Effectiveness Of Tax Collection With Warning Letters and Forced Letters On East Medan Pratama KPP Tax Revenue

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Abstract. This research aims to determine the level of effectiveness of tax collection with warning letters and forced letters on East Medan KPP Pratama tax revenues during the period January - October 2023. The population in this study are individual taxpayers and the research data was obtained from the Medan Pratama Tax Service Office. east. The research method used is the documentation data collection method obtained from KPP Pratama Medan Timur. The results of this research show that tax collection using warning letters and forced letters is less effective, with the calculation results of the average issuance of warning letters being 68.26% and forcing letters being 67.87%. It is said to be less effective because the percentage is in the range of 60% - 80%.

Keywords: Effectiveness of Tax Collection, Warning Letter, Forced Letter

1. INTRODUCTION

The word tax comes from the Latin word taxo, which means a mandatory contribution that must be paid by the people for the benefit of the government and the interests of the community itself or in other words, tax is a mandatory contribution to the state that is owed by an individual or body that is coercive based on law. , without receiving direct compensation and being used for state needs for the greatest prosperity of the people.(Kamal, 2021). Effectiveness comes from the word effective which means achieving success in accordance with what has been previously determined. Effectiveness is the relationship between output and goals, the greater the contribution of output to achieving goals, the more effective the organization, program or activity is. Tax collection is a series of actions carried out with the aim of ensuring that the tax bearer pays off the tax debt and tax collection costs in an orderly manner.(Central Government, 2022) A tax warning letter is a form of attention from the Directorate General of Taxes to Taxpayers, only in the form of an official notification letter regarding tax SPTs (Annual Tax Returns) that the Taxpayer has not yet reported. It can be said that the Warning Letter here is a notification letter.(Mandau, 2022). A forced letter is a letter containing an order for a tax insurer to pay tax debt and tax collection costs. Efforts to issue a Tax Letter are the last resort before the tax authority takes coercive collection action against the tax bearer.(Sandra, 2023).

The Tax Service Office (KPP) is a work unit of the Directorate General of Taxes which provides services to the public, both registered as taxpayers and those who are not registered. The function of the Tax Service Office is to collect and process data, present tax

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information, observe tax potential and extend taxpayers, research and administer annual notification letters, period notification letters and taxpayer files, tax revenue, billing, audits, application of tax sanctions, and implementation of the administration of the tax service office, so that the tax service office has a very large role in the implementation of national tax administration. The implementation of the duties and roles of the tax services office will be very important in meeting the national tax revenue target.(Saputri, 2023).

Carrying out tax collection actions is preceded by taking action in the form of issuing an Immediate and Simultaneous Order 3 without the need to wait for the payment due date. Immediate billing is billing that is done immediately without waiting for the payment due date. Meanwhile, lump sum collection is collection that includes all tax debts from all types of taxes and tax years. Furthermore, if the billing is instantaneous and at the same time the taxpayer does not respond well, a Forced Letter will be issued. A Forced Letter (SP) is an order to pay tax debts and tax collection costs.

Table 1.1 Issuance of Warning Letters and Forced Letters

Month	Reprimand letter	Forced Letter
January	1250	702
February	1655	288
March	2706	532
April	669	404
May	1696	404
June	1068	249
July	2248	328
August	2397	546
September	1486	130
October	761	506
November	50	0
AMOUNT	**15986**	**4089**

Source: East Medan Pratama Tax Office

Based on the data above, the highest issuance of warning letters was in March with 2706 letters and the lowest issuance of warning letters was in November with 50 letters. While the highest issuance of forced letters was at the beginning of 2023, in January there were 702 letters and in November no forced letters were issued. Based on the description above, researchers are interested in researching the title "The Effectiveness of Tax Collection with Warning Letters and Forced Letters on East Medan Pratama KPP Tax Revenues". So it can be formulated that the aim of this research is to determine the level of effectiveness of tax

collection using Warning Letters, Forced Letters, SPMP towards the disbursement of tax arrears at the East Medan Pratama Tax Service Office and to find out how big the contribution of tax collection using Warning Letters, Forced Letters, SPMP is to disbursement of tax arrears at KPP Pratama Medan Timur.

Based on the background described above, the research that will be discussed is:

1. Is the Warning Letter effective in collecting tax on tax revenues at the East Medan Tax Service Office (KPP)?

2. Is the Forced Letter effective in collecting tax on tax revenues at the East Medan Tax Service Office (KPP)?

Based on the problem formulation described above, this research aims to determine and analyze:

1. To determine the level of effectiveness of tax collection with a warning letter on East Medan Pratama KPP tax revenues

2. To determine the level of effectiveness of tax collection with forced letters on the tax revenues of the East Medan Pratama KPP

Based on the stated research objectives, the expected benefits of this research are as follows:

1. For Researchers

   This research is expected to increase knowledge and broaden researchers' insight regarding the field being researched.

2. For Tax Officials

   It can be used as input in efforts to improve tax collection policies so that the amount of tax arrears does not tend to increase and obtain increased disbursement of tax arrears which has an effect on increasing state revenues from the tax sector.

3. For other researchers

   As a reference for future researchers who wish to conduct further research in the same field.

4. For STMB MULTISMART

   As reference material and additional data for conducting further research related to the field of tax accounting.

2. LITERATURE REVIEW

2.1 Tax

Tax is a presentation imposed unilaterally by and owed to the authorities (according

to generally established norms), without any interpretation, and is solely used to cover general expenses.(Valentine, 2019).

2.2 Tax Collection

Based on Law Number 19 of 2000 concerning tax collection with forced letters, it explains that tax collection is a series of actions so that the Tax Insurer pays off tax debts and tax collection costs by reprimanding or warning, carrying out collection immediately and simultaneously, notifying the Forced Letter, proposing prevention, implementing confiscation, carrying out hostage-taking, and selling goods that have been confiscated.

2.3 Reprimand letter

Based on Law of the Republic of Indonesia Number 19 of 2000, warning letter. A warning letter, or other similar letter, is a letter issued by an official to regulate or warn taxpayers to pay off their tax debt.

2.4 Forced Letter

Based on Law of the Republic of Indonesia Number 19 of 2007 concerning Tax Collection with a Forced Letter, a Forced Letter is an order to pay tax debts and tax collection costs

2.5 Framework of thinking

The conceptual framework is a description of the linkage/relationship between an independent variable and a dependent variable. The purpose of the conceptual framework is to be able to help and provide a more detailed explanation of the variables studied. The following is a conceptual framework. So the framework of thinking in this research can be described as follows:
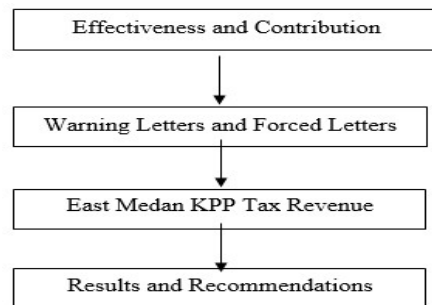

Figure 2.1 conceptual framework

3. RESEARCH METHODS

3.1 Types of research

The type of research that will be used in this research is qualitative descriptive

research. Qualitative research is research used to examine the condition of natural objects where the researcher is the key instrument. The data collection technique is carried out using triangulation (a combination of observation, interviews, documentation) the data obtained tends to be qualitative data, data analysis is inductive and the results of qualitative research can be potential findings and problems, uniqueness of objects, then a process event and social interaction, certainty of the truth of data, construction of phenomena, hypothesis findings . Data analysis in qualitative research is carried out before entering the field, during the field, and after finishing in the field.(Sugiyono, 2020)

3.2 Research sites

The subject of this research is at the East Medan Pratama Tax Service Office (KPP) which is located at the North Sumatra Regional Office of DJP Building I Lt. IV, Jl. Suka Mulia No. 17A, AUR, District. Medan Maimun, Medan City.

3.3 Types and Sources of Research

The type of data in this research uses qualitative data, which is data that approaches and details something. Qualitative data is data in the form of words, sentences, narratives, body movements, facial expressions, charts, images and photos.secondary data that has been processed byEast Medan Pratama Tax Office.

3.4 Population and Sample

The population in this study are independent individual taxpayers who carry out their obligations at the East Medan Pratama Tax Office. The sampling technique used in this research is purposive sampling using sample selection based on judgment (judgment sampling), namely selecting samples using certain considerations, namely only taxpayers who have received tax collection with a forced letter. Meanwhile, the data sample used in this research was obtained from the billing section report of the East Medan Pratama Tax Service Office from January 2023 – November 2023.

4. RESULTS AND DISCUSSIONS

4.1 Effectiveness of Tax Collection with Warning Letters

Table 4.1.Average Value of Issuance of Warning Letters

MONTH	PERCENTAGE
January	43.84%
February	82.59%
March	80.33%
April	39.61%

May	76.13%
June	76.68%
July	85.40%
August	77.22%
September	91.11%
October	29.56%
Average value	**68.25%**

Based on the calculation results, it can be seen that in January, April and October tax collection using Warning Letters was not effective. Then tax collection with Ineffective Warning Letters can be seen in May, June and August. Furthermore, tax collection with a Sufficiently Effective Warning Letter can be seen in February, March and July. And tax collection with an Effective Warning Letter can be seen in September.

4.2 Effectiveness of Tax Collection with Forced Letters

Table 4.2. Average Value of Issuance of Forced Letters

MONTH	PERCENTAGE
January	87.60%
February	69.44%
March	71.24%
April	37.87%
May	34.15%
June	79.51%
July	45.73%
August	91.20%
September	75.38%
October	86.56%
Average value	**67.87%**

Based on the calculation results, it can be seen that in April, May and July tax collection using a Compulsory Letter was not effective. Then tax collection using less effective force letters can be seen in February, March, June and September. Furthermore, tax collection using Quite Effective Force Letters can be seen in January and October. And tax collection with an Effective Forced Letter can be seen in August.

4.3 Effectiveness of Tax Collection with Warning Letters

Based on the calculation results, it can be seen that in January the result was 43.84%, in April the result was 39.61%, and in October the result was 29.56%, thus tax collection with a Warning Letter can be said to be ineffective, because of the results obtained. is assessed as less than 60%. Then tax collection with Ineffective Warning Letters can be seen in May at

76.13%, in June at 76.68%, and in August at 77.22%. It is said to be less effective because the value presentation is in the range of 60% - 80%. Furthermore, tax collection with a Fairly Effective Warning Letter can be seen in February at 82.59%. In March it was 80.33%, and in July it was 85.40%. It is said to be quite effective because the value presentation is in the range of 80% - 90%.

Tax collection with an effective warning letter is at a presentation of 90% - 100%, this can be seen in September, namely 91.11%.

4.4 Effectiveness of Tax Collection with Forced Letters

Based on the calculation results, it can be seen that in April the results were 37.87%, in May the results were 34.15% and in July the results were 45.73%. So tax collection with a Forced Letter can be said to be ineffective, because the value presentation is less than 60%. Then tax collection with less effective force letters can be seen in February at 69.44%, in March at 71.24%, in June at 79.51%, and in September at 75.38%. Because the value presentation is at 60% - 80%. Furthermore, tax collection using a Quite Effective Force Letter can be seen in January at 87.60%, and in October at 86.56%. Because the value presentation is in the range of 80% - 90%. Tax collection with an Effective Forced Letter is at a value percentage of 90% - 100%, which can be seen in August at 91.20%.

5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

Based on the results of calculating Tax Collection with Warning Letters and Forced Letters, it can be concluded as follows:

1. Tax collection with a warning letter for tax revenues at the East Medan Pratama Tax Service Office in January - October 2023 based on the level of effectiveness is classified as less effective, which can be seen in the table. The average value of warning letters is 68.26%. This is due to the lack of awareness of taxpayers in paying taxes.

2. Tax collection using a forced letter on tax revenues at the East Medan Pratam Tax Service Office in January - October 2023, based on the level of effectiveness, is classified as less effective, which can be seen in the table. The average value of a forced letter is 67.87%. This is because taxpayers avoid their obligations in paying taxes.

5.2 Suggestion

The suggestions from researchers are:

1. The East Medan Pratama Tax Office can carry out outreach or similar activities to increase public awareness and understanding in paying taxes.

2. Furthermore, it is hoped that this research can become a reference for further research, and can examine the level of effectiveness of tax collection with warning letters and force letters from other KPPs.

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