

REVIEW OF RESTAURANT TAX COMPLIANCE CONTROL THROUGH ELECTRONIC CASH REGISTER (ECR) BASED ON FISCAL MACHINERY

Heffy Harfiasarie^{1*}

Musmuliadi²

Agustinus Dju³

^{1,2,3}Kutai Kartanegara University, Indonesia

e-mail: heffyhharfiasarie23@gmail.com¹, musmuliadi250473@gmail.com²,

agustinusdju18@gmail.com³

*Correspondence: heffyhharfiasarie23@gmail.com

Submitted: 04 September 2022, Revised: 15 September 2022, Accepted: 28 September 2022

Abstract. The implementation of the fiscal machine-based Electronic Cash Register (ECR) installation program carried out by the West Kutai Regency Government is interesting and important to examine to find out and review how it is implemented, what are the obstacles faced in the implementation of the fiscal machine-based ECR machine and the district government's efforts. West Kutai is facing the problem of installing an ECR engine based on the fiscal engine. This study identifies the implementation of ECR to be researched, the results of which are recommendations to the government of West Kutai Regency in terms of overcoming or controlling it so that this research is very useful for the academic community as a community in developing knowledge in supporting development. This study aims to review the implementation of restaurant tax compliance control through ECR, public interest (consumers) to eat at restaurants using the Electronic Cash Register (ECR) is increasing or decreasing and its effect on restaurant tax revenue receipts, obstacles encountered in the implementation and subsequent efforts with regard to ECR. In this study using a qualitative type of research, this research by using a qualitative approach triangulates to get suggestions or recommendations from research results, namely for the development of research loci in the Regional Revenue Agency (Bapenda) of West Kutai Regency as a practical significance and final conclusion which can be in the form of conceptualization or formation policy theory obtained from research as academic significance. To facilitate the research, data collection techniques were used, including: interviews, observation and documentation. After the data is collected, the data reduction process is carried out, the data presentation and the last process is drawing conclusions.

Keywords: restaurant tax, tax compliance, case study

INTRODUCTION

Taxes are one of the primary sources of development financing (Khan et al., 2021). Payment of taxes is an obligation and participation as a community to directly (Mulyati & Mulya, 2021) and jointly carry out tax obligations of funding and national development (Novikasari et al., 2021), so paying taxes is not only an obligation but also the right of every citizen to participate in development (Hendayana et al., 2021). The existence of regional autonomy policies (Sarga, 2021) and fiscal decentralization in Indonesia has changed the pattern of public management (Park, 2022), especially in the regions. In the era of autonomy, parts are given the authority to regulate and manage their households (Hariyanto, 2022). Decentralization aims to bring government services closer to the community (Nasirin & Lionardo, 2021) while also encouraging regions to innovate to explore existing potential sources (Fang et al., 2022). In general, the decentralization policy can be divided into two major components (Bodó et al., 2021), namely, the distribution of authority (expenditure assignment) and the distribution of finance (revenue assignment) (Dhungana & Acharya, 2021). This pattern of balancing rule followed by financial balance also reflects the principle of fiscal decentralization policy; namely, money follows function (Azizah et al., 2022).

In the opinion of Ihsan (2002:67), efforts need to be made to strengthen the position of the Regency (Areros et al., 2022) and City as the spearhead of the implementation of regional autonomy so that they are no longer dependent on the

center (Sutrisno & Sugiarti, 2021). Meanwhile, according to Sidik in Adiningsih (2005:595), the main characteristic that shows a region is capable of autonomy lies in the regional financial capacity (Tselios & Rodríguez-Pose, 2022). This means that autonomous areas must have the authority (Panebianco, 2021) and ability to explore their own sources of income and manage and use adequate finances to finance the administration of their government (Shaturaev, 2021).

In the era of autonomy, regions have greater authority to regulate and manage their households. The objectives include (1) bringing government services closer to the community, (2) facilitating the public to monitor and control the use of funds sourced from the Regional Revenue and Expenditure Budget (APBD), and (3) creating healthy competition between regions and encouraging innovation. In line with this, local governments are expected to be able to explore financial sources, especially to meet the financing needs of government and development in their regions through Regional Original Revenue (PAD).

The increasing economic activity in an area will have an impact on increasing user fees and employment as well. Some forms of employment licensing services, as well as supervision of work norms, labor social security, labor safety, placement, distribution, and regulation of the use of foreign workers, may be subject to retribution in return for these services. However, the increase in income from the employment sector must be balanced with an increase in service quality and reciprocity commensurate with the amount

of retribution paid by the community. To increase local revenue, tax intensification and extensification can be carried out. Efforts that local governments can make are, of course, by encouraging increased economic activities, which will have an impact on increasing local tax revenues.

West Kutai Regency is one of the local governments currently paying excellent attention to efforts to increase PAD and its potential. One source that can be explored is local taxes. West Kutai experienced increased economic growth with the establishment of housing, shops, shopping centers, and the proliferation of dozens of restaurants and restaurants. With so many restaurants, it can potentially increase restaurant tax revenues. However, efforts to avoid taxes from restaurant entrepreneurs cause the potential for restaurant taxes to be explored in terms of local taxes to be not optimal. Therefore a tool is needed to facilitate local tax collectors in terms of supervision as a means of control. However, the problems faced by these autonomous regions, in essence, lie in tax administration. Norman D. Nowak in Mansury (2002:6) states that tax administration is the key to the successful implementation of tax policy.

Basically, the target of tax administration is to increase taxpayer compliance in fulfilling their tax obligations. In addition, in implementing tax provisions, taxpayers and tax authorities must have the same perception in assessing a condition to obtain maximum revenue at optimal costs. To achieve these goals, tax administration needs to be structured as well as possible so that the desired goals are achieved. According to Gunadi (2004:17) that in general, tax administration is said to be

effective if it can minimize evasion, smuggling, irregularities, and misuse of tax instruments to break into state money.

This study aims to evaluate the implementation of restaurant tax compliance control through an Electronic Cash Register (ECR) based on a fiscal engine in West Kutai Regency, to identify obstacles in the implementation of a fiscal engine based Electronic Cash Register (ECR) in Kutai Barat Regency and to identify efforts that need to be made in controlling restaurant tax compliance. This research is useful to provide a concept of thought for decision makers, as consideration and input for efforts to overcome problems related to the implementation of the Electronic Cash Register (ECR) media or tool based on fiscal machines, as an evaluation material regarding the implementation of the Electronic Cash Register (ECR) media or tool based on a fiscal engine is appropriate in the effort to control restaurant tax compliance as one of the potential local taxes in West Kutai Regency and can be used as study material as further research or as a comparison and can be used as input for further research on the same theme.

METHODS

The method used is qualitative. This qualitative research is carried out without proposing a hypothesis that will be tested for truth. The study used in analyzing the restaurant tax compliance control strategy through the Electronic Cash Register (ECR) a case study in West Kutai Regency is a futuristic study with a qualitative approach. This research was conducted at the

Regional Revenue Agency (Bapenda) of West Kutai Regency, East Kalimantan Province. The research was conducted for approximately 4 months, from April to July 2022. The data source is the subject from which the data was obtained. In the data source, there are primary data sources and secondary data sources. Data collection techniques used in this study are observation, interviews, and documentation..

RESULTS AND DISCUSSION

At the beginning of the socialization regarding ECR, some were enthusiastic because it was explained that ECR was a preventive effort to overcome employee fraud. For taxpayers who are still using a manual calculator, they are interested in using a calculator. However, restaurant taxpayers who already have the usual Electronic Cash Register tool, some object to the fiscal engine-based ECR tool provided by the West Kutai Regional Government.

Actually this fiscal engine-based ECR tool is a preventive measure from the West Kutai Regency Government in this case, especially Bapenda and makes it easier for taxpayers to pay taxes owed, namely taxes collected from consumers because consumers who eat pay at once with 10% tax. This actually makes it easier for restaurant taxpayers in terms of tax administration and makes it easier for taxpayers who have not done their books properly. Furthermore, for the consistency or sustainability of the use of fiscal engine-based ECR by the Taxpayer (WP), after monitoring the beginning of the first

month, the recording shows that the amount of restaurant tax owed has increased compared to the monthly average for restaurant Taxpayers reporting the outstanding restaurant tax. . However, after several months of monitoring, there are several taxpayers who are no longer used for various reasons from the taxpayer.

Based on the results of interviews and observations, it can be described that the clarity of the message in the socialization has been well received by taxpayers, namely restaurant entrepreneurs. Because the average ECR usage has been used properly. Based on the results of the author's direct observation to one of the taxpayer's restaurant businesses who were given an ECR machine based on a fiscal machine, the ECR machine based on a fiscal machine was still used and the person concerned felt very helped by the ECR machine in his place of business.

Based on the results of the author's interview with the Head of Bapenda, describing the supporting sources in terms of preparing the number of staff and adequate information. However, there are no investigators and bailiffs in dealing with problems in the field, namely in places where the fiscal machine-based ECR machine is handed over to the selected restaurant taxpayers. ECR is a policy with the intention of preventive measures for restaurant taxpayers in preventing taxpayer fraud in monitoring the behavior of taxpayers who report and deposit the amount of restaurant tax owed by self-assessment. However, the tax authorities, in this case Bapenda, do not yet have a strong law to stipulate sanctions regarding

violations or problems in the field, where the ECR based on the fiscal engine is entrusted.

In the implementation of ECR there is no strong authority in overcoming the problems that hinder its implementation because ECR based on this fiscal engine is a facility that is handed over to the selected Taxpayers, so awareness from the target group is actually needed, namely the restaurant Taxpayers who are subject to the policy to make the policy successful. the ECR. If there is no awareness from the public then it is difficult to benefit from a fiscal engine-based ECR.

The Standard Operating Procedure (SOP) also serves to uniform the actions of officials and the similarity of actions in the application of regulations. SOPs are very good if these policies are routine policies and are carried out repeatedly. However, if the policy is something new and creative, then the existing SOP will tend to hinder the implementation of the policy, therefore the SOP must also be adjusted or in other words a new SOP is created.

Based on the results of the interview, the implementation of the ECR engine based on the fiscal engine was applied referring to the regulation of the West Kutai Regent Number 4 of 2020 concerning Guidelines for the Implementation of the Regional Tax Online System. The implementation of the fiscal engine-based ECR policy based on the results of interviews and observations made by the researchers assessed that the policy itself did not meet the feasibility element because it only handed over the fiscal engine-based ECR engine to Restaurant Taxpayers in 2 (two) sub-

districts, while the sub-districts in Kutai Regency West consists of 16 districts. The existence of a sense of injustice felt by restaurant taxpayers could be one of the causes of the unsuccessful implementation of the fiscal engine-based ECR in West Kutai Regency.

Based on the results of interviews and observations, the ECR policy cannot achieve effectiveness because the conditions according to Hoogwood and Gun (1984) are not met, among others: the provision of insufficient supporting sources, such as the authority to force restaurant taxpayers to use an ECR tool based on a fiscal engine with clear legal rules and strict sanctions and fiscal engine-based ECR facilities that are only limited to 2 (two) sub-districts cause a sense of injustice for restaurant taxpayers who are entrusted with fiscal engine-based ECR, while the number of restaurant taxpayers is also scattered in other sub-districts.

There is a further action plan that will be implemented by Bapenda to implement the ECR strategy based on the fiscal engine if it is not successful, namely withdrawing the ECR engine based on the fiscal engine. Then to optimize income from restaurant taxes, there is an online tax implementation plan. However, it is still a discourse considering the failure of implementing ECR based on the fiscal engine that the West Kutai Regional Government has purchased at a cost that is not cheap. Therefore, the West Kutai Bapenda first observes the implementation of other taxpayers who are still using the ECR engine based on the fiscal engine. Therefore, West Kutai Regency needs to prepare for strengthening regulations in

the form of a Regional Regulation that guarantees the success of the next West Kutai Regional Government program or strategy.

CONCLUSIONS

Based on the identification of the effectiveness of the implementation of the policy in terms of communication, it shows that the message conveyed by the tax authorities has not been well received by taxpayers that the ECR machine does not harm restaurant taxpayers because what the tax authorities want to see is the amount of tax paid by consumers who eat at restaurants to facilitate data collection or examination carried out by the tax authorities.

REFERENCES

- Areros, W. A., Lengkong, F. D. J., & Londa, V. Y. (2022). Implementation of Tourism Village Policy in South Minahasa Regency. *Journal of Asian Multicultural Research for Social Sciences Study*, 3(3), 64–71.
- Azizah, N., Kusuma, H., & Arifin, Z. (2022). Does Fiscal Decentralization Increase the Economic Growth in Sulawesi Island? *Economics Development Analysis Journal*, 11(1), 61–74.
- Bodó, B., Brekke, J. K., & Hoepman, J.-H. (2021). Decentralisation: A multidisciplinary perspective. *Internet Policy Review*, 10(2), 1–21.
- Dhungana, R. K., & Acharya, K. K. (2021). Local government's tax practices from a cooperative federalism perspective. *Nepal Public Policy Review*, 1, 157–178.
- Fang, Z., Razzaq, A., Mohsin, M., & Irfan, M. (2022). Spatial spillovers and threshold effects of internet development and entrepreneurship on green innovation efficiency in China. *Technology in Society*, 68, 101844.
- Hariyanto, H. (2022). Implications of State Policy Through Village Funds Towards the Cultural Values of Mutual Cooperation in the Village. *De Lega Lata: Jurnal Ilmu Hukum*, 7(1), 46–64.
- Hendayana, Y., Mulyadi, H., Reyta, F., & Halim, R. A. (2021). How Perception use of e-Filing Technology Enhance Knowledge of Indonesian Disability Taxpayers and Impact Tax Compliance. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal) Vol*, 4(2), 1687–1696.
- Khan, S. A. R., Ponce, P., & Yu, Z. (2021). Technological innovation and environmental taxes toward a carbon-free economy: An empirical study in the context of COP-21. *Journal of Environmental Management*, 298, 113418.
- Mulyati, S., & Mulya, H. (2021). Factors Affecting Personal Tax Compliance With Sanctions as Moderating Variables (Empirical Study at Primary KPP North Bekasi). *International Journal of Business, Technology and Organizational Behavior (IJBTOB)*, 1(2), 47–64.
- Nasirin, C., & Lionardo, A. (2021). Decentralization, public services and neglected children in Mataram City, West Nusa Tenggara. *Research Horizon*, 1(2), 55–61.
- Novikasari, S. R., Ly, D. Q., & Gershaneck, K. (2021). Taxing Micro, Small and Medium Enterprises in Yogyakarta: Regulation and Compliance. *Bestuur*, 9, 43–52.
- Panebianco, V. Z. (2021). "We can no longer be like hens with our heads bowed, we must raise our heads and look ahead": a consideration of the daily life of

- Zapatista women. In *Dissident Women* (pp. 222–238). University of Texas Press.
- Park, J. (2022). Fiscal Decentralization and the Composition of Local Government Expenditure: Evidence from South Korea. *Public Finance Review*, 50(1), 62–90.
- Sarga, E. A. P. (2021). The Authority Of The Village Consultative Body (BPD) In Preparing The Village Revenue And Expenditure Budget (Apbdes) In Gumelar Village, Gumelar District, Banyumas Regency In 2020. *Ganesha Law Review*, 3(1), 11–24.
- Shaturaev, J. (2021). Financing and Management of Islamic (Madrasah) Education in Indonesia. *Zeszyty Naukowe Politechniki Częstochowskiej Zarządzanie*, 42(1), 57–65.
- Sutrisno, E., & Sugiarti, T. (2021). Management Concept of Integrated Border Areas Through Regional Regulatory Product in Sambas Regency. *Multicultural Education*, 7(5), 291–298.
- Tselios, V., & Rodríguez-Pose, A. (2022). Can decentralization help address poverty and social exclusion in Europe? *Territory, Politics, Governance*, 1–24.



© 2022 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).
