

ANALYSIS OF TAX INNOVATION BREAKTHROUGH ON E-BPHTB SYSTEM TO MINIMIZE FRAUD IN THE LOCAL REVENUE OFFICE OF SAMARINDA

Kristin Wulansari^{1*}

Della Olivia Caterina Kalangit²

Sailawati³

^{1,2,3}Politeknik Negeri Samarinda, Samarinda, Indonesia

e-mail: kristinwulansari@polnes.ac.id¹, dellaolivia@polnes.ac.id², sailawati@polnes.ac.id³

*Correspondence: kristinwulansari@polnes.ac.id

Submitted: 27 June 2022,

Revised: 05 July 2022,

Accepted: 15 July 2022

Abstract. The COVID-19 pandemic is a massive health calamity that will also result in an impending global economic restructuring. The impact of COVID-19 Pandemic is extensive and has presented enormous challenges to the world as a whole. A full economic recovery from the COVID-19 is unlikely. The governments must building resilience and leading in this time of crisis to a new phase new normal in the COVID-19 pandemic. Online service (e-Government) is a solution but the challenge in the success of online service (e-Government) implementation. The purpose of this research is to define the processes, challenges and opportunities for the application of the e-BPHTB systems in the Regional Revenue Office of Samarinda. A qualitative descriptive methodology is used in this research. The results of this research suggest that the e-BPHTB system implementation has been successful. Investment in e-BPHTB systems enhances performance, efficacy and quality of service in The Local Revenue Agency of Samarinda. The result also showed that the challenges of e-BPHTB implementation, such as : the quality infrastructure system, the complicated of regional regulations, and the taxpayer's awareness so bad.

Keywords: e-government; innovation breakthrough; e-BPHTB system; fraud.

INTRODUCTION

To slow down transmission and lower COVID-19-related mortality, every nation should be putting in place a complete package of policies that are tailored to its capabilities and situation, government must introduced physical distancing measures and population-level movement restrictions, Planning for a gradual transition away from such limits that would allow for the sustained suppression of transmission at a low level while allowing for the restart of some aspects of economic and social life is urgently needed, namely the new normal era ([Liu et al., 2021](#)); ([Waibel & Gaillard, 2017](#)).

An uncontrolled upsurge in COVID-19 transmission is expected to result from the premature lifting of physical distancing measures without careful planning, in the lack of scaled up public health and clinical care resources, and in the absence of improved clinical treatment. This makes the organization faced with the conditions of organizational reform, namely adjustment through a process of change in the new normal era, so that a model of bureaucratic change is needed that is able to answer challenges, in the bureaucracy it must optimize the use of technology, information and communication in all matters in the government sector ([Lumbanraja, 2020](#)). So online service (e-Government) is a solution, with prioritized by carefully risk.

In this case the limited space for movement due to following health protocols and the demands of the community that their rights as citizens to be served. To deal with this, the government is

trying to implement an electronic-based system with e-Government support, transformation of the manual service model which is characterized by face-to-face services move to electronics by utilizing technology. The Local Revenue Agency of Samarinda has therefore developed the e-BPHTB system.

(Gasol, K&Stefkova, K. 2017) said, "*The information and the use of ICT in citizens' everyday life creates a pressure on the government to provide public services more efficiently, more transparently and through the internet* ([Gasova & Stofkova, 2017](#))."
Information technology, besides being sophisticated, also creates pressure for the government to provide public services that are more efficient, transparent, and provided through the internet. Abri and Mahmoudzadeh, in their research, explained that information technology has an impact on productivity and efficiency in an organization; A public organization that uses technology will be able to raise the standard of its services ([Abri & Mahmoudzadeh, 2015](#)). Additionally, technology can improve government responsiveness, democratization, productivity, efficiency, and transparency ([Lee et al., 2018](#)).

The implementation of e-BPHTB system is expected to provide benefits, especially in improving of BPHTB services. The application of e-BPHTB system aims to simplify the BPHTB process. The process no longer uses offline mechanisms and instead uses electronics. The successful implementation of e-BPHTB system, its potential, and its benefits can be seen from the support of the government and the Organization of the Local Apparatus that

implemented it.

This paper aims to review changes in the bureaucracy in the new normal era, to analyse the implementation of e-BPHTB to define the processes, challenges and opportunities for the application of the e-BPHTB systems in the Regional Revenue Office of Samarinda.

There are many definitions for e-government such as "*The delivery of government information and services online through the Internet or other digital means*", In order to provide information and services to residents, businesses, and other government agencies, e-Government is defined as leveraging the internet and the world wide web. Finally, define e-government as using information and communication technology, particularly the Internet, as a tool to provide residents, businesses, and employees with better government services.

According to Ahmad, public administration is the process of two or more people working together to logically accomplish a common objective. The use of information technology to enhance the quality of government services is known as "*e-government*," and it is a new method of communication between the government, the public, and other interested parties., e-Government to Citizens is a Publish service, which is a one-way communication, where the government publishes various data and information that it has to be directly and freely accessed by the public and other interested parties via the internet.

The use of an e-Government idea has a number of advantages. Quotes Tony Blair and Al Gore as saying that among the advantages of e-Government are: (1) better

government service to its stakeholders; (2) more transparency, control, and accountability; (3) decreased administrative costs, relations, and interactions; (4) opportunities for new sources of income; (5) new community environments that quickly and accurately respond to problems faced by various global changes; (6) empowerment of the community and other parties.

Public service is, according to Sinambela, the fulfillment by state administrators of the community's wishes and needs. The results of studies and analysis by the Harvard JFK School of Government on digitization concepts in the public sector show that digitization initiatives must have three main elements: help, power, and value ([Gasova & Stofkova, 2017](#)).

Innovation Breakthrough

Omnipresent computing is a new generic model of technology that encompasses several different technologies. Instead, it portrays information and communication settings where various items, people, information, computers, and the physical environment are associated with computer sensors (such as radio frequency tags, wearable technology, smart watches), other devices (tablets, and mobile smartphones). A different kind of world, "*one that is hyperconnected and data saturated, a world where an Internet of everyone is linked to an Internet of everything*," is created by the synthesis of these breakthroughs. Despite how disruptive they are, these new technologies did not arise out of nowhere. Instead, numerous other technological

advancements came before them, and as we'll see, they had a significant impact on organizations and work during the past few decades. As Murray (2015, p. 6) contends, *"Together these innovations are hurtling us toward a new industrial revolution. Savvy corporate leaders know they have to either figure out how these technologies will transform their businesses or face disruption by others who figure it out first (Evans & Saunders, 2015)."*

The digital age began with the development of computers and

communication technology, but we must keep in mind that these technologies are continually evolving. Indeed, the four phases of the digital age of information and communication technology have led to a number of changes in the ways that economic activity is conducted. Human activity has been able to expand continuously in the electronic space thanks to ongoing developments in information and communication technology. (Shangguan et al., 2020).

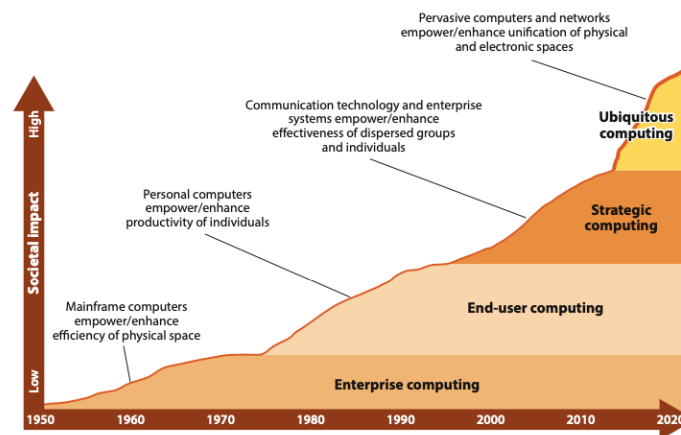


Figure 1. Stages of information and communication technology within the digital era.

Fraud

Fraud is an intentional act involving the use of deception that results in a material misstatement of financial statements. Asset theft, financial statement fraud, and corruption are the three categories of fraud. Asset misappropriation refers to the theft or improper use of an organization's resources. For instance, inventory theft and theft of cash. The financial records will be altered once cash or inventory is stolen to hide the fraud. Financial statement fraud is the deliberate manipulation of financial statements to falsely represent the true

state of a business. It may manifest itself in a number of ways, including the falsification or alteration of accounting records or supporting documentation, the incorrect application of accounting principles, and the omission of transactions, events, or other data. The exploitation or abuse of a position (whether public or corporate) for personal gain is included in the traditional definition of corruption. Conflicts of interest, bribery, unlawful gratuities, and economic extortion are among the types of corruption that could occur (Baines et al., 2020); (Zyglidopoulos et al., 2009).

Land and building acquisition duty (BPHTB)

According to Article 5 of Law No.4/2011, the tax rate of BPHTB is calculated at 5% (five percent) of the Acquisition Value of the Taxable Object ("NPOPKP"). A 5% Land and Building Transfer Duty (BPHTB) is due from people or businesses who acquire rights to land or buildings. Based on the higher of the transaction value or the assessed value, the 5 percent duty is calculated ([Schellhammer et al.](#), 2017).

Regional taxes, which are administered by PDRD Law, include BPHTB as well. The execution of a court order with full legal effect, business mergers, consolidations, expansions, prize deliveries, grants, inheritances, contributions to corporations, rights separations, buyer designation in auctions, and trade-in and sale-purchase agreements are examples of qualifying land and building rights transfers.

BPHTB is based on the NJOP of the relevant land and building rights, which is typically greater than the market (transaction) value or the Tax Object Acquisition Value (Nilai Perolehan Objek Pajak/NPOP), which is the basis for BPHTB. Applying the relevant NPOP to the applicable duty rate (5%) less a permitted non-taxable threshold yields the tax owed on a specific event. The minimum non-taxable threshold amount varies by location and is Rp. 60 million, with Rp. 300 million being the starting point for an inheritance. Government regulation may alter the non-taxable level.

When the pertinent deed of land and building right transfer is signed in front of a public notary, BPHTB is normally due on

that day. The obligation in a business merger, consolidation, or expansion is payable on the day the applicable merger, consolidation, or expansion act is signed. In an auction, the obligation is due on the date the authorized officer signs the Auction Report.

METHODS

With a descriptive approach, this analysis incorporates qualitative research. The introduction of the e-BPHTB system framework for reporting of Land and building acquisition duty services until payment process at the Regional Revenue Office of Samarinda is the subject of this study. In addition, this study discusses the challenges and opportunities of the Regional Revenue Office of Samarinda for the e-BPHTB system for reporting of Land and building acquisition duty services until payment process. Main and secondary data sources provide data sources.

RESULTS AND DISCUSSION

Implementing an e-BPHTB System

1. Processes of e-BPHTB System

The Local Revenue Agency of Samarinda applies e-BPHTB system to simplify the BPHTB process for tax payer. Where the determination of this system strategy was taken by the Head of the Local Revenue Agency of Samarinda during the new normal era, so that there would be an increase in organizational performance in the achievement of local revenue even in the COVID-19 pandemic conditions. Innovation Breakthrough on e-BPHTB system as shown in Figure 2 and Figure

3.

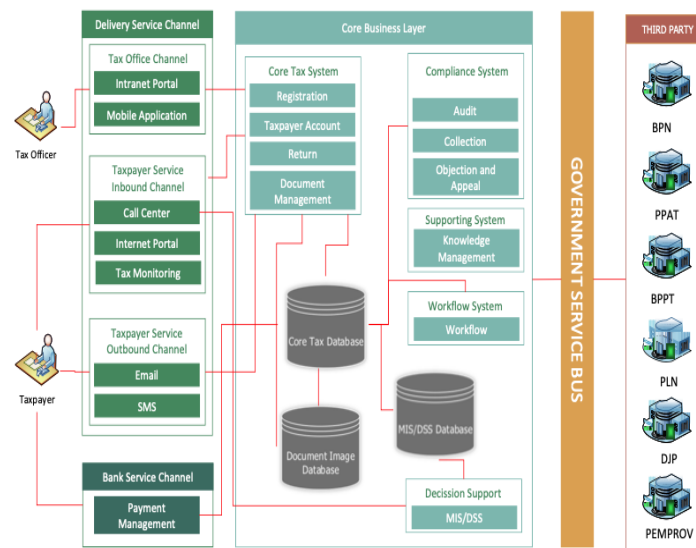


Figure 2. e-Government Concept in the Local Revenue Agency of Samarinda

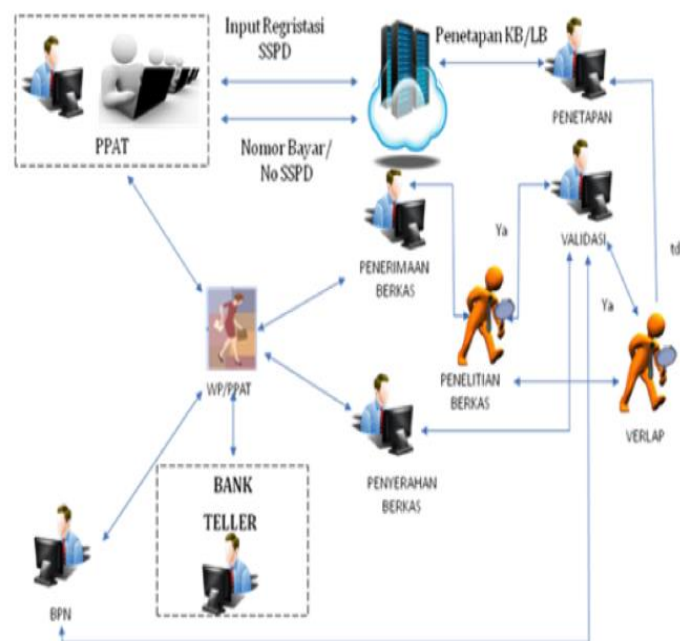


Figure 3. e-BPHTB's Method in the Local Revenue Agency of Samarinda

2. Challenges of e-BPHTB System

Based on the research, the Local Revenue Agency of Samarinda faces several challenges in implementing e-BPHTB system. These challenges are as follows:

- a. The Quality Infrastructure System

In the theory of infrastructure availability is a 50% indicator of the success of a digitalization concept. E-BPHTB is still in a period of transition from the offline to the online system, and this system will continue to experience

improvements until the refinement stage, so the technology infrastructure is in the form of tools to used by Local Revenue Agency of Samarinda to run the e-BPHTB System. The infrastructure like fast internet network must be upgrade.

b. The Complicated of Regional Regulations

To implement a policy, underlying rules are needed. There needs to be a synchronization between central regulations and local regulations. The presence of local laws will support local governments and communities. The Local Revenue Agency of Samarinda still does not have rules for e-BPHTB system itself.

c. The taxpayer's awareness so bad

Not all people of Samarinda Regency understand how to use information technology, and people still often come to the Local Revenue Agency of Samarinda to register BPHTB.

3. Opportunities of e-BPHTB System

Researchers found several opportunities in the implementation of e-BPHTB system in the BPHTB service at the Local Revenue Agency of Samarinda. These opportunities are as follows:

- a. Increase the effectiveness and efficiency to register BPHTB service.
- b. Improving the quality and performance of the Local Revenue Agency of Samarinda.

Benefit of e-BPHTB System

Benefits of e-BPHTB System in New

Normal on the Local Revenue Agency of Samarinda is :

1. Facilitate the relation of taxpayer's with all stakeholders and efficiently of process , easily and in real time;
2. Assist taxpayer's in monitoring reporting of Land and building acquisition duty services until payment process in one location;
3. Facilitating the tax payer's of data report by self. e-BPHTB is a type of e-service (electronic service);
4. Opportunities for new sources of income in The COVID-19 pandemic;
5. Increased transparency, control, and accountability;
6. minimize fraud occurrences by implementing e-bphtb system;
7. Reduced administrative costs, relations, and interactions (physical distancing).

CONCLUSIONS

Benefits of Innovation Breakthrough on e-BPHTB System in New Normal on the Local Revenue Agency of Samarinda is : (1) Facilitate the relation of taxpayer's with all stakeholders and efficiently of process , easily and in real time; (2) Assist taxpayer's in monitoring reporting of Land and building acquisition duty services until payment process in one location; (3) Facilitating the taxpayer's of data report by self. e-BPHTB is a type of e-service (electronic service); (4) Opportunities for new sources of income in The COVID-19 pandemic; (5) Increased transparency, control, and accountability; (6) minimize fraud occurrences by implementing e-bphtb system; (7) Reduced administrative

costs, relations, and interactions (physical distancing). e-BPHTB System showed that the implementation of the e-BPHTB system was successful for increases performance in The Local Revenue Agency of Samarinda. The result also showed that the challenges of e-BPHTB implementation, such as: the quality infrastructure system, the complicated of regional regulations, and the taxpayer's awareness so bad.

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