Analysis of Difference Tax Compliance and Acceptance of Tourism Taxes in Bandung City Before and After Covid-19 Pandemic (Case Study at Bandung Cibeunying Primary Tax Office)

Rijal Rismawan*, Maya Friska Br Tarigan, Maitri Br Sitepu, Citra Pamela Ambarsari, Dini Arwati
Department of Economics, Widyatama University, Bandung, Indonesia
*rizalrimawan08@gmail.com

ABSTRACT

Compliance in taxation is a condition where the taxpayer fulfills all tax obligations and exercises his taxation rights. Taxpayer compliance can be influenced by several factors, such as understanding tax regulations and taxpayer awareness to carry out their obligations, both before and after Covid-19. The purpose of this research is to find out how taxpayer compliance and tourism tax revenue before and after the Covid-19 pandemic. The research method used is descriptive and verification methods with a quantitative approach. This study conducted questionnaires with purposive sampling technique. The results showed that descriptively the taxpayer compliance before Covid-19 was high, on the other hand, taxpayer compliance after Covid-19 was less. The tourism tax revenue has decreased between before Covid-19 and after Covid-19. Meanwhile, the verification There is a significant difference between taxpayer compliance and tourism tax revenue before and after the Covid-19 pandemic which is obtained from hypothesis testing. This is an impact of the spread of Covid-19 which has an impact on decreasing turnover of entertainment venues, hotels and restaurants in Bandung.

Keywords

Taxpayer compliance, tax receipts

Introduction

Taxes are a source of income for the state which functions to finance governance and development which is used maximally for the prosperity of the people. The government realizes the importance of state revenue from the tax sector, so the government always tries to increase tax revenue every year. This is done as a form of implementation of national development (Sari, 2015).

At the beginning of March, there was a 2020 corona virus outbreak called the Covid-19 pandemic. Indonesia's economic growth is even predicted to only reach 2.3% throughout 2020. State revenues will also contract by up to 10%.

Year	Month	Tax Revenue Target (in Trillion Rupiah)	Realization up to May 31 (in Trillion Rupiah)	APBN revenue (%)	Growth (%)
2019	March	1786.4	810.6	15.6%	6.2%
	April	1577.6	388.7	24.6%	1.5%
	May	1546.1	538.7	35.5%	14.5%
2020	March	1865,7	279.9	15.0%	0.4%
	April	1254.1	376.7	30.0%	3.1%
	May	1462.7	526.2	36.0%	7.9%

Revenue from the taxation sector is the dominant support for state revenue. Based on the table above, it can be concluded that the Covid-19 pandemic has spread into an economic crisis in Indonesia. When viewed from a growth perspective, tax revenues have fluctuated, which tends to decline. In addition,

the realization of tax revenue is also below the 50% target of the second quarter of 2020.

Of the various economic sectors, one of the sectors experiencing significant negative impacts is tourism. The tourism sector has experienced a

decline due to PSBB (Large-Scale Social Restrictions) or social distancing. According to Perda No.2 of 2011 Article 2 which regulates the scope of regional taxes including the tourism sector, there are three scopes of tourism tax, namely entertainment tax, hotel tax and restaurant tax (Masetya, 2020). Chairman of the Association of Indonesian Hotels and Restaurants (PHRI), Hariyadi Sukamdani, explained that the impact of the Covid-19 virus pandemic on the hotel sector, restaurants and other sectors related to tourism suffered a total loss of IDR 85.7 trillion. (Source: https://tempo.co, 14 July 2020). In addition, in 2020 during the Covid-19 pandemic,

The tourism sector is one of the sectors that has the smallest contribution when compared to other business sectors. The cause of this reduction in foreign exchange is none other than the prohibition of tourist flights to Indonesia to prevent the spread of the Covid-19 virus in Indonesia (https://databoks.com 2020). In fact, one of the major sources of state tax revenue is the tourism sector, it is even one of the largest foreign exchange earners for the country.

Literature Review

Taxpayer Compliance

Taxpayer compliance means the ability and willingness of taxpayers to comply with tax regulations, report income, and pay taxes correctly and on time in accordance with the provisions and regulations of the applicable laws. Safri Nurmanto in Siti Kurnia Rahayu (2016) states that tax compliance can be defined as a condition in which the taxpayer fulfills all tax obligations and exercises his taxation rights.

According to Rahayu (2010), taxpayer compliance is divided into formal compliance and material compliance. Formal compliance is a condition where the taxpayer fulfills its obligations formally in accordance with the provisions of the Taxation Law. Meanwhile, material compliance is a condition in which the taxpayer substantively fulfills all the material tax provisions, namely in accordance with the content and spirit of the Taxation Law.

Tax Revenue

The state in carrying out routine tasks and development costs money. These costs, among others, are obtained from tax revenue. According to John Hutagaol (2007) explains that tax revenue is a source of revenue that can be obtained continuously and can be developed optimally according to government needs and community conditions.

In supporting a country's tax revenue, awareness of all levels of society is needed on the importance of taxes for the life of the nation and state. Tax collection is the government's effort to guarantee the availability of funds for state development. The achievement of maximum tax revenue is not by collecting the largest possible tax to the people, but by optimizing the number of taxable subjects and objects so that nothing is overlooked.

Research Framework and Hypotheses

Local governments are responsible for carrying out development and services to the community in their regions. To realize its duties, one of the sources of finance is local taxes. Various clear rules and regulations in taxation are very important for the public to know and understand, so that people become familiar with tax regulations and at the same time understand what will happen if they do not comply with their tax obligations.

At the beginning of March, there was a 2020 corona virus outbreak called the Covid-19 pandemic. The Covid-19 pandemic caused losses to various economic sectors in Indonesia. One of the sectors that experienced a significant negative impact is tourism, because the tourism sector has experienced a decline due to PSBB (Large-Scale Social Restrictions) or social distancing. The Covid-19 pandemic has spread into an economic crisis in Indonesia, as a result of which tax revenue has decreased. The decline in revenue was mainly from the taxation sector as a support for the dominant state revenue. The drop in tax revenue was due to

the business world experiencing pressure due to Covid-19 so that it was unable to carry out its obligations.

Hypothesis 1: There are significant differences in tourism taxpayer compliance before and after Covid-19

Hypothesis 2: There is a significant difference in tourism tax revenue before and after Covid-19

Methodology

Types and Sources of Research Data

The type of research conducted in this study, namely using descriptive and verification methods with a quantitative approach. The descriptive method is intended to find out and study how the development of taxpayer compliance and tourism tax revenue before and after the Covid-19 pandemic. While the verification method is used to find out and examine how differences in the development of taxpayer compliance and tourism tax revenue before and after the Covid-19 pandemic. Sources of research data using primary and secondary data. Primary data is obtained directly from the results of distributing questionnaires to taxpayers at KPP Pratama Bandung Cibeunying. The secondary data were obtained from the data processing and Annual Notification Letter reports at KPP Pratama Bandung Cibeunying.

Population and Sample Research

The population in this study is the taxpayer of the tourism sector in the city of Bandung which consists of entertainment tax, hotel tax and restaurant tax which are registered at KPP Pratama Bandung Cibeunying. The sampling technique used was purposive sampling method with the following criteria: (1) The object is a tourism sector taxpayer registered at KPP Pratama Bandung Cibeunying. (2) The object of reporting the Annual Tax Return for the last 1 year regularly starts from March 2019 - July 2020. (3) Entertainment places, hotels, and restaurants have been established for at least the last 2 years and their tax operations are still active at the time of the current year.

Based on the above criteria, the number of samples determined was 30 respondents. The sample consisted of owners or managers, finance and tax staff, and other staff at entertainment venues, hotels and restaurants with 10 respondents each.

Taxpayer	Number of Respondents
Entertainment area	10
Hotel	10
Restaurant	10
Total Population	30

Operationalization of Variables

The operational variables used in the study are as follows:

Variable Name	Variable Definitions	Indicator	Scale
Taxpayer Compliance	A condition where the taxpayer fulfills all tax obligations and exercises his taxation rights	1. Formal Compliance	Ordinal
		2. Material Compliance	Ordinal
	Siti Kurnia Rahayu (2016)		
Tax revenue	A source of revenue that can be obtained continuously and can be developed optimally according to the needs of the government and the conditions of the community	1. Payment of entertainment, hotel and restaurant taxes for the period March to May 2019 (before the Covid-19 pandemic)	Nominal
		2. Payment of entertainment, hotel and restaurant taxes for the period March	Nominal

John Hutagaol (2007)

Data Analysis Method

Classic Assumption Testing

This test is done for test the error of the model used in the study used to predict. According to Santoso (2012), a good model is a model with minimal forecast errors. Therefore. Therefore, before testing the hypothesis, the classical assumption must first be tested. The classical assumption test used in this study is only the normality test.

Hypothesis Testing (Different Test)

Hypothesis testing in this study is determined based on the results of the data normality test. If the data is normally distributed, a parametric test or Paired Sample t-Test is used. Meanwhile, if the data is not normally distributed, a non-parametric test is used, namely the Wilcoxon Signed Rank Test. The two

to May 2020 (after the Covid-19 pandemic)

different test models are used to analyze the pre-post or before and after research models. Different tests are used to evaluate certain treatments in the same sample at two different observation periods (Pramana, 2012).

Paired sample t-Test used to test the difference between two paired samples. Paired samples are defined as a sample with the same subject, but undergo two different treatments in the situation before and after the process. The basis for decision making on the paired sample t-test is that if the probability (Asymp. Sig) <0.05, it is stated that there is a significant difference between before and after the observation process.

Results and Analysis

Research Results

No.	Indicators / Statements	Before the Covid-19 Pandemic		After the Covid-19 Pandemic	
	Formal Compliance	Score	Average Score	Score	Average Score
1	Taxpayers submit their SPT on time before March 31.	96	3.20	87	2.90
2	Taxpayers pay taxes on time before the due date.	114	3.80	81	2.70
3	Taxpayers report tax payments in accordance with the provisions of the tax law.	109	3.63	98	3.27
	Average of Formal Compliance		3.54		2.96
	Material Compliance	Score	Average Score	Score	Average Score
1	Taxpayers submit annual SPT with due observance of the true truth of the contents and essence of the SPT.	95	3.17	115	3.83
2	Taxpayers pay taxes according to the tax rates imposed.	113	3.77	88	2.93
3	Taxpayers report tax payments in accordance with the tax material provisions.	120	4.00	101	3.37
	Average Material Compliance		3.64		3.38
	Total Average		3.59		3.17

Based on a questionnaire distributed to 30 respondents consisting of owners, managers, and finance and tax staff at entertainment venues, hotels and restaurants, information was obtained that

respondents' responses regarding taxpayer compliance before the Covid-19 pandemic were in the high category with an average 3.59, because it is in the interval 3.40 - 4.19. While the responses of

respondents regarding taxpayer compliance after the Covid-19 pandemic were in the less category with an average of 3.17, because they were in the interval 2.60 - 3.39.

This is the impact of the spread of Covid-19 which has an impact on the decline in turnover of entertainment venues, hotels and restaurants in Bandung. As a result, taxpayers do not submit their SPT on time before March 31, do not pay taxes on time before the due date, do not report tax payments in accordance with the provisions of the taxation law, do not pay taxes according to the tax rate imposed, and do not report tax payments in accordance with the provisions of taxation material.

Taxpayer	Entertainment Tax Receipts	
	Before the Covid-19 Pandemic March to May 2019	After the Covid-19 Pandemic March to May 2020
WP 1	IDR 33,732,150	Rp9,270,500
WP 2	Rp27,616,296	Rp7,175,290
WP 3	Rp32,195,410	Rp8,766,526
WP 4	Rp.30,827,115	Rp8,982,569
WP 5	Rp29,466,184	Rp7,216,734
WP 6	Rp33,677,847	Rp13,738,111
WP 7	Rp35,408,200	Rp11,847,510
WP 8	Rp25,936,774	Rp3,890,783
WP 9	Rp41,155,378	IDR 17,267,500
WP 10	Rp39,134,276	Rp12,469,786
Total	IDR 329,149,630	Rp100,625,309
Average	Rp32,914,963	Rp10,062,531

Based on the table above, it can be seen that there has been a decrease between the entertainment tax revenue of Bandung City before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020). This is because the Bandung City Government limits the activities of entertainment venues, considering that in April 2020 Bandung entered the red zone for the spread of Covid-19. This regulation has a big impact on business actors, especially in nightclubs, such as the imposition of a curfew so that the Covid-19 condition does not worsen.

Taxpayer	Hotel Tax Receipts	
	Before the Covid-19 Pandemic March to May 2019	After the Covid-19 Pandemic March to May 2020
WP 1	Rp76,250,290	IDR 35,775,000
WP 2	Rp64,128,473	Rp25,402,642
WP 3	Rp55,628,763	IDR 39,193,700
WP 4	Rp60,619,275	Rp.30,159,976
WP 5	Rp42,187,496	IDR 20,241,502
WP 6	Rp56,860,567	Rp33,628,821
WP 7	Rp70,568,330	Rp25,100,381
WP 8	Rp73,983,651	Rp31,476,241
WP 9	Rp70,396,082	IDR 37,456,700
WP 10	Rp.49,172,260	Rp27,173,600
Total	Rp619,795,187	Rp305,608,563
Average	Rp61,979,519	IDR 30,560,856

Based on the table above, it can be seen that there has been a decrease between Bandung City hotel tax revenues before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020). This is because the Bandung City Government is anticipating the impact of the spread of Covid-19, one of which is the hotel and restaurant tax exemption for 6 months starting April 2020. This regulation is a stimulus for the decline in tourism and the closure of most tourist destinations in Bandung.

Taxpayer	Restaurant Tax Receipts	
	Before the Covid-19 Pandemic March to May 2019	**After the Covid-19 Pandemic March to May 2020**
WP 1	Rp. 91,890,427	Rp48,560,089
WP 2	Rp82,551,073	Rp51,789,265
WP 3	Rp85,009,331	Rp47,200,761
WP 4	Rp90,137,285	Rp45,378,235
WP 5	IDR 79,726,900	IDR 38,889,000
WP 6	Rp89,317,218	Rp54,125,378
WP 7	Rp. 91,345,600	Rp52,386,126
WP 8	Rp75,195,304	Rp46,226,749
WP 9	Rp77,755,290	Rp39,476,500
WP 10	Rp73,116,542	Rp50,718,290
Total	Rp836,044,970	Rp474,750,393
Average	Rp83,604,497	Rp47,475,039

Based on the table above, it can be seen that there has been a decrease between Bandung City restaurant tax revenue before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020). This is because the Covid-19 pandemic has closed most restaurants and restaurants to prevent transmission. As a result, business actors experience a decrease in turnover which also causes reduced regional revenue from the tax sector. However, there are also several restaurants that remain open throughout April and May 2020, such as fast food restaurants that apply strict health protocols and do not allow the dine-in system.

Classical Assumption Test Results

Taxpayer Compliance	Sig.	Decision
Before the Covid-19 Pandemic	0,700	Normal Distribution
After the Covid-19 Pandemic	0.560	Normal Distribution

Normality test results obtained a significance level of the research variables of 0.700 and 0.560. These results prove that the analyzed data is normally distributed because the significance level is greater than 0.05.

Hypothesis Testing Results

Because the results of the normality test of the research sample were stated to be normally distributed, the Paired Sample t-Test was used to test the hypothesis.

Taxpayer Compliance	Mean	Correlation	Sig.	Sig. (2-tailed)
Before the Covid-19 Pandemic	4,514	0.427	0,000	0,000
After the Covid-19 Pandemic	3,285			

Based on the table above, the mean value of taxpayer compliance before Covid-19 is greater than the mean value of taxpayer compliance after Covid-19, it means that descriptively there is a difference in the mean value between the pre-test and post-test results. Furthermore, the correlation value of taxpayer compliance before Covid-19 and after Covid-19 is also obtained, namely 0.427 with a significance value of 0.000. Due to the sig.

<0.05, it can be said that there is a relationship between taxpayer compliance before Covid-19 and after Covid-19. The sig value. (2-tailed) taxpayer compliance before Covid-19 and after Covid-19, namely 0,000. Due to the sig. <0.05, it can be said that there is a significant difference in taxpayer compliance before and after Covid-19. This means that H0 is rejected and H1 is accepted.

Tax Revenue	Mean	Correlation	Sig.	Sig. (2-tailed)
Before the Covid-19 Pandemic	12,830	0.366	0.017	0,000
After the Covid-19 Pandemic	7,153			

Based on the table above, the mean value of tax revenue before Covid-19 is greater than the mean value of tax revenue after Covid-19, so it means that descriptively there is a difference in the mean value between the pre-test and post-test results. Furthermore, we also obtained the correlation value of tax revenues before Covid-19 and after Covid-19, namely 0.366 with a significance value of 0.000. Due to the sig. <0.05, it can be said that there is a relationship between tax revenue before Covid-19 and after Covid-19. The sig value. (2-tailed) tax revenue before Covid-19 and after Covid-19, namely 0,000. Due to the sig. <0.05, it can be said that there is a significant difference in tax revenue before and after Covid-19. This means that H0 is rejected and H2 is accepted.

Discussion

Tourism Taxpayer Compliance Before and After the Covid-19 Pandemic

Based on a questionnaire distributed to 30 tourism taxpayers, taxpayer compliance before the Covid-19 pandemic is in the high category. While taxpayer compliance after the Covid-19

pandemic is in the poor category. This condition indicates that when formal compliance before the Covid-19 pandemic was high, material compliance would be high too. This is what caused taxpayers before the Covid-19 pandemic to be classified as obedient. Conversely, when formal compliance after the Covid-19 pandemic is lacking, material compliance will be less. This is what causes taxpayers after the Covid-19 pandemic to be classified as less compliant.

Tourism Tax Revenues Before and After the Covid-19 Pandemic

Based on tax revenue data, the results show that the total and average entertainment tax revenue for Bandung City before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020) decreased by 30%. This is because the Bandung City Government limits the activities of entertainment venues, considering that in April 2020 Bandung entered the red zone for the spread of Covid-19. This regulation has a large enough impact on business actors,

especially in nightclubs, such as the imposition of a curfew so that Covid-19 conditions do not get worse.

Meanwhile, the total and average hotel tax revenue for Bandung City before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020) decreased by 49%. This is because the Bandung City Government is anticipating the impact of the spread of Covid-19, one of which is the hotel and restaurant tax exemption for 6 months starting April 2020. This regulation is a stimulus for the decline in tourism and the closure of most tourist destinations in Bandung.

The total and average restaurant tax revenue for Bandung City before the Covid-19 pandemic (March to May 2019) and after the Covid-19 pandemic (March to May 2020) decreased to reach 56%. This is because the Covid-19 pandemic has closed most restaurants and restaurants to prevent transmission. As a result, business actors experience a decrease in turnover which also causes reduced regional revenue from the tax sector. However, there are also several restaurants that remain open throughout April and May 2020, such as fast food restaurants that apply strict health protocols and do not allow the dine-in system.

Difference between Taxpayer Compliance and Tourism Tax Revenue Before and After the Covid-19 Pandemic

Based on the results of the Paired Sample t-Test, it was obtained The mean value of taxpayer compliance before Covid-19 is greater than the mean value of taxpayer compliance after Covid-19, meaning that descriptively there is a difference in the mean value between the pre-test and post-test results. Based on hypothesis testing, the sig value is obtained. (2-tailed) taxpayer compliance before Covid-19 and after Covid-19 that is smaller than 0.05. So it can be said that there are significant differences in taxpayer compliance before and after Covid-19. This means that H0 is rejected and H1 is accepted.

Based on the test results Paired Sample t-Test, obtained anyway The mean value of tax revenue before Covid-19 is greater than the mean value of tax revenue after Covid-19, meaning that descriptively there is a difference in the mean value between the pre-test and post-test results. Based on hypothesis testing, the sig value is obtained. (2-tailed) tax revenue before Covid-19 and after Covid-19 which was less than 0.05. Then it can be said that there is a significant difference in tax revenue before and after Covid-19. This means that H0 is rejected and H2 is accepted.

The results of this study are in line with research conducted by Ardita Nurul Inayah (2016), Tri Langgeng Suryadi and Anang Subardjo (2019) who state that low taxpayer compliance will result in tax revenue is reduced, because the tax sector is the dominant support for state revenue.

Conclusion

Conclusion

Generally, there is a significant difference between tourism taxpayer compliance before and after the Covid-19 pandemic obtained from hypothesis testing using the Paired Sample t-Test. This is the impact of the spread of Covid-19 which has an impact on the decline in turnover of entertainment venues, hotels and restaurants in Bandung.

Besides that, there is also a significant difference between tourism tax revenue before and after the Covid-19 pandemic obtained from hypothesis testing using the Paired Sample t-Test. This is because the Bandung City Government limits the activities of entertainment venues, applies hotel and restaurant tax exemptions for 6 months starting April 2020, and closes most restaurants and restaurants in order to prevent transmission so that business actors experience a decrease in turnover which also causes reduced regional revenue. from the tax sector.

Suggestions

In this study, the researcher has the limitation that the sample size uses only 30 tourism taxpayers to identify taxpayer compliance. Thus, researchers suggest that future studies use a wider sample of research and a different tax sector, so that observations will be more accurate.

Next, it is hoped that agencies, especially related managerial parties, can solve the problems that occur, namely regarding the lack of taxpayer compliance and the low tax revenue in the tourism sector in Bandung City in the midst of the Covid-19 pandemic conditions.

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