
| RESEARCH ARTICLE

Juridical Review of the Principles and Systems of Collecting Local Taxes in National Development

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| ABSTRACT

This study aims to analyze the juridical review of the principles and systems of local tax collection in national development. The research method used is normative juridical. The results showed that tax collection was carried out based on the principle of "Four common of taxation" or "The four maxims", which contained; 1) the Principle of Equality (principle of balance with ability or principle of justice), 2) Principle of Certainty (principle of legal certainty), Principle of Convenience of Payment (principle of tax collection on time), 4) Principle of Economy (principle of economics). The taxation system in Indonesia adopts a self-assessment system, where taxpayers are given the full trust to calculate and pay taxes owed in accordance with the provisions of tax laws and regulations. Tax collection is a manifestation of the obligation and participation of taxpayers to finance state and national development.

| KEYWORDS

Principles, system, tax collection, local taxes, national development

| ARTICLE INFORMATION

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1. Introduction

The Indonesian state is a country of law (*rechtsstaat*), which means that Indonesia upholds the law and legal sovereignty. This is a consequence of the teaching of legal sovereignty that the highest power does not lie in the personal will of the ruler (state/government organizer) but rather in the law. So, the power of law lies above all the powers that exist in the state, and that power must be subject to the applicable law. Thus the powers acquired are not based on law, including those derived from the will of the people, which are not established in the form of unlawful written laws (statutes).¹

As a country of law, Indonesia is a country that adheres to the understanding of people's sovereignty. The consequence of the idea of popular sovereignty is that the power of the ruler comes from the will of the people. The applicable law comes from the aspirations or will of the people that bind the ruler because it is desired and in accordance with the life of the people. This is because the state is essentially a product of agreements among the people, so every law will be binding as long as it is mutually agreed by the people with the president (government).²³

Law aims to realize justice, expediency, and legal certainty, not only in the form of written rules but must be reflected in its implementation. Similarly, the tax law is held by the state as a positive law that also contains objectives in the form of justice, expediency, legal certainty and legal protection. The four purposes of tax law are not only written as legal rules written in tax laws

1 Muhammad Djafar Saidi, *Legal Protection of Taxpayers in Dispute Resolution* (Jakarta: Rajawali Pers, 2008).p 1

2 Site.p. 2

3 *Ibid*, p. 2

but must be seen in their application so that tax law is really a functional law that serves the state as a state of the law with the appearance of the goals of justice, expediency, legal certainty and legal protection for taxpayers and tax officials.⁴

Tax is a manifestation of the service and participation of taxpayers to directly and equally participate in carrying out tax obligations necessary for state financing and national development. Responsibility for the implementation of tax collection is a mirror of the obligations of society itself. Taxes are a source of State income carried out by the Government and regulated under the Legislation. Taxes also have a very vital role in a country. If the taxpayer does not carry out his obligation to pay taxes, then the activities of the state will not be able to go well.⁵

Indonesian state is based on the law (*rechstaat*) and not based on mere power (*machtsstaat*); this is found in several provisions, namely:

- (a) Explanation of the 1945 Constitution regarding the system of government,
- (b) affirmation of the rejection of the power of an absolutist nature,
- (c) the country of law in Indonesia,
- (d) in line with democracies,
- (e) the powers of the head of state are limited, not infinite,
- (f) and in the torso governs the formulation of the rights of humanity.

In a legal state aimed at the welfare of all its citizens (*welfare state*), the collection of state taxes must be based on legislation.⁶

The politics of national law in the field of taxation in the Constitution of 1945 Third Amendment Chapter VII B Article 23A, which states that "taxes and other levies of a coercive nature for state purposes are regulated by law". Previously, the basis for collecting taxes in Indonesia was based on Article 23 paragraph (2) of the 1945 Constitution, which stated that "all taxes for state purposes are based on law". The change in the basis of the tax arrangement occurred in the third amendment on November 9, 2001; which was previously a tax levy under the law, was later changed to be regulated by law, which contained a fundamental change in meaning. For adherents of the Positivism legal school, it is argued that all tax levies, if regulated other than by law, become invalid/*unconstitutional*. However, for the moderate flow adopted by lawmakers in Indonesia, although the validity of the tax levy must be stipulated by law, it can be delegated to the laws and regulations below it as long as it is still desired by the hierarchy of legislation. The laws and regulations below must not conflict with higher regulations.

The division of authority in government that is *desentralistic*⁷ is realized to be very necessary and appropriate to be applied in a country that has a large distribution of archipelagic areas with a pluralistic cultural diversity like Indonesia. In addition to facilitating coordination in government, the decentralization system is more democratic because the implementation of power is aligned with the cultural character and customs of each region. Regional autonomy in a unitary state, as intended in Indonesia, is the regional authority to regulate and take care of its own government affairs as determined by law.⁸

In order to achieve national development goals, in accordance with the philosophy of tax law, paying taxes is not only an obligation but is the right of every citizen to participate in the form of participation in state financing and national development. So the government makes the tax sector the main source of supporting national development financing. And in reality, state revenues from the tax sector from year to year are increasing, and in line with this, the role of taxes as a support for national development programs is also increasing. The important point of the tax collection process is *voluntary compliance*, which is to put the responsibility of collection entirely on the awareness of the taxpayer. Because of the voluntary compliance that is the key to tax collection, in its implementation, there is often tax resistance by taxpayers, both active and passive resistance.⁹

⁴ Muhammad Djafar Saidi, *Tax Law Updates*. (Jakarta: PT. Raja Grafindo Persada, 2014).p. 15

⁵ and Muallifah Zaeni Asyhadie, Arief Rahman, *Indonesian Law Conductor, First Printing*. (Jakarta: PT RajaGrafindo Persada, 2015).p. 169

⁶ Tjip Dkk Ismail, *Analysis And Evaluation Of Local Taxes And Levies*. (Jakarta: BPHN Ministry of Law and Human Rights of the Republic of Indonesia, 2013).p. 8

⁷ Bagir Manan, *Some Problems of Indonesian Constitutional Law*. (London: CV. Alumni, 1997).p. 268

⁸ Department of Finance, *Review of the Implementation of Central and Regional Financial Relations 2001-2003, Directorate General of Central and Regional Financial Balance* (Jakarta: Ministry of Finance, 2004).p. 9

⁹ Djoko Slamet Surjoputro, *Handbook of Taxpayer Rights and Obligations* (Jakarta: Directorate of Service Extension and Public Relations, 2009).p. 9

Law No. 32 of 2004, which was later changed to Law No. 23 of 2014 concerning Regional Government and Law No. 33 of 2004 concerning Financial Balance Between the Central Government and Regional Governments in force, had a very broad impact on the development of government in the regions. Regional autonomy is a broad, real and responsible autonomy.

The granting of regional autonomy has implications for the emergence of authority and obligations for regions to carry out various government activities more independently. The transfer, division and utilization of natural resources, human resources, and the authority to collect types of local taxes is based on the principle of justice based on the authority given to the regions. This is further strengthened by the issuance of Law Number 34 of 2000, as last amended by Law Number 28 of 2009, concerning Regional Taxes and Regional Levies, which contains basic provisions that provide policy guidelines and directions for regions in the implementation of regional tax collection and regional levies, as well as establishing arrangements to ensure the establishment of general procedures for regional taxation and regional levies

Article 10, paragraphs (1) and (3) of Law No. 32 of 2004 concerning Local Government states that local governments carry out government affairs under their authority except for foreign policy, defense, security, justification, monetary and fiscal national and religious affairs. One form of implementation of fiscal decentralization is the determination of sources of revenue for regions that can be explored and used by themselves with their respective potentials. The regional authority is realized by collecting regional taxes and regional levies regulated by Law No. 28 of 2009, which is an improvement of Law No. 34 of 2000 and its implementing regulations, namely PP No.65 of 2001 concerning Regional Taxes and PP 66 of 2001 concerning Regional Levies.¹⁰

The authority to impose tax levies on local residents to finance community services is an important element in the local government system. Local governments, both provincial and district/city, have the authority to impose taxes, although the amount of local tax revenue is relatively small compared to national tax revenues. The local tax system used so far contains many disadvantages so that the benefits that are passed are smaller than the amount of tax burden carried by the community. Ideally, carrying out regional autonomy should rest on the sources of the region itself.¹¹

2. Discussion

2.1 Review of the Functions and Principles of Local Tax Collection

Taxes are dues on the imposed state owed by those who are obliged to pay them according to regulations – regulations that cannot be returned, which can be directly appointed, and whose purpose is to finance general expenses related to government duties. The tax, in this case, is introduced as a *species* into the *genus* of levies. So, the levy is broader. In this definition, the emphasis is placed on the *budgetary* function of the tax, while the tax still has another function that is no less important, namely the function of regulating.¹²

Taxes are government achievements owed through general norms and can be coerced in the absence of any counter-achievements that can be demonstrated in individual terms; the intention is to finance government expenditures. The characteristics inherent in the definition of tax are as follows:¹³

- a. Taxes are levied on the basis of the force of the law as well as its implementing rules
- b. In the payment of taxes, it cannot be shown the existence of individual counteractions by the government
- c. Taxes are collected by the state by both the central and local governments.
- d. Taxes are intended for government expenditures, which, if there is still a surplus of income, are used to finance public investment.
- e. Taxes can also have a non-bugeter purpose, namely regulating.

Generally known as two kinds of tax functions, namely the budgetair tax function and the regularend function, as follows:¹⁴

1) *Budgetair* Function

This budgetair function is the main function of taxes, or fiscal function (*fiscal function*), which is a function in which taxes are used as a tool to optimally enter funds into the state treasury based on applicable tax laws. It is referred to as the main function since it is this function that historically first appeared. Taxes are used as a tool to collect funds from the community without any direct counteraction from the pre-BC era. Based on this

¹⁰ Machfud Sidik, "Central and Regional Financial Balance as the Implementation of Fiscal Decentralization, Seminar on the Implementation of Regional Autonomy Policies in Indonesia" (Yogyakarta: UGM, 2002).

¹¹ Nick Devas, "Fiscal Autonomy and Efficiency, Local Government and Public Service Reform Initiative." (Budapest, 2002).p 58

¹² H Bohari, *Introduction to Tax Law*. (Jakarta: Rajawali Pers, 2008).p. 23

¹³ *Ibid*

¹⁴ Sony Devano and Siti Rahayu, *Taxation: Theoretical Concepts, And Issues*. (Jakarta: Kencana Prenada Media Group, 2006).p. 25

function, the government is a party that needs funds to finance various interests by collecting taxes from its residents.

2) *Regularend* Function

The *regular function* is also a regulatory function; that is, taxes are a tool of government policy to achieve certain goals. In addition to efforts to include money for the use of the state treasury, taxes are also intended as an effort by the government to take part in regulating and, when necessary changing the arrangement of wealth and wealth in the private sector. The *regularend* function is also called the additional function because the regularend function is only in addition to the main function of the tax, namely the budgetair function

Tax collection is a collection that the government can impose on the taxpayer, and from that collection, there is no direct reward that can be appointed by the taxpayer, so the collection of taxes must first get the approval of the people who, in this case, are represented by the DPR. This is in accordance with the tax philosophy of "*No taxation without representation and Taxation without representation is robbery*". Therefore, in the provisions of Indonesian law, it is also regulated, namely in article 23 paragraph (2) of the 1945 Constitution, namely, all taxes for the use of the state treasury must be based on the law.

The collection of taxes must be regulated by a law where the law governing taxes is called the tax law. Tax law is a collection of regulatory regulations that regulate the relationship between the government as the tax collector and the public as the taxpayer. The tax law itself is divided into two, namely formal and material tax law. Material tax law contains norms that explain the circumstances, acts and legal principles that must be taxed, who should be taxed, and how much tax; in other words, everything about the arising, the amount and elimination of tax debts and the legal relationship between the government and taxpayers, also includes regulations that contain increases, fines and penalties and ways of tax exemptions and refunds, also a provision granting primary billing rights to the fiscus. Meanwhile, formal tax law is a regulation of ways to put material law into reality.¹⁵¹⁶

Taxes based on the type of tax according to the class of taxes are divided into two, namely direct and indirect taxes. Direct taxes are taxes whose liberators cannot be devolved to other parties but must be the tax burden in question, an example of which is the income tax. Meanwhile, indirect taxes are taxes whose deductions can be delegated to other parties, for example, value-added tax. According to its nature, taxes are divided into two, namely subjective and objective. Subjective tax is a tax based on or based on its subject, which is further sought for objective conditions, in the sense of paying attention to the circumstances of the taxpayer, for example, income tax / while objective tax is a tax based on or based on its object, without regard to the circumstances of the taxpayer, for example, Value added tax.¹⁷

Based on the authority that collects taxes, it is divided into two types, namely central taxes and regional taxes. A central tax is a tax whose collection authority rests with the central government and whose implementation is carried out by the ministry of finance through the directorate general of taxes used to finance state households; examples are PPn and PPh, Matrai Duty and so on. Meanwhile, local taxes are taxes collected by local governments and used to finance regional households. Meanwhile, Regional Taxes are taxes whose collection authority lies with local governments whose collection is carried out by the Regional Revenue Service.¹⁸

Local taxes are taxes whose collection authority lies with local governments whose collection is carried out by the Regional Revenue Service. Local Taxes are regulated by law, and the proceeds go to the Regional Revenue and Expenditure Budget.¹⁹

Regional Taxes and Regional Levies are a form of community participation in the implementation of regional autonomy. Local Taxes and Regional Levies are sources of local revenue to finance government administration and regional development.²⁰

Local Tax is a tax imposed by a local government on residents who inhabit the territory of its jurisdiction without directly obtaining the counteractions given by the local government that collects the local tax it pays. Autonomous regions that have the authority and ability to collect local taxes often collect various types of regional taxes, so the regional taxes collected are sometimes not

¹⁵ *Ibid*, p. 29

¹⁶ R.Santoso Brotodiharjo, *Introduction to Tax Law* (Jakarta: Refika Aditama, 2011).p. 44

¹⁷ Waluyo, *Indonesian Taxation*. (Jakarta: Salemba Empat, 2009).p. 12

¹⁸ *Ibid*

¹⁹ Supriatna Tjahya, *Local Government Administration System* (Jakarta: Bumi Aksara, 1996).pp. 51-52

²⁰ Azhari A Samudra, *Taxation In Indonesia: Tax Finance And Retribution* (Jakarta: PT. Gramedia Main Library, 2005).p. 31

suitable to be applied as regional revenues sourced from regional taxes. The regional taxation system is actually an inseparable part of the nationally applicable taxation system.²¹²²

Regulations on Regional Taxes are regulated in Law Number 28 of 2009, namely concerning Regional Taxes and Regional Levies. Regional Taxes, according to Law Number 28 of 2009, namely concerning Regional Taxes and Regional Levies, hereinafter referred to as Taxes, are mandatory contributions to regions owed by individuals or entities that are coercive under the Law by not getting direct compensation and are used for regional purposes for the greatest prosperity of the people.

In article 2 of Law Number 28 of 2009, namely concerning Regional Taxes and Regional Levies, regional taxes are divided into two, namely types of regional taxes, which include provincial taxes or money, including district or city taxes.

- (1) The types of provincial taxes include the following:
 - a. Motor Vehicle Tax; b. Motor Vehicle Name Reversal Duty; c. Motor Vehicle Fuel Tax; d. Surface Water Tax; and e. Cigarette Tax.
- (2) The types of provincial taxes include the following:
 - a. Hotel Tax; b. Restaurant Tax; c. Entertainment Tax; d. Advertising Tax; e. Street Lighting Tax; f. Nonmetallic Minerals and Rocks Tax;

One of the theories of the principle of tax collection that is very well known and embraced today is the theory of "*Four common of taxation*" or "*The four maxims*" proposed by Adam Smith in his book "An inquiry into the nature and cause of the wealth of Nations", namely:²³

1. Principle of *Equality* (principle of balance with ability or principle of justice)
The collection of taxes carried out by the state must be in accordance with the ability and income of the taxpayer (ability to pay), and the state must not act discriminatorily against the taxpayer. Justice here refers to the concept of acceptance and sacrifice, namely that if we pay taxes to the state, the state will provide benefits to its citizens even though such reciprocity cannot be given directly.
2. The basis of *Certainty* (the basis of legal certainty)
Taxes are levied definitively without arbitrariness in the sense that in carrying out the collection of taxes must be carried out under the law. Tax is not an assumption, but tax is a certainty of how much should be collected and paid by the taxpayer and must also be sure of provisions and laws as a legal umbrella for the implementation of this collection.
3. Principle of *Convenience of Payment* (principle of timely tax collection)
This principle is also called the pleasure principle, where the collection of taxes must be carried out at the right time and at a time that is not difficult for the taxpayer. For example, when the taxpayer receives income or receives a gift, that is when it is appropriate to collect taxes from him; where this collection system is called pay as you earn.
4. *Economy* principle (economic principle)
This principle mandates that the cost of collection and the cost of fulfilling tax obligations for taxpayers are expected to be as minimal as possible, as well as the burden be borne by taxpayers; Do not let the cost of collecting taxes that arise in value be greater than the results of collecting taxes.

The conditions for collecting taxes that must be met include:²⁴

1. Tax collection must be fair (Terms of Justice)
2. Tax collection must be based on the law (Juridical Terms)
3. Does not interfere with the economy (Economic Terms)
4. Tax collection must be efficient (Financial Terms)
5. The tax collection system should be simple.

²¹ Roy V. Salomo and M. Ikhsan, *Regional Finance In Indonesia* (Jakarta: STIA LAN Press, 2002).p. 76

²² Brotodiharjo, *Introduction to Tax Law*.p. 104

²³ Dwikora. Harjo, *Indonesian Taxation as a Lecture Material in Higher Education* (Jakarta: Mitra Wacana Media, 2013).pp. 21-22

²⁴ Mardiasmo, *Taxation* (Yogyakarta: Andi Offset, 2012).p. 2

2.2 Local Tax Collection System in National Development

The implementation of taxes is carried out by the central government, but the regional governments also continue to carry out taxes at the regional level. The granting of autonomy to districts and municipal regions is based on the principle of decentralization in the form of broad, real, and responsible autonomy. The government, as a regulator and policy maker, has authorized each region to regulate and create its own economy so that it is hoped that each region, both provinces, cities, and regencies, can independently support and provide funds to finance their respective economic activities. To organize the government, each region has the right to charge fees to the community in the form of taxes²⁵

The procedure for collecting taxes based on Law Number 28 of 2009 concerning Regional Taxes and Regional Levies adheres to the Self-Assessment and Official Assessment system, as it turns out in Article 96 paragraph (2) of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies which stipulates that every taxpayer is obliged to pay taxes owed based on tax provisions or paid by taxpayers themselves based on tax laws and regulations. Furthermore, the Official Assessment system for tax collection is seen in the provisions of Article 96, paragraph (3) jo paragraph (4) of the PDRD Law, which stipulates that taxpayers who fulfill tax obligations based on the determination of the Regional Head are paid using a Regional Tax Determination Letter (SKPD) or other documents that are equated in the form of tickets and calculation notes. Meanwhile, the Self-Assessment system is seen in the provisions of Article 96 paragraph (5) of the PDRD Law, which regulates that taxpayers who fulfill their own tax obligations are paid using a Regional Tax Return (SPTPD), a Regional Tax Underpayment Decree (SKPDKB), and/or an Additional Underpayment Regional Tax Provision Letter (SKPDKBT).

The type of tax that can be collected based on the determination of the Regional Head or paid by the taxpayer himself and other provisions related to tax collection are regulated by a Government Regulation (Article 98 of the PDRD Law). As a follow-up to this provision, Government Regulation Number 91 of 2010 concerning types of regional taxes collected based on the determination of the regional head or paid by the taxpayer himself was issued, where in Article 4 paragraph (2), it is regulated that the collection of taxes owed based on the Tax Determination Letter is the payment of taxes owed by taxpayers based on the determination of the Regional Head using:

- 1) Local Tax Decree or other similar documents; or
- 2) Tax Return Payable

Initially, the tax system in Indonesia adhered to the *Government / Official assessment* system, namely every year, the government (in this case, the Directorate General of Taxes) would issue tax provisions to taxpayers. Thus the Taxpayer is only owed tax after his tax is established. This situation has become very ineffective considering the increasing number of taxpayers while the number of tax officials is limited. This has resulted in many complaints from taxpayers who are waiting for the amount of tax provisions owed in the previous tax year because they have not been determined. After the beginning of 1984, based on Law No.6 of 1983 concerning General Provisions and Procedures for Taxation, the tax system in Indonesia changed to *self-assessment*, namely taxpayers were given full confidence to calculate, take into account, and pay taxes owed in accordance with the provisions of tax laws and regulations.²⁶

The *self-assessment* system and mechanism will, in turn, become its own characteristics and patterns in the Indonesian tax system, namely as follows:²⁷

1. That the tax levy is a manifestation of the devotion of obligations and the participation of taxpayers to directly and jointly carry out the tax obligations necessary for state financing and national development;
2. Responsibility for the obligation to implement taxes, as a reflection of obligations in the field of taxation, rests with the members of the taxpayer community himself. The government, in this case, the tax apparatus in accordance with its functions, is obliged to carry out guidance, research and supervision of the implementation of taxpayer tax obligations based on the provisions outlined in the tax laws and regulations;
3. Members of the taxpayer community are entrusted with being able to carry out national cooperation through a system of calculating, calculating, and paying the tax payable (*self-assessment*), so that through this system, the implementation of tax administration is expected to be carried out more neatly, controlled, simple and easy to understand by members of the taxpayer community.

²⁵ Sf. Marbun, *State Administrative Law*. (Yogyakarta: FH UII Press, 2012).p. 139

²⁶ Ismail, *Analysis And Evaluation Of Local Taxes And Levies*.p. 12

²⁷ *Ibid*, p. 13

Based on the three principles of tax collection, taxpayers are required to calculate, take into account, and pay for themselves the amount of tax that should be owed in accordance with the provisions of tax laws and regulations so that the determination of the amount of tax owed is with the taxpayer himself. In addition, taxpayers are also required to regularly report the amount of tax owed and have been paid as specified in tax laws and regulations. With this system, it is hoped that the convoluted and bureaucratic implementation of tax administration will be eliminated.²⁸

The tax collection system that is justified in implementation according to the provisions of the legislation is:²⁹

- a. *Official Assessment System*
a collection system that authorizes the government (fiscus) to determine the amount of tax owed by the taxpayer. Its characteristics are:
 - 1) The authority to determine the amount of tax owed rests with the fiscus.
 - 2) Taxpayers are passive.
 - 3) Tax debt arises after the issuance of a tax decree by the fiscus.
- b. *Self Assessment System*
a tax collection system that authorizes taxpayers to determine for themselves the amount of tax owed. Its characteristics:
 - 1) The authority to determine the amount of tax owed rests with the Taxpayer himself.
 - 2) The taxpayer is active and begins to calculate, take into account, deposit and self-report the taxes owed.
 - 3) Fiscus did not interfere and only watched.
- c. *With Holding System*
a tax collection system that authorizes the third party (not the fiscus and not the taxpayer) concerned to determine the amount of tax owed by the taxpayer. Its characteristic is that the authority to determine the amount of tax owed is with third parties, parties other than fiscus and taxpayers

Tax collection must meet certain conditions. The conditions for collecting taxes that must be met include the following:³⁰

1. Tax collection must be fair (Terms of Justice)
The collection of taxes is imposed fairly and looks at the ability of taxpayers to pay taxes.
2. Tax collection must be based on the law (Juridical Terms)
Tax collection is regulated in Article 23 paragraph (2) of the 1945 Constitution to provide fair legal guarantees for both the State and Indonesian citizens.
3. Does not interfere with the economy (Economic Terms)
Tax collection must maintain the balance of economic life and not interfere with the economic life of the taxpayer.
4. Tax collection must be efficient (Financial Terms)
Tax collection should be able to be suppressed so that the cost of collecting taxes is not too high.
5. The tax collection system should be simple.
Simply what is meant is that the collection of taxes is carried out simply, which is useful for the community in fulfilling its tax obligations.

3. Conclusion

Taxes are government achievements owed through general norms and can be coerced in the absence of any counter-achievements that can be demonstrated in individual terms; the intention is to finance government expenditures. The characteristics attached to the definition of tax are as follows: Taxes are levied based on the power of the law and its implementing rules; the payment of taxes cannot be shown the existence of individual counteractions by the government; taxes are collected by the state both by the central and local governments, Taxes are intended for government expenditures, which is from the income there is still a surplus are used to finance *public investment*, taxes can also have a non-bugeter purpose, namely regulating.

There are 2 kinds of tax functions, namely *the budgetair* tax function and *the regularend* function. The *Budgetair* function is the main function of taxes, or fiscal function (*fiscal function*), which is a function in which taxes are used as a tool to optimally enter

²⁸ *Ibid*

²⁹ Fery Darmansyah Siregar, "Legal Analysis of Criminal Sanctions Policy Against Motor Vehicle Tax Arrears," *Al-Hikmah Journal of Law and Society* 1, no. 1 (2020): 36–37.

³⁰ Mardiasmo, *Taxation*.p. 2

funds into the state treasury based on applicable tax laws. While the Regulate Function is called the regulating function; that is, taxes are a tool of government policy to achieve certain goals.

Tax collection is carried out on the basis of the principle of "Four common of taxation" or "The four maxims", which contains; 1) The Principle of *Equality* (principle of balance with ability or principle of justice), 2) the Principle of *Certainty* (principle of legal certainty), Principle of *Convenience of Payment* (principle of timely collection of taxes), 4) Principle of *Economy* (economic principle).

The tax system in Indonesia adheres to a *self-assessment* system, where taxpayers are given full confidence to calculate, calculate, and pay taxes owed in accordance with the provisions of tax laws and regulations. Taxpayer income is a manifestation of the obligation and participation of taxpayers for state financing and national development. Responsibility for the obligation to implement taxes, as a reflection of obligations in the field of taxation, rests with the members of the taxpayer community himself. Trust can carry out national cooperation through a system of calculating, calculating, and paying the tax payable (*self-assessment*), so through this system, the implementation of tax administration is expected to be carried out more neatly, controlled, simply and easy to understand by members of the taxpayer community.

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