

THE RELATIONSHIP BETWEEN THE IMPLEMENTATION OF THE VOLUNTARY DISCLOSURE PROGRAM WITH THE PRINCIPLE OF JUSTICE IN TAXATION

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ABSTRACT: This study aims to analyze the relationship between the Voluntary Disclosure Program and the principle of justice in taxation at KPP Pratama West Mataram, Mataram City, West Nusa Tenggara. The research to be carried out is a form of qualitative research focusing on the relationship between the Voluntary Disclosure Program and the principle of justice in taxation. Data collection is done through interviews, documentation, and observation—data analysis by reducing, displaying, and presenting data. The results of his research show that the voluntary disclosure program from the aspect of justice is to provide taxpayers with the convenience and suitability of tax rates for disclosing their assets. In addition, the voluntary disclosure program (PPS) has benefits and advantages for taxpayers. The first advantage is No Tax Audit: No tax assessments are issued on tax obligations for the 2016-2020 Fiscal Year unless other data or information is found regarding assets that have not been or are lacking disclosed in SPPH. Second, no more than 200 percent Penalty: Taxpayers who have obtained a certificate of submission of SPPH are not subject to administrative sanctions. Third, No Law Enforcement: Data and information originating from notification of disclosure of assets and attachments administered by the Ministry of Finance or other parties related to implementing this Law cannot be used as a basis for criminal investigations, investigations, and prosecutions against the Compulsory Tax.

Keywords: Tax; Taxation; Justice; Compulsory Tax

I. INTRODUCTION

1.1. Background

The success of national development will be significantly supported by financing from the community, including revenue from tax payments. Funds obtained from this source of state revenue will later be included in the State Revenue and Expenditure Budget (APBN) to be utilized in the process of developing the State in various sectors, such as the agricultural sector, the trade sector, the industrial sector, the health and education sectors, all of which aim to be able to improve the standard of living and social welfare. (Setiawan, 2017).

Seeing the enormous role of taxes in the country's development, it is only fitting that tax revenues must be adequately managed to achieve the goals. To maintain and increase the amount of national income from taxes, special steps or policy breakthroughs are needed so that tax revenues in the following years will increase and reach the revenue target. One of the efforts implemented is tax amnesty (tax amnesty). (Sa'dani & Hidayatullah, 2021). Tax amnesty is a pardon program granted by the government to taxpayers through the elimination of taxes that should be owed, the elimination of tax administration sanctions, and the elimination of criminal sanctions in the field of taxation on assets acquired in 2015 and previously that have not been reported in the SPT by paying off all tax arrears owned and pay the ransom (Setiawan, 2017).

Desire to join the tax amnesty program that is influenced by socialization activities by the Directorate General of Taxes, knowledge of the taxpayer, and the sanctions given (Komalig et al., 2021). On the other hand, the motivation to participate in tax amnesty is influenced by the desire to avoid audits, get lower tax rates, and avoid penalties (Ardiansyah et al., 2021). Taxpayers participate in voluntary disclosure programs if they provide financial benefits (Ningtyas & Aisyaturrahmi, 2022).

Research related to the relationship between tax amnesty and tax compliance varies widely. Tax compliance is not affected by a tax amnesty policy (Arief & Fadhilah, 2021). Tax amnesty influences taxpayer compliance (Fitriyani et al., 2021; Maharani et al., 2021; Abdurrosid et al., 2021). Specifically, tax amnesty has

an impact on increasing individual taxpayer compliance (Mamesah & Kristanto, 2021; Larasdiputra & Saputra, 2021). The tax amnesty program can be seen from the perspective of tax revenue. Madukara (2021) argues that tax amnesty can increase the number of taxpayers and tax revenues. However, other studies show that tax amnesty does not affect tax revenue (Hasbullah, 2021).

Research related to tax amnesty needs a review of how the perspective of justice looks at government policies regarding voluntary disclosure programs. There are only a few specific previous studies to try to examine this. Some of these studies include (Irawan & Raras, 2021) "Voluntary Disclosure Program in the Context of Increasing Tax Compliance During the Covid-19 Pandemic," using field research analysis methods consisting of interview techniques and observation techniques as well as library research methods found that feedback given by the respondents, the importance of socialization in increasing tax knowledge and practice, primarily related to the voluntary disclosure program which will take effect in 2020. Furthermore, this PPS should be supported by all taxpayers to achieve the desired goal, namely optimal tax revenue through increased compliance, can be achieved.

Then also, research from (Ardin et al., 2022), "A review of state administrative law on taxpayer compliance in voluntary disclosure programs using the data analysis technique used is normative juridical aimed at written regulations or other legal materials, where the results of the study show that procedures carried out by the tax authorities in order to improve tax compliance through voluntary disclosure program activities are one of the implementations of state administrative law. Furthermore, research from Geni and Liana (2022), "Optimizing the Voluntary Disclosure Program for Taxpayers," using the study literature and law analysis method, found that things that need to be considered include optimizing AEoI, making post-PPS sanction policies, preparing adequate investment instruments, Incessant socialization, cooperation with e-commerce parties and qualified human resources are needed in carrying out PPS policies.

Based on the results of some of these previous studies with the same descriptive qualitative analysis method, namely the study of literature and related laws. They found that implementing Voluntary Programs in Indonesia is an exciting subject to study in taxation. However, in some of these previous studies, more research still needed to be conducted on implementing voluntary programs related to the principle of justice in taxation. Most have only researched the program to see how it relates to some other aspect of taxation

Article 2 of the Tax Amnesty Law states that tax amnesty is carried out based on legal certainty, justice, benefit, and national interest principles. Based on the description of the various tax functions mentioned above, it can be seen that all of these functions lead to the realization of people's welfare, which will impact the realization of justice in society, which is the goal to be achieved as stated in the fourth paragraph of the Preamble of the 1945 Constitution. Justice can only be understood if it is positioned as a condition to be realized by Law. Efforts to realize justice in the Law is a dynamic process that takes time. This effort is also often dominated by forces that fight within the general framework of the political order to actualize it. Therefore, the title of this research is "Relationship of the Voluntary Disclosure Program with the Principle of Fairness in Taxation."

1.2. Research Problem

How is the Voluntary Disclosure Program (PPS) related to the principle of justice in taxation?

1.3. Tujuan

This research aims to analyze the relationship between the Voluntary Disclosure Program (PPS) and the principle of justice in taxation.

II. LITERATUR REVIEW

2.1. Tax Concept

The concept of taxation is one of the efforts to realize the independence of a nation or StateState in terms of development financing by utilizing domestic financing sources. Taxes are used to finance development that serves the common good. While the basic concept of taxation in Indonesia, according to Prof. Dr. Rochmat Soemitro, namely, Taxes are legal payments (forced) made by individuals without consideration (*quid pro quo*) that are directly attributable and can be used to pay public expenditures. Based on Law Number 28 of 2007 concerning General Regulations and Tax Procedures, taxes are mandatory payments by individuals or legal entities to the StateState as required by Law. There is no direct compensation, and it is used for the benefit of the State for the benefit of the people.

A good tax fulfills four main criteria, including:

- 1) Depends on income or ability to pay.
- 2) Definitely and not arbitrary.
- 3) Get paid when and conveniently for taxpayers.

4) Inexpensive to manage and bill.

The tax function is generally divided into four areas: the budget, income redistribution, regulation, and stability.

1) Budget Function

Taxes are a source of state financial revenue, raising funds for the treasury. The aim is to finance government spending or national development. So taxes are used to finance infrastructure development, expansion of employment, and others.

2) Regulatory Function

Taxes act to regulate or implement state economic and social policies. Its regulatory functions are to protect domestically produced goods, curb inflation, encourage exports, attract capital investment, and regulate capital investment in a productive economy.

3) Stability Function

It means that the government has the means to ensure the country's stability so that inflation can be suppressed. It is done by regulating taxes, circulating money in society, and using taxes effectively and efficiently.

4) Income Distribution Function (Redistribution)

Tax egalitarian operation means it can be used for equal distribution and balance income distribution and social security. So the tax equates to people's income. In addition, there are several types of central and regional taxes in Indonesia, including:

- 1) Income Tax (PPh)
- 2) Value Added Tax (VAT)
- 3) Sales Tax on Luxury Goods (PPnBM)
- 4) Stamp Duty.
- 5) Land and Building Tax (PBB plantation, forestry, mining)

2.2. Principles and Theory of Tax Collection in Indonesia

There is a theory of tax collection and tax collection principles. Both are equally important in exercising tax rights and obligations. The State is obliged to regulate according to Law. Taxes are payments that the people must pay to the government, which the government uses for the good of the general public and the people themselves. In practice, tax collection must be carried out under the Law. There are several theories of tax collection in Indonesia. Some of them are insurance theory, sustainability theory, interest theory, purchasing power theory, and service theory (Official, 2016)

a. Insurance Theory

According to insurance theory, paying taxes is like paying insurance to an insurance company in the hopes of protecting from unforeseen future events. Each policyholder must pay insurance premiums. These funds protect the lives of every policyholder who experiences unexpected events that can disrupt their finances. By the same logic, this is insurance theory. People pay the same premiums as people pay taxes for subsidies and guarantees.

b. Interest Theory

In the theory of interest, it is like two parties who need and benefit from each other. The State must protect the property and lives of the people so that their interests can be realized adequately. Of course, this requires much money, and quite a lot of costs are borne by the city government. The cost to society is the same for people who pay taxes.

c. Gaya Pikul Theory

According to the burden theory, the tax that society must pay must be in accordance with the method of taxation and the level of expenditure and income of both individuals and companies. The mode of transport used to pay taxes comes into force when the individual's primary needs are met. If the person's income is still below PTKP (Untaxable Income), they have no way to contribute.

d. Service Theory

The service theory asserts that the State has the absolute right to collect taxes from the people. People already understand that paying taxes is an obligation and a sign of devotion to the State. It is done so that the country's government system can run well. People are starting to understand that the tax money is left to the government to regulate many things, such as building infrastructure.

e. Purchasing Power Theory

The theory of purchasing power is closely related to people's ability to carry out buying and selling transactions. Many people with different needs will need different items to meet them. The taxes imposed on sale and purchase transactions are Value Added Tax (Value Added Tax) and PPnBM (Sales Tax on Luxury Goods).

Apart from that, in the theory of tax collection, there are several principles or principles used by the State as a reference to determine its jurisdiction both for foreigners and for their citizens..

a. Domicile Principle

The principle of domicile means that the State can demand taxes depending on the residence. A residence is the place of residence of individual taxpayers and the residence of community taxpayers from the taxpayer's income. Domestic taxpayers are subject to tax according to their place of residence of the taxpayer. An example is income from a permanent establishment in Indonesia which is subject to Indonesian tax.

b. National Foundation

The nationality principle is based on the entrepreneur's or income recipient's nationality. Almost the same as a domicile because the State can offer tax citizen status for taxes.

c. Source base

The principle of sources states that the State can impose taxes on income earned by the State. All income received by the State may be taxed by the State regardless of the taxpayer's residence. For example, revenue generated by Singapore Ltd may be subject to foreign tax, and services used in Indonesia may be taxed.

2.3. Tax Justice Concept

The concept of tax justice is defined as the principle of taxation which treats all taxpayers equally. That is, the State may not discriminate or arbitrarily in collecting taxes. Tax collection is carried out under the same conditions and must be treated equally. Following the legal objective of achieving justice, tax collection must be fair in statutory regulations and implementation. The aim is to provide legal guarantees to the State and its citizens. According to Mangoting, as quoted by Ariema (2008), justice is the keyword in the government's efforts to collect funds from the community (transfer of resources). Taxes must be imposed relatively and evenly by the principle of equality (fairness). Taxes are imposed on individuals in proportion to their ability to pay these taxes, and according to the benefits they receive from the State. There are two well-known principles of justice in tax collection: The benefit of Principle Approach and the Ability to Pay a Principle Approach. A tax collection system is fair according to the benefit principle approach if the amount of tax each taxpayer pays is proportional to the benefits he receives from government activities. Information regarding the value of the benefits enjoyed by taxpayers for the facilities provided by the government, which are financed from tax revenues, is an absolute requirement to be able to apply tax imposition through this approach.

2.4. Concept of Policy and Tax Policy

The policy is a set of concepts and principles that serve as guidelines and a basis for planning the implementation of work, management, and operational procedures. The term can be used for governments, private sector organizations, groups, and individuals. Policies are different from rules and laws. Where laws can coerce or prohibit behavior (for example, laws requiring the payment of income taxes), policies direct only those actions that are most likely to produce the desired result.

According to Carl Friedrich, politics is an activity that leads to the goals of a person, group, or government in a particular environment against certain obstacles, looking for opportunities to achieve goals or achieve the desired goals. Meanwhile, according to Anderson (1979), a policy is a series of actions with goals set by one or more actors to solve a problem or issue. The concept of this policy has consequences, namely:

- a) Political discussion is about goals and objectives, not about what happened but was planned by the actors of the political system
- b) This policy does not stand alone but is related to several other social policies
- c) Policy is what the government does, not what the government wants
- d) Politics can be positive and negative, and
- e) Policies must be based on Law so that people have the authority to follow them.

Then tax policy is a way or tool of the government in the field of taxation that follows specific goals or targets in the social and economic life field. Tax policies can support the country's economic and social development. Several tax policies are popular in Indonesia, such as Tax Manesty and the Voluntary Disclosure Program (PPS).

Tax Manesty / Tax amnesty is the elimination of taxes that should be paid without tax administration sanctions and criminal sanctions in taxation, disclosure of assets, and payment of ransom (Tax Amnesty Law 2016). The purpose of the tax amnesty is to increase government revenue and economic growth and public awareness and compliance with tax obligations (Suyanto, 2016). Indonesia introduced Tax amnesty in 1984. Psychologically, applying tax amnesty could be better/not profitable for taxpayers who are obedient in paying taxes. Implementation of tax amnesty has a negative effect if it is often implemented because taxpayers who were previously obedient will become lazy to pay taxes due to future tax amnesties. Tax amnesty is one of the efforts of the state tax authorities to provide opportunities for recalcitrant taxpayers to report their income and voluntarily pay taxes through incentives (Mukarromah et al., 2016).

2.5. Principle of Justice in Income Tax

The principle of justice in taxation is also distinguished between vertical and horizontal justice. The following are the requirements that must be met in order for a tax policy to be implemented on the basis of tax justice (Mansury, 1996):

a. Vertical Equity

A tax collection is considered vertically fair if people with additional different economic abilities are subject to different Income Taxes equal to the difference or commonly referred to as unequal treatment for the unequal. The requirements for vertical justice are:

- 1) *Unequal treatments for the unequal*: Tariff equal the total income or the total additional economic capacity, not due to differences in sources of income or differences in types of income.
- 2) *Progression*: if the taxpayer's income increases, he must pay more taxes by applying a higher percentage tax rate.

b. Horizontal Equity

A tax collection is fair horizontally if the amount of the tax burden owed by taxpayers who earn the same income with the same number of dependents is the same regardless of the type of income or source of income. Horizontal equity is also called equal treatment for the equal. Collection of income tax is considered to fulfill horizontal justice if it fulfills several things as follows:

- a. *Definition of Income*: All additional economic capabilities, namely all additional capabilities to control goods and services, are included in the definition of tax object or income.
- b. *Globality*: all additional capabilities that measure the overall or global ability to pay. Therefore, it must be added together as a tax object.
- c. *Net Income*: the ability to pay is the net amount after deducting all costs for obtaining, collecting, and maintaining said income because the taxpayer can no longer use the portion of revenue that the taxpayer has issued to obtain income to meet his needs. Thus, the cost is not an additional economic capability.
- d. *Personal Exemption*: Individual taxpayers can get a deduction to maintain a decent life (PTKP) for themselves and their family members in calculating the amount that is the basis for tax imposition.
- e. *Equal treatment for the equals*: The sum of all income that meets the definition of income, when the amount is the same, is charged tax with the same tax rate, without differentiating the types of income or sources of income.

2.6. Taxpayer Compliance

According to the Big Indonesian Dictionary, the term obedience means obedience, obedience. Compliance is the motivation of a person, group, or organization to act according to predetermined rules (Fajriyan, 2015). Tax laws apply to taxes. Tax responsibility is compliance with tax regulations or laws by someone, in this case, the taxpayer. Based on the Decree of the Minister of Finance of the Republic of Indonesia Number 74/PMK.03/2012 concerning Procedures for Determining Taxpayers with Certain Criteria Regarding Prepaid Tax Refunds Article 2 Chapter II, Taxpayers are those who meet four criteria:

- a) Tax notifications for all types of taxes are submitted on time
- b) There is no tax withholding except for tax bills that have received approval for the return or postponement of tax payments,
- c) The auditor has audited the financial statements, or the directors have received an unqualified opinion from the Financial Regulator for 3 (three) consecutive years
- d) never been convicted of a tax crime in the last five years because of court decisions that were revised and final for five years.

2.7. Voluntary Disclosure Program (PPS) Policy Concept

The Voluntary Disclosure Program (PPS) is a program launching in 2021 that allows taxpayers to voluntarily report or disclose unpaid tax obligations by paying income tax based on asset disclosure. The Ministry of Finance also defines PPS as an opportunity given to taxpayers to voluntarily declare their non-fulfillment obligations by paying income tax (TTH) based on the disclosure of assets.

PPS has two critical economic functions: the ability to obtain new sources of investment to finance economic development and the expansion of the national tax base. In the following period, taxpayers are given the opportunity to voluntarily declare assets that are not reported or not reported in the tax amnesty or assets that are not reported in the SPT. Apart from that, Neilmaldrin Noor, as the Director of Consultation, Service, and Public Relations of the National DGT, revealed how many benefits one could get through the wealth disclosure program. First, taxpayers are free from administrative sanctions and data protection. Second,

information regarding assets disclosed in the Notification of Net Assets (SPPH) cannot be used as a basis for investigation, investigation, and prosecution of taxpayers.

The Voluntary Disclosure Program (PPS) is an opportunity for taxpayers for several reasons:

- a) Currently, the government has pervasive information
- b) NIK (KTP) is used as a single identity to replace the NPWP
- c) Application of Big Data analytics to assess tax regulations
- d) The PPS tax rate is lower than usual
- e) PPS participants receive legal certainty as it is, it is not controlled, there are no 200 percent sanctions and legal protection is not implemented
- f) More important tax risk management
- g) Taxpayers can focus more on their business.

III. RESEARCH METHODS

The research to be conducted is a form of qualitative research with a research focus on the relationship between voluntary disclosure programs and the principle of justice in taxation. According to Sugiono, qualitative research is research where the researcher is placed as a small instrument; data collection techniques are combined, and data analysis is individual (Sugiyono, 2010). According to (Poerwandari, 2007), qualitative research produces and processes descriptive data, such as transcriptions of interviews and observations. This research was conducted at KPP Pratama West Mataram, West Nusa Tenggara Province. Data collection was carried out through interviews, documentation, and literature studies. The informants in this study were young expert tax counselors as expert informants, first expert tax counselors, key informants, assistant tax counselors, supporting informants, and taxpayers. Data analysis in this study was carried out when data collection took place and after completing data collection within a certain period. (Miles and Huberman, 1984), Suggests that activities in qualitative data analysis are carried out interactively. Data analysis activities include data reduction, data display, and conclusion drawing/verifications. (Sugiyono, 2010).

IV. RESULT AND CONCLUSION

4.1. Application of the Principle of Justice in Tax Collection

One of the criteria for planning a tax system is applying the principle of justice. Tax justice (tax justice) means that taxpayers contribute appropriately to state costs. Tax justice involves two things, vertical justice and horizontal justice. Vertical equity is often described as "Those who earn more pay more taxes." Meanwhile, horizontal justice is explained by the expression "two people with the same income pay the same tax". Vertical justice is seen from the point of view of the subject (taxpayer), while horizontal justice is seen from the object's point of view. The fairness of the taxes imposed on the public can be measured by two different approaches: the so-called principle of merit and the principle of ability to pay. Service billing by public service consumers who have different opinions can be professional, progressive, or regressive (Murthi et al., 2015). In fairness, a progressive tax is best.

The principle of justice determines the ability of rich people to pay higher taxes (Wulandari&Budiaji, 2017). This provision is often considered insufficient. Higher taxes are not only absolute; they are also relative. It is in this context that progressive taxation has an effect. The surcharge seems fairer than the proportional tax. In addition, taxes are imposed retroactively. The ability to pay refers to taxes' progressiveness, proportionality, and regressivity concerning the tax burden. These three points can be related to rates and tax bases. Liability and collection of taxes arise from laws that give the State the right to collect taxes. The principle of tax collection can be used as a basis for determining who (which country) has the right to collect taxes (Muradika&Friansyah, 2014).

4.2. Voluntary Disclosure Program (PPS) Policy

The Voluntary Disclosure Program Policy is one of the policies issued to increase tax revenue. This policy was also made in order to recover sectors affected by Covid-19. The voluntary Disclosure Program, abbreviated as PPS, is a program for voluntary disclosure of net assets on assets acquired by taxpayers, provided that the Director General of Taxes has yet to find data and information regarding said assets. Then PPS is followed based on two policies; The first policy is for Individual Taxpayers and Entities who are TA participants, and for the second policy, only Individual Taxpayers can participate in PPS. As explained by the expert informant regarding this matter, explained:

Taxpayers are not required to follow the PPS. Taxpayers must follow the PPS only if they have not reported their assets/debts. If the taxpayers have an NPWP, they cannot participate in PPS policy 1 but can participate in PPS policy 2. However, if the WP follows policy PPS 2, then all the assets owned by the WP even from the last five years, must also be redeemed. In addition, participating in the Voluntary Disclosure Program requires reporting all assets and debts, but inherited assets do not need to be reported.

One factor that is no less important as the basis for PPS or Tax Amnesty Volume II is the supply of data from ILAP (agencies, institutions, associations, and other parties), which is also automatic and is regulated in Article 35A of KUP Law and PERPPU 1 of 2017 regarding Access to Financial Information for Tax Purposes. Article 35A paragraph (1) of the KUP Law stipulates, "Every government agency, institution, association, and other party is obliged to provide data and information related to taxation to the Directorate General of Taxes." Meanwhile, in the next paragraph, namely Article 35A paragraph (2) of the KUP Law, it stipulates that "In the event that the data and information as referred to in paragraph (1) are insufficient, the Director General of Taxes has the authority to collect data and information for the benefit of state revenue.

The criteria for taxpayers who can take advantage of PPS in policy I are participating in tax amnesty, while in policy II is an individual taxpayer. Furthermore, the benefits of participating in PPS are as follows. Policy I is not subject to the sanctions of Article 18 paragraph (3) of the Tax Amnesty Law (200 percent of underpaid PPh; and data/information sourced from SPPH and its attachments administered by the Ministry of Finance or other parties related to the implementation of the HPP Law cannot be served as the basis for criminal investigation, investigation and prosecution of WP. In policy II, tax obligations are only issued against taxpayers for 2016-2020 obligations if assets are found that are not disclosed. Data/information sourced from SPPH and its attachments administered by the Ministry of Finance or other parties related to the implementation of the HPP Law cannot be used as a basis for investigations, investigations, and criminal prosecution of WP.

Requirements for following PPS in the policy I are as follows: Taxpayers can disclose net assets that have not been or are not disclosed in a statement as long as the Director General of Taxes has yet to find data and information regarding the said assets. Furthermore, the assets referred to are acquired by taxpayers from January 1st, 1985, to December 31st, 2015. In policy II, individual taxpayers who disclose net assets for asset acquisition from January 1st, 2016, to December 31st, 2020, can submit a letter of notification of disclosure of assets by fulfilling the requirements (i) having a taxpayer identification number, (ii) paying final Income Tax on disclosure of net assets; (iii) submit an annual tax return for the 2020 tax year; and (iv) revoke the application for: refund of tax overpayment; reduction or elimination of administrative sanctions; deduction or cancellation of incorrect tax assessment letters; deduction or cancellation of incorrect Tax Collection Letters; object; rectification; appeal; lawsuit; and review, if the taxpayer is submitting the application and has not issued a decision or judgment.

In addition to the above requirements, individual taxpayers who disclose net assets for the acquisition of assets from January 1st, 2016, to December 31st, 2020, must comply with the following conditions: (i) not being audited for 2016, 2017, 2018, 2019, and 2020 fiscal Year; (ii) preliminary evidence audit is not being carried out, for 2016, 2017, 2018, 2019, and 2020 Fiscal Year; (iii) no investigation is being carried out on criminal acts in the field of taxation; (iv) is not currently in the process of trial for criminal acts in the field of taxation; and (v) is not serving a criminal sentence for a crime in the field of taxation.

PPS rates listed in the policy I are as follows: 11 percent for Overseas declarations; 8 percent for repatriated Foreign assets and Domestic assets; and 6 percent for repatriated Foreign assets and Domestic assets, which are invested in Government Securities (SBN)/business activities in the natural resource processing sector (downstream)/renewable energy sector (renewable energy) in the territory of the Republic of Indonesia. The tax rates for policy II are as follows. Eighteen percent for overseas declarations; 14 percent for repatriated foreign assets and domestic assets; and 12 percent for repatriated foreign assets and domestic assets, which are invested in state securities (SBN)/business activities in the natural resource processing sector (downstream)/renewable energy sector (renewable energy) in the territory of the Republic of Indonesia.

Tabel4.1.Two Voluntary Disclosure Program Policies

Information	Policy I	Policy II
Subject	WP OP and TA participating bodies	WPOP
Asset Base	Assets as of December 31st, 2015, that have not been disclosed during the TA	Assets acquired in 2016-2020 that have not been reported in the SPT 2020
Final PPh Rate	<ul style="list-style-type: none"> 11 percent for declaration 8 percent for foreign assets and domestic assets 	<ul style="list-style-type: none"> 18 percent for declaration 14 percent for foreign assets and domestic assets
	<ul style="list-style-type: none"> 6 percent for repatriated foreign assets and domestic assets invested in SBN/downstream/renewable energy 	<ul style="list-style-type: none"> 12\$ for repatriated foreign assets and domestic assets invested in SBN/downstream/renewable energy

Source:[https://pajak.go.id/PPS\(2022\)](https://pajak.go.id/PPS(2022))

Based on table 4.1 above shows that there is a difference between PPS policy I and PPS policy II. The difference between PPS policy 1 and PPS policy 2 is from the participants who can take part, namely PPS policy 1 followed by WP Individuals and Entities that have participated in the Tax Amnesty, whose disclosure of assets in 1985-2015 was not or had not been fully reported during the Tax Amnesty program takes place, while PPS Policy 2 can only be followed by all Individual Taxpayers who have assets for the 2016-2020 acquisition year that have not been reported in the Annual Individual Income Tax Return for the 2020 tax year. This Voluntary Disclosure Program (PPS) can be followed once during the continuous period. It applies to taxpayers who have yet to report their assets thoroughly. Taxpayers can still participate in the Voluntary Disclosure Program (PPS) many times as long as it is ongoing and the taxpayer has yet to report his assets and debts at the previous PPS. Apart from that, PPS can also be a correction to previous disclosures of assets that are still wrong or more in the reporting.

4.3. The difference between Tax Amnesty and Voluntary Disclosure Program (PPS)

The tax amnesty program in 2017 increased taxpayer compliance in general. For this reason, the voluntary disclosure program for 2022 can also have a similar effect. The Directorate General of Taxes has also improved the quality of infrastructure to make it more adequate in the framework of carrying out supervision. Through this HPP Bill, taxes will be present to support the people, contribute to the recovery of the national economy, increase justice in society, and improve the posture of the state budget to reduce deficits. In principle, PPS and tax amnesty are almost the same because the substance reports the number of net assets not previously included in the taxpayer's annual tax returns. Judging from the method of calculating the tax that must be paid (if in the tax amnesty, it is called redemption money), which is done by reducing the assets that the amount that related debt has not reported. However, the mechanisms and regulations that apply in PPS are more straightforward compared to Tax Amnesty in 2016. In terms of mechanism, PPS uses more advanced technology or electronic channels. The PPS system itself is declarative and includes corrections to the annual SPT.

Besides that, the difference between PPS and Tax Amnesty also lies in rates. In PPS the lowest rate is 6 percent, while the lowest rate in Tax amnesty is 2 percent for domestic declarations and 4 percent for foreign declarations. The two lowest rates are implemented for repatriated foreign or domestic assets, which are invested in state securities or downstream renewable energy.

So, in 2016-2017, the government implemented Tax Amnesty or the so-called tax amnesty program to increase tax revenues and as a basis for implementing tax reforms in general. Although controversial, many see this program as successful in generating revenue for the government in less time. The aim of the Tax Amnesty at that time was to increase state revenue from the tax sector in the short term. This practice is based on the Tax Amnesty Law No. 11 of 2016. The government implements tax amnesty during sluggish economic conditions as an effective way to generate the desired income to ensure the continuity of government programs. This program is implemented to erase the assets of Indonesian citizens detained in tax-free countries such as Panama or other countries. The cheap ransom money can attract Indonesian citizens to transfer their savings or invest in their home country through this program.

The program is divided into three episodes. First, it was held from June 28th, 2016, to September 30th, 2016. The second episode was held from October 1st, 2016, to December 31st, 2016. Furthermore, the last episode was held from January 1st, 2017, to March 31st, 2017. The amnesty level in that country in a period I was 2 percent. The interest rate for period II is 3 percent, and the interest rate for period III is 5 percent. Disclosure rate of assets located abroad (if funds are not transferred domestically in each period, 4 percent, 6 percent, and 10 percent, respectively. For disclosure (repatriation) of domestic funds transferred abroad, each successive period also, 2 percent, 3 percent. In addition, the tariff is also for micro SMEs with a turnover not exceeding Rp. 8 billion (issued until March 31st, 2017), namely 0.5 percent if movable assets are up to Rp. 10 billion and 2 percent if declared assets are more than IDR 1 billion.

The guidelines in scores for both policies also have some differences. For Policy I, the value guidelines used are as follows:

- a) Face value for cash and cash equivalents
- b) NJOP for land/building
- c) NJKB for motor vehicles
- d) PT Aneka Tambang Tbk published values for gold and silver
- e) Value published by PT IDX for shares and warrants
- f) The value published by PT. Appraisal Harga Efek Indonesia for SBN and debt/sukuk securities issued by the company

The value of assets used as a guideline for calculating net assets must be under the condition of assets at the end of the last tax year. The last tax year is the tax year ending December 31st, 2015. If there is no guideline value, then use the results of the Public Appraisal Services Office (KJPP).

As for the two value guidelines, policies used as follows:

- a) Nominal values for cash and cash equivalents;
- b) Acquisition costs other than cash and cash equivalents.

PPS is a continuation of the previous amnesty program. This policy is contained in the Tax Harmonization Act (UU). PPS is a government effort to increase voluntary tax compliance. Taxpayers, both those who did not participate in the 2016 amnesty and those who took part in the amnesty, are encouraged to be more obedient and honest about the ownership of assets not reported in their annual SPT. The PPS policy is divided into two parts. The first is intended for participants who do not disclose assets acquired before December 2015 and do not participate in the tax amnesty when given a new opportunity.

PPS Policy I includes a final income tax of 11 percent on non-repatriated foreign assets, 8 percent on repatriated foreign and domestic assets, and 6 percent on foreign and domestic assets and investments. Government Securities (SBN) or downstream natural resources/renewable energy. In addition, PPS II Policy for taxpayers who do not disclose assets acquired between 2016 and 2020 in the 2020 SPT. The final PPh rate is 18 percent for assets owned abroad and 1 percent for assets owned abroad. Which are domestic and repatriation funds, as well as 12 percent of foreign repatriation funds and domestic funds invested in SBN or downstream natural resources/renewable energy.

4.4. Tax Law Perspective on the Tax Voluntary Disclosure Program (PPS).

Implications of voluntary disclosure programs from short and long-term perspectives. In the short term PPS can encourage optimal tax revenue. However, on the other hand, it gives an image that the government is inconsistent in issuing policies. In the long term, PPS has the potential to increase taxpayer compliance. It can be due to the taxpayer's expectation that a similar program will be reissued.

In principle, online and conventional business is the only medium for earning income. The substance is in the value of the transaction made. The HPP Law stipulates that individual taxpayers (WPOP) who are subject to final PPh are not subject to tax for part of the turnover of up to IDR 500 million. Next, technically the reporting of the Annual Income Tax Return for Individuals has regulated what must be reported under the intended taxpayer classification. Three classifications of Annual Income Tax Returns can be used by individual taxpayers, namely SPT 1770, SPT 1770S, and SPT 1770SS. Taxpayers can see again what type of SPT is in accordance with their income conditions.

Fiskus as a tax collector, has a relationship with implementing state administrative law, mainly to prevent taxpayers from violating the norms and provisions of tax law. The Voluntary Disclosure Program (PPS) requires the public to carry out state obligations by paying taxes voluntarily and with full awareness as an actualization of the spirit of cooperation or national solidarity in creating the national economy. PPS is voluntary because, in this program, the taxpayer's attitude must be based on willingness to fulfill their tax obligations following applicable tax provisions, such as reporting, calculating, and paying taxes on time. Implementing tax rights and obligations and law enforcement must be based on Law through statutory regulations. Tax law in our country starts from Article 23A of the 1945 Constitution, which reads, "Taxes and other levies that are coercive for state needs are regulated by law." Enforcing tax laws aims to meet state revenues and regulate citizens' willingness to pay taxes voluntarily. By enforcing the tax law, the State expects awareness and voluntarism from obedient citizens. Citizens who do not comply will be subject to sanctions according to the degree of non-compliance. This law enforcement will be more effective if the government and joint supervision from the community carry out supervision. This joint supervision can be carried out by reminding each other of the tax obligations of each individual in society. (Ardin, A.T., dkk, 2022)

The awareness of taxpayers has not reached the level expected. However, efforts can still be made so that taxpayers can be fully aware of paying taxes, and this is not impossible to happen. The more advanced the society and its government, the higher the awareness of paying taxes and the more critical in responding to taxation issues, especially regarding policy matters in the field of taxation, for example, the application of tariffs, the mechanism for imposing taxes, regulations, clashes in practice in the field and the expansion of subjects and objects.

4.5. The Purpose of the Voluntary Disclosure Program and Its Realization of the Principle of Justice

One of the criteria for planning a tax system is applying the principle of justice. Tax equity means that taxpayers contribute a fair share of government costs. Tax law involves two issues, namely vertical justice and horizontal justice. Vertical equity is often described by the expression "those who earn more pay more taxes". Meanwhile, horizontal justice is explained by the expression "two people with the same income pay the same amount of tax". Vertical justice is seen in terms of the subject (people who pay taxes), while horizontal justice is seen in terms of the object. Tax justice imposed on society can be measured by two different approaches, the principle of benefits and solvency. Charging for services by public service consumers who have different opinions can be professional, progressive, or regressive (Murthi et al., 2015).

In fairness, a progressive tax is best. The concept of special allowances is based on the view that special allowances received by the payer must be taxable. An example is the tax on glasses; advertising tax; gasoline opzette, talking, and others. Sometimes direct taxes on these benefits cause the costs to be too high. In this case, additional product taxes, such as SWP3D (compulsory participation in the construction and maintenance of regional infrastructure), are imposed. In this case, motor vehicles are taxed, even though the purpose of taxation is road maintenance. The ability-to-pay concept does not consider the relationship between taxes (income side) and subsidies (cost side). The amount of services provided is determined, after which each taxpayer pays according to his ability. There are several measures to determine the ability to pay, namely a) income; b) consumption; c) wealth (wealth). In addition to the dimensions mentioned above, the taxpayer's status must also be considered. The problem later is how to measure the minimum useful life or primary needs. Some authors assume that basic needs are more than just minimum physical needs. However, it includes all needs to ensure a dignified life while respecting existing civilizations. However, they agreed that luxuries and social needs that differentiate one's status from others deserve to be removed from the list of primary needs. Other factors such as the StateState of the country's finances, income distribution, and purchasing power of money also affect the family structure.

The fundamental objective of this PPS is to increase voluntary compliance of taxpayers organized based on the principles of simplicity, fairness, legal certainty, and benefits so that taxpayer compliance will be the main target of this program. The Voluntary Disclosure Program (PPS) aims to provide opportunities for taxpayers to voluntarily report or disclose unfulfilled tax obligations by paying income tax based on the disclosure of assets which will be carried out for six months. It is done through income tax payments based on the disclosure of assets that are not or have not been fully reported by participants of the tax amnesty program (Tax Amnesty) and payment of Income Tax based on the disclosure of assets that have not been reported in the 2020 Annual Individual Income Tax Return.

However, in practice, there are many opinions from the public who question the consistency and fairness of the government in implementing the Voluntary Disclosure Program (Voluntary Disclosure Program). The community questions whether after the Tax Amnesty volume II, there will be another tax amnesty next volume, where the state justice for taxpayers who come from the lower classes because, with this program, the government seems to "pamper" the upper economic circles

The people think that the government created this program to attract more tax revenue from the upper class of the economy, which has not disclosed their assets in their entirety. The voluntary disclosure program also offers a tax rate that is much lower than the sanctions that should be received by taxpayers who have not disclosed their assets, thus making the public feel that this program is unfair to those who have complied with their tax obligations.

The government believes the policies set have been based on carefully considering various aspects. The tax amnesty program volume II shows that the government deems it necessary to provide opportunities for taxpayers to comply. Practically with this policy, both the StateState and taxpayers are expected to be able to enjoy the benefits with a relatively short/straightforward process. The program is expected to increase investment flows and cash flow and bank liquidity, investment, and state income. Tax amnesty can also help cover deficiencies shortfall) tax revenues, and helping the business world to get out of the recession caused by the pandemic. The government also emphasizes that it is essential to know the considerations regarding specific policies tax amnesty, not a policy that can be expected to be issued routinely, let alone in a relatively short span of time. So that taxpayers carefully see how far they have complied with tax provisions and take advantage of this strategic moment.

4.6. Benefits of participating in the Voluntary Disclosure Program (PPS) for taxpayers

The Voluntary Disclosure Program (PPS) aims to increase awareness of taxpayers as well as an appeal to report assets so that they are taxed according to reported assets. Tax payments earned and paid are used to accelerate the recovery of the national economy and other sectors after the Covid-19 pandemic. In addition, several benefits can be obtained for taxpayers who follow this PPS. Benefits that can be obtained include:

- a. PPS allows taxpayers to report assets not reported by granting forgiveness.
- b. Participating in PPS will make WP free from potential criminal charges. It is because the HPP Law has emphasized that all information sourced from letters of disclosure of assets and their attachments cannot be used as a basis for criminal investigations, investigations, and prosecutions.
- c. There are tax savings from paying the final PPH, which is required for participating in the PPS.

V. CONCLUSION

The voluntary disclosure program (PPS) is a government policy issued with logical reasons from the justice perspective and to fulfill the continuity of state revenues. PPS is also an opportunity provided by the StateState for taxpayers to be able to demonstrate voluntary compliance.

From the justice aspect, the voluntary disclosure program (PPS) is to provide taxpayers with the convenience and suitability of tax rates for disclosing their assets. In addition, the voluntary disclosure program (PPS) has benefits and advantages for taxpayers who disclose assets correctly in the form of 3 benefits:

1. No Tax Audit: Only issued tax assessments on tax obligations for 2016, 2017, 2018, 2019, and 2020 Fiscal Years if data and other information are found regarding assets that have not been or are not disclosed in SPPH. Because tax assessments can only be issued through inspection, the meaning of the statement is actually for taxpayers who follow PPS the same as tax audits.
2. No. More 200 percent Penalty: Taxpayers who have obtained a certificate for submitting SPPH are not subject to administrative sanctions (200 percent of the principal tax that is not/underpaid) as referred to in Article 18 paragraph (3) of Law Number 11 of 2016 regarding Tax Amnesty.
3. No Law Enforcement: Data and information originating from notification of disclosure of assets and attachments administered by the Ministry of Finance or other parties related to the implementation of this Law cannot be used as a basis for investigation, investigation, and criminal prosecution of the Compulsory Tax.

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