

The Effect of Preliminary Return of Excess Value Added Tax on Value Added Tax Revenue (Case Study of KPP Pratama Boyolali)

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Abstract

This study aims to determine the suitability of the process flow of filing a preliminary tax return at KPP Pratama Boyolali under current regulations and provide evidence of the effect of preliminary tax returns on the annual tax revenue of KPP Pratama Boyolali. This research is a mixed method research. The data collected are data derived from interviews and document studies. This research uses analysis techniques in the form of interactive model and simple regression analysis using SPSS statistical tools. The results showed that the preliminary refunding process of Value Added Tax in KPP Pratama Boyolali was according to the existing regulations and the variable preliminary refunding of Value Added Tax had no significant effect on Value Added Tax revenue.

Keywords: preliminary tax returns, tax revenue, value added tax.

1. Introduction

Indonesia as a developing country certainly needs large revenues both from tax revenues and non-tax state revenues for state development. Taxes are one of sources of the state revenue that has the largest share. Value Added Tax (VAT) is one type of tax that contributes to collecting state revenues others than Income Tax, Land and Building Tax, exercise revenue, other tax revenues, import duty revenue, export duty revenue. Law Number 7 concerning Harmonization of Tax Regulations explains that in VAT there are terms output and input tax that can be calculated to find the amount of tax payable by crediting input tax against out tax.

The crediting of input tax to output tax does not necessarily result in lack of payment of Value Added Tax. At a Tax Period, the creditable input tax is greater than the output tax, so the difference is the excess tax that the tax return can make. Chapter 4 article 9 paragraph (4) of Law Number 7 concerning Harmonization of Tax Regulations also explains the application for refund of excess tax which is divided in two mechanisms. The first mechanism is that excess input tax on output tax can be submitted at the end of the financial year by conducting audit. The second mechanism is an application for a preliminary return of excess input

tax that can be submitted in each tax period with applicable conditions.

TABLE 1
NUMBER OF TAX PAYERS REGISTERED
AT KPP PRATAMA BOYOLALI
YEAR 2018-2022

Year	Amount of WPOP	Amount of WP Bodies
2022	36.360	758
2021	40.903	758
2020	46.283	542
2019	51.311	386
2018	58.344	380

Source: KPP Pratama Boyolali, 2023

The large number of tax payers registered at KPP Pratama Boyolali can be ascertained that many tax payers also file tax returns. The KPP Pratama Boyolali service section stated that in 2021 there were 157 tax payers who submitted tax preliminary returns rather than tax returns with general mechanisms, while in 2022 the number of tax preliminary return submissions increased by almost 100%, namely as many as 219 tax payers.

TABLE 2
NUMBER OF TAX PAYERS MAKING TAX RETURNS

Year	Number of WPs Filing Tax Returns	
	General Return	Return with Introduction
2018	110	219
2019	149	157
2020	107	80
2021	191	4
2022	30	11

Source: KPP Pratama Boyolali, 2023

Based on Table 2 it can be seen that the number of preliminary tax returns has increased very significantly every year. The KPP Pratama Boyolali service section explained that this spike occurred due to the return process which was only carried out in one tax period or one month and only carried out inspections, thus encouraging tax payers in the Boyolali area to choose to make tax excess refund mechanisms with tax overpayment preliminary return mechanism rather than making tax overpayment return with general mechanisms. Based on the description above, the topic of the effect tax payers applying for returns or restitution on tax revenue at KPP Pratama Boyolali is interesting to discuss and study further through the final project entitle "The Effect of Preliminary Returns of Value Added Tax on Tax Revenue at KPP Pratama Boyolali (Case Study of KPP Pratama Boyolali)".

2. Theoretical Framework and Hypothesis

2.1 Tax

According to Law of the Republic of Indonesia Number 16 of 2009 article 1 paragraph 1 explains that tax is a mandatory contribution to the state that is coercive based on The Law by not getting direct compensation and is used for state purposes for the greatest prosperity of the people.

2.2 Value Added Tax

Value Added Tax is the imposition of taxes on expenditures for consumption of both individuals and government entities in the form of goods or services charged to the state budget.

2.3 Tax Payers

Tax payers are individuals or entities, including tax payments, tax cutters, and tax collectors, who have tax rights and obligations in accordance with the provisions of tax laws and regulations.

2.4 Excess Tax Return

Return of excess tax can be made if the input tax is greater than the output tax. The mechanism for returning excess tax is divided into two, namely

returns at the end of the financial year (12 months) and returns at each tax period (preliminary).

2.5 Preliminary Return of Taxes

Law of the Republic of Indonesia Number 7 of 2021 concerning the of Tax Regulation. Regulation envisages preliminary returns of excess taxes can be applied for at each tax period. There are 3 criteria for Taxable Entrepreneurs who can submit a return of interest namely:

1. Tax payers who meet certain criteria.
2. Taxpayers who meet certain requirements.
3. Low-risk taxable entrepreneurs.

The procedure for preliminary tax return has been regulated in the regulation of the Minister of Finance Number 209/PMK.03/2021, there is each application flow in accordance with each criteria for tax payers who can submit a preliminary return.

2.6 Frame of Mind

This study was conducted to test the suitability of the procedure for preliminary return of VAT at KPP Pratama Boyolali with the regulations, namely Minister of Finance Regulation Number 209/PMK.03/2021. In addition, tests were carried out regarding the effect of Tax Preliminary Returns on Tax Revenue. This study proposed the hypothesis of the variable preliminary return of excess tax affecting tax revenue at KPP Pratama Boyolali. Based on the assumption described earlier, the conceptual framework of this study is:

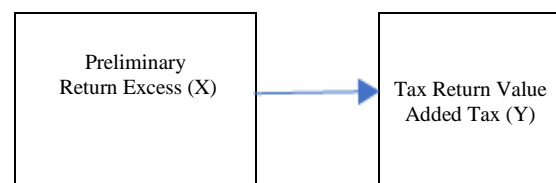


Figure 1: Frame of Mind

Anjarwi (2021) in his research, he explained that restitution has a significant effect on tax revenue. The acceleration of restitution is one of the factors that affect tax revenue, it is stated that when a tax payer submits a restitution (tax development), the government will make a refund to the tax payer who made the restitution.

H1: Preliminary return excess tax affects tax revenue.

3. Research Methodology

3.1 Types of Research

The type of research used in this study is research with a combination method (mix method) with the concurrent triangulation model. The combination method (mix method) is a study that combines or combines quantitative methods and qualitative methods to be used together in a research activity, so that more comprehensive, valid, reliable, and objective data are obtained (Sugiyono, 2018).

3.2 Research Location

This research was carried out at the Boyolali Primary Tax Service Office located in Boyolali Regency with the office on Jalan. Raya Solo Boyolali KM 24, Mojosongo Boyolali 57321. Boyolali Pratama Tax service Office is a vertical work unit under the Regional Office of the Directorate General of Taxes of Central Java II.

3.3 Variable Operational Definition

Sugiyono (2014) defines a variable as an attribute or trait of people who have certain variations set by researchers to be studied and conclusions drawn. In this study there are two kinds of variables, namely tax revenues as a dependent variable and tax preliminary return as an independent variable.

3.4 Population and Sample

Population includes the number present in the object or subject, the characteristics possessed by the subject or object, as well as natural objects. The study population is taxable entrepreneurs in Boyolali Regency registered from 2018 to 2022. The sample in this study was divided into two samples, namely tax payers and tax officials with their selection using purposive sampling techniques. The sample of tax payers who become the criteria in the study was a total of 474 tax payers who submitted preliminary returns with the scope of low risk taxable entrepreneurs. As for tax employees who have criteria as the main actors responsible for carrying out the VAT preliminary return process, in this study the sample of tax employees is the service section, especially in the tax extension assistant section.

3.5 Data Types and Sources

The types of data used in this study are secondary data and primary data. Secondary data is data provided indirect to the data collector, for example through other people or through documents. The secondary data used in this study was obtained from data that has been document at KPP Pratama Boyolali such as the number of registered tax payers, the number of preliminary return

submission in 2018-2022 and tax revenue 2018-2022. Primary data is data obtained directly to the data collector. The primary data that will be used and obtained in this study are data in the form of observations and interviews with the KPP Pratama Boyolali service section (Sugiyono, 2018).

3.6 Data Collection Methods

The methods used in collecting this research data are interviews and data collection through documents. The interview was conducted face to face the resource person by providing questions that would later be answered by the source. Document studies are carried out by submitting data requests to the place where research will be conducted.

3.7 Analysis Methods

The analysis method used in this study is by analysis during the field or data analysis with interactive model techniques and simple regression analysis with the help of SPSS statistical tools.

4. Result and Discussion

4.1 Description of Object of Study

Interview with skilled tax extension assistant, KPP Pratama Boyolali. The interview was held on July 25, 2023 at the 1st floor extension assistant living room of KPP Pratama Boyolali study of data documentation obtained after submitting a request for data on the e-research website owned by the directorate general of taxes. The selected sample is taxpayer who made a preliminary return of value added tax at KPP Pratama Boyolali in 2018 to 2022 with the specification of Low Risk Taxable Entrepreneurs. Secondary data that has been documented by KPP Pratama Boyolali is in the form of the number of preliminary return submissions from 2018 to 2022 and tax revenue from 2018 to 2022. Here are the sample data used in this study:

TABLE 3
NUMBER OF TAX PAYERS MAKING TAX RETURNS

Year	Number of WPs Filing Tax Returns	
	General Return	Return with Introduction
2018	110	219
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2021	191	4
2022	30	11

Source: KPP Pratama Boyolali, 2023

4.2 Descriptive Statistics

Based on the Table 4, it can be seen that from 54

data samples, an average value of 17.690.676.831,1111 was obtained. So it can be concluded that the average preliminary return of VAT from 2018 to 2022 is Rp17.690.676.831,1111.

TABLE 4
DESCRIPTIVE STATISTICAL TEST RESULTS
RESIDUAL STATISTICS

	Minimum	Maximum	Mean	Std Deviation	N
Predicted Value	164.31147520.000	26345656320	17690676831,1111	2105975947,69264	54
Residual	15131860198400.000	49849270272	0	10972801221,2866	54
Std. Predicted Value	-0,602	4,11	0	1	54
Residual	-1,367	4,5	0	0,991	54

4.3 Analysis of Research Result

The process of implementing preliminary returns in this study can be done by comparing the qualitative data of the interview results that have been conducted. This is explained in the Table 5 which will later be a reference to assess the comparison of the VAT preliminary return process between PMK 209/PMK.03/2021 and the implementation at KPP Pratama Boyolali.

TABLE 5
COMPARISON OF VAT PRELIMINARY RETURN IMPLEMENTATION
PROCESS

No.	PMK 209/PMK.03/2021	Finding at KPP Pratama Boyolali	Conformity	Information
1	WP submits an application to the KPP	WP submits an application to the KPP	Appropriate	It is in accordance with PMK/209/PMK.03/2021
2	Research on formal obligations	Research on formal obligations is carried out	Appropriate	It is in accordance with PMK/209/PMK.03/2021
3	Checking the completeness of documents	Research is carried out on material obligations	Appropriate	It is in accordance with PMK/209/PMK.03/2021
4	Issuance of legal products in the form of SKPPKP	If it is appropriate and all requirements are complete, a legal product is issued, namely SKPPKP	Appropriate	It is in accordance with PMK/209/PMK.03/2021
5	The research process is carried out for one month or during the tax period	The process is carried out for one month	Appropriate	It is in accordance with PMK/209/PMK.03/2021

4.4. Triangulation

This study used data credibility testing with triangulation techniques. This data check was carried out on the same source using the *Whatsapp* application after an interview on August 10, 2023. This check was carried out to inquire again regarding the process of submitting a preliminary return from the Taxpayer to KPP Pratama Boyolali and the process of researching the preliminary return at KPP Pratama Boyolali.

4.5 Normality Test Results

It can be seen that the results of the Kolmogorov-Smirnov test with a Monte Carlo Sig. (2-tailed) significance value of 0,125. The result is greater than 0,05, meaning that the residual data in this regression model is normally distributed and suitable for future analysis

TABLE 6

NORMALITY TEST RESULTS
ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		Unstandardized Residual	
N		54	
Normal Parameter	Mean	0.00000	
	Std. Deviation	36736.433	
		96655	
Most Extrem Differences	Absolutes	,157	
	Postive	,157	
	Negative	-0,78	
Another Statistic		,157	
Asymp. Sig. (2-tailed)		,002c	
Carlo Sig. (2-tailed)	Sig	,125d	
	99% Confidence Interval	Lower Bound	,117
		Upper Bound	,134

5. Hypothesis Test Results

5.1 Anova Results (Test F)

From the Anova test or f test that has been carried out in Table 7, a calculated F value of 1,463 is obtained with a probability of 0,232. With a probability value of 0,232 which is greater than 0,05, the regression equation model based on research data is insignificant and it can be concluded that the linear regression model does not affect the dependent variable. Thus, the VAT Preliminary Return does not affect VAT Receipts at KPP Pratama Boyolali.

TABLE 7
ANOVA TEST RESULTS (TEST F)
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	2012944544,676	1	2012944544,676	1,463	,232b
Residual	71526975770,682	52	1375518764,821		
Total	73539920315,358	53			

5.2 Results of Correlation Coefficient and Coefficient of Determination (Test R)

Based on Table 8 shows a correlation value of R of 0,165 or 16,5%, so it can be concluded that the Preliminary Return of VAT (X) is less to have a strong relationship with Tax Revenue (Y) because it is below 0,50. The R Square value of 0,027 or 2,7% means that the VAT Preliminary Return variable has an influence of 2,7% on the Tax Revenue variable while the other 97,3% is

influenced by other factors outside the Tax Preliminary Return (X) variable.

TABLE 8
TEST R RESULTS
MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0,165a	0,027	0,009	37.087,98680

5.3 Simple Regression Test Results

Based on Table 9 shows a correlation value of R of 0,165 or 16,5%, so it can be concluded that the Preliminary Return of VAT (X) is less to have a strong relationship with Tax Revenue (Y) because it is below 0,50. The R Square value of 0,027 or 2,7% means that the VAT Preliminary Return variable has an influence of 2,7% on the Tax Revenue variable while the other 97,3% is influenced by other factors outside the Tax Preliminary Return (X) variable.

TABLE 9
SIMPLE REGRESSION TEST RESULTS

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
1	(Constant)	124041,983	5919,682		20,954	0,000
	Preliminary Return of VAT	4,61203566	0,000	0,165	1,210	0,232

Procedure for Implementing Preliminary Return of VAT at KPP Pratama Boyolali

The process of implementing the preliminary return of VAT at KPP Pratama Boyolali is in accordance with PMK Number 209/PMK.03/2023 concerning Procedures for Preliminary Return of Excess Tax Payments. The process of implementing the preliminary return of VAT at KPP Pratama Boyolali is as follows:

1. Tax payers apply in the form of a tax return showing overpayment by showing the presence of more age, then choose the preliminary option.
2. After filling out the application, an electronic completeness research will be carried out in accordance with the options chosen by the Taxpayer.
3. After electronic completeness research, formal and material research is carried out in accordance with the period and regulations determined by the Tax Extension Assistant,

4. for the VAT period tax return is automatically considered complete according to regulations.
5. If the formal requirements have been met, then research on material requirements is carried out. After both formal and material requirements are met, the research results are poured into a research report (LHPt) which will later be submitted in stages to the Head of Service Section.
6. After the LHPt is approved by the Head of Service Section, it will be checked again to ensure compliance with the requirements with applicable regulations. The LHPt that has been approved by the Head of the Berunah Services Section becomes the concept of approval of the application for preliminary return.
7. The LHPt that has been checked again will later be submitted in stages to the Head of the KPP Pratama Boyolali Office for re-examination, if it is appropriate, the concept will be approved.
8. After the Head of Office approves the concept, it will be processed according to the application system at SI DGT (DGT Information System).
9. The output of the DGT SI is a memorandum and draft SKPPKP letter, then the SKPPKP concept is submitted in stages to the Head of Service Section then to the Head of Office to ask for signatures and stamps.
10. SKPPKP that has been signed and stamped will then be sent to the Taxpayer by post according to the address of the submitting Taxpayer.

In carrying out the VAT preliminary refund process, KPP Pratama Boyolali uses a research procedure in accordance with the provisions of article 9 paragraph 4(c), namely the Preliminary Return of Low Risk Taxable Entrepreneurs to Overpay Value Added Tax Payers if the formal requirements are met.

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The Effect of Value Added Tax Preliminary Return on Tax Revenue at KPP Pratama Boyolali for 2018-2022

Testing of this hypothesis is carried out through testing the significance of the regression coefficient of the VAT Preliminary Return variable. The magnitude of the VAT Preliminary Return regression coefficient is 4,61 with a significance value of 0,232. From these results, it can be

concluded that the regression coefficient is not significant because $0,232 > 0,05$ which means that the VAT Preliminary Return has no effect on Tax Revenue, so this research hypothesis is not supported.

The coefficient of determination (r^2) is 0,027, meaning that 2,7% of the Tax Revenue variable will be influenced by the independent variable, namely the VAT Preliminary Return. While the remaining 97,3% is influenced by other factors that are not explained in this study such as filing a preliminary return of VAT with a small amount and not every month tax payers file a preliminary return of VAT.

According to the results of the data analysis above, it is known that the variable VAT Preliminary Return has no effect on Tax Revenue at KPP Pratama Boyolali. This research is in accordance with Riftiasari (2019) research conducted by where VAT returns do not affect tax revenue, as well as research conducted by where preliminary returns do not affect tax revenue. However, the results of this study contradict the research conducted by and which explains that tax returns affect tax revenue (Mahfuza dan Marfiana, 2021; Supit, 2014; Anjarwi, 2021).

5. Conclusion

Based on the research that has been done, the results that can be concluded can be drawn, namely:

1. The procedure for implementing the VAT preliminary refund process at KPP Pratama Boyolali is in line with PMK Number 209/PMK.03/2021 concerning Procedures for Returning Excess Tax Payments.
2. The Preliminary Return of VAT has no significant effect on VAT Receipts. Return of VAT Preemption only affects 2,7% of VAT Receipt while the rest is influenced by several other factors.

Further research is expected to add several other variables that should affect the dependent variable in this study. It is expected that KPP Pratama Boyolali uses *WA Blast* regularly for tax payers to update their profiles, especially addresses, mobile phone numbers, emails and so on related to personal data of tax payers and companies so that letters that will later be sent to tax payers can be received according to the recipient.

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