public to know and be more sensitive that e-commerce transactions have the same taxation obligations as transactions in general. One by one, as was done in 2012. In this case, the Directorate General of Taxes can check directly the website or e-commerce site so that it can find out who the perpetrators of the e-commerce are, plus more usually the seller's account number is listed which can make it easier to find out who receives the income. Until now, the Directorate General of Taxes has checked 1500 data related to e-commerce taxpayers obtained through the internet. Of this number, there are only 1000 e-commerce actors who have NPWP (Taxpayer Identification Number) and it turns out that only a small number of them have reported SPT (Notification Letter), which is only around 50%. That was also the Directorate General of Taxes not yet conducted an examination of the truth of SPT reporting submitted. Thus, it can be seen that tax compliance for e-commerce actors in Indonesia is still very low. Taxes on e-commerce transactions in accordance with SE-62 have confirmed that there are no new taxes in e-commerce transactions. So there is no difference in the application of tax legislation between e-commerce or conventional transactions.

Therefore, the seller or buyer may be taxed according to the provisions of existing taxation laws. For entrepreneurs and business people in the field of e-commerce that have fulfilled the requirements as Taxpayers (WP), are required to register themselves with a tax service office whose working area covers their residence or domicile to obtain a tax ID. In accordance with the Tax Treatment Regulations for E-commerce as outlined in the Minister of Finance Regulation (PMK) Number 210 / PMK.010 / 2018. One of which is regulated in this PMK is the obligation of traders and service providers who sell through the Marketplace Platfrom to have a Taxpayer Identification Number (NPWP). Until now, many e-commerce entrepreneurs have met the requirements as taxpayers, but have not registered themselves. According to the data obtained by DGT, there were 1,600 sampling (e-commerce actors) that were tried, out of that number 600 had not yet been identified and 1,000 had been identified. Of the 1,000 new business operators 620 who already have a Taxpayer Identification Number (NPWP), of those who already have a NPWP, most have reported but are not reported to be in accordance with the facts that occurred during the transaction. The data proves that there are still many non-compliant e-commerce taxpayers. After being registered as a Taxpayer, e-commerce entrepreneurs are required to record their operational activities in the form of recording or bookkeeping so that the amount of business circulation (turnover) and net profit can be known as a basis for calculating the income tax payable in one tax year. Business actors or individuals, are entitled to a reduction in the form of Non-Taxable Income (PTKP) in the calculation of their taxable income.

E. Conclusion

The Ministry of Trade recognizes that the difficulty in preparing this e-commerce PP is regarding the imposition of tax. Whether, for this e-commerce-based transaction will be taxed or not. Meanwhile, the Directorate General of Taxes (DGT) firmly states that E-commerce is included in the trade transactions of goods or other services, but only differs in terms of the means or tools used. Thus, e-commerce tax treatment is the same as other trade tax treatment, including there are no special tax rules governing this e-commerce transaction. There are conditions where e-commerce transactions will be difficult to tax. the first condition is a high level of anonymity. Second, it's easy to get into the e-commerce business. Third, transactions without boundaries. Fourth, electronic data transactions cannot be trusted.

Therefore the Ministry of Finance should make a policy/regulation regarding online transaction procedures that involve a minimum of parties such as Seller, Consumer, Guarantor of Authenticity of Seller and Buyer Data, Payment Gateway and Payment bank.

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