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by Nur Sayidah

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*Corresponding author: Nur Sayidah, Faculty of Economics and Business, Dr. Soetomo University, Surabaya, Indonesia
E-mail: sayidah36@gmail.com

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Tax amnesty from the perspective of tax official

Nur Sayidah[1]* and Aminullah Assagaf[1]

Abstract: This article aims to analyze the views on tax amnesty from various parties, namely state officials, tax officials, taxpayers, and tax consultants. Their views are explored through qualitative research methods. The selected informants included four tax officials, two taxpayers, tax consultants, and state officials. State officials who are the source of the data are the President, Ministry of Finance, Secretary-General of the Ministry of Finance, legislative members, and Finance Minister Staff on tax compliance. Data collection techniques are carried out by unstructured interviews, sending open questions to informants, listening to and recording television programs that related to tax amnesty, attend and record seminars on tax amnesty and download transcripts of speeches and exclusive interviews of state officials published by the Ministry of Finance's official website. The government regulates the implementation of the tax amnesty in Indonesia through Tax Law No. 11 of 2016. Taxpayers who repatriate and declare their assets receive amnesty with the consequence of paying the ransom. The analysis shows that the purpose of tax amnesty to repatriate funds to the country can be realized. The application of tax amnesty can increase tax revenue in the budget state. APBN In the future, strict legal processes need to be implemented for citizens who save money in other countries if a complete information system is available. For honest taxpayers, tax amnesty is a good policy from the government to forgive past tax mistake with a greater purpose. The government can build infrastructure to drive the economy.

ABOUT THE AUTHOR

Nur Sayidah is Associate Professor at Faculty of Economics and Business, Dr. Soetomo University in Surabaya, Indonesia. She holds a doctorate in financial accounting from Brawijaya University, Indonesia. Her research areas are corporate and financial accounting, governance, and accounting education.

Aminullah Assagaf is professor and senior lecturer at DR. Soetomo University in Surabaya, Indonesia. His research areas are financial economics, corporate finance and managerial economics.

PUBLIC INTEREST STATEMENT

Tax amnesty is a policy of the government that provides forgiveness for all mistakes made by taxpayers against tax obligations in the past with a commitment to behave to be a good taxpayer in the following tax years. The purpose of the tax amnesty is to repatriate funds from abroad into the country and increase tax revenue. The benefits of tax amnesty are to fulfill the public interest. The government will use the results of increased state revenue from tax amnesty to improve people's lives. The participation of taxpayers in this program is essential to assist the government in developing the community's economy. For the government, there are alternative policies to increase tax revenue other than tax amnesty, namely through strict legal action against tax evaders. The government needs to consider this policy to force tax evaders to comply and encourage compliant taxpayers to remain faithful in paying taxes.

1. Introduction

Tax is a primary source of national income, with the amount expected to be rising each year. To achieve this expectation, the government has been making various efforts to increase the country's tax ratio, which is a percentage of tax revenue divided by Gross Domestic Product (GDP). At present, Indonesia has a tax ratio that is still low compared to the average tax ratio of countries that are members of the OECD (Organization for Economic Co-operation and Development). Based on 2018 revenue statistics, the average tax ratio in OECD countries in 2017 was 34.2%, up 0.2% compared to 2016 (OECD, 2018a). While the 2017 tax ratio in Indonesia is 11.5%, the lowest among Asia Pacific countries (OECD, 2018b).

This phenomenon shows that the Indonesian government needs to make efforts to increase tax ratios both through tax intensification and extensification. One of the efforts made by the Indonesian government is the provision of tax amnesty. This program is carried out within a period of 10 months, from July 2016 to March 2017. The government regulates this policy in Law No. 11 of 2016 concerning Tax Amnesty. According to this regulation, tax amnesty is a tax write-off policy that is supposed to be due, with no administrative sanctions and criminal sanctions in the taxation field by revealing assets and paying ransoms. The government, in this law, classifies ransom tariffs into three. First, assets that are in the territory of Indonesia or assets that are outside the territory of Indonesia that is transferred and invested in the territory of Indonesia within a minimum period of 3 years. Second, for assets outside the territory of Indonesia and not transferred to the territory of Indonesia. Third, for taxpayers whose circulation of business is up to Rp. 4.8 billion in the last tax year.

The implementation of the tax amnesty policy is not something new. The Indonesian government has adopted a similar policy through sunset policy in 2008. The sunset policy, in particular, proved to generate positive outcomes: 5,653,128 of newly registered Taxpayer Identification Numbers (Nomor Pokok Wajib Pajak), a rise of 804,814 Annual Tax Returns (Surat Pemberitahuan Tahunan), and an income tax increase of IDR 7.46 billion (Ragimun, xxxx). Several countries have implemented the tax amnesty policy since years ago; there are at least 29 countries in the world that have carried out this policy (Martinez, 1991). France made tax amnesty policies in 1986, Argentina, and Colombia in 1987, Ireland in 1988, and India in 1997 (Alm, 1993).

Several researchers have conducted studies related to the success of the tax amnesty policy. Success is measured based on how much government have generated tax income, and the number of people that participate and maintain to be in the tax system in the next period (Luitel and Sobel, 2007). The results of an analysis from Andreoni (1991) show that tax amnesty will have a positive net effect in the form of an increase in tax revenue. In Turkey, taxpayers feel they have benefited from tax amnesty policies, thereby increasing tax payment compliance (Saraçoğlu & Çaşkurlu, 2011). The results of research in Indonesia conducted by Gunawan and Sukartha (2016) show that tax amnesty has a positive effect on tax revenue. Tax amnesty positively influences motivation in paying taxes (Suyanto & Putri, 2017) and increases taxpayer compliance (Ngadiman & Huslin, 2015; Rahayu, 2017).

The positive impact of this tax amnesty needs to be understood by all parties concerned so that this program can achieve success. Therefore we need exploration of the views on tax amnesty, especially from Tax Official. The purpose of this study was to determine the views of state officials, tax officials, taxpayers, and tax consultants on tax amnesty policies. The results of the study are expected to provide additional evidence in the literature regarding tax amnesty and provide inspiration for regulators to make tax amnesty policies better in the future.

2. Method

2.1. The qualitative method as a choice

The method chosen in this study is the qualitative-exploration method. Epistemology-wise, the qualitative method requires the analyst to be as close as possible to the informant or participant to acquire all information from them (Creswell, 2008). Furthermore, the method generates a descriptive data through written or spoken words from the informants directly or from observing their behavior (Moleong, 2000). Therefore, the analyst can witness and gain an understanding of the actions and decision made in the appropriate context (Myers, 2009), analyze the issue holistically (Eriksson & Kovalainen, 2008), and develop a social or cultural theory (Alasuutari, 1996). This process of forming theories or theorization (conceptual framing) is what adds value to the qualitative analysis (Llewely, 2003).

2.2. Data

The data in this study include both primary and secondary data. Data collection was carried out by several methods, namely interviews, sending open questions to informants, listening to and recording television programs related to tax amnesty, attending and recording seminars on tax amnesty and downloading transcripts of speeches and exclusive interviews of state officials published by the Ministry of Finance's official website. The researcher has conducted interviews with unstructured methods to give the informant the freedom to express their opinions. The researcher has recorded and transcribed data from interviews. Interviews were conducted by telephone and online.

The source comes from the results of the interview and several other sources, namely:

(1) Economic Challenge Television Program on Metro TV, which aired on 1 July 2016.
(2) The results of the tax amnesty seminar organized by the Indonesian Tax Consultants Association (AKP2I) on 31 August 2016.
(3) BNI Surabaya Tax Amnesty Socialization Results in Collaboration with the East Java Tax Office, East Java Regional Tax Office, on 21 July 2016.
(4) President's Speech in the Tax Amnesty Program Declaration event https://kemenkeu.go.id/single-page/amnesti-pajak/, Published 11 July 2016.
(5) Declaration of the Tax Amnesty Program, Minister of Finance https://kemenkeu.go.id/single-page/amnesti-pajak/Published on 12 July 2016.
(6) Speech of the Minister of Finance in the National Seminar Bill on tax amnesty and its benefits for the nation was published on 7 April 2016, through https://www.kemenkeu.go.id/single-page/tax-amnesty/
(7) Exclusive interview of the Minister of Finance about Tax Amnesty https://www.kemenkeu.go.id/single-page/tax-amnesty/
(8) Exclusive Interview of the Chairperson of the Government Working Group in the Discussion of the Tax Amnesty Bill, Secretary-General of the Ministry of Finance

https://www.kemenkeu.go.id/single-page/tax-amnesty/

2.3. The informant

Informants in this study consisted of 4 tax officials, two taxpayers, one tax consultant and state officials. State officials who are the source of the data are (1) the President through his speech at the declaration of the tax amnesty event, (2) the Ministry of Finance through his speech at the declaration of the tax amnesty event and the results of the interview which transcripts were published on the official website of the Ministry of Finance (3) Secretary-General of the Ministry of Ministry of Finance Finance, whose interview transcript is published on the Ministry of Finance's official website (4) Legislative members and (5) Finance Minister's staff in tax compliance, through his statement on television (is a single informant, a tax officer/tax officer working in a regional office of the Directorate General of Taxes (Direktorat Jenderal Pajak)

2.4. Method of analysis

The researcher has analyzed the exploration of the view in tax amnesty with Miles and Huberman (1992) qualitative analysis technique. Components of the analytical data include (1) data collection, (2) data reduction, (3) data presentation, and (4) conclusion. The researcher conducted data reduction through a selection process, centralization of attention, and simplification of rough data that originated from notes written throughout the interview. Researchers use data relating to the title of the study and then collect and organize in a theme. The researcher presents the theme in narrative form as a collection of information arranged so that it is possible to make conclusion.

3. Result and discussion

3.1. The concept of tax amnesty

Tax amnesty is a government program that condones all or some parts of punishment for tax cheaters if they voluntarily pay off all of their outstanding tax bills (Andreoni, 1991). Parle and Hirlinger (1986, p. 246) define tax amnesty as a policy that "provide delinquent taxpayers with a one-time opportunity to clear their accounts by paying back taxes and interest without being subject to criminal or civil penalties" (Rechberger, Hartner, Kirchler, & Hämmerle, 2010).

Tax amnesty is a policy that offers one chance tax delinquents to "clean" their account by paying the outstanding tax and interests without being charged by the criminal or civil law. Taxpayers, under tax amnesty, is allowed to come back during a period and pay off the taxes due (Fisher, Godderris, & Young, 1989). The policy enables individuals or firms to settle their tax arrears before by reducing criminal and civil punishment (Alm & Beck, 1993).

In Indonesia, according to Law No. 11 of 2016 concerning Tax Amnesty, taxpayers will be free from all administrative sanctions and criminal sanctions in the field of taxation if they follow tax amnesty. But it cannot eliminate sanctions in other fields. President has explained this regulation, in his speech at the declaration of the Tax Amnesty Program (https://kemenkeu.go.id/):

> "I also want to emphasize that this tax amnesty is not an attempt to forgive corruptors or bleach money laundering, no! I need to emphasize this "(President).

The President's statement shows that in tax amnesty, there is an apology for violations of taxpayers, whoever they are, in the past, but with a commitment to help the interests of the country. In contrast to Pardon (pardon), which aims individually, the target of amnesty is a group of people and does not pay attention to individual circumstances (Martinez, 1991). Tax amnesty is an effort to whiten past mistakes, as stated by the tax office in a tax amnesty socialization seminar:

> "The tax amnesty program is the same as Eid. We erase all mistakes. We erase them by only revealing assets of fair value. If you consider my house to be natural, that's all done. But it is a database for use in the future. We hope that tax reporting is correct "(Tax Official 4).

In addition to providing forgiveness for administrative sanctions, tax amnesty also eliminates criminal sanctions and can be given to voluntary reporting of taxpayer wealth data that was not reported in the past without having to pay taxes that may not have been paid before (Darussalam, 2014).

Three important things in the Tax Amnesty Law are disclosure, redemption, and relief. The disclosure is a statement from the taxpayer to be willing to report all assets, both tangible and intangible, both movable and immovable, whether used for business or not for business, which is inside and abroad, which they have reported in last Annual Income Tax Return. Not yet reported the wealth can be due to negligence or circumstances beyond the power experienced by the taxpayer so that the column of Assets and Debt in the Annual Income Tax Return has not been filled correctly, completely, and clearly.

Redemption is the payment of a sum of money to the state treasury to obtain a Tax Amnesty in the form of the release of the state's right to collect taxes that should be owed from the disclosure of wealth by the taxpayer to the Directorate General of Taxes. A taxpayer can is calculated ransom for tax amnesty by multiplying the ransom rate with the net asset value disclosed. Ransom rates, according to Law No. 11 of 2016 concerning Tax Amnesty is grouped into three, namely:

(1) Taxpayers who have assets in the territory of Indonesia or have transferred and invested assets outside the territory of Indonesia within a minimum period of 3 years, will pay a ransom at a certain rate. Taxpayers pay 2% for the submission of the Statement Letter in the first month to the end of the third month since the law tax amnesty applies, 3% for the fourth month period to 31 December 2016, and 5% for the period 1 January 2017 to 31 March 2017.

(2) Taxpayers who have assets that are outside the territory of Indonesia and not transfer into the territory of Indonesia will pay a ransom at a certain rate. Taxpayers pay 4% for the submission of the Declaration in the first month to the end of the third month since the tax amnesty law applies, 6% for the fourth month period up to 31 December 2016, and 10% for the period 1 January 2017 to 31 March 2017.

(3) For taxpayers whose circulation of business is up to Rp. 4.8 billion in the last tax year, the rate of 0.5% for taxpayers who reveal the value of assets of Rp. 0–10 billion and 2% if the value of assets is more than Rp. 10 billion.

(4) Relief is a feeling that will overshadow taxpayers when they have used Tax Amnesty. With the receipt of Tax Amnesty, the Taxpayer will get a write off for the tax that should Stricter, tax administration sanctions, and criminal sanctions in the field of taxation for tax obligations before 31 December 2015.

Based on the description above, the tax amnesty is a program related to aspects of forgiveness for tax violations committed in the past with a commitment to behave to be a good taxpayer in the next tax year. Taxpayers can show good behavior by reporting the assets owned and paying taxes according to regulations. Final reporting and payment Taxpayers can finally feel that reporting and paying taxes is not a burden.

3.2. The purpose of tax amnesty
According to findings from Ross (1986), almost all public officials stated that the main purpose of the amnesty program is the prospective of getting taxpayers to pay taxes and to improve their compliance to tax in the future in order to increase the enforcement mechanism after the amnesty period ends (Dubin, Graetz, & Wilde, 1992).

Consistent with these findings, the purpose of the tax amnesty in Indonesia, as stated by the President and the Ministry of Finance at the Tax Amnesty Program Declaration event is (https://www.kemenkeu.go.id/):

"The goal is very clear that the government wants this tax amnesty to be of real benefit to our common interests, to benefit the interests of the nation, to benefit the interests of our people, and not to the interests of the company, or for the benefit of individuals, or the benefit of groups" (President).

"We must view tax amnesty policy as a fundamental economic policy, so it is not merely a policy related to fiscal matters especially taxes. So this is a broader dimension of policy, the general economic policy "(Ministry of Finance).

The purpose of the tax amnesty is for the benefit of the country, namely to improve the people's economy in the present and the future. The proceeds from this tax revenue will be used for development, as stated by a tax consultant who was a resource person at a seminar on tax amnesty organized by the Indonesian Tax Consultants Association (AKP2I) on 31 August 2016:

"Because Indonesia needs to build infrastructure so that Indonesia is more advanced, so we need money" (Tax Consultant).

While Darussalam (2014) contends that the purpose of the tax amnesty, is to:

(1) Increase the short term tax revenue. One of the reasons the government tax amnesty policy is due to a stagnant or decreasing tax revenue, which the ruling government then uses as a legitimacy. During the tax amnesty period, tax income may rise. However, after it is over, taxpayers are likely to return to their previous disobedience to the tax regulations. Due to this condition, the government must equip tax amnesty with a program to increase obedience and supervision of tax obligations to improve tax admittance can sustain in the long run.

(2) Improve compliance to tax in the future. Voluntary compliance will improve after the tax amnesty program because taxpayers that are not a part of the tax administration system before will be registered. As a result, they will not be able to dodge and avoid their tax obligations.

(3) The tax amnesty program is expected to encourage taxpayers to report voluntary of their wealth that owned abroad. The return of capital from abroad to banks at its home country is deemed as necessary as it will enable tax officials to obtain information about taxpayers' wealth easier.

(4) Tax amnesty provides a new tax system. This system can increase the possibility of detecting tax evaders' actions of hiding their incomes or assets.

The achievement of the tax amnesty goal can be seen from the amount of ransom, declaration, and repatriation that have been reported and received by the government. Ransom rates by the results of the realization of the tax amnesty are presented in the following table:

The increase in tax revenue in the form of ransom, mostly came from Micro Small and Medium Enterprises Personal Taxpayers and the smallest came from Small and Medium Enterprises Taxpayers. Corporate taxpayers are not encouraged to take part in tax amnesty.

3.3. Tax amnesty: to repatriate funds abroad

As elaborated in the previous sub-chapter, one of the purposes of tax amnesty is to return the capital saved abroad to banks in the country. This goal, as stated by the President in his speech (https://www.kemenkeu.go.id/):

"But, what we want is, what we are targeting is, entrepreneurs who place their assets abroad, especially in tax haven countries. I want to invite ladies and gentlemen, especially those from the business world. We know that there are thousands of trillions of funds parked abroad. We all live in our country, Indonesia, looking for food, looking for fortune, everything on earth Indonesia. It has been given the, has been given benefits from the Indonesian homeland and earth, so I invite that the funds that you save outside with the legal umbrella of this tax amnesty can be brought back in droves to our beloved country "(President).

Tax Amnesty is a legal umbrella that is expected to be a driving force for taxpayers to bring in the country. The Ministry of Finance conveyed this hope in the National Seminar on Draft Tax Amnesty Law and Its Benefits for the Nation (https://www.kemenkeu.go.id/):

"This amnesty policy, which is expected to be followed by the repatriation of part or all of the assets of Indonesian people abroad will greatly help our macroeconomic stability. We can see from the rupiah exchange rate, whether it is seen from foreign exchange reserves, whether it is seen from our balance of payments or even to the liquidity of the banks. So we see that this policy is very strategic because its impacts are macro, overall, and fundamental to the Indonesian economy "(Ministry of Finance).

By the tax amnesty program, the government can realize to repatriate funds coming into the country, although not completely. Based on Table 1, the repatriation value compared to the domestic declaration is still relatively small. Tax amnesty is less effective in attracting funds to enter the country. Tax officials have an opinion regarding this result of this repatriation:

> "Tax amnesty is less effective in attracting taxpayer funds parked abroad. Taxpayers do not automatically repatriate their funds into the country. The declaration of domestic assets dominate tax amnesty"(Tax Official 2).

The data in Table 1 also shows that there are around 16.9% of repatriated funds that have not yet entered the country for several reasons. According to the Ministry of Finance, these reasons are regulations in the country where they hold assets abroad still make it difficult to withdraw their assets. They can't invest it domestically. The other reason is funds reported were not liquid funds, so they must convert it into cash, or waiting for disbursement/maturity for deposits (https://www. kemenkeu.go.id/).

> Not yet realized the repatriation target shows that the government in Indonesia in the future needs to make a policy that can encourage taxpayers to do repatriation. Secretary-General of the Ministry of Finance, in an interview state: (https://www.kemenkeu.go.id/):

> "The Financial Services Authority (OJK) and Bank Indonesia (BI) can work together to provide flexibility in terms of investment, especially related to asset repatriation. Well, that also needs to be opened. Things that still need relaxation, friends at OJK and BI will do relaxation to ensure that investors who come from this program are also comfortable investing with various instruments that are already available" (Secretary-General of the Ministry of Finance).

Authorized institutions need to coordinate and to create investment safety and convenience and a good return on investment. There are a very large amount belonging to Indonesian citizens' funds are saved overseas. Director-General of Taxation in the Ministry of Finance contends that a substantial number of assets owned by Indonesian citizens are placed in Singapore, as quoted by a report by journalist Hendra Kusuma (2015). Data from McKinsey (a consulting firm) shows an

Table 1. Realization of Tax Amnesty	
Realization of Tax Amnesty	**Amount (Trillions)**
Ransom Receipt:	
• Personal Taxpayers: Non-Micro, Small and Medium Enterprises	90.36
• Personal taxpayers: Micro, Small Business	7.56
• Wajib Pajak Badan: Non Usaha Mikro Kecil dan Menengah	4.31
• Corporate taxpayers: Small and Medium Enterprises	0.62
Domestic Declaration	3.633,1
Repatriation	
• Commitment	146
• Realization	121.3
• The amount has not been entered	24,7

Source:https://setkab.go.id/,published April,1 2017.

exact amount of IDR 3 trillion, which has stayed in Singapore since the beginning of 2015 until now. There has yet to be a cooperation between Indonesia and Singapore in retracting back Indonesian citizens-owned assets in Singapore.

3.4. Tax amnesty: increase tax revenue in the state budget

The other purpose of the tax amnesty policy is to increase tax revenue. The government can continue to implement the work plans. Ministry of Finance makes a statement as below: (https://www.kemenkeu.go.id/):

> "With the tax amnesty, there is a potential for revenue to increase in our APBN this year or in the years that will make our APBN more sustainable. The APBN is more sustainable, and the government's ability to spend is also greater so that this will automatically help many development programs not only in infrastructure but also in improving people's welfare "(Ministry of Finance).

One of the informants has described A similar opinion with the following statement:

> The state budget this year is minus again, we need money. Then the tax target has not been reached so that it won't go bankrupt. The government uses the forgiveness policy (Tax Official 1).

Aside from aiming to repatriate Indonesian funds abroad, the government has made tax amnesty policy to increase tax revenue, because it does not reach the target. State Budget (APBN) becomes negative. The government has to have a fast response to save the state budget. The fast response is a tax amnesty program. This program adopted by the government was approved and supported by the House of Representatives (Dewan Perwakilan Rakyat or DPR) as stated by one of its members at the Economic Challenge, Metro TV, which aired on 1 July 2016:

> "We are from the House of Representatives. I think we have the same reference as the government. We know that in our 2015 State Budget, our tax revenues did not reach the target. Of 1294 trillion, the government achieves only 1055 trillion. Now in 2016, the tax target has increased to 1368.5 trillion, meaning it has increased to 300 trillion. We try to find ways of what must be done together to save the 2016 State Budget (DPR) ".

A similar statement was given by the Chairman of the Association of Indonesian Young Entrepreneurs (Himpunan Pengusaha Muda Indonesia) as reported by journalist Hendra Kusuma (2015). In his opinion, tax amnesty that the government executed can increase the low tax ratio and also taxpayers' compliance. From the economics perspective, tax amnesty can retract funds that are saved overseas all this time, to enter the Indonesian financial system. The owners of funds no longer have legal hindrance to return to Indonesia and bring their money to invest. Hence, there needs to be certain regarding the regulations. From the perspective of entrepreneurs, tax amnesty can awaken optimism. They can resolve tax obligations that can potentially cause a problem. Therefore, there is no longer any obstacles for local business owners to seek financing from banks and return to investing. It is going to be better is the scope of tax amnesty can accommodate underground economic activities, as it is never reported in the tax form but has a large economic activity. In developing countries like Indonesia, the underground economy reaches 44 percent of the state's GDP. Through the particular program of tax amnesty, the agents of this sector will gain a pardon.

Several researchers have analyzed the short-term effect of this program has been Andreoni (1991) states that amnesty can significantly increase the number of revenues. As an example, in New York, the government has gained $401 million through tax amnesty and $100 million in California, Illinois, Michigan, and New Jersey, respectively. Another example is Ireland, which collected more than $144 million through the program. Leonard and Zeckhauser (1987) also found that tax amnesty can boost income from voluntary tax payment.

On the other hand, Mattiello (2005), as quoted from Fatih and Eren (2011), believes that the short-term effect of tax amnesty can increase compliance to tax. This effect is to the rising report of income tax and new taxpayers from the economy's informal sector. The detection of taxed income and new taxpayers are what will increase compliance with taxes in the following years. They will not be able to avoid paying taxes in successive years.

3.5. Not tax amnesty, but a strict law enforcement

The cause of the tax runaways and avoidance that have been growing and intensively expanding to developing countries are lenient sanction and punishment and the lack of law enforcement (Wardiyanto, 2008). Therefore, strict punishment needs to be enforced to minimize tax runaways and avoidance. This point of view is similar to what was explained by the informant, as quoted here:

> From a long time ago, I do not agree. The government should have been able to find out who "parks" their funds abroad with what method. We can drag them (back) with strict laws. But among those people, some support our president and the presidential candidate's campaign funds and also our predecessor's. That is why it cannot go forward. Government considers amnesty as the safest and softest (method). Win-win solution. (Tax Official 1).

According to this informant, the government needs not only tax amnesty to repatriate funds from abroad. But, stricter law enforcement to the citizens depositing their money abroad is more important in this case. The opinion is quite reasonable as Mattielo (2005), quoted by Fatih and Eren (2011), contends that the development of tax amnesty is an indicator that the state has left the intervention method of using auditing or imposing fine to compensate for the outstanding tax that is purposefully being hidden or unpaid or unreported. As a result, taxpayers are most likely to ignore their obligation to pay tax because they think that the possibility of their bills getting audited is low.

Strict penalties for taxpayers who fled their funds abroad are needed, but it is difficult to do if complete data is not available. The following informants have made statements:

> "If the data are available, better law enforcement. It's just that taxpayers hide most of the data so that tax amnesty can be more effective "(Tax Official 3).

> "Firm action cannot be applied if the Directorate General of Taxes does not have complete data as a basis for declaring someone a tax evader. The government has implemented a tax amnesty program before Indonesia implements AEOI (Automatic Exchange of Information) after ratifying OECD provisions "(Tax Official 2).

The government needs to design an integrated information system so that tax evaders can no longer hide their wealth. Automatic Exchange of Information is one tool that can be used to open all wealth information that is owned by taxpayers. If this system runs well, then the potential for the tax that has not been able to be extracted will be realized.

3.6. Can honest, and complying taxpayers receive tax amnesty?

Taxpayers, if categorized into levels of compliance in general, can be divided into two: honest taxpayers and tax evaders. Tax amnesty gives forgiveness to tax evaders and taxpayers who have made mistakes in the past. The Ministry of Finance and Secretary-General of the Ministry of Finance have made a statement as below https://www.kemenkeu.go.id/:

> "The data submitted cannot be used as data for investigation, investigation, and prosecution of criminal acts. By submitting a tax amnesty through the declaration and repatriation of assets, and paying the ransom then mistakes in carrying out tax obligations in the past have been forgiven, financial statement performance has improved, and the assets contained in the financial statements reflect the actual conditions "(Ministry of Finance).

"An opportunity for taxpayers who have not yet or have not fully complied with tax regulations to take part in the tax amnesty program … we urge taxpayers (and) anyone who has not or has not fully reported their assets and income to the Annual Report that is normally reported to join this program (Secretary-General of the Ministry of Finance).

Tax amnesty certainly influences honest taxpayers. Related to this, according to two taxpayers who become informants, they will understand, they can accept this government policy because it is in the interest of increasing tax revenue.

"It's okay to be sorry because the benefits outweigh the losses. They are providing additional funds for public purposes. If the government has not forgiven, they will be unable to pay taxes. They will be afraid; if they make a true report, the government will jail them. With tax amnesty, taxpayers will feel relieved, so they will no longer commit fraud "(Taxpayer 1).

"If it's useful, it's okay. The government uses tax amnesty to withdraw assets that are hidden abroad. The government can use the funds to build infrastructure so that Indonesia continues to advance. If threatened, sanctioned, these assets will continue to be invested abroad because they are financially more profitable "(Taxpayer 2).

The tax amnesty that gives pardon to tax evaders will undoubtedly affect honest taxpayers. In this case, according to the informant, honest taxpayers will understand and can accept this policy by the government for its significance in the attempt of increasing tax revenue. However, the informant's opinion is in contrast to Mattielo (2005), as quoted by Fatih and Eren (2011), who founds that after-tax amnesty honest taxpayers can feel that there is injustice in the situation. Honest taxpayers will see the deceive action of the government as something unfair. The intention to act by the regulation as a taxpayer can decrease in the future. Thus, tax amnesty might be useful for countries that plan to shift from one system to another. If implemented with a commitment of not repeating tax amnesty, then this could result in an improvement to the level of compliance that has never happened before if the tax amnesty is perceived as an unfair policy or interpreted as relaxation of intervention. As a result, tax amnesty would ruin the compliance to tax.

A survey conducted in Switzerland and Costa Rica (Schaltegger and Torgler, 2005, p. 22) measured the long-run effect of the tax amnesty in terms of compliance with paying taxes. The result shows that when there is an opportunity (indicated preferences) for individuals to choose or reject tax amnesty, there would be an opinion developing about compliance with tax. In the next period, the expectation of tax amnesty would hurt the compliance to tax. Leonard and Zechauser (1987) identify four benefits and three costs from tax amnesty. The four benefits are reducing taxpayers' guilt for avoiding tax, increasing revenue from voluntary tax payment, adding the number of previously negligent taxpayers that evade tax, and a transition to a regime of stricter law enforcement. On the other hand, the government conducts the tax amnesty at the costs of honest taxpayers perceiving the taxation system as unfair, encouraging disobedience to tax in the future, and reducing an impression that evading tax is something wrong (Dubin, 1992). The government hove to consider unfairness becomes one of the important aspects of granting tax amnesty.

4. Conclusion

The results of the exploration of informants' views on tax amnesty, both collected through primary data and secondary data, have yielded several findings. First, the tax amnesty applied in Indonesia is mainly intended to attract funds that have been invested abroad so that they can be used to stimulate the economy. The low realization of repatriation compared to domestic reform shows that the interest in bringing funds into the country is still low. The government needs to resolve some obstacles related to the comfort and security of investment in the country. Secondly, tax amnesty is one of the government's ways to increase tax revenue so that it can be used to cover the state budget. Third, tax amnesty is not the only way to withdraw funds from abroad. Another way is to apply strict laws for citizens who place their funds abroad. Fourth, tax amnesty can be counterproductive to compliant taxpayer behavior. Tax amnesty can be understood by compliant

taxpayers so that they are not affected by this policy and continue to pay taxes according to applicable regulations. Conversely, if they feel the injustice of this policy, it is likely to change the behavior of taxpayers from compliant to disobedient.

4.1. Suggestion for further research

This research has explored the views on tax amnesty from regulators and tax officials as well as from taxpayers and tax consultants. But this research has not tested the effectiveness of the application of tax amnesty in increasing tax revenue. The further researcher can research by expanding the scope of informants including, entrepreneurs, honest taxpayers, academics and expert opinion and conducting statistical tests to determine the significance of differences in tax revenue before and after-tax amnesty. Also, this research only explores and has not yet carried out a critical analysis of tax amnesty policies. Future studies can incorporate critical aspects of tax amnesty, especially aspects of justice.

Author details
Nur Sayidah[1]
E-mail: nur.sayidah@unitomo.ac.id
E-mail: sayidah36@gmail.com
ORCID ID: http://orcid.org/0000-0003-0583-9086
Aminullah Assagaf[1]
E-mail: aminullah@unitomo.ac.id
ORCID ID: http://orcid.org/0000-0002-1719-2227
[1] Faculty of Economics and Business, Dr. Soetomo University, Surabaya, Indonesia.

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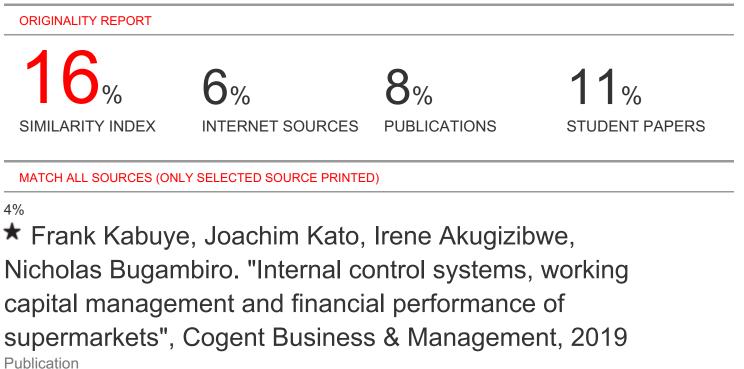
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