THE EFFECT OF TAX EXTENSIFICATION AND INTENSIFICATION ON INCOME TAX REVENUE
(Case Study On Tax Office Pratama Majalaya)

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ABSTRACT

This research was conducted at Tax Office Primary Majalaya. The phenomenon that occurs extensification of taxes is not running optimally and still the low knowledge of taxpayers on the rights and obligations to pay taxes that cause income tax revenue is not in accordance with its potential. This study aims to determine how much influence Tax Extensification and Intensification of Taxes on Income Tax Income.

The method used in this research is descriptive and verifikatif method. Descriptive method used to know tax extensification variables, tax intensification, and income tax revenue. The verification method is used to determine the relationship between tax extensification and tax intensification on income tax revenue. To find out how big the effect of tax extensification and tax intensification to income tax revenue, this research use statistical test. The statistical test used in this research is regression analysis, correlation coefficient, coefficient of determination, hypothesis test using SPSS 21 software.

The results of this study indicate that tax extensification and tax intensification have a moderate relationship to income tax revenue. Tax extensification has a significant effect on income tax revenue, as well as tax intensification has a significant effect on income tax revenue in Primary Tax Office Majalaya.

Keywords: tax extensification, tax intensification, income tax revenue.

I. INTRODUCTION

1.1 Background Researach

The phenomenon occurring in KPP Pratama Majalaya related Tax Exclusion is the tax extensification activity is not running optimally (Ayi Sidiq, 2017).

The phenomenon that occurred in KPP Pratama Majalaya among others related to Tax Intensification is still the low knowledge of taxpayers on the rights and obligations to pay taxes that cause taxpayers less know the function of tax for what and how to report income tax to the tax office correctly (Ayi Sidiq, 2017).

1.2 Identification Of Research Problems

Based on the background of the research that has been described above, the problem identifies are:

1) Application of Tax Extensification has not been optimally well in KPP Pratama Majalaya.
2) Implementation of Tax Intensification has not been optimally well on KPP Pratama Majalaya.
3) The achievement of Income Tax has not been optimal in KPP Pratama Majalaya.

1.3 Problem Research Formulation

Based on the background and identification of the problem, thenn the problem can be formulated as follows :

1) How Big The Effect Of Tax Extensification To Income Tax Revenue.

2) How Big The Effect Of Tax Intensification To Income Tax Revenue.

1.4 Purpose And Research Objectives

1.4.1 Research Purposes

The purpose of this study is to collect file and examine the extent of the effect to tax extensification and tax intensification of income tax revenue.

1.4.2 Research Objectives

Based on Problem identification and problem formulation above, the purpose of this research is as follows :

1) To find out how big the effect of tax extensification to income tax revenue.
2) To find out how big the effect of tax intensification to income tax revenue.

1.5 Usefulness Research

1.5.1 Practical Usefulness

The results of this study are expected to provide solutions and problem solving related to the Effect of Tax Extensification, Tax Intensification to Income Tax Revenue.

1.5.2 Academic Uses

The results of this study are used as the development of science through studies and concepts that are expected to re-prove the theories of previous research on the effect of tax extensification and tax intensification on income tax revenue.

II. REVIEW OF LITERATURE, FRAMEWORK FOR THINKING AND HYPOTHESES

2.1 Literature Review

2.1.1 Tax Extensification

2.1.1.1 Tax Extensification Definitions

Tax Extensification is a policy in the field of taxation that is shown to increase the acceptance of the settlement through the increasing of tax subject and the expansion of tax object, the policy is implemented together and integrated in order to increase tax revenue (Marisa and Agus, 2013: 124)

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2.1.1.2 Tax Extensification Indicators

According to Timbul H. Simanjuntak and Imam Mukhlis (2012: 28) indicators of tax extensification is the addition of the number of taxpayers who register as new taxpayers, the more taxpayers netted in this extensification activities will certainly affect the income tax revenue.

2.1.2 Tax Intensificationi

2.1.2.1 Tax Intensification Definitions

Tax Intensification According to the Circular Letter of the Directorate General of Taxation Number SE-06 / PJ.9 / 2001 are:

"The activities of optimizing the excavation of tax revenues on tax subjects as well as those registered or registered in the administration of the Directorate General of Tax".

2.1.2.2 Tax Intensification Indicators

As for the indicator of tax intensification according to Marisa and Agus (2013: 127) is the number of tax subjects that have been recorded.

2.1.3 Income Tax Revenue

2.1.3.1 Income Tax Revenue Definitions

Tax Receipts by Gunadi (2013: 2) state that:

"Tax imposed on the subject of tax on income received or accrued within one tax year".

2.1.3.2 Income Tax Revenue Indicatiors

According to Siti Official (2011: 74) income tax revenue indicators: the realization of income tax revenue .

2.2 Framework for Thinking

2.2.1 The Effect of Tax Extensification on Income Tax Revenue

Efforts to increase tax revenue by increasing the number of taxpayers who have not registered or increase the number of new tax types, so if the tax extension step is done and taxpayers increase of tax revenue would be optimal and increased (Timbul Hamonangan S and Imam Mukhlis, 2012: 28).

2.2.2 The Effect of Tax Intensification on Income Tax Revenue

Timbul H Simanjuntak (2012: 28) states that in contrast to the fixed tax rate in accordance with the law, extensification and intensification efforts are more policy that can be adjusted at any time. If this step is done efficiently, the income tax revenue will be optimal.

2.3 Research Hypothesis

Hypothesis is a temporary answer to the formulation of research problems in

which the formulation of research problems has been expressed in the form of statement sentence (Sugiyono, 2016: 84).

Based on the above framework, the hypothesis in this study are:

H1: Tax Extensification of Income Tax.

H2: Tax Intensification of Income Tax Receipts.

III. RESEARCH METHODS

3.1 Research Methods

The method used in this research is descriptive research method and verifikatif with quantitative approach, used to test how much influence of tax extensification and tax intensification to income tax revenue.

3.1 Operationalization of Variables

To test the proposed hypothesis, the variables to be studied need to be limited as follows:

1) Variable Independent / Independent Variable
   In this study the free variable (X) is divided into two namely:
   X1: Tax Extensification
   X2: Tax Intensification
2) Variable Bound / Dependent Variable
   In this study the dependent variable (Y) is Income Tax Income.

3.2 Data Source

According to Ari Kunto (2013: 129) data source is a source of data that directly provide data to data collectors, the data used in this study quantitative data, namely in the form of numbers that indicate the value of the variable representing it. Source of data used in this research is secondary data source obtained in the form of data year 2011-2015.

3.3 Population, Sample, Place and Time of Study

3.3.1 Population

The population of this study is 5-year data data of tax extensification, tax intensification and tax revenue in Primary Tax Office Majalaya period 2011-2015.

3.3.2 Sample

The sample is part of the number and characteristics possessed by the study population. as proposed by Sugiyono (2011: 81) The sample is part of the number and characteristics possessed by the population.

Determination of the number of samples to be processed from the population should be done with the appropriate sampling technique.

Determination of sampling by using saturated sampling (Census) is to use a sampling technique when all members of the population are used as a sample (Ninit Alfianika, 2016: 108). This is often done when the population is relatively small, less than 30 people, or research that wants to make generalizations with a very small error.

3.3.3 Place dan Time of Study

To obtain data and information relating to the problems studied, the authors conduct research in Tax Pratama Majalaya Office is located at Jl. Map No.7, Likes Asih, Bojongloa Kaler, Bandung City West Java 40231.

The time of the research began in October 2017 until February 2018.

3.4 Method of Testing

3.4.1 Classic Assumption Test

1) Normality Test

According to Budi Purbayu S and Ashari, (2005: 12) before the statistical test, before the need to know whether the samples used normal distribution or not. Normality test aims to test whether in the regression model of the dependent variable and the independent variable both have a normal distribution or not. Distribution of normal or near normal data can be called a valid regression model. The normal data has a bell-like shape. Analyzer used in this research is Kolmogorov-Smirnov test with Lilliefors correction.

2) Multicolinearity Test

Multicollinearity test aims to test whether a regression model there is a correlation between independent variables (independent). Multicollinearity test is seen from VIF (Variance Inflation Factor) and Tolerance. Tolerance measures the variability of selected independent variables that are not explained by other independent variables. According to (Ghozali, 2011: 106) the low tolerance value is equal to the value of VIF = 1 / Tolerance. Common cut off values used to indicate the presence of

multicolinearity are Tolerance values <0.10 or equal to VIF value> 10.

3) Heteroscedasticity Test

Singgih Santoso (2012: 238) mentions heteroskedastisitas test that aims to test whether in the regression model occurs inequality variant from residual one observation to other observations. This unequal symptom of variance is called heteroscedasticity, whereas homoscedasticity is when there is the same residual from one observation to another. A regression model is said to be good if there is no heteroscedasticity.

4) Autocorrelation Test

This test is used to find out whether in a linear regression model there is a correlation between the confounding error in period t with error in period t-1 (Singgih Santoso, 2012: 241). The most commonly used test method is the Durbin Watson (DW) test to detect the autocorrelation test.

3.4.2 Analysis Method

3.4.2.1 Multiple Linear Regression Analysis

According to Sugiyono (2011: 275) Multiple Linear Regression Analysis is to predict how changes in the value of dependent variables when the value of independent variables increased or lowered, in this study multiple linear regression analysis used to prove the extent of extensification tax relationship and tax intensification of income tax revenue.

3.4.2.2 Analysis Correlation

Correlation analysis aims to show the direction of the relationship between the dependent variable with the independent variable and also measure the strength of linear relationship between two variables, the correlation also does not show the functional relationship, in other words correlation analysis does not distinguish between the dependent variable with independent variable.

3.4.2.3 Coefficient of Determination

Coefficient of Determination aims to measure how far the ability of the model can explain the variation of the dependent variable.

3.4.3 Hypothesis Testing

Hypothesis testing is the determination of significant levels and conclusions. The hypothesis to be used in this research is related to the presence or absence of the influence of independent variables on dependent variable, hypothesis (Ho) shows no significant influence whereas alternative hypothesis or (Ha) that shows the influence between independent variables and dependent variable.

Hypothesis testing in this study to test whether or not the influence between independent variables namely tax intensification (X_1) tax intensification (X_2) to income tax revenue as the dependent variable (Y).

IV. RESEARCH RESULT AND DISCUSSION

4.1 Research Results

4.1.1 Results of Descriptive Analysis

4.1.1.1 Descriptive Tax Extensification

Tax extension on KPP Pratama Majalaya 2011-2015 fluctuates every year. In 2013 there was the highest increase of 21,283 taxpayers, while the highest decrease in the year 2015 amounted to 13,354 taxpayers the highest decrease is due to extensification activities are not running optimally.

4.1.1.2 Descriptive Tax Intensification

Tax Intensification Tax Office Primary Majalaya 2011-2015 has increased in each year. However, in each month experiencing fluctuations, the increase is due to not escape from the continuous extensification activities conducted by kpp Majalaya in an effort to add new taxpayers, decreased due to lack of knowledge of taxpayers on the rights and obligations to pay taxes this is due to lack of socialization or counseling and data collection by kpp majalaya.

4.1.1.3 Descriptive Income Tax Revenue

Acceptance of income tax of Primary Tax Office Majalaya 2011-2015 has increased in every year. However, in each month experiencing fluctuations, the increase is due to the increasing tax subject on earned income, decreased due to the level of compliance taxpayer bodies and individuals in paying very low taxes, it is because the weak law enforcement is a major factor causing taxpayer compliance level in paying taxes.

4.1.2 Results of Verifikatif Analysis

4.1.2.1 Classic Assumption Test

1) Normality Test

The regression model can be assumed to be normal if the graph indicates that the data or (dots) spread around the diagonal line and follows the direction of the diagonal line, the graph in this study confirms that the regression model obtained is normally distributed, where the data distribution is around the diagonal line.

2) Mulsticollinearity Test

From the result of output VIF count of both variable that is equal to 1,283 less than 10 hence can be concluded there is not multicollinearity among tax extensification variable and intensification of tax.

3) Heteroscedasticity Test

It appears that the dots spread randomly and spread both above and below the number 0 on the Y axis. It can be concluded that there is no heteroskedasitas in the regression model, because there is no clear pattern and spots that spread above and below the number zero on the Y axis, so the regression model is feasible to use.

4) Autocorrelation Test

Durbin-Watson value of 1.142 Since the DW value is between -2 and +2 or -2 <1.142 <+2, it can be concluded there is no autocorrelation. Based on all test results that have been done above, then concluded data in this study did not get violation of regression assumption.

4.1.2.2 Multiple Linear Regression Test

The regression coefficient of variable extensification tax (X1) is 5,377E6; meaning that if other independent variables are fixed and extensification tax increases 1%, then income tax revenue (Y) will experience an increase of 5.377E6. Coefficient on positive tax extensification means positive relationship between tax extensification with income tax revenue, so the higher the tax extensification then the income tax revenue will be higher.

The regression coefficient of tax intensification (X2) is 872646,414; maksaudnya that if other independent variables fixed value and tax intensification increased by 1%, then income tax revenue (Y) will experience an increase of 872646,414. Coefficient on the positive tax intensification means there is a positive relationship between tax intensification with income tax revenue, so the higher the tax intensification income tax revenue will be higher.

4.1.2.3 Hypothesis Testing

a) Partial Hypothesis Testing Tax Extensification To Income Tax Revenue

In this study there is a significant influence between tax extensification on the dependent variable that is income tax revenue.

b) Partial Hypothesis Testing Tax Intensification To Income Tax Revenue

In this study there is a significant influence between tax intensification on the dependent variable is income tax revenue.

4.2 Discussion

4.2.1 The Effect Of Tax Extensification To Income Tax Revenue

The phenomenon that occurs in the tax extensification is the addition of the taxpayer at the Tax Office Pratama Majalaya experienced a decrease due to extensification activities do not run optimally then income tax revenue can not exceed the target set previously.

Based on the results of research in the field of Tax Extensification (X1) has an effect of 17.98% on income tax revenue while the rest of 82.02% influenced by other factors not examined in this study such as tax audit, taxpayer compliance, Self Assessment System and others. other. Tax Extensification Relation to Tax Receipts shows a moderate and positive relationship, meaning that if more and more Tax Extensification, it will affect the Tax Receipts.

And supported by the results of previous research Verginia (2013) that the tax extensification there is a significant influence on income tax revenue. And according to research Wella Adrianti (2012) also states that tax extensification affects income tax rate.

4.2.2 The Effect Of Tax Intensification To Income Tax Revenue

The phenomenon that occurs in the tax intensification of Tax Office Primary Majalaya managed to capture the tax subject from 2011 to 2015 but in each year is not achieved target number of tax

subjects that have been recorded in the Tax Office Pratama Majalaya so that income tax revenue is not in accordance with its potential.

Based on the results of research in the field of Tax Intensification (X2) has an effect on 30.91% of income tax revenue while the rest of 69.09% influenced by other factors not examined in this study such as tax rates, taxpayer awareness, non-taxable income and others -other. Tax Extensification Relation to Tax Receipts shows a moderate and positive relationship, meaning that if more and more Tax Intensification, it will affect the Tax Receipts.

And supported by the results of previous research Verginia (2013) that the intensification of tax there is a significant influence on income tax revenue. Meanwhile, according to Amby Putra Christover and Sintje Rondonuwu (2016) states that the tax intensification has a significant effect on tax revenue.

V. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

1. Tax extension affects income tax revenue in KPP Pratama Majalaya. With medium correlation category, which means if the tax extensification increases then income tax revenue will rise.
2. Intensification of tax affects income tax revenue at KPP Pratama Majalaya. Degan category of moderate correlation, which means if the tax intensification increases then income tax revenue will rise.

5.1 Recommendations

a. Practical Tips :

After the authors give conclusions from the results of research on the effect of Tax Extensification and Tax Intensification of Income Tax Income, the authors will provide some suggestions as follows:

1) Parties Tax Office Primary Majalaya should continue to extend the tax activities by digging the potential taxpayers who have not confirmed and do data collection taxpayer in the working area Tax Office Primary Majalaya income tax revenue obtained can exceed the target set previously .
2) Tax Office Primary Majalaya should increase tax intensification activities, one of them by way of holding more tax socialization in some areas in the Majalaya region. With the intensification of tax intensification through extension services, all taxpayers, especially new tax payers of extensification that do not understand can understand the tax administration system so as to give awareness to the taxpayer in order to perform their tax obligations in accordance with the applicable provisions.

b. Academic Suggestions

The results of this study are expected to increase knowledge insight and understanding of the influence of Tax Extensification and Tax Intensification Against Income Tax Income, as well as input and additional references for readers.

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