

Analysis of the Implementation of the MSME Tax Incentive Policy During the Covid-19 Pandemic (Case Study at KPP Pratama Jakarta Duren Sawit)

Yuni Komariah

Stiami Institute of Social Sciences and Management, Indonesia

Correspondent : yuni.komariah@gmail.com

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ABSTRACT: Tax incentives are policies issued by the Indonesian government in the face of the economic slowdown due to the COVID-19 pandemic. This study aims to analyze the implementation of MSME tax incentive policies during the COVID-19 pandemic at the Primary Tax Office of Duren Sawit, Jakarta with a descriptive qualitative method. The results showed that the use of tax incentives by MSME actors at the Primary Tax Office of Duren Sawit, Jakarta was quite effective. This can be seen from the compliance of officers at the Primary Tax Office of Duren Sawit, Jakarta, who have been very good at disseminating this tax incentive policy to MSME taxpayers. The implementation of routine functions has also been going well and in accordance with the procedures provided by the central government. The desired impact has been felt by taxpayers who have taken advantage of incentives which are certainly very helpful.

Keywords: Implementation, Policy, Tax, Incentive, MSME



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INTRODUCTION

Indonesia is a developing country and will continue to develop in all factors. Carrying out development and carrying out routine state duties requires enormous costs. And one way these costs are obtained is from tax revenues. Taxes in a country are an important instrument for its economy, including in Indonesia. And tax revenue is the largest source of income for Indonesia. One of the sources of tax revenue that makes a significant contribution is Income Tax (PPh), so the government continues to strive to increase the number of new Taxpayers and increase tax revenue. Micro, Small and Medium Enterprises (MSMEs) are one of the taxpayers who have income (Rachmawati & Ramayanti, 2016).

The government issued Government Regulation Number 23 of 2018 which is targeted at Micro, Small and Medium Enterprises (MSMEs), where taxpayers whose businesses have a gross turnover of not more than 4.8 billion in one tax year will be subject to the Final Income Tax rate, which was previously 1% to 0.5% of the gross turnover of the business. Micro, Small and Medium Enterprises (MSMEs) have an important role because they are one of the sources of driving the

nation's economy. Apart from playing a role in economic growth, MSMEs also have a role in absorbing labor and their income will be taxed. So the government is trying to continue to increase the contribution of the MSME sector to tax revenues.

In early March 2020 the Covid-19 case hit Indonesia. The Covid-19 pandemic has not only had an impact on the health aspect, this pandemic has become a national disaster which has also had a huge impact on the country's economy. And the first sector most affected by the pandemic is MSMEs. In order to reduce the number of Covid-19 cases, the Indonesian government was forced to implement Large-Scale Social Restrictions (PSBB). With the PSBB policy, of course it will disrupt all economic activities, including the consumption patterns of public goods and services which have changed from offline to online. Restrictions on activities during PSBB or PPKM also have an impact on decreasing people's purchasing power which causes several MSME business actors to experience a decrease in sales turnover and quite a few are unable to survive amidst the Covid-19 pandemic.

The further weakening of the economy can of course also have an impact on the taxation sector, namely tax revenues which are also the main source of state income. Tax incentives are a form of government support for MSMEs so they can recover amidst the pandemic. With tax incentives, the government provides convenience for taxpayers, namely tax exemptions to ease the economic burden so that economic activities for MSMEs can continue without thinking about the tax burden.

On April 27 2020 the government issued Minister of Finance Regulation (PMK) PMK 44/PMK.03/2020 concerning Tax Incentives for Taxpayers Affected by the 2019 Corona Virus Disease Pandemic. This PMK is an amendment to the previous PMK with the addition of a form of tax incentive, namely the final PPh incentive. DTP for MSMEs. MSME players receive a final income tax exemption facility based on Government Regulation No. 23 of 2018 at a rate of 0.5% borne by the government, and is provided for a 6 month tax period starting from April 2020. This DTP final PPh incentive for MSMEs provides facilities to not need to deposit taxes and only need to report the realization every month(Andrew & Sari, 2021).

The DTP Final Income Tax incentive aims to save MSME players, especially businesses affected by the Covid-19 pandemic, with great hopes that it can also get the wheels of the country's economy moving again. As of September 2020, utilization was still not optimal and the level of realization of utilization was still relatively low. This is because the design of this tax incentive is still less attractive to MSMEs. In fact, being able to take advantage of the DTP final PPh incentives for MSMEs is quite easy. When taxpayers take advantage of this incentive, they are required to report the realization no later than the 20th of the following month and this can be done online via the official DJP website.

Research conducted by Vina Natasya and Pancawati Hardiningsih (2021) took MSMEs in the West Semarang and Central Semarang 2 areas as objects, showing that providing tax incentives has been proven and can influence the development of MSMEs during the Covid-19 pandemic. Some

MSME players have taken advantage of tax incentives, although not all have taken advantage of them.

Table 1
Taxpayer Data (2018 - 2020)

Year	Number of registered MSME final income tax taxpayers	Number of MSME Final PPH Taxpayers reporting
2018	4344	2852
2019	3506	2071
2020	2237	1789

Table 1 shows that in 2020 there was negative growth in the number of registered Taxpayers at KPP Pratama Jakarta Duren Sawit. The table also shows that in 2020 the number of taxpayers who have reported their realization and have utilized the UMKM DTP final PPh tax incentive is 1789. It can be seen that the number of UMKM final PPh taxpayers registered in 2020 is 2237, it can be concluded that it is almost All of the registered UMKM final PPh taxpayers have taken advantage of the DTP UMKM Final PPh tax incentive, but there are still some who have not taken advantage of the tax incentive.

Based on the problem phenomena described above, the author wants to study further how the final Pph DTP UMKM tax incentive policy was implemented during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit. In this research, the author wants to see and analyze the use of tax incentives according to KPP Pratama Jakarta Duren Sawit as a tax regulator and according to business actors as MSME taxpayers.

The scope of research

To make it easier to write a thesis for this research, the author needs a more focused problem definition so that it runs smoothly and does not deviate from the intended goal. The scope that will be discussed by the author is only focused on discussing implementation as well as obstacles and solutions in the MSME Tax Incentive Policy during the Covid-19 Pandemic (2020) at KPP Pratama Jakarta Duren Sawit.

Research question

1. How is the MSME Tax Incentive Policy implemented during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit?
2. What are the obstacles in implementing the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit?

3. What solutions and efforts were made to overcome the obstacles that occurred in the implementation of the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit?

Research purposes

1. To analyze how the MSME Tax Incentive Policy was implemented during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit.
2. To analyze the obstacles that occurred in the implementation of the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit.
3. To analyze the solutions and efforts made to overcome obstacles that occurred in the implementation of the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit.

Income Tax is Final

According to Official Siti (2019:133) Income tax (PPh) can be grouped into final PPh and non-final PPh. Income tax is final, meaning that the imposition of income tax is final (expired) so it cannot be credited (deducted) from the total income tax payable at the end of the tax year.

Tax Incentives

According to Winardi (2015:255), the term tax incentive is Incentive Taxation, which means:

"Taxation is intended to provide incentives. "The use of taxes is not only for the purpose of generating government income, but also to provide encouragement towards economic development, in certain fields." UNCTAD (United Nations Conference on Trade and Deleopment) also put forward a definition of tax incentives, namely as all forms of incentives that reduce the company's tax burden with the aim of encouraging these companies to invest in certain projects or sectors (Prasetyo, 2008).

Policy Implementation

Wahab (2014:55), says that policy implementation is the implementation of basic policy decisions, usually in the form of laws, but can also take the form of important executive orders or decisions or decisions of judicial bodies usually, these decisions identify the problem to be addressed , stating clearly the goals/targets to be achieved, and various ways to structure/manage the implementation process.

METHOD

The form of research used is descriptive analysis using a qualitative approach, so in this research the author uses informants who will be the source of research data (Khairiyah & Akhmadi, 2019) (Sukmadinata, n.d.).

The parties authorized to provide information include:

Report 1 : Mrs. Katarina as AR staff at KPP Pratama Jakarta Duren Sawit

Report 2 : Mr Imron as AR staff at KPP Pratama Jakarta Duren Sawit

Report 3 : Mrs. Linda as AR staff at KPP Pratama Jakarta Duren Sawit

Report 5 : Mr Noval as MSME Taxpayer

Report 6 : Mrs. Notika Rahmi as Academic Lecturer at the STIAM I Institute

RESULT AND DISCUSSION

After conducting research and presenting the research results, the author will discuss three research questions as follows:

1. Implementation of the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit

Implementation will be measured using the Implementation Theory model according to Ripley and Franklin with three dimensions, namely as follows:

a. Level of compliance with provisions

Measuring the level of success of policy implementation can be seen from the implementers' compliance with the rules in the policy.

During the Covid-19 Pandemic, in implementing the MSME Tax Incentive policy, the KPP has provided counseling by conducting outreach in accordance with the regulations in force during this pandemic (Permatasari & Najihah, 2021). The socialization carried out by KPP during this pandemic was in online form or without face-to-face contact. Starting from providing an appeal regarding the MSME Tax Incentive policy by circulating an appeal letter to taxpayers, then contacting the taxpayers directly by the respective AR officers by sending emails or via SMS and WhatsApp. Apart from that, the KPP also opened an online tax class via Zoom, with the aim of informing taxpayers about the scheme and procedures for utilizing this tax incentive (Beemabai & Krishnakumar, 2019).

With this tax incentive, it is very helpful for taxpayers who take advantage of it. Even though at the beginning of the implementation of this policy, there were still few taxpayers who took advantage of it. However, after carrying out various forms of outreach to taxpayers, the level of utilization of tax incentives has increased, namely 80% of the number of registered MSE taxpayers.

- b. There is smooth implementation of routine functions. After seeing the level of compliance of the implementers, the next step is to measure the level of smooth implementation of the policy, whether the implementers understand the main tasks and functions in accordance with the applicable procedures.

The implementation of the MSME tax incentive policy at KPP is fully running smoothly in accordance with applicable regulations. Starting from the counseling and supervision process carried out by relevant KPP officers to Taxpayers. Furthermore, in the process of utilizing tax incentives, especially by MSME taxpayers, they have followed the applicable procedures in accordance with the directions of KPP officers. Starting with fulfilling the requirements for utilizing incentives, up to reporting the realization carried out in the following month in accordance with applicable regulations.

- c. The implementation and desired impact are directed

Implementation is said to be successful, it can be seen from the realization of performance in implementation and the desired impact (benefits) of the policy.

The impact of implementing this tax incentive can be felt especially by MSME taxpayers. Having incentives is certainly very helpful and eases the tax burden for taxpayers affected by the pandemic. Especially for MSME taxpayers, almost all of whom have felt the impact of the Covid-19 pandemic by decreasing business income. they. In accordance with the government's goal in the tax incentive policy, namely to restore the country's economy. Utilizing tax incentives is a solution for MSME taxpayers with decreasing business income, the taxes they usually pay are borne by the government.

2. Obstacles in Implementing the MSME Tax Incentive Policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit

In implementing this policy, of course there are several obstacles, with conditions tending to change a lot in the midst of the Covid-19 pandemic.

Several obstacles faced by the KPP during the Covid-19 pandemic in implementing the MSME tax incentive policy, one of which was communication barriers. The limitations in communication felt by KPP officers were when carrying out the outreach process to taxpayers. When a taxpayer experiences problems or someone still doesn't understand the utilization process, of course it is easier to understand if they communicate directly or face to face. Likewise, if there is a taxpayer who doesn't respond to emails, we usually visit the taxpayer directly. Apart from communication, another obstacle to implementing the MSME tax incentive policy is when taxpayers forget their reporting obligations.

The change from a face-to-face process to an online one is of course also an obstacle for some taxpayers who still don't understand technology. Another obstacle felt by taxpayers is problems with the system. Obstacles in the system will of course greatly hinder tax activities carried out by taxpayers during this pandemic. Lack of taxpayer knowledge is also an obstacle in implementing policies, so more regular socialization is needed by KPP officers.

3. Solutions and efforts made to overcome obstacles that occurred in the Implementation of MSME Tax Incentives during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit

The solution and effort made to overcome obstacles is that the KPP carries out routine communications by their respective AR officers to taxpayers. AR officers also help taxpayers who are still unfamiliar with the online process, by increasing counseling regarding procedures for utilizing online tax incentives. Further improve and prepare an adequate system, so that the use of MSME tax incentives by taxpayers continues to run smoothly even with the online process.

CONCLUSION

Based on the results of the analysis and discussion carried out at KPP Pratama Jakarta Duren Sawit, the author can conclude as follows:

1. The implementation of the MSME tax incentive policy during the Covid-19 pandemic at KPP Pratama Jakarta Duren Sawit was carried out quite well, seen from the indicators of implementers' compliance with the MSME tax incentive policy, namely the behavior and understanding of supervisory service officers at KPP and also MSME taxpayers registered at The KPP has been implemented well, in implementing the MSME tax incentive policy, the implementation of the routine functions of KPP officers has run smoothly according to applicable procedures, and also the performance and desired impact in the socialization of the MSME tax incentive policy has gone well so that taxpayers who have used it have been greatly helped. and can resume business activities.
2. The obstacles faced in implementing the MSME tax incentive policy are communication between KPP and taxpayers caused by changes from face-to-face to online, system constraints, and also technical factors for taxpayers who still don't understand how to do it.
3. Solutions and efforts to overcome obstacles include increasing supervision with regular communication with taxpayers, providing more in-depth counseling regarding the use of online MSME tax incentives, and increasing system readiness.

Based on the research results and the description of the conclusions above, the author will provide several suggestions as follows:

1. Regarding the MSME tax incentive policy, it is certainly very helpful for MSME actors affected by the pandemic because it can reduce the burden on those who are experiencing an economic downturn. We hope that the government will continue to extend the validity period of using this tax incentive and the government will also continue to evaluate this policy so that it will be easier for the public. in obtaining tax incentives.
2. Tax officers at the KPP must be more effective in providing outreach to MSME taxpayers. So that people who may live in remote areas can receive information and make use of it.

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