POTENTIAL FOR E-COMMERCE TAX RECEPTION ONLINE BUSINESSES IN INDONESIA

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ABSTRACT

The imposition of Value Added Tax on developing online businesses in Indonesia must indeed receive more attention from the government. This is due to the large tax potential of the online business. The regulation of taxation in Indonesia has not yet specifically regulated the issue due to the pros and cons of this so that there is a norm of emptiness. The purpose of writing this scientific journal is to find out how the potential of state revenue through the imposition of Value Added Tax on online businesses in Indonesia. The research method used in this research is to use descriptive qualitative methods. The type of data in this study is qualitative data, where the data is presented in the form of words that contain meaning in the form of data processed through interviews and an explanation of tax e-commerce for online businesses. Data collection is done by interview method. The results of research conducted with the interview method show that the potential for E-Commerce tax revenue for online businesses in Indonesia is very large, there are inhibiting factors in the imposition of E-Commerce Tax on online business actors, namely online businesses that are taxpayers and the government. In this case the government is expected to make rules that specifically regulate it so that online businesses that are taxpayers can fulfill their tax obligations by becoming a Taxpayer Entrepreneur so that they can properly utilize the potential of tax revenue.

Keywords: E-Commerce Tax, VAT

A. Introduction

The internet as the largest computer network in the world and has a very large influence on the world economy. The digital economy is one of the new stages in the world economy which is also known as the fourth industrial revolution.

E-commerce business is believed to be easier and more cost effective compared to conventional businesses. But this does not also guarantee total security in conducting transactions. At present there are still often found various kinds of fraud and other crimes in the cyberspace (cybercrime). However, the enthusiasm of the public to continue to engage in e-commerce business does not recede, causing a shift in shopping patterns from conventional to online. This of course makes the value of e-commerce transactions continue to increase from year to year.

In this regard, the role of the government as regulator becomes crucial so that the state is not only able to compete in the world arena but is also able to mitigate all the challenges that lie ahead. Responding to this, President Joko Widodo on July 31, 2017 has ratified Presidential Regulation Number 74 Year 2017 concerning the Roadmap for Electronic-Based National Trade System (SPNBE) / Road Map e-Commerce in 2017-2019.

The regulation was issued as a consideration that the electronic-based economy has great economic potential and is one of the backbone of the national economy. Through the regulation, it is stated that in order to increase the utilization of electronic-based economic potential, the government needs to encourage the acceleration and development of electronic-based national trade systems (e-Commerce), startups, business development and logistical acceleration. Some of the programs aimed at the Presidential Regulation include funding, taxation, consumer protection, education and human resources programs, communication infrastructure, logistics, cyber security and the establishment of the implementation of the 2017-2019 SPNBE road map implementation.

In order to follow up on the Perpres in the taxation program, the Ministry of Finance through the Directorate General of Taxes has issued tax rules for e-commerce actors in Indonesia. The regulation is Regulation of the Minister of Finance 210 / PMK.010 / 2018 which contains the Tax Treatment of Trade Transactions through the Electronic System which will come into effect effectively on April 1, 2019.

E-commerce tax is a tax that is charged to buying and selling players who use internet facilities both online stores, promotions on social media and others related to trade. With the e-commerce tax can have a positive impact including:

a. Realize justice

The equality of treatment between e-commerce actors and conventional business actors. According to the Head of BKF, Suahasil Nazara, there is no difference in tax rates between transactions conducted online and offline. However, the government wants the participation of traders who sell in e-commerce platforms to deposit a small portion of the tax owed from the transaction (1% VAT and 0.5% PPh) as pre-payment through the e-commerce procurement platform.

b. The potential for state revenue increases through the tax sector

There is no official count from the tax office regarding this potential but a researcher, AH Maftuchan, estimates that the potential for e-commerce tax reaches 10-15 T (2015)

c. Minimize potential fraud

Through the requirements for traders to use NPWP or NIP on KTP, it will increase consumer protection and maintain buyer confidence.

Although it appears that the rules for applying tax for e-commerce will have a positive impact, e-commerce tax is not necessarily free from problems. The problem that arises is the concern for local e-commerce actors related to exodus/ large-scale buyer movements to various foreign platforms that are not yet bound by e-commerce tax regulations or trade transfers from e-commerce to social media that are still lacking in supervision.

But this is not a worrying problem that makes this rule need to be canceled because with taxes and NPWP rules for traders, buyer confidence will increase. High trust by consumers is what will prevent the exodus of local e-commerce actors. The movement of e-commerce actors is not the only problem. Before the enactment of PMK 210, there were a lot of rumors circulating in the community about the application of different tax burdens for businesses involved in the e-commerce platform. However, this assumption was broken when PMK 210 was signed by the Minister of Finance who insisted that the difference in the imposition of the tax owed between daraing and offline transactions was not enforced.

The rapid development of information technology which was followed by an increase in buying and selling through e-commerce platforms resulted in various problems, such as the fear of cybercrime in the internet network to the application of cyberlaw especially in the field of taxation. The government as a regulator applies Perpres and PMK as a step to overcome the existing risks. With the application of taxes as stipulated in the PMK, will reduce the level of risk for various forms of fraud and crime in buying and selling online. The existence of this tax application also realizes justice between e-commerce players and conventional business actors. Of course, the implementation of taxes on e-commerce will increase revenue to the country and increase the rate of economic growth. Therefore, the application of taxes on online transactions is appropriate to carry out. Given the above discussion, the government should tighten the implementation of regulations in maintaining online transaction security and ensure that e-commerce businesses continue to carry out their obligations in paying taxes

Along with the development of technology and information, now various goods or service trading transactions can be done online. The development of online trading is based on the ease for businesses to promote their goods and does not require more costs because they do not require a physical store. The large number of E-Commerce or online businesses from various groups of Indonesian society that has grown beyond conventional traders makes it even more epidemic because online trading has an unlimited number of markets. When viewed from the taxation legislation, online trading should have the potential to be taxed. But because of the lack of regulation regarding the imposition of taxes on online businesses can lead to the absence of norms that occur in tax regulations in Indonesia. So that the potential for taxation is not utilized effectively. So based on this, the authors compile a journal with the title: "**Potential Acceptance Of E-Commerce Tax On Online Business In Indonesia"**

B. Theoretical Foundation

1. Tax

According to Prof. Dr. Djajadiningrat quoted from the official Siti book, tax is an obligation to surrender a portion of the country's wealth because of a situation, event and act that gives a certain position. The levy is not a punishment, but according to the regulations established by the government and forced to no direct return from the state, for example maintaining public welfare.

According to Dr. Soeparman Soemihamijaya quoted from Waluyo's book, tax is a mandatory contribution in the form of money or goods collected by the authorities based on legal norms to cover the costs of producing goods and collective services in achieving public welfare. It can be concluded that the tax is one of the efforts to realize the independence of a nation or state in financing development is to explore sources of funds originating from within the form of taxes used to finance development that is useful for the common good.

a. Tax characteristics

Based on KUP Law Number 28 Year 2007, taxes have the following characteristics:

1) Tax is a mandatory contribution of citizens
2) Taxes are coercive for every citizen
3) Citizens do not get direct rewards
4) Based on the law

b. Tax function

The tax function according to the Official Siti (2016) consists of:

1) Budgetair function (Source of State Finance)

   Tax has a budgetary function, meaning that tax is a source of government revenue to finance both routine and development expenditure. As a source of state finance, the government is trying to put as much money as possible into the national treasury. The effort was taken by extending and intensifying tax collection through improving various types of tax regulations such as income tax (PPh), Value Added Tax (VAT) and Sales Tax on Luxury Goods (PPnBM), Land and Building Tax (PBB), and others. other.

2) Regulatory functions (regulate)

   Tax has a regulating function, meaning that tax as a tool to regulate or carry out government policies in the social and economic fields, as well as achieve certain objectives outside the financial sector. Based on the explanation of the tax function, it can be concluded that the tax functions to finance both routine and development expenditure and to regulate or implement government policies

c. Tax Subjects

According to Siti Official (2016), the subject of income tax is anything that has the potential to earn income and is subject to income tax. In Law No.6 of 1983 as amended the latest by Law No. 16 of 2000, there is no explanation of what is meant by the tax subject, but the definition of taxpayer is explained as a person or entity that according to the provisions of tax legislation, is determined to perform tax obligations.

While the tax subject in Law No. 7 of 1983 (the 1983 Income Tax Act) is explained at length. Article 2 (1) The income tax determines that the tax subject in the income tax is:

1) An individual or individual;
2) Inheritance which has not been divided, as a unit replacing the entitled;
3) The body, which has various forms that are different from each other, consists of:
   a) Limited Liability Company (PT), Naamlose Vennotschap (NV);
   b) Limited partnership;
   c) State-Owned Enterprises (BUMN, which can be in the form of agreements, Persero and Public Corporation);
   d) Regionally Owned Enterprises (BUMD);
   e) Alliance (maatschap);
   f) Company or other associations (Vennooschap or other organizations), whether or not incorporated legal entities;
   g) Firm, joint venture;
   h) Cooperative Association;
   i) Foundation or institution;
   j) Permanent Establishment.

Law 16 of 2000 provides a very broad understanding of a body that is a group of people and / or capital that is an entity both doing business or not doing business including limited liability companies, limited liability companies, other companies, State or Regional-Owned Enterprises with names and in any form, Firms, Confessions, Cooperatives, Pension Funds, Associations, Associations, Foundations, Mass Organizations, Social Political Organizations, or Organizations of similar institutions, permanent establishments and other forms of agency.

d. Tax Objects

The tax object is anything (goods, services, activities, or circumstances) that are subject to tax.

1) Circumstances

One's wealth at a certain time, owning a motorized vehicle, radio, television, owning land or immovable property, occupying certain houses (mostly statically/permanently);

2) Acts

Delivering goods by agreement, setting up a house or building, holding a show or crowd, earning income, traveling abroad;

3) Events

Death, sudden benefits, blessings that are obtained unexpectedly, everything that happens outside of human will.

According to the Official (2014: 79), the definition of an income tax object is any additional economic capability received or obtained by a Taxpayer (WP), both originating from Indonesia or from outside Indonesia, which can be used for consumption or to add to the wealth of the taxpayer concerned by name and in any form. Judging from the flow of additional economic capabilities of tax subjects, according to the Official (2014: 80), income can be grouped into:

a) Income from work in work relationships and free work such as salary, honorarium, income from the practice of doctors, notaries, actuaries, accountants, lawyers, and so on.

b) Earnings from businesses or activities.

c) Income from capital, in the form of movable or immovable property such as binga, dividends, royalties, rent, profit from the sale of assets or rights not used for business, and so forth.

d) Other income, such as debt relief, gifts, and so forth.

e. Types of Tax

There are various types of taxes that can be grouped into three, namely grouping by group, by nature, and according to the collecting institutions (Official, 2016).

1) According to the Group

a) Direct tax is tax which the burden must be borne by the taxpayer himself and cannot be transferred to other parties. Example: Income Tax (PPh).

b) Indirect taxes, taxes that can ultimately be charged or delegated to other people or third parties. Example: Sales Tax and Value Added Tax (VAT).

2) According to nature

a) Subjective tax, a tax that imposes attention to the personal condition of a Taxpayer or taxation that takes into account the subject's circumstances.

b) Objective tax, a tax that imposes attention to the object, whether in the form of objects, circumstances, actions, or events that result in the obligation to pay taxes without regard to the personal condition of the Tax Subject (Taxpayer) and residence.

3) According to the polling institution

a) State tax (Central Tax), a tax collected by the central government and used to finance public households in general. Examples: Income Tax (PPh), Value Added Tax (VAT) and Sales Tax on Luxury Goods (PPnBM), Land and Building Tax)

b) Regional taxes, taxes levied by local governments, both level 1 regions (provincial tax), and level II taxes (district / city tax) and are used to finance each household. Examples: Motor Vehicle Tax, Billboard Tax, Parking Tax, Restaurant Tax, Entertainment Tax

f. Ways of Tax Collection

According to Siti Official (2016) the principle of tax collection is divided into three, namely:

1) Principle of Domicile (Principle of Residence)

This principle states that the state has the right to impose a tax on all income of taxpayers who live in their region, both income from domestic and foreign.

2) Source Principle

This principle states that the state has the right to impose taxes on income sourced in its territory without regard to the residence of the taxpayer.

3) Nationality Principle

This principle states that taxation is related to the nationality of a country.

2. E-Commerce

a. Understanding Online Business and E-Commerce

Online business is an activity or activities carried out on the internet media to make money. Like a business activity in real life, an online business that is run via the Internet also has the same goal of making a profit. According to the website wikipedia.org, online business is known and described as electronic commerce. "Electronic commerce or e-commerce (English: Electronic Commerce, also e-commerce) is the distribution, purchase, sale, marketing of goods and services through electronic systems such as the internet or television, www, or other computer networks (Sakti, 2014)".

E-commerce can involve electronic fund transfers, electronic data exchanges, automated inventory management systems, and automated data collection systems. Electronic Commerce (E-Commere = electronic commerce) is part of e-lifestyle that allows trading transactions carried out online from any angle. Reporting from Suyanto's book on Advertising Strategies in Corporate e-commerce, according to Kalakota and Winston, the definition of E-Commerce can be viewed from several perspectives, namely:

1) From a communication perspective, e-commerce is the delivery of goods, services, information, or payment through a computer network or through other electronic equipment.
2) From a business process perspective, e-commerce is the application of technology that leads to the automation of business transactions and workflows.

3) From a service perspective, e-commerce is a tool that meets the desires of companies, consumers, and management to cut service costs when improving the quality of goods and increasing the speed of service delivery.
4) From an online perspective, e-commerce provides the ability to buy and sell goods or information via the internet and other online tools.

b. E-Commerce Components

In line with Dewi Irmawati in the scientific journal Utilization of E-Commerce in the Business World, E-Commerce has several standard components that are owned and not owned by business transactions carried out offline, namely:

1) Products: Many types of products can be sold via the internet such as computers, books, music, clothing, toys, and others.
2) Place to sell products (a place to sell): where to sell is the internet which means it must have a domain and hosting.
3) How to receive orders: e-mail, telephone, sms and others.
4) Method of payment: Cash, check, bank draft, credit card, internet paymen (for example paypal).
5) Shipping method: delivery can be done via package, salesman, or downloaded if the product being sold allows for that (for example software).
6) Customer service: e-mail, online forms, FAQs, telephone, chat and others.

c. Benefits of E-Commerce

According to Suyanto, the benefits of E-Commerce are divided into 3, namely:

1) For e-commerce owner organizations
   a) Expanding market place to national and international markets.
   b) E-Commerce reduces the cost of making, processing, distributing, storing, and searching for information using paper.
   c) E-Commerce reduces the time between capital outlay and receipt of products and services.
2) For consumers
   a) E-Commerce allows customers to shop or make transactions 24 hours a day throughout the year from almost every location.
   b) E-Commerce gives customers more choices, they can choose various products from many vendors.
   c) E-Commerce provides inexpensive products and services to customers by visiting many places and making comparisons quickly.
   d) Customers can receive relevant information in detail in seconds, no longer days or weeks.
3) For the community
   a) E-Commerce allows people to work inside the home and not have to leave the house to shop. This has the effect of reducing the flow of traffic on the road and reducing air pollution.
   b) E-Commerce enables people in third world countries and rural areas to enjoy a variety of products and services that would be difficult for them to get without e-commerce.

d. E-Commerce Taxes Against Online Businesses

1) Taxes imposed on online businesses
   a) Income tax

Final income tax is income tax which is final (expired) so that it cannot be credited (deducted) from the total income tax payable at the end of the tax year. Based on Article 4 paragraph (2) of the Income Tax Law, final income tax consists of: Income in the form of interest on deposits and other savings, interest on bonds and government debt securities, and interest on deposits paid by cooperatives to individual cooperative members

b) Income in the form of prize draws.

Earnings from stock transactions and other securities, derivative transactions traded on the stock exchange, and shares sale transactions or capital investment in partner companies received by venture capital companies.

c) Income from transfer of assets in the form of land and/or buildings, construction service business, real estate business, and land and/or building leasing, and Other specified income (income from disclosure of untruth, termination of criminal investigation, etc.).

2) Tax Object

Government Regulation No 23 of 2018 The tax objects imposed Government Regulation No 23 of 2018 are:

a) Income from business received or obtained by taxpayers with gross circulation does not exceed Rp. 4,800,000,000 in one year.
b) Excluding income from business is income from services in connection with free employment.
c) Gross circulation is the gross circulation of business, including from branch businesses.

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c) Gross circulation is the gross circulation of business, including from branch businesses.

3) Tax subject

Tax subjects subject to Government Regulation No. 46 of 2013 are:

a) Personal.
b) Entity not included as Permanent Establishments (BUT) which receives income from businesses with gross circulation does not exceed Rp.4,800,000,000 in a year.

4) Tax rate

The tax rate used in PP number 23 of 2018 is the final PPh with a rate of 0.5% of the gross income of taxpayers that does not exceed 4.8 billion.

f. Basic Determination

Subject to a final income tax of 0.5%. Imposition of Income Tax is based on the gross circulation of the business within one year of the last tax year before the tax year concerned which does not exceed Rp.4,800,000,000 (one year or annualized in the case of the last year covering less than 12 months) including business from branches, not including branches Gross circulation from:

1) Services related to free work.
2) Income received or obtained from abroad.
3) Enterprises whose income has been subject to final income tax with the provisions of separate taxation laws.

g. Income that is excluded as a tax object.

In the event that a new taxpayer is registered in the same tax year before this Government Regulation comes into force, the basis of gross circulation is the accumulation of gross circulation from the standing month to the month before this annual Government Regulation comes into force.

For taxpayers who are only registered after this Government Regulation comes into force, the basis of gross circulation is the gross circulation of the first month of the year. In the case of the current year, gross circulation has exceeded Rp4,800,000,000, but is subject to final income tax until the end of the tax year and the following year is subject to general PPh provisions.

h. Value Added Tax

VAT (Value Added Tax) is a tax on the consumption of goods and services in the Customs Area which is imposed in stages in each production and distribution line (Official Siti, 2012: 1). In the Director General of Taxes, Value Added Tax (VAT) is defined as tax that is imposed on every purchase of Taxable Goods and utilization of Taxable Services both within the territory of Indonesia and from outside the Customs area.

1) VAT Objects

a. Submission/import/utilization/export of intangible BKP/JKP/BKP.
b. Self-building activities carried out not in business activities or work by individuals or entities whose results are used alone or used by other parties.
c. The transfer of assets by the PKP according to the original purpose of the assets is not to be traded as long as the input tax paid at the time of acquisition according to the provisions can be credited.

2) Tax Subject

Taxable Person for VAT purposes, namely a businessman who delivers Taxable Goods and / or delivers Taxable Services subject to tax under the VAT Law, which in his business activities or work produces goods, imports goods, exports goods, does trading business, utilizes goods not tangible from outside the Customs Area, conducting business services, or utilizing services from outside the Customs Area.

3) Tax Imposition Rates

a) The VAT rate is 10%.

Subject to any submission of BKP inside the customs area/import of BKP/submission of JKP inside the customs area/utilization of intangible BKP from outside the customs area inside customs/utilization of JKP from outside the customs area inside the customs area.

b) The tax rate as referred to in paragraph (1) may be changed to a minimum of 5% and a maximum of 15%, which changes in tariffs are regulated by Government Regulation. This can be caused by various factors, for example consideration of the development of the Indonesian economy, so that VAT rates can be lowered. Conversely, for example if the Government requires a large tax revenue, so that the VAT rate can be increased.

4) A VAT rate of 0% is applied to exports of tangible taxable goods, intangible taxable goods exports and export of taxable services.

i. Types of E-Commerce transactions

Based on circular letter No. 62 of 2013, there are 4 types of online transactions that will be included in the tax calculation as follows:

1) Online Marketplace

Online Marketplace is an activity of providing a place of business activity in the form of an internet shop as an Online Marketplace Merchant to sell goods and/or services. In this transaction model, there is a reward, in the form of a rent fee or registration fee, for the service of providing a place and/or time displaying advertisements of goods and/or services and making sales at internet stores through internet malls. There are many sellers with permanent store sales characteristics. The system of bidding, ordering, payment is done online, but the delivery system can be done online or offline. In addition, there is an amount of money paid by the Online Marketplace Merchant to the Online Marketplace provider as a commission for payment intermediary services for the sale of goods and/or services. Examples of online markets are Bukalapak, Tokopedia, Shopee.

2) Classified Ads

Classified Ads are activities providing a place and/or time to display advertisements of goods and / or services carried out by advertisers through sites provided by Organizing Classified Ads. The number of sellers with a lot of characteristics of the seller is an incidental seller where the seller only sells his merchandise on occasion or at certain times. The bidding system is done online (marketed on the web), while the ordering system, payment system and shipping system can be done offline (off the web or directly to the person being promoted). Then the advertiser pays a sum of money as a transaction fee to the organizer of Classified Ads which is the object of VAT and VAT. Examples of Classified Ads are kaskus, tokobagus, berniaga.com, OLX.com.

3) Daily Deals

Daily deals is an activity of providing a place of business activities in the form of a Daily Deals site as a Daily Deals Merchant selling goods and/or services to buyers using vouchers as a means of payment. The number of sellers is large with the characteristics of store sales only on momentary promos. Bidding system, ordering is done online while for payment systems and shipping systems can be done online or offline in the sense that payment can be made directly at the time of payment or through the web and shipping can be sent directly to the web or taken directly to the store concerned. Examples of Daily Deals are groupd disdus, traveloka, Tiket.com, pegipegi, items sold such as hotel, plane, and food ticket vouchers.

4) Online Retail

Online Retail is the activity of selling goods and/or services carried out directly by the Online Retail organizer to buyers on the Online Retail site. The number of sellers is only one, which has a website with permanent store sales characteristics because the store is a self-owned shop. The bidding system is done online, while the ordering system, payment system and delivery system can be done online or offline in the sense that payment can be made directly at the time of payment or via the web and the shipment can be sent directly to the web or taken directly to the relevant store. Examples of Online Retail are Shopee.co.id, blibli.com, bhinneka.com, lazada.com.

C. Research Methods

This research is a descriptive qualitative research. Qualitative research is research that produces descriptive data that contains written or oral words from people and research that can be seen. This qualitative research uses research which consists of case studies of online transactions. This research was conducted by interviewing and collecting data in accordance with what is needed by researchers. Descriptive is data collected consisting of words, pictures, and not numbers. In this study, an analysis of the potential for e-commerce tax revenue for online business protection will be carried out, so that the State can make full use of all potentials to impose VAT taxes in Indonesia by making regulations that contain specifically about this so that it is not related to the void of norms.

Further e-commerce in the Directorate General of Tax Circular SE-62/PJ/2013 that e-commerce is the trade of goods and/or services carried out by service providers and consumers through electronic systems. The principles and objectives of e-commerce transactions are the same as other trades, but differ in terms of the way or tool used. Therefore, there is no difference between e-commerce transactions and other trade transactions. E-commerce taxation regulations in Indonesia noted that there are no new tax objects in e-commerce transactions and also need to realize uniformity in understanding aspects of e-commerce taxation that occur in Indonesia.

The type of data in this study is qualitative data, where the data is presented in the form of words that contain meaning in the form of data processed through interviews and an explanation of tax e-commerce for online businesses. Source of data used in this study came from internal sources, namely data obtained from direct interviews with online businesses. Data collection is carried out by interview method. Data and information collection is done by conducting oral interviews with informants, namely online businesses about the impact of tax collection on e-commerce to collect the information needed.

D. Research and Discussion Results

1. Taxes in E-Commerce Transactions

a. Understanding of Taxes in E-Commerce Transactions (General description)

E-commerce business in Indonesia has entered a new stage. Technological progress in the field of e-commerce trading is not only growing very rapidly in Indonesia, but also the accompanying ecosystem will increase rapidly. The more easy and convenient for consumers to make buying and selling transactions through e-commerce (electronic commerce or electronic trading), making conventional trade transactions drop significantly.

With evidence of an increase in E-Commerce transactions, many parties are beginning to realize the importance of a comprehensive policy and information so that the industry can grow. Then the transaction process carried out in online sales is relatively simple, supported by operational costs incurred lower than conventional traders in general and generates a turnover that is greater than the turnover generated from conventional merchants resulting in the need for procurement of taxation obligations.

According to Circular No. 63 of 2013, taxes owed through conventional transactions and taxes owed through e-commerce transactions have been collected according to applicable regulations. So that traders who sell conventionally or through e-commerce together have carried out their tax obligations. In addition, consumers who shop through conventional merchants or e-commerce are also subject to the same tax. There is no difference in tax rates imposed on transactions through e-commerce from transactions through conventional means. This means that the Circular only confirms the existing provisions, such as the VAT Law, the KUP Law and the Income Tax Law.

This is in line with the opinion of Linggo Saputro as Section of the Regulation of Trade VAT II at the Directorate of Taxation Regulations I which confirms that the government does not create new types of taxes on transactions through e-commerce. The taxation aspect of e-commerce transactions is stated not to cause or cause new tax obligations. The tax applied to e-commerce transactions will be the same as the taxation of conventional transactions, the government will only collect income tax and VAT.

b. Supporting Factors for Tax Application of E-Commerce Transactions. The Ease of Buying and Selling System of Goods or Services in Online Stores compared to the Buying and Selling System of Conventional Stores.

Online business in Indonesia is developing very rapidly compared to a few years before. Indonesian people in general prefer to do a shopping system by utilizing the internet/website. Running a business on the internet is believed to be easier and costs less than doing conventional business, from selling goods to the services they offer on the internet. The transaction process carried out in online sales is quite simple. Operating costs incurred are lower than conventional traders in general. Traders do not need to rent buildings and simply market their merchandise or services through the website and wait for buyers to come to buy the goods or services.

In Circular Letter No. 63 of 2013 several classes of e-commerce transactions have been explained. Among these transactions, Online Marketplace and Online Retail are the transactions most interested by buyers because they have the simplest transaction process both from the seller's side as well as the buyer's side. Linggo

Saputro explained that the Online Marketplace is like a market if in conventional trading, the seller only provides a place as an intermediary, including providing payment systems and buyers if they want to find enough goods to the Online Marketplace and then pay their orders to the Online Marketplace. Then Linggo Saputro also explained again the sales process at Online Retail where the organizer marketed goods or services on a website and then those who received the order directly held the Online Retail. Of the three existing taxpayers, two taxpayers also sell their products through online retail and one taxpayer also sells their products through online retail.

2. Affirmation of the Taxation Aspect of E-Commerce Transactions

Before the issuance of the Minister of Finance Regulation on Taxation of E-Commerce and pressing Presidential Regulation (Perpres) Number 74 of 2017 concerning the Road Map of Electronic-Based National Trading System (SPNBE)/Road Map of e-Commerce of 2017-2019, affirmation of the taxation aspects of e-transactions-commerce has previously been regulated in the Director General of Tax Circular No. 62 of 2013. Some of the business models set are Online Marketplace (for example tokopedia.com), Classified Ads (for example kaskus.com), Daily Deals (traveloka.com), and Online Retail (for example lazada.com).

Linggo Saputro, Implementer of the Trade VAT Regulation Section II at the Taxation Regulations Directorate I explained that basically e-commerce transactions and conventional transactions have the same tax calculation. "For example, the Online Retail and Online Marketplace calculations are normal because they are Taxpayers and they are Taxable Entrepreneurs. For the pelapak, when they sell less than 4.8 billion, they enter Tax Regulation No. 46, accounting for final PPh of 1%, then if sales are more than 4.8 billion in VAT, must be confirmed as a Taxable Entrepreneur and obliged to collect 10% VAT the same as the trader conventionally "he added.

On July 1, 2018 a 0.5 percent Final Income Tax rate was applied instead of the 1% UMKM Final Income Tax and is available in the form of pre-payment or tax credit, so that it can be credited against the taxpayer's Annual Tax Return. The SPT rate will adjust to the rates in the 2013 PPh and PP 46 Law. Then for PKP with a turnover above Rp 4.8 billion, a 10 percent VAT will be charged. Reporting from Media Finance Magazine in March 2018, Yustinus explained that the utilization of the final VAT scheme at a lower rate than the normal rate could be considered in exploring the potential for effective revenue with a potentially high amount.

Linggo Saputro, Implementer of the Trade VAT Regulation Section II at the Taxation Regulations Directorate I said that "the Directorate General of Taxes wants to do equal treatment in applying tax both to conventional transactions and online transactions. Many conventional shops are closed in the Jakarta area such as Glodok. It could be really closed because of the expensive place to rent ". This resulted in a shift from conventional to online business.

3. Constraints faced in the Implementation of E-Commerce Taxes in Indonesia

a. E-Commerce Transactions that are Difficult to Detect in the Form of Business

E-commerce business has a special character that is using the internet network as its backbone, therefore the existing transaction process must be done quickly and practically. This characteristic is different from other conventional trade because it turns out that this brings its own problem, namely the difficulty of the government to determine clear and fair tax regulations. In the Official Siti book, it is explained that there are two things that become tax problems caused by e-commerce transactions, namely direct taxes and indirect taxes:

1) Direct Tax

Direct tax is paid directly by an individual or organization for an impressive entity. A taxpayer, for example, pays taxes directly to the government for different purposes, including real property taxes, personal property taxes, income taxes or taxes on assets. Examples of direct taxes are income tax (PPh), land and building tax (PBB), street lighting tax, motor vehicle tax, and so on. Direct tax is different from indirect tax, where indirect tax is imposed on one entity, such as a seller, and is paid by another, such as sales tax paid by a buyer in a retail arrangement.

This indirect tax is a tax that is imposed on consumer goods as well as the value added tax (VAT) on motor vehicle transfer tax (BBNKB), and others. For income tax (PPh) in taxes that are direct or direct tax, found 2 obstacles and problems caused by the character of the e-commerce business:

a) The first problem is the occurrence of doubts in determining the form of a real shop where the seller sells. Usually in conducting conventional trading business, a conventional shop will be subject to tax on all business activities. However, with the character and nature of e-commerce business, the need to open branches is no longer needed because the world of e-commerce in the value of business processes is more free compared to conventional business. This resulted in the e-commerce entrepreneurs freely marketing their products in various countries.
b) The second tax problem that arises in e-commerce is the difficulty of tracking the identity of companies or individuals. This makes the tax authorities difficult to collect the tax. Especially in the case of electronic commerce.

2) Indirect Tax

The difficulty in determining indirect taxes is caused by developments in the world of information technology, which adds new types of goods in the form of digital products or software that can be traded online. Unlike conventional trade, goods or products can be seen directly physically. The same thing was also conveyed by the Director General of Taxes Fuad Rahmany where his party was trying to pursue taxpayers from the e-commerce sector, but indeed it was quite difficult to detect even though some of them were affected by the tax, according to him it was very difficult to detect where taxpayers are located.

Many types of products have now been converted into digital form, such as books, videos, songs, films, and the like. These items can be sold online through the internet. This is an obstacle experienced by the taxation to know the transaction. If viewed from the perspective of indirect tax (indirect tax), it turns out there are two main problems that arise related to this e-commerce:

a) The first problem is that it is caused by the cross-border nature of e-commerce transactions (Cross Boreders), so that they are able to penetrate national borders. If we observe the transaction process of buying and selling intangible goods through an online network, then the product can be free from imposing or indirect tax collection. For example, someone buys a digital book that is purchased from an online store abroad. When the goods have arrived at the buyer's computer equipment located in a city in Indonesia, then the goods will be spared or free from the imposition of sales tax or import tax regulations in force in Indonesia. This is certainly different from the usual form of printing (non-digital). When the book product enters the territory of Indonesia, a tax rate will be charged in accordance with the regulations in force in this country. This is the topic of e-commerce tax problems in Indonesia and almost all countries in the world.

b) The second problem is the effort to detect digital goods transactions in order to be subject to the application of tax compliance, especially digital goods transaction processes that occur across countries. It is probable that the potential for the missing tax will not be known by the tax authorities in the two countries of origin of the seller and buyer.

b. Awareness and Understanding of Taxpayers who have not been maximized

Taxation in Indonesia follows a self assessment system. Taxpayers (WP) are given full trust and responsibility to calculate, deposit and regularly report their tax obligations to the tax service office or Tax Office (Sultoni, 2013). As mandated by the constitution, the same public service is a right for every citizen, but on the other hand every citizen also has the same obligation to participate in developing the country through taxes. Taxes on E-Commerce transactions are considered to have a very important role in the interests of a country.

On the other hand, the public also tends not to understand taxation, so the tax on E-Commerce transactions is also considered to be not well realized. This can be proven from the statements of several taxpayers such as wanting a minimum income to be taxed, as well as the reason that a student who claimed not to have an obligation to make a TIN because he had not graduated from college. In this case the government through the Ministry of Finance (Ministry of Finance) is considered to have a tough task to realize economic justice for all citizens through taxation instruments. One way to make this happen is by socializing taxation to online businesses.

4. The Socialization Has Not Been Done Thoroughly

Awareness and Understanding of the Taxpayers is directly proportional to the socialization that has not been done thoroughly by Fiskus. According to Linggo Saputro, the information dissemination regarding Tax on E-Comerce transactions had been carried out at the time of the issuance of Circular Letter No. 62 of 2013. However, the rapid growth of business people was felt to be very necessary for re-socialization, several taxpayers who had become informers were also said that they had never received Tax-related information dissemination on E-Commerce transactions, and they wanted the socialization to be able to understand taxation especially on taxation of e-commerce transactions, bearing in mind that not all businesspeople have an educational background from economics graduates. According to taxpayers, businesspeople generally state that they are ready to help the government, provided they also get tax-related education on e-commerce transactions.

The tax monitoring system for e-commerce transactions is not yet optimal, Linggo said that for the current position, only an appeal, the move is an extension of the Primary Tax Office. For taxpayers already in the system, the taxation will be put under its own supervision. While WPs that have not yet entered the system will go into estensification. The method is still being considered by Fiskus, how is the right way to tax with less effort, so the Primary Tax Office must no longer have to look for individual taxpayers. In the future, the draft regulation is the awareness of or individuals, where the pelapak have many transactions through them. Chairperson of the Indonesian e-commerce Association (idEA), Aulia Marinto said, it was not yet biased to predict how the new policy would affect the e-commerce business, because until now the mechanism for collecting tax owed e-commerce was still in the formulation. "It is rather difficult to see how it impacts the selling price of goods in the context of per-item items. Moreover, we don't know yet what the procedures are like, "said Aulia.

There are two things that concern Fiskus on the application of taxation to e-commerce transactions. First, platform providers need to be given sufficient time to set up a tax payment system or virtual NPWP for e-commerce traders if needed. Second, e-commerce actors also want that the tax payable obligation payable also applies to social media, classified ads, and others. Third, re-socialization is felt to be very necessary so that taxpayers also understand that they have the obligation to pay taxes just like conventional traders. The fourth thing is to advertise tax obligations on platforms on social media and in e-commerce, so that taxpayers understand the obligations that they must fulfill when they sell.

According to the provisions of Article 1 Number 1 of the Law General Provisions and Tax Procedures a taxpayer is an individual or entity who according to the provisions of tax legislation is determined to carry out tax obligations, including certain tax collections or deductions. In essence, the taxpayer must not be separated from the individual context so as not to escape from his position as an individual. Meanwhile, the body as a taxpayer can be a legal entity, and a legal entity, both subject to private law and those subject to public law. In connection with the growing development of goods and/or services trading transactions through the electronic system, hereinafter referred to as E-Commerce, there needs to be a special affirmation related to tax collection both PPH and VAT on the E-Commerce transaction. This has been confirmed in the Director General of Tax Circular Number Se-62/PJ/2013 concerning Affirmation of Taxation Provisions for E-Commerce Transactions. And Circular of the Director General of Taxes Number Se-06/PJ/2015 concerning Withholding and/or Collection of Income Taxes on E-Commerce Transactions. This regulation states that there are 4 E-Commerce models that will be subject to a 10% Value Added Tax, namely:

a. Online Marketplace, This type of business model provides a place of business activities such as the Online Mall as a place to sell goods and services, meaning that the Online Marketplace provider only provides a place to sell and is not the owner of the goods and services available online.
b. Classified Ads, E-Commerce business model is the simplest and widely used in developing countries. Classified Ads provides a place for advertisers to place their ads online.
c. Daily Deals, this business model is a business activity in the form of a Daily Deals site as a place for Daily Deals Merchants to sell goods and/or services to buyers using vouchers as a means of payment.
d. Online Retail, This Business Model is the activity of selling goods and/or services carried out by Online Retail organizers to buyers on its site.

Based on this, the perpetrators of E-Commerce transactions can be categorized as tax subjects who are obliged to pay taxes to the state. Tax subjects will be taxed if they receive or receive income. The legal basis for income tax is Law Number 36 Year 2008 concerning Income Tax. This law regulates the imposition of tax on tax subjects relating to income received or obtained in the tax year. Taxes that can be imposed on E-Commerce transactions are Income Tax and Value Added Tax. Because there are no rules that specifically regulate the treatment of PPH on E-Commerce Entrepreneurs, so they are basically equated with conventional shops.

Based on PP Number 46 of 2013 concerning Income Tax on Income from Businesses Received or Obtained by Taxpayers who have a Specific Gross Distribution that has been revised to PP Number 23 of 2018, E-Commerce entrepreneurs with gross income/turnover that does not exceed 4.8 Billion Rupiah is subject to tax equal to MSME, which is 0.5% of turnover. Whereas for E-Commerce business actors whose turnover reaches Rp 4.8 Billion per year or more than that, subject to Value Added Tax.

5. Inhibiting factors and solutions in the imposition of Value Added Tax on Online Business Actors

E-Commerce is one of the tax subjects that have the obligation to pay taxes without exception. Supposedly, with the development of the E-Commerce business in Indonesia, there is an increase in state revenues as well because the tax received by the state is greater, but in reality the state revenue from taxes is still far from the target. This raises the possibility that many taxpayers do not report their obligations and there are also taxpayers who report but paid taxes do not comply with applicable tax provisions. In addition, other inhibiting factors are because transactions through E-Commerce are able to penetrate geographical boundaries between countries, other than that the form of goods or services traded can be in digital form such as computer software, music, magazines and others. So that physical transactions are no longer needed and are replaced with digital transfers only. E-Commerce transactions around the world occur so quickly in such a short time that taxation of E-Commerce Transactions requires special rules that can capture potential taxation based on these conditions.

The fact that online businesses are not yet registered also results in tax collection from the online sector being suboptimal. Because the truth of the database is crucial to test the correctness of tax payments with the Self-Assessment system. The ineffectiveness of the taxation of these online business actors is very unfortunate considering that the tax potential that can be obtained is very large and cannot be specifically touched by the taxation system due to the weak efforts in capturing this potential. This can also be caused by unclear and real points of sale, making it difficult to detect the truth of the existence of an online business actor. The awareness of online businesses as taxpayers is also still low so this creates a gap that results in reduced state cash receipts. Online businesses as taxpayers should also be required to have a Taxpayer Identification Number (NPWP) as a means of tax administration, which is useful as a sign of self-control or identity of taxpayers in carrying out their tax rights and obligations contained in each tax document and can maintain order in tax payments and supervision of tax administration. There are several solutions that can be done to reduce the inhibiting factors in the imposition of Income Tax and Value Added Tax in online businesses.

In Indonesia, tax collection uses a Self-Assessment System where the taxpayer himself calculates and assesses the fulfillment of his tax obligations. This results in the ineffectiveness of fair income tax collection for each party in Indonesia. The government should make rules that specifically regulate the taxation of both the Income Tax and the Value Added Tax for E-Commerce transactions and also for conventional transactions.

That justice for all Indonesian people can be created. Factors Law enforcement also plays an important role in this regard. Law enforcers must be strict and carry out regular supervision so that there are no loopholes for taxpayers to neglect their obligations to pay taxes in accordance with tax provisions in Indonesia. Supervision of the government should also be increased so that it can reduce the potential for misuse of collected taxes. The public as a taxpayer should be given education about the importance of paying taxes for a country and to be given good and correct directions on how to pay taxes, so that it is expected that the public can be aware and pay taxes on time and in accordance with tax provisions. So that the self-assessment system in Indonesia can run effectively. The government should also remain open and be able to provide comparable benefits to the country's development and if possible can require each online business actor to have an online business license and be registered so that it can facilitate the supervision and taxation of E-Commerce actors in Indonesia.

E. Conclusions and Suggestions

1. Conclusions

Based on the results of research and discussion it can be concluded:

a. The existence of inhibiting factors in the collection of Value Added Tax Against Online business practitioners can be seen from the awareness of taxpayers that the e-commerce business people are not yet maximal and weak law enforcement for online businesses for those who do not obey the rules as there is no NPWP, and the absence of specific regulations governing the imposition of taxes on online businesses. There are several solutions that can be done, namely by issuing appropriate implementing regulations and can specifically reach the tax potential of the E-Commerce, then increase supervision from law enforcement both for the government to avoid abuse and for taxpayers to complete their obligations.
b. Value Added Tax can be imposed on E-Commerce in Indonesia and has the potential to increase State revenues if done in accordance with applicable laws and regulations.

2. Suggestions

Based on the conclusions of the study it can be concluded that:

a. It is expected that frequent socialization to the public be it from the government or the directorate general of taxes regarding the importance of paying taxes according to the rules, especially regarding e-commerce tax.
b. Cooperation between Parties from banks and e-commerce is expected regarding transactions that enter the bank. If the transaction reaches 4.8 billion, you can immediately be subject to VAT on existing transactions (goods), while the bank also helps record anyone who transacts for the purposes of E-Commerce shopping and reports to the Directorate General of Taxes for data exchange.

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