

ACHIEVING OF INCOME TAX WITH AWARENESS OF TAXATION IN INDONESIA'S TAX LAW SYSTEM

Putri Anggia

Faculty of Law, Universitas Muhammadiyah Yogyakarta

E-mail: putrianggia@umy.ac.id

ABSTRACT

The Indonesian taxation system is full of dynamics to meet the State's revenue target as the main source of the country's economy. Fulfilling this country's income depends on the ongoing policy, the Indonesian people have not found a point where the obligation to pay taxes is a form of voluntary awareness as citizens. It was captured by the Government to be one of the points that must be observed and acted. The Minister of Finance Decree Number 36 / KMK.01 / 2014 on the Blueprint for the Ministry of Finance's Transformation Program for 2014-2025 provides space to take several steps to increase understanding of tax awareness through education. Tax education is more likely to approach the legal culture but inseparable from the substance of the law and the legal structure because of interrelated variable. This study aims to examine in a depth of tax education in the Indonesian taxation system. The methodology used in this study is a literature study, in which the data collection techniques, namely library research aim to examine primary legal materials, secondary legal materials, and tertiary legal materials. The library materials are then summarized and analyzed. The design of tax education in question is the holding of cooperation between the ministries of finance and the ministries of research and technology, and higher education in the form of incorporating taxation material into the learning curriculum becomes a process of forming awareness of paying taxes in the future when students and students have become taxpayers. This research indicates that an assertive concept that was applied massively and consistently, and could be accepted by any society to succeed the goal of achieving tax awareness namely tax compliance.

Keywords: taxation; revenue; compliance.

I. INTRODUCTION

A strong nation is a nation that stands on its own feet or independently in a variety of things, namely food, clothing, education, health, including being independent in the fiscal field. The independent is difficult to achieve without significant tax revenue. Indonesia's development is 74.6% originating from the tax sector, 20% of the state budget is intended for education so it is necessary to increase tax awareness with the aim that each can fulfill his obligations as an Indonesian citizen willing to pay

taxes (taxpayers) willingly. From year to year, many efforts and policies carried out by the Government to make revenues from the tax sector can support the wheels of government. (No Name, 2017, see <http://edukasi.pajak.go.id/kistiwa/27-berita/130-seminar-edukasi-perp-pajak.html> , accessed on August 14, 2018)

The development of its economic life has made taxes a major source of state income. It is driven by the decline in state revenues originating from oil and gas exports since 1983. Until now the tax still plays an important role, as of December 2017 amounting to 80.91% of the source of state revenues came from Taxes. This percentage comes from the total State Revenue of Rp. 1,655.8 trillion, taxes have a role of Rp. 1,339.8 trillion as a source of income for the country. (Ministry of Finance of the Republic of Indonesia, 2018: 10)

As is known, the legislation on taxation has undergone several changes, starting from 1983, 1994, 2000, 2007, to 2015. This change certainly motivated by the conditions that are happening at that time, both economic, social, cultural, and politics both nationally and internationally. As explained by K.C. Wheare in his book *The Modern Constitution* and again written by Mahfud M.D:

“Constitution, when they are framed and adopted, tend to reflect the dominant beliefs and interest, or some compromise between conflicting beliefs and interest, which are characteristic the society at that time. A constitution is indeed the result of the parallelogram of forces – political, economic and social – which operate at that time of its adoption”.

From this article Mahfud M.D concluded that the constitution (which is a broad sense includes all laws and regulations in the organization of the state) is the resultant (product of political agreement) following the political, economic, and social situation at the time of its creation. So political, social, economic, and cultural configurations are very influential or determine the product of the constitution and legislation. (Mahfud MD, 2014: 6)

Changes in the taxation system in the context of fulfilling the State revenue from the tax sector, namely the change in the tax collection system, which was originally an official assessment system changed to a self-assessment system. Abdul Hasri Harahap in his book *"New Indonesian Tax Paradigm: Political Economy Perspective"* explained that the self-assessment system had begun to be implemented in 1967 through Law Number 8 of 1967 in conjunction with Government Regulation Number 11 of 1967 concerning Procedures for Collection of Taxes on Income Taxes. The Company Tax, and Wealth Tax, better known as the Self-Tax Calculation System / Calculating Person Tax (MPS / MPO). However, this year, the system failed to apply. (Gunawan, 2005: 5) The initial tax collection system official assessment system

changes to a self-assessment system where taxpayers are given full trust to carry out tax obligations, starting from calculating their independent income, calculating their tax payable, paying their tax payable, and self-report their tax obligations. (Dwikora, 2013: 27) The failure that occurred can be due to the large population of Indonesia and the readiness of the system.

The next policy applied in the context of fulfilling the State revenue from the tax sector is the elimination of the 2008 Administrative Sanctions. Elimination of Administrative Sanctions in 2008 packaged in a Sunset Policy policy. The last three years before 2008, the tax ratio has decreased because of these factors; if there will be a tightening of the imposition of tax collection, there will be many taxpayers who are subject to sanctions for their non-compliance so that there are many demands from the public/taxpayers to be given tax amnesty. Due to various considerations, this tax amnesty cannot be granted. Instead, Sunset Policy was given, which is a soft tax amnesty. (Gunawan, 2011: 91) Sunset policy is a policy of eliminating administrative sanctions on income taxpayers, both individuals, and entities that enjoyed in 2008. (Dahlia, 2009: 231) This policy of abolishing administrative sanctions in 2008 was set out in Law No. 28 of 2007 concerning General Provisions on Taxation, specifically Article 37A which is the legal basis for the enactment of the Elimination of Administrative Sanctions.

In 2008 the Sunset Policy was echoed only once in its implementation in the sense that this policy will not be reapplied, as we know the contents of the policy are the Elimination of Administrative Sanctions. While the Administrative Sanctions Removal was revived again in 2015 using different legal bases and material that changed as well. The similarity is that the background of this policy is implemented, the last three years tax ratio has decreased, both before 2008 and 2015. Besides, the success of the 2008 Administrative Sanctions has pushed this policy back to increase tax revenues in 2015. Administrative Sanctions are due to the elimination of sanctions administration in 2008 that could exceed the revenue target within ten years. (Liputan 6, 2015, <http://bisnis.liputan6.com/read/2218849/ditjen-pajak-tak-jera-terapkan-sunset-policy>, in 7 Oktober 2015). The enactment of 2015 Administrative Sanctions is based on the legal basis of Article 36 of the KUP Law, PMK No. 91 / PMK.03 / 2015, and PMK No. 29 / PMK.03 / 2015.

The government has a 5-year program. In 2015, it was called the year of guidance, 2016 years of law enforcement, 2017 year of reconciliation, activities to seek and provide remission of forgiveness and appreciation to WP (tax amnesty), 2018 years of welfare of civil servants with benefits to increase public purchasing power and welfare, then 2019 state budget independence. (Ministry of Finance, 2015, see <http://kemenkeu.go.id/Berita/pemerintah-canangkan-tahun-pembinaan-wajib-pajak-2015>, accessed on 19 October 2015 at 7.58 WIB) In the second year, namely in 2016,

which is the year of law enforcement, an examination action is needed as a basis for execution.

In fact, according to the economic and political conditions that occur, the next tax policy is tax amnesty carried out in 2016. Tax amnesty also called tax amnesty, applies based on Law Number 11 of 2016 concerning Tax Amnesty. Tax amnesty is the elimination of taxes that should be owed, not subject to tax administration sanctions and criminal sanctions in the field of taxation, by disclosing assets and paying ransoms as stipulated in this Law. (Number 1 Article 1 of Law Number 11 Year 2016 concerning Tax Amnesty) This policy had become a discourse in resolving State financial problems before the first sunset policy implemented, which has become a discussion at council meetings (People's Representative Council Of The Republic Of Indonesia with government officials) in 2005. (Parliamentary Minutes of Meeting with Government Officials November 2005) Execution of the implementation was carried out eleven years later, namely 2016. Tax amnesty was considered successful but had not reached the targeted figures, if compared with other countries that had implemented this policy. Member of the House of Representatives Commission VI Donny Imam Priambodo gives the view that Indonesia succeeded. (Sakina, 2017, seen at <http://ekonomi.kompas.com/read/2017/03/31/230257126/program.tax.amnesty.dinilai.sukses.tetapi.>, Accessed on February 18, 2018)

Based on the explanation above, various taxation policies that have been passed by the community, government, and the Indonesian nation. The first and foremost aim is to meet the inclusion of State finance in the tax sector, which is the backbone of the economy. With the existence of these policies that guarantee the achievement of tax compliance targets for each period can not be separated from the existence of taxpayer compliance, this compliance will arise if each tax subject, taxpayer, and tax authorities (tax officers) have an awareness of taxes. This form of tax awareness is the second objective of the government in each of the tax policies mentioned above. Where the latest policy was born from the Ministry of Finance, namely the Minister of Finance Decree Number 36 / KMK.01 / 2014 concerning the Blueprint of the 2014 Ministry of Finance Institutional Transformation Program in 2025, where the Minister of Finance Decree aims Administrative Sanctions taxes in national education in the DGT Environment. Based on this background, the author tries to examine the urgency of awareness of paying taxes in supporting the legal taxation system in Indonesia.

The philosophical purpose of the various policies mentioned above is to foster a sense of compliance and awareness of tax obligations. In this case, the Government takes its focus. As stated by the Directorate General of Taxes, namely the Tax Awareness National Movement on November 27, 2017. The Directorate General of Tax, Ministry of Finance and Directorate General of Tax Learning and Student Affairs Ministry of Research, Technology and Higher Education conducted a declaration of

Tax Awareness National Movement aimed at the success of tax awareness inclusion program in the national education curriculum. (Directorate of Service and Public Relations Counseling, 2017: 1) In declaring this tax enters the education system in Indonesia, both Elementary Schools, Junior High Schools, High Schools, and Universities. With the existence of tax education in the world of schools and colleges, it is very interesting to know how to design tax education in the tax law system to achieve tax income in Indonesia?

II. RESEARCH METHODS

The type of this research uses normative legal research, legal research that is conducted based on law and regulation and library material, which is known as secondary material. Related with this type of research, the approach used in this paper are legal approach and historical approach. these approaches are done by reviewing the acts and regulations that related to the problem that is being discussed in this research and also this research conduct a review related to Income Tax With Awareness Of Taxation In Indonesia's Tax Law System

III. RESEARCH RESULT AND DISCUSSION

A. Tax Awareness Education

The basic understanding that needs to be known is the reason the Government uses educational facilities to foster awareness of paying taxes. As we know that Tax has regulated by law and law has a binding power to enforce its enforcement and has criminal consequences for those who violate it. The government has a different view in terms of approaches to the community to foster awareness of fulfilling the obligation to pay taxes.

Tax Awareness Education is part of the Tax Awareness Inclusion. Tax awareness inclusion has an understanding of the efforts made by the Directorate General of Taxation with the ministry of education to raise awareness of taxation of students and educators (both teachers and lecturers) conducted by integrating tax awareness material into curriculum, learning, and books. (No Name, 2018, seen at <http://edukasi.pajak.go.id/tentang-pajak/apa.html> accessed on 11 November 2018 at 08.16) Education is a conscious and planned effort to create a learning atmosphere and a learning process so that students actively develop their potential to have spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves and society. Education includes the teaching of special skills, and also something that cannot be seen but more deeply that is the provision of knowledge, consideration, and wisdom. (No Name,

2018, seen at <http://edukasi.pajak.go.id/tentang-pajak/apa.html> accessed on 11 November 2018 at 08:16) Education is a civilizing process that is an effort to instill noble values in generation's new nature that is nurturing, advancing, and developing culture towards the direction of humanity's noble life. (No Name, 2018, seen at <http://edukasi.pajak.go.id/tentang-pajak/apa.html> accessed on 11 November 2018 at 08:16)

One of the main foundations of education is teaching culture over generations. (No Name, 2018, seen at <http://edukasi.pajak.go.id/tentang-pajak/apa.html> accessed on 11 November 2018 at 8:16 a.m.) Based on the history of the Indonesian experience in promoting a national scale program, massive involvement is needed. various groups, so that the program can run effectively and successfully. Such as rice self-sufficiency programs, transmigration, and family planning. (No Name, 2018, seen at <http://edukasi.pajak.go.id/tentang-pajak/apa.html> accessed on 11 November 2018 at 8:16 a.m.) Ministry of Education and Culture, Ministry of Research, Technology, and Higher Education of The Republic of Indonesia, People's Representative Council Of The Republic Of Indonesia , and *Lemhanas* provide support for tax awareness education in the national education system is a part of defending the country. This support has been given by the portion and authority of each. (No Name, 2016, seen on <http://edukasi.pajak.go.id/kegiatan/27-berita/130-seminar-edukasi-perpajakan.html>, accessed on 28 November 2018)

Massive involvement in taxation education is not only in the field of formal education but should be carried out by agencies related to tax collection, namely from upstream to downstream tax collection processes. So not only students as the target of intensive tax education or are being heavily cultivated but also the parties who are carrying out economic activities and involved in it are also very important given guidance on the importance of tax education for citizens. These institutions can be mentioned, starting from the formulation of policies, implementing policies, to monitoring the implementation of policies. However, this success will be highly dependent on the availability of resources, in particular, finance, and financial funding and various constituent groups that will be involved in the process. (Gladson & Darlington, 2010: 61)

Gladson and Darlington argue that the parties who play the role are legislators, IRS (Internal Revenue Service), parties who assist in tax calculations, professional tax associations, schools, churches, and taxpayer advocacy groups. (Gladson & Darlington, 2010: 61) The role of legislators who have the authority to form legal products, as we know the formation of laws on taxation today in Indonesia is very dependent on the economic situation and the sectors that influence it. As for the church, the context in Indonesia is more precisely a

religious institution that should also support tax levies. Religious institutions in Indonesia have not given a very significant role in tax collection. For Indonesia, of course, some of these roles need adjustments because there are some parties whose existence has not yet been realized, such as taxpayer advocacy groups. The taxpayer advocacy in Indonesia is still limited to consultants, in addition to this, the Tax Consultant also experienced a period, which the pros and cons of the regulation were poured into legal products that have a higher legal force, from the Minister of Finance Regulation to Constitution. However, the role of the Tax Consultant previously had provided a taxation knowledge space to Taxpayers. (Yustinus Prastowo, no year: 01)

These schools are being carried out on tax education in Indonesia, as stated by Gladson and Darlington. In the context of the tax education program, for the involvement of several agencies that provide support including The Ministry of Education and Culture, Ministry of Research, Technology, and Higher Education of The Republic of Indonesia, People's Representative Council Of The Republic Of Indonesia , and Lemhanas. Based on some previous explanations, there are several roles of agencies that have not involved providing massive power to tax education programs in Indonesia.

Based on research in the last two decades, it has confirmed that there is a positive relationship between tax education and the level of tax compliance. (No name, 2016, seen at <http://edukasi.pajak.go.id/kaktif/27-berita/130-seminar-edukasi-perpajak.html> accessed November 28, 2018, at 13.01) Based on the OECD survey (Organization for Work Equality and Economic Development) in 2015 stated that tax education is an effective mechanism to build public trust in the tax authorities and encourage community involvement in formulating tax policies. (No name, 2016, seen at <http://edukasi.pajak.go.id/kaktif/27-berita/130-seminar-edukasi-perpajak.html> accessed November 28, 2018 at 13.01)

The method compiled by the Government in the inclusion of tax awareness in the field of education is to insert material both at the level of Elementary Schools, Junior High Schools, High Schools, and Universities. At the level of Primary and Secondary Schools, the Government has the hope that with tax awareness taught early on it is expected to be the basis for tax compliance and awareness in the future. As for the level of senior high school, the Government provides an understanding that "It is necessary to realize tax from the outset": 1. Tax is the backbone of the State; 2. Forms of Love for the Motherland, taxes will be used for national development through State expenditure; 3. As a form of concern for others, tax is an instrument of income equality for the State; 4. Realizing the generation of gold, awareness of taxes part of defending the State for the successor of a nation that is of quality and character Besides that students

are potential taxpayers, even quite several of students have fulfilled subjective and objective requirements to become taxpayers. The inclusion of tax awareness in higher education is expected to be able to create a younger generation who love the country and realize state defense by participating in fulfilling their tax obligations. (No name, 2018, seen at <http://edukasi.pajak.go.id/jenjang-pondidikan/pendidikan/pendidikan-tinggi.html> accessed on 11 November 2018)

The course of tax awareness inclusion program certainly in the implementation of empirical cannot be separated from the legal basis of implementation so that the tax awareness inclusion program in this form in the form of education can be said including in the tax law system. A taxpayer understands fulfilling the obligation to pay taxes due to moral awareness or caused by avoidance of administrative sanctions and or criminal sanctions.

B. Indonesian Tax Law System

Based on the large Indonesian dictionary, the law has several meanings as 1. rules or customs that are officially considered binding, which is confirmed by the authorities or the government; 2 laws, regulations, and so on to regulate community life; 3 benchmarks (rules, provisions) regarding certain events (nature and so on); 4 decisions (considerations) determined by the judge (in court); verdict; (No Name, 2018, <https://www.kbbi.web.id/hukum> accessed on 11 November 2018 at 13.39) Whereas according to Sudikono Mertokusumo, law is defined as the protection of human interests, in the form of a collection of rules or regulations governing human relations with other humans and with society or the State. (Sudikno, 2005: 4)

The law in its implementation cannot run on its own, of course, it requires components to form a legal system. Friedman's law is a set of written or unwritten rules and norms relating to right and wrong behavior, rights and obligations (Friedman, 2018: 1) Whereas the system according to Friedman is a unit that operates with certain limits. The system can be mechanical, organic, or social. (Friedman, 2018: 6) The components of the legal system according to Friedman consist of legal structures, legal substances, and legal culture.

Taxes in the large dictionary of Indonesian are defined as compulsory levies, usually in the form of money that must be paid by residents as a mandatory contribution to the state or government in connection with income, ownership, purchase price of goods, and so on. (No name, 2018, <https://www.kbbi.web.id/pajak> accessed on 11 November 2018 at 13.46) Tax is a mandatory contribution to the State-owned by an individual or entity that is compelling under the law, with no get rewards directly and are used for State needs for the greatest prosperity of

the people. (Number 1 Article 1 of Law Number 6 of 1983 concerning General Provisions on Taxation)

In the simple context of tax law can be interpreted as a series of regulations governing taxation. The success of tax collection is inseparable from the role of each stakeholder both the tax authorities, citizens, and the government. As stated in 1993 State Policy Guidelines (GBHN) that in forming a policy, the Government needs to pay attention to a number of things: (1) Taxes are carried out based on the principle of justice and equity by increasing the role of direct taxation so that they are able to function and support improve and equalize people's welfare; (2) Tax systems and procedures to increase state revenues continue to be improved by taking into account the principles of justice, equity, benefits, and the ability of service quality and quality of the officers reflected in the improvement of honesty of responsibility and dedication and through the improvement of administrative systems. (3) Public awareness of paying taxes honestly and responsibly is continuously improved through motivation, information, education, early education, and exemplary steps. (4) Increasing the services of the state apparatus to taxpayers, and accompanied by the application of sanctions by the applicable laws and regulations. (Lauddin, 2001: 8)

According to Santoso Brotodiharjo tax law is included in public law because its contribution regulates the relationship between the State and the government. Tax law is very necessary for regulating the rights and obligations of taxpayers and the state (Dwikora, 2013: 38)

The system in the Indonesian dictionary has an understanding as a regular arrangement of views, theories, principles, and so on. (No name, 2018, seen at <https://www.kbbi.web.id/system> accessed on 11 November 2018) Whereas the law itself is a system, that the law is an order, is a whole unit consisting of parts or elements of a whole unit that consists of parts or elements that are closely related to each other (Sudikno, 2005: 115) In the tax law system can be considered, starting from designing policies, implementing policies, implementing the tax administration process both by Fiskus and taxpayers, up to the tax court process and execution of the results of tax court decisions is a series of tax law systems in Indonesia. More specific arrangements lie in tax subjects, tax objects, taxpayer obligations to the government, arising and removing tax debts, how to collect taxes, and how to file objections and appeals to the tax court. (Dwikora, 2013: 38)

Therefore tax law is divided into two namely formal tax law and material tax law. Material law is a tax law that contains provisions about who is subject to tax, and who is excluded from the imposition of taxes, what is subject to tax and what must be paid. While formal law is a tax law that contains provisions on how to realize material tax law into reality. (Safri, 2005: 114)

In developing the tax law system in Indonesia, it is inseparable from formal tax law and material tax law, but in developing tax awareness recently the Government gave special attention. In addition to socializing taxes, both in the ongoing program and in the context of payment administration. But to build awareness of paying taxes not long ago the Government issued a new policy namely in the world of education included in the teaching and learning curriculum in the classroom. The basic principle of tax education is certainly not inseparable from giving a doctrine that Indonesia is the foundation of State income comes from taxes and how participation as citizens of a good country can participate (contribute to this). The giving of this doctrine is the government aims to establish a legal culture towards the people's awareness to pay taxes.

C. Tax Collection in the Legal System

Carry out taxes with full awareness in the legal system giving birth to compliance (compliance). The indicator of compliance is the existence of a stable tax ratio and the fulfillment of state income from taxes by the Government's target. This is of course followed by very little or even 0% tax crime. Tax awareness is built on the education system but in the end in executing it is based on honesty regarding the characteristics of the obligation to pay taxes, namely where non-compliance or non-payment of violations is a violation of the law resulting in legal sanctions. (Adrianto, 2017: 1)

In each taxation policy, the long-term achievement is compliance because compliance and willingness of taxpayers is the backbone of self-assessment. (Dahlia, 2009: 206) Methods of increasing tax compliance outside of tax education, including social-economic factors such as gender, income level, age, and institutional factors such as government credibility, satisfaction with public services, democracy. (Darussalam, 2018, seen at <http://edukasi.pajak.go.id/component/content/article/76-home/artikel-pilihan/176darussalam.html?Itemid=101> accessed August 14, 2018),

Indonesia has a relatively low tax revenue, tax ratio and tax coverage ratio compared to other ASEAN countries. Efforts to increase tax revenues have been taken by the government through a tax campaign program but the efficacy of the program has not been tested empirically. The moral level of taxpayers in Indonesia has not grown from the intrinsic motivation of individuals but is forced by external factors, namely by the number of tax penalties. The greater the tax fine will reduce a person's intrinsic motivation to pay taxes, however, taxpayers are still motivated to pay taxes because they feel heavy to pay tax penalties. Factors of trust in the legal and taxation systems play an important role in increasing the morality of taxation. Compliance with taxpayers in Indonesia is compliance

forced ones caused by the possibility of high tax audits and threats of fines and not at the stage of voluntary tax compliance. (Nur Cahyono, 2011: 30)

Tax collection in the legal system is inseparable from the awareness that was built. This awareness is based on voluntary or avoiding existing sanctions. However, the existing law enforcement is not only aimed at building compliance, basically, the law has three purposes of expediency, justice, and certainty. Enforcement of tax laws if there are taxpayers who do not match their administration or commit tax crimes, the law also plays a role in achieving the objectives of justice. So that public trust can also be formed. A conducive environment is built on the condition of the community that believes in the Government.

Community trust is also built by the existence of openness in tax management. Open tax management also reflects the purpose of the law, namely justice. Taxes are used for public purposes and are reported according to their use. State revenue from the tax sector will be easily fulfilled from the target side if the public knows and understands that taxes are from the people, by the people and for the people. When people need taxes, it is easy for a taxpayer to pay taxes to fulfill their needs, not just aborting the obligation to avoid sanctions.

Tax education that is the target is the school-age population in the context of long-term targets. To foster the inclusion of tax awareness in the education sector, a real example of the tax law system in Indonesia is also needed, with this giving confidence to the Government. The tax law system starts from policy formulation, policy implementation, tax withdrawal, tax reporting, to law enforcement material tax because it is hoped that not only the theory of taxation is obtained in school but the theory is realized in real life.

D. Tax Education Fosters Tax Law Compliance

Compliance is an attitude needed in the implementation of tax law because it is by the foundation of the filial theory. Devotional theory or also called the absolute tax liability theory that the State has the absolute right to collect taxes, according to this theory the basis of tax law lies in the relations between the people and the State. The devotional theory is also called the absolute tax liability theory, that the country is an entity in which every citizen is bound, therefore the state gives life to its citizens so that it can burden every member of its community with obligations, including the obligation to pay taxes. Y.Sri Pudyatmoko, 2002: 22) Based on this theory other than as an obligation of the people to pay taxes but also as a dedication to the State in terms of fulfilling these obligations as devotion, it is like a child's devotion to his mother, where humanly with a sense of consciousness without coercion already born by itself to be fulfilled.

However, in Indonesia, the dedication of a citizen in settlement of tax obligations still needs to be improved. This has been stated at the outset, that Indonesia's tax ratio has decreased significantly from year to year so that tax awareness needs to be grown. Through formal education as well as knowledge about informal taxation can also foster a sense of compliance, compliance is a reflection of devotion to the State. This was revealed by Imam M., Sugeng H., and Yuli S. that tax education has a positive and significant impact on tax knowledge, tax knowledge has a positive and significant impact on tax justice, tax justice has a positive impact and significant tax compliance, and tax knowledge has a positive and significant impact on tax compliance. (Imam Mukhlis et al: 2015, 161)

Tax compliance is built on economic factors, educational factors, and psychological factors. (Imam Mukhlis, et al: 2015, 162) Education becomes a bridge between taxpayers and tax revenues. The more highly educated, the more aware taxpayers will understand the importance of taxes. (Istiqomah, 2017: 81) Tax education can build a foundation of knowledge of taxes on society. The higher the tax knowledge by the community, the higher the influence will be significant in achieving a sense of justice for the community. A high sense of justice accepted by the community can increase public tax compliance. Likewise, the level of knowledge of taxes will make the public aware of their tax obligations. Tax knowledge can be built from tax education received by the community. (Imam Mukhlis et al: 2015, 167)

An important factor in tax compliance is tax knowledge. While knowledge of taxes is highly correlated with tax law. As it is known that taxes are closely related to taxation policies, types of taxes, tax objects, tax rates, tax penalties, and all those involved in the legal realm. In this case, the tax law can establish all basic forms of formal tax law. Poor knowledge about taxation can cause distrust and negative attitudes towards taxes.

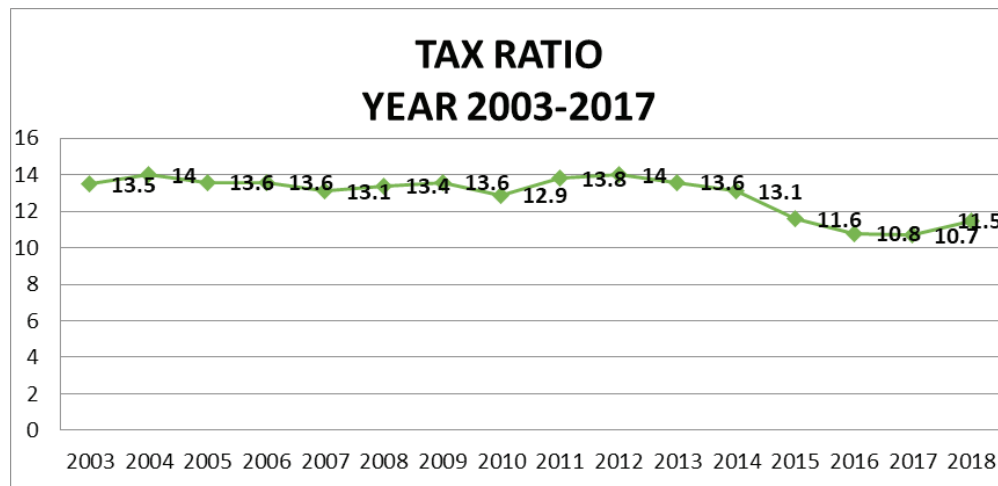
Meanwhile, good knowledge of taxes affects positive attitudes toward tax. When the level of knowledge of taxes increases, the level of tax avoidance decreases and the level of tax compliance will increase. (Imam Mukhlis et al: 2015, 167)

Tax compliance in fulfilling tax payments correlates with compliance with tax laws because thus taxpayers do not violate tax law. If a violation of tax law occurs, it is one form of reflection of tax non-compliance.

E. The Concept of Tax Education in Indonesian Legal Culture

The problem related to the awareness of taxpayers through tax education where the population of Indonesia is around 264 million, 60% of which is in the

productive area or around 158.4 million people. When compared to the number of registered taxpayers, only 24% of the number of productive citizens who are taxpayers in Indonesia. Therefore there are about 76% of citizens who are supposed to be taxpayers but not yet registered. Seeing this reality, tax education needs to be built to raise tax awareness and compliance. Whereas the tax ratio which is one indicator of the existence of tax income is certainly a reflection of tax compliance, which is experiencing fluctuating figures. This can be seen from the following chart:



The tax ratio data tends to decline in recent years, where the percent percentage trend increases when the policy is implemented only, the latest policy being Tax Amnesty implemented in 2016 (11.6) but decreasing in subsequent years. If compliance has been established against the obligation to pay taxes, this downward trend will not occur. Compliance is part of the legal culture and legal culture is part of the legal system.

Legal culture according to Lawrence M. Friedman (2001: 8) is the human attitude to the law and legal system-beliefs, values, thoughts, and expectations. Legal culture is an atmosphere of social thought and social power that determines how law is used, avoided, or misused. Legal culture is closely related to community legal awareness. The higher the legal awareness of the community will create a good legal culture and can change people's mindsets about the law so far. In simple terms, the level of public compliance with the law is one indicator of the functioning of the law.

The legal system in question is from a legal culture perspective. Legal culture according to Friedman:

“The third component of the legal system, of legal culture. By this, we mean people’s attitudes toward law and legal system their belief ...in other words is the climate of social thought and social force which determines how law is used, avoided, or abused”.

According to Achmad Ali, if a legal rule can be adhered to by most of the targets that are targeted by obedience, then it can be interpreted that the rule of law is effective. However, even though a rule that is adhered to can be said to be effective, the degree of effectiveness still depends on the interest in obeying it. If the obedience of the community to a rule of law is due to compliance interests (fear of sanctions), the degree of compliance is considered very low. It is different when obedience is based on the interests of an internalization nature, namely obedience because the rule of law matches the intrinsic value it adheres to, so this degree of obedience is the highest degree of obedience. Tax education is more likely to approach the legal culture but is inseparable from the substance of the law and the legal structure because it is interrelated.

The implementation of tax education is more about the inclusion of tax education where the inclusion of tax education comes in two concepts, namely long-term concepts and short-term concepts.

The design example of "tax education" in question, is the collaboration between the finance ministry and the ministries of research, technology, and higher education in the form of providing NPWP for students. The design of tax education in question is the holding of cooperation between the ministries of finance and the ministries of research and technology, and higher education in the form of incorporating material on taxation into the learning curriculum becomes a process of establishing awareness of paying taxes in the future when students and students have become taxpayers.

Tax education includes long-term and short-term concepts. Long-term for the prospective tax subject community, while the short-term concept for orientation towards taxpayers. The prospective tax subject community can be implemented by inserting on the school and college curriculum while tax education for taxpayers is adjusted to the type of tax, to adjust the educational approach so that it is more persuasive and successful.

IV. CONCLUSION

Tax awareness has the purpose of forming a character of compliance, but compliance will be created if supported by various parties by the government and the people. Since the establishment of tax policy up to law enforcement. So that a big

effort is needed to achieve a tax law system that supports tax awareness education. The design of the tax awareness education in question. If you read the rules of who is the "subject of domestic tax" is the individual or person of each person in the country. Does the tax subject automatically become a taxpayer? The answer is yes if it meets the subjective and objective requirements of the taxpayer. Then the tax awareness education that will be targeted is prospective tax subjects and taxpayers, namely all individuals who reside in Indonesia, both tax subjects who will fulfill the subjective and objective elements and have fulfilled both elements, namely as taxpayers. Design of education on tax awareness for the long and short term. While the Government Program on Tax Awareness Education for prospective tax subjects (school students and students) is a long-term program that cannot reap the results in the short term especially in the fulfillment of the State revenue from the tax sector

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