

TAX EQUITY PRINCIPLES IN ONLINE TAXATION SYSTEMS

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ABSTRACT

In the concept of a welfare state, the state has the responsibility to create welfare for its people. The capital to build this welfare is from taxes paid by taxpayers. Tax collection is an essential function of the state. In the practice of tax collection, there is tax resistance by taxpayers, either through active or passive resistance. This condition is certainly against the principle of tax equity. In this study, two issues will be discussed, namely tax equity as the basis for the legitimacy of tax compliance and an online system in taxation in realizing tax equity. This research is a normative juridical study examining the synchronization of legal principles. Legal materials consist of primary and secondary legal materials. These legal materials were collected through literature study analyzed qualitatively. Tax equity is the principle used to improve tax compliance. Taxpayers must feel treated fairly and get equal contributions from the government in order to have the awareness to pay taxes. Philosophically, taxpayers must feel the benefits of the tax payments they have made. Tax equity includes tax awareness, tax loyalty, tax association, tax identity and tax perceived value. Realizing tax equity requires an online system of taxation. The online system guarantees legal certainty and provides validity in proof.

Keywords: Tax equity, online system, taxation.

INTRODUCTION

1.1. Background of problem

Government is an important element in the formation of a country other than territory and people. The government is a state administrator that has a legal obligation to sustain all aspects of activities in its territory. The idea of the need for government intervention for the welfare of the society has inspired the social rights movements occurred in the 20th century by incorporating social welfare rights into the rights of the people that must be fulfilled by a rule of law state.¹ In carrying out this development, taxes paid by the people are necessary, in this case referred to as taxpayers. The income from the tax is used as capital to build a country.

Tax in the Netherlands is known as *belasting* while in Indonesia it is called tax. The notion of tax is viewed from various different dimensions. According to Mangkoesobroto, tax is a levy which is a privilege of the government, the collection is based on law, so that it can be imposed on the tax subject. Taxes also have the characteristic that there is no direct remuneration that can be demonstrated for their use.² The imposition of taxes will increase the capacity of state finances in providing public goods and services which are the needs of the community.³ Taxes are the manifestation of individual obligations that contribute to the state through contributions, because the state is present to protect individual rights in all its activities.⁴

Tax collection is a function that must be performed by the state as an essential function. Several developed countries have put taxes as a *conditio sine qua non* in increasing state finances. The state will be paralyzed if the tax which is the source of state finance is not paid.⁵ Marihot Pahala Siahaan states that one of the things that must be considered in a country in the context of implementing taxes is tax equity. Tax equity can be felt by taxpayers. This is because psychologically, the community views taxes as a burden, so that it requires certainty that they get fair treatment.⁶

In providing fair treatment for taxpayers, one of the efforts made is an online system of tax collection. The online system in tax collection is a manifestation of electronic government (e-government). In an effort to manage an effective structure, electronic-based government or e-government is the right choice. E-government, based on the definition of The World Bank as "the use of information technology by government offices for better services to people, business and to facilitate cooperation among government institutions. The use of E-government is expected to empower the community through public access to information resources available." ⁷ From a communication point of view, an electronic transaction is basically an activity of exchanging information through an electronic communication system aimed at carrying out a certain legal action. These legal actions can be carried out in the context of the relationship between state administrators and the public (public service), or in civil relations between the parties to conduct an electronic engagement or contract.⁸

¹ Atmadja, I.D.G. (2010). *Hukum Konstitusi Problematika Konstitusi Indonesia Sesudah Perubahan UUD 1945*. Malang: Setara Press, p. 157.

² Naskah Akademik Undang-Undang Pengampunan Pajak, 2016, p. 12

³ Sutedi, A. (2013). *Hukum Pajak*. Jakarta: Sinar Grafika, p. 1.

⁴ Soemitro, R. (1992). *Pengantar Singkat Hukum Pajak*. Bandung: Eresco, p. 2.

⁵ Ali, C. (1993). *Hukum Pajak Elementer*. Bandung: Eresco, p. 16.

⁶ Siahaan, M.P. (2010). *Hukum Pajak Elementer Konsep Dasar Perpajakan Indonesia*. Jakarta: Graha Ilmu, p. 112.

⁷ ASEAN, *Current Status and Issues of E-Government in Indonesia*, <http://www.asean.org/communities/asean-economic-community/item/current-status-and-issues-of-e-government-in-indonesia>

⁸ Makarim, E. (2012). *Notaris Transaksi Elektronik Kajian Hukum tentang Cybernotary atau Elektronik Notary*. Jakarta: RajaGrafindo Persada, p. 45.

The tax administration system which is still traditional in nature and identical to paper based administration is considered no longer effective to be applied to the information society today. The transformation towards information technology-based tax collection provides many benefits for both the government and taxpayers. This technology-based tax payment will automatically generate participation from banks, internet service providers and online payment counters. This condition can foster a healthy business climate and avoid legal problems that may arise in tax collection, such as tax evasion by taxpayers and corruption by tax officials.

1.2 Research Questions

In this research, there are two problems discussed namely: 1) How is the position of tax equity as a basis for tax compliance legitimacy? 2) How is the application of online system policies in taxation in realizing tax equity?

1.3 Research Purposes

The purposes of this study are to find out the position of tax equity as the basis for the legitimacy of tax compliance and to analyze the application of online system policies in taxation in realizing tax equity.

LITERATURE REVIEW

According to Leroy Beaulieu, taxes are assistance, either directly or indirectly, imposed by public power on the population or from goods purchased by the population to cover government budgets.⁹ According to Rochmat Soemitro, taxes are people's contributions to the state treasury based on law, which means that if the tax debt is not paid, the debt can be collected using force, such as forced letters and confiscation, as well as hostage taking, even for tax payments, it cannot be shown a certain reciprocal service, without receiving a service, which can be directly demonstrated and which is used to finance general expenses.¹⁰ There are at least 5 (five) main elements in the definition of tax, namely fees / levies, taxes collected by law, taxes that can be enforced, not accepting contra-performance and to finance general government expenditures.¹¹

The state has the authority to collect taxes which is the basis of legitimacy for the state to establish an online system for collecting taxes. Some of the theories that become the basis for legitimizing the authority of the state to collect taxes are as follows:

- a. Insurance theory. According to this theory, the state in carrying out its duties / functions includes the duty of protecting the life and property of individuals. Therefore, the state works or acts as an insurance company. For this protection, citizens pay a premium and it is tax payments that can be viewed as that premium. This theory has long been abandoned and now there are practically no defenders anymore, because the state does not compensate if losses occur to the people concerned, for example killed or their property stolen.
- b. Interest theory. According to this theory, the tax has a relationship with individual interests derived from state jobs. The more you earn or enjoy the services of government jobs, the more the tax will be. Even though this theory still applies to user fees, it is difficult to accept because the poor and unemployed who get assistance from the government enjoy or receive a lot of services from government jobs and they are even exempt from paying taxes.
- c. Absolute tax liability theory (sacrifice theory). This theory is based on the organic teachings of the state (organische staatsleer) and maintains that without the state it is impossible for individuals to live freely in the state. Therefore, the state has the absolute right to collect taxes. Without the state, there is no individual, and the payment of taxes by individuals to the state is seen as a sign of sacrifice or dedication to the state. This theory puts too much emphasis on the state, that is, as if the individual cannot live without the state, but that the state can live without individuals. In reality, this is not the case, because it is impossible for the state to exist without individuals.
- d. Buying style theory. This theory teaches that the function of tax collection, when viewed as a symptom in society, is equated with a pump, namely taking the purchasing style of households in society for state households and then channeling it back to society with the aim of preserving people's lives or for the welfare of society as a whole. This theory is widely adhered to, because of its practicality. This theory is valid all the time both in liberal economics, even in socialist societies, although it does not escape its variations. According to this theory, it is the implementation of the public interest that can be considered as the basis for tax collector justice and not the interests of individuals, nor the interests of the state, but the interests of society which encompass both. Thus this theory focuses on the second fraction of the tax fraction, namely the regulating fraction (regularend).
- e. The bear force theory. This theory teaches that tax collection must be in accordance with the paying power of the taxpayer (individual). The pressure of all taxes must be in accordance with the taxpayer's bearing style by paying attention to the amount of income and wealth, as well as the taxpayer's expenditures. This bearing style is influenced by various components, especially income, wealth and the composition of the taxpayer's family by taking into account the factors that influence their situation.¹²

Adam Smith put forward the theory of tax collection with the principles of equity (tax payment is balanced with the ability to pay taxes), certainty (tax paid must be clear and uncompromising), convenience of payment (tax is imposed upon receipt of payment), and economic of collection (taxes are collected as efficiently as possible).¹³ The imposition of taxes for taxpayers is practically an

⁹ Brotodihardjo, S. (2013). *Pengantar Ilmu Hukum Pajak*. Bandung: Refika Aditama, p. 3.

¹⁰ Zuraida, I. & L.Y. Advianto, H.S. (2011). *Penagihan Pajak: Pajak Pusat dan Pajak Daerah*. Bogor: Ghalia, p. 3.

¹¹ Sutedi, A., *op.cit.*, p.3.

¹² Bohari. (2014). *Pengantar Hukum Pajak*. Jakarta: Rajawali, p. 36-38.

¹³ Erly Suandy. (2016). *Perencanaan Pajak*. Jakarta: Salemba Empat, p. 27.

attempt by the state to obtain income legally. The income is used to finance government administration and public services for the community.

The collection system that applies to tax collection is the Official Assessment System, Self Assessment System and With Holding System. The Official Assessment System is a tax imposition system that gives the government authority (fiscus) to determine the amount of tax owed by taxpayers.¹⁴ Self Assessment System is a system in which taxpayers have the authority to fulfill all tax obligations, while Fiskus only supervises tax compliance through audit procedures. This system requires the active participation of taxpayers in carrying out their tax obligations, so this system requires high taxpayer compliance.¹⁵ With Holding System is a tax collection system that gives authority to appointed third parties based on the provisions of applicable tax laws to determine the amount of tax owed by the taxpayer.¹⁶

RESEARCH METHODS

This research is a normative juridical study regarding online systems in taxation associated with the principle of tax equity. The approach to the problem is carried out with a legal, a legal conceptual, and a philosophical approach which is the basis for implementing an online system of taxation. The legal principle used as a philosophical foundation is the principle of tax equity in tax law. The legal materials used in this research are primary legal materials, namely statutory regulations and treaties, as well as secondary legal materials, namely books and articles in scientific journals and official websites. Legal materials were collected through literature study. Legal materials used are accompanied by references in footnotes and bibliography. The problem analysis was done qualitatively.

TAX EQUITY AS THE BASIS OF TAX COMPLIANCE LEGITIMATION

Government activities in ensuring security, managing effective structures and advancing state goals, have consequences for the need for regulation of government action. On that basis, the government inevitably has to issue regulations, both binding in general, meaning that it binds everyone as well as regulations whose scope of effect only binds individuals.¹⁷ The enforcement of tax provisions must be arranged in the form of a legal product. In English law, there is one argument, namely No taxation without representation (no taxation without laws). In America, it is known that taxation without representation is robbery.¹⁸

In ensuring tax compliance, the government issues various regulations and policies. At the global level, countries in the world have signed the Multilateral Instrument on Tax Treaty (MLI) at the Headquarters of the Organization for Economic Co-operation and Development (OECD) Paris. MLI is a global joint effort to prevent the practices of taxpayers / business entities, to divert profits and erode a country's tax base (Base Erosion and Profit Shifting). In the tax treaty, countries agreed to prevent tax avoidance practices. Some forms of avoidance that are often carried out by business entities are dividing organizational functions, dividing contract time, contract engineering, ownership engineering aimed at avoiding tax obligations.¹⁹

The philosophical foundation of tax collection is based on the benefits approach. This approach is a fundamental basis based on a philosophical basis that justifies the state to collect taxes as a levy that can be enforced in the sense that it has authority with coercive power. This benefit approach is based on a philosophy because the state creates benefits that can be enjoyed by all citizens who live in the state; therefore, the state has the authority to collect taxes from the people in a way that can be enforced.²⁰

The awareness of paying taxes at a macro level will give birth to the tax morality of the community.²¹ The awareness to pay taxes will have implications for the degree of tax compliance. Simon James and Clinton Alley say tax compliance is likely to become a more significant aspect of tax policy as most of the old issues still exist and new considerations are generated by developments such as self-assessment, the emergence of a global economy and e-commerce.²² Jun & Yoon elaborated on their opinion regarding a person's motivation to pay taxes by stating the following:

For policymakers to establish an optimal tax system, it is crucial to understand the underlying motivations that may affect compliance behavior. Economists often view an individual's tax behavior as a rational choice to maximize his or her own material outcomes. However, behavioral scientists presume that individuals are motivated not only by economic incentives, but also by social and psychological factors.²³

From an epistemological point of view, the types of taxpayer compliance include formal and material compliance. Formal compliance is a condition in which the taxpayer fulfills all obligations formally based on the provisions of the taxation law. Material

¹⁴ Y. Sri Pudyatmoko. (2002). *Pengantar Hukum Pajak*. Yogyakarta: Andi, p. 80.

¹⁵ *Ibid*.

¹⁶ Subing, H. A., Pratiwi, A., & Haninun, H. (2011). Analisis Self Assessment System Terhadap Tingkat Kepatuhan Wajib Pajak Studi kasus Pada KPP Pratama Natar. *Jurnal Akuntansi dan Keuangan*, 2(2): 196.

¹⁷ Usfunan, J. (2012). *Perbuatan Pemerintah yang Dapat Digugat*. Jakarta: Djambatan, p. 17.

¹⁸ Soemitro, R. (2017). *Dasar-dasar hukum Pajak dan Pajak Pendapatan*, Bandung: Eresco, p. 117.

¹⁹ Ministry of Finance of the Republic of Indonesia, Pemerintah Indonesia Tandatangani Perjanjian Pajak Internasional, <https://www.kemenkeu.go.id/publikasi/berita/pemerintah-indonesia-tandatangani-perjanjian-pajak-internasional/>

²⁰ Bohari, *op.cit.*, p. 36.

²¹ Bohari, *op.cit.*, p. 104.

²² James, S., & Alley, C. (2010). Tax compliance, self-assessment and tax administration. *Journal of Finance and Management in Public Services*, 2(2), p. 28.

²³ Jun, B. W., & Yoon, S. M. (2018). Taxpayer's religiosity, religion, and the perceptions of tax equity: Case of South Korea. *Religions*, 9(11), 333.

compliance is a condition in which the taxpayer must substantively fulfill all material provisions of taxation, namely in accordance with the substance and spirit of the material compliance tax law, which can also include formal compliance.²⁴

According to Adam Smith, the effectiveness of tax collection must fulfill four principles, namely 1) Equality and equity. The principle of equality means that the same situation or people who are in the same situation must be subject to the same tax. This principle of equality is often called non-discrimination, so that taxpayers who are in the same situation will be treated equally and be subject to the same tax. The principle of fairness is that the tax burden must be in accordance with the relative capabilities of each taxpayer. The notion of justice here is a relative meaning and depends on the place, time and underlying ideology. 2) Certainty. The principle of certainty in the imposition of taxes implies that the tax should be firm, clear and certain for every taxpayer in this case is legal certainty. The legal certainty is manifested in laws that are firm, clear and do not contain multiple meanings so that they can open up opportunities for different interpretations. The legal certainty will also facilitate administration. 3) Convenience of payment. The principle of convenience of payment means that taxes are collected at the right time, for example when the taxpayer has money so that it will provide comfort (convenient) and not trouble or burden the taxpayer. 4) Economics of collection. In tax collection, it should be considered that the cost of collection must be relatively small compared to tax revenue in other words, it is efficient. If the cost of collecting taxes is greater than the revenue, there will be a loss or inefficient.²⁵

Tax justice is a characteristic (act or treatment) that is not arbitrary or impartial to the prevailing taxation system. Tax equity is the equalization of policies in the taxation system according to the actual situation of the taxpayer.²⁶ Basically, tax equity does not want double taxation on taxpayers; therefore, tax collection jurisdiction is very important to note. Tax collection jurisdiction is the authority of a country to impose and collect taxes on its citizens. Determination of tax collection jurisdiction is intended so that taxpayers are not taxed repeatedly. The determination of jurisdiction is carried out based on the principle of residence or the principle of domicile, the principle of nationality and the principle of source. 1) The principle of residence or domicile. According to this principle, tax collection is based on a person's residence or domicile. A country can only collect taxes on all people who reside or are domiciled in the country concerned on all income wherever it is earned, regardless of whether the person residing in the country is a citizen or a foreign citizen. 2) The principle of nationality. Tax collection according to this principle is based on the nationality of a country. A country will collect taxes on every person who has nationality in the country concerned even if the person does not reside in the country concerned. 3) The principle of source. Tax collection is based on the source or place of income. If a source of income is located in a country, that country has the right to collect taxes on every person who derives income from the place or source of income is located.²⁷

Adolf Wagner, Professor in Berlin views that taxes enacted by a country, with the aim of achieving certain economic goals. However, this does not mean that the country completely ignores the results of the tax collection. However, the small amount of money that will be able to enter the state treasury, this money will always be used as a contribution to cover the costs of the government.²⁸ The government can participate in carrying out efforts to flatten the waves of conjunction, moreover it can be tasked with working to improve social conditions. This purely regulatory function could be divided into economic tasks, likely to prevent excessive ups and downs in conjunction, or to aid post-war development and tasks based on social considerations such as creating social security for low-income groups, and striving for a more equitable distribution of national wealth income.²⁹

Tax compliance is influenced by the existence of tax resistance by taxpayers. The more tax resistance is carried out, the lower the degree of tax compliance in a country. Tax resistance includes passive and active tax resistance. Passive resistance means the reluctance of society to pay taxes. The reluctance is caused, among others: 1) The development of the intellectual and moral level of society. The public is reluctant to pay taxes because they have listened to a series of news about tax corruption committed by a number of tax officials, to bureaucratic officials. The public also assess the performance of the state apparatus in terms of taxation which is deemed unsatisfactory. Even though taxes are a source of state income, this negative stigma makes people reluctant to pay taxes; 2) A somewhat difficult tax system to understand. Every citizen has the obligation to pay taxes. However, many people do not understand about calculating taxes. This condition causes people reluctant to pay taxes; 3) The control or supervision system cannot be implemented properly. Lack of a control system over distribution, reporting and use of taxes causes tax money to be corrupted by office holders. This causes people to think that paying taxes is futile, as a result people are passive and hesitant to pay taxes.³⁰

Active resistance includes all efforts and actions directed at the tax authorities directly to avoid taxes. The forms of active resistance include tax avoidance and tax evasion. Tax avoidance is the taxpayer's efforts to ease the tax burden without breaking the law. Tax avoidance is an effort made by companies to minimize taxes that must be borne in a legal manner by taking advantage of the weaknesses contained in statutory regulations.³¹ Tax evasion, namely taxpayers' efforts to reduce taxes by violating the law, for example by embezzling taxes.³²

²⁴ Devano, Sony & Rahayu, S.K. (2006). *Perpajakan Konsep, Teori dan Isu*. Jakarta: Penerbit Prenada Media Group, p. 89.

²⁵ Mardiasmo. (2004). *Otonomi dan Manajemen Keuangan Daerah*, Yogyakarta: Andi, p. 22.

²⁶ Fitria, P. A., & Supriyono, E. (2019). Pengaruh pemahaman peraturan perpajakan, persepsi tarif pajak, dan keadilan perpajakan terhadap kepatuhan wajib pajak. *ECONBANK: Journal of Economics and Banking*, 1(1), 47-54.

²⁷ Ilyas, W.B. & Richard Burton. (2013). *Hukum Pajak; Teori, Analisis dan Perkembangannya*. Jakarta: Salemba Empat, p. 34-35.

²⁸ Brotodihardjo, R.S. (2013). *Pengantar Ilmu Hukum Pajak*. Bandung: Refika Aditama, p. 220.

²⁹ *Ibid.*, p. 220-221.

³⁰ Mardiasmo. (2011). *Perpajakan*. Yogyakarta: Andi, p. 9-10.

³¹ Sari, L. I. (2019). Analisis Pengaruh Return On Assets, Debt To Equity Ratio, Debt To Assets Ratio, Current Ratio Dan Financial Lease Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2012-2017. *JSAM (Jurnal Sains, Akuntansi dan Manajemen)*, 1(1), 301-336.

³² Mardiasmo. (2011)., *op.cit.*, p. 9-10

In facing tax challenges based on the principle of tax equity, an online system in taxation is needed. The information technology-based tax system will improve the quality of public services to the public. People no longer need to queue for hours to pay, deposit and report taxes. Transactions can be carried out anywhere with the facilities developed by the perception bank. Transaction security is also more guaranteed through this online system, because the data is recorded directly in the system, so that if the printed proof is lost, the taxpayer can request reprinting. Provisions regarding software systems are also based on international regulations. This system provides a more effective and efficient service for taxpayers to find out and pay taxes anytime and anywhere with their communication tools. This condition will provide comfort and security for businesses to pay taxes. With this system, the state will save budget to cover administrative costs and compliance costs. Tax administration will be effective by reducing the possibility of unregistered taxpayers, taxpayers who do not submit tax returns, tax smugglers and tax arrears. Through a paperless system, efforts to save the environment will be more optimal.

The principle of benefit, one of the goals of government and community activities, is to create benefits that can be enjoyed by all citizens, both as consumers and producers. If the benefits received by the community or state citizens are felt great, then citizens will be willing to pay for these benefits in large amounts.³³ The online system in taxation will make it easier for taxpayers to carry out tax administration. Tax officials do not need to carry out field checks. Through this paperless system, it can reduce or even no longer require hardcopy reporting. This will certainly save the budget for paper purchases and reduce the need for paper. Electronic evidence generated from electronic transactions has an advantage over conventional evidence which is easily lost and falsified. The simplicity of this online system is in line with Bohari's thinking. According to Bohari, tax collection should not interfere with the economic life of the taxpayer. Do not let someone will fall destitute because of the tax collection. This has to do with the matter of tariffs, as tariffs are related to economic life. Tax collection should not interfere with or hinder the smooth running of trade / industry, it should not happen that with tax collection, companies will go out of business or go bankrupt.³⁴

Public perception regarding the fairness of the taxation system in a country greatly influences the implementation of good taxation in that country. This public perception will influence tax compliance behavior and tax evasion behavior. People will tend to disobey and avoid tax obligations if they feel the tax system that applies is unfair. According to Musgrave and Musgrave, the measure in assessing justice is the benefit approach and the ability to pay approach. The benefit approach size is based on the benefits of government services received by taxpayers, in which the tax imposition on each taxpayer is based on the amount of these benefits. The greater the benefits received by the taxpayer, the greater the tax burden. Meanwhile, the ability to pay approach is based on the individual's ability to pay taxes, in which the ability is based on the level of prosperity as measured by the level of income, total wealth, or individual consumption expenditure. The higher the individual's ability to pay taxes, the greater the tax burden paid.³⁵

ONLINE SYSTEM IN TAXATION IN REALIZING TAX EQUITY

Judging from its history, this tax problem had existed since time immemorial, although at this time it had not yet called a "tax", but it was still a voluntary gift from the people to the king. Subsequently, the gift turned into a tribute which was forced in the nature of the gift to be "obligatory" and determined unilaterally by the state. In other words, "taxes" which were originally a gift turned into levies, this is natural because the state's need for funds is getting bigger in order to maintain the interests of the state, namely to defend the state and protect its people from enemy attacks and to carry out development.³⁶

The advances in information technology have implications for the ease of implementing governance. In this context, technology experts have formed a new network called e-government. Utilization of communication and information technology in government processes (e-government) will increase efficiency, effectiveness, transparency and accountability in government administration. To carry out good governance and improve effective and efficient public services, it is necessary to have policies and strategies for developing e-government. The implementation of e-government through the online tax system can be a strategy for the regent to see tax data this year with the previous year. The online tax payment system will minimize direct contact between state officials and the public, which means it will narrow the space to commit criminal acts of corruption. Electronic data and information submitted are also valid data and information. This condition will create good and clean governance. In implementing e-government, there are several delivery models, including: 1) Government to citizen or government to customer. One-way delivery of public services and information by the government to the public which allows the exchange of information and communication between the public and the government. 2) Government to business. By using electronic transactions, the government provides various information needed for businesses to transact with the government. This model leads to the marketing of products and services to the government to help the government become more efficient through improved business processes and electronic data management. 3) Government to government. This model enables online communication and information exchange between government departments or agencies through an integrated database.

The use of the online tax system is believed to be able to optimize revenue from taxes and maximum tax revenue will be achieved. The purpose of optimally entering cash as stated by Adrian Sutedi is as follows:

- a. Do not let taxpayers / tax subjects who do not pay their tax obligations.
- b. Do not let taxpayers not report tax objects to the tax authorities.

³³ Bohari, *op.cit.* p. 39.

³⁴ Bohari, *op.cit.*, p. 46.

³⁵ Suryadi, D. (2018). Pengaruh Dimensi Keadilan Pajak dan Tax Morale Terhadap Tingkat Kepatuhan Wajib Pajak Badan yang Terdaftar di KPP Pratama Kota Bandung. *TEDC Vol.10 No.1 Januari 2016*: 61-69.

³⁶ S. Munawir. (2012). *Perpajakan*. Yogyakarta: Liberty, p. 1.

- c. Do not let any tax objects from the tax authorities' observations and calculations be released.
- d. Optimization of the entry of funds into the State treasury / regional treasury (local taxes) is created for the business of taxpayers and tax authorities.
- e. Taxes that are used to finance general government expenditures can be imposed.³⁷

The online system in taxation aims to simplify service and control over tax administration in realizing tax equity. The demand for justice has two meanings. In a formal sense, justice demands that the law applies generally. In a material sense, it is demanded that the law is in accordance with the ideals of justice in society. Looking for justice in the problem of tax collection, various opinions and theories emerge, as a result of the thinking of western scholars, to justify and provide a legal basis for tax collection and ensure that tax collection is "lawful", not seen as an arbitrary plunder.³⁸ The online system is realized from the distrust of tax officials who are seen unfair in tax collection.

Tax equity is the value of the image of the tax institution in the taxpayer concept or the differential effect provided by image association on the taxpayer's response to the image of the tax institution. Tax Equity consists of tax awareness, tax loyalty, tax association, tax identity and tax perceived value (known as exchange fairness).³⁹ Obeid states:

Although it is difficult to access tax Equity, it is a basic criterion for tax structure design. Most people agree that the tax system should be fair in the sense that anyone who pays a tax must be involved in a "fair share" for government spending. Nevertheless, there is no agreement on the definition of this "fair share". In addition, there are two approaches that can be taken into consideration about tax equity: An approach based on the so-called "benefit principle", where each taxpayer contributes in line with the benefits received from public services. The second approach is based on the principle of "ability to pay." Under this approach, each taxpayer contributes proportionately to its ability to pay.⁴⁰

Tax is considered fair by taxpayers if the tax imposed is proportional to the ability to pay and the benefits to be received, so that the taxpayer will benefit from the tax burden that has been issued. The more unfair the applicable tax system is, the lower the level of compliance, this means that the tendency for tax avoidance and tax evasion is getting higher and makes tax evasion behavior ethical or reasonable even though it is not justified because it violates applicable regulations.⁴¹ Tax equity is defined as vertical and horizontal justice. Vertical and horizontal justice in tax collection must be fulfilled. The principle of fairness essentially pays attention to the imposition of taxes in general and in accordance with the ability of the taxpayer or proportional to the level of income. Horizontal justice is that taxpayers with the same or equal conditions will be subject to the same tax burden. Meanwhile, vertical fairness is when taxpayers with a larger amount of income will bear a larger tax burden than taxpayers with small income.⁴²

Gerbing states that the dimensions of tax justice fall into five variables, namely general fairness, exchange with the government, self-interest, special provisions, and the tax rate structure. Then the tax justice dimension developed by Gerbing is used as a reference by several researchers in conducting research on the effect of the tax justice dimension on taxpayer compliance behavior.⁴³ Christensen states that until now the perception of justice is difficult to define because of four main problems: (1) it is a dimensional problem; (2) it can be defined at the individual level as well as in the wider community; (3) fairness is related to complexity; and (4) lack of fairness can lead to judgment or lead to non-compliance. Richardson conducted research on the dimensions of tax justice as a tax compliance variable in Hong Kong. In his research, Richardson also adds a new dimension, namely, middle income earners tax share / burden. The addition to this dimension of justice, it is adjusted to the culture and tax system prevailing in Hong Kong.⁴⁴

Law enforcement against tax crimes only targets small taxpayers, but taxpayers from large business groups can actually negotiate with tax officials against the law. Through this online system, the transaction data is direct (direct system) or pulls data from the source without any intervention or anyone. This online tax system will eliminate the opportunity for people who intend to lie or deceive data in order to pay taxes cheaper or lower than required. This condition will create justice for taxpayers and ensure transparency in tax imposition. The general policy regarding fairness in taxation calls for redistribution to society. On this point, Jeremy Waldron states:

Most developed countries have progressive income and wealth taxes, and provide income support and basic services to their poorest citizens on the basis of that taxation. These schemes are not usually conceived as ways of redistributing property, but

³⁷ Sutedi, A. (2008). *Hukum Pajak dan Retribusi Daerah*. Bogor: Ghalia Indonesia, p. 49.

³⁸ Bohari, *op.cit.*, p. 31.

³⁹ Margaretha, V., Chandra, F. O., & Sitardja, M. (2020). Pengaruh tax equity terhadap tax compliance melalui trust in government. *Jurnal Akuntansi Keuangan dan Manajemen*, 1(3), 155-168.

⁴⁰ Obeid, R. (2018). A Theoretical Study on the Application of the "Vertical Tax Equity". *Economic Research*, 2(11), 16-23.

⁴¹ Monica, T., & Arisman, A. (2018). Pengaruh Keadilan Pajak, Sistem Perpajakan, Dan Diskriminasi Pajak Terhadap Persepsi Wajib Pajak Orang Pribadi Mengenai Etika Penggelapan Pajak (Tax Evasion)(Studi Empiris Pada Kantor Pelayanan Pajak Pratama Seberang Ulu Kota Palembang).

⁴² Prabandaru, A. Menenal 4 Prinsip Pajak yang Wajib Dipungut di Indonesia, <https://klikpajak.id/blog/bayar-pajak/4-prinsip-pajak-di-indonesia/>

⁴³ Wulandari, S., & Budiaji, A. (2018). Pengaruh Persepsi Keadilan Pajak Dalam Peraturan Pemerintah Republik Indonesia Nomor 46 Tahun 2013 Terhadap Kepatuhan Dalam Memenuhi Kewajiban Perpajakan. *ISLAMICONOMIC: Jurnal Ekonomi Islam*, 8(2).

⁴⁴ Wardani, E., Yuesti, A., & Sudiartana, I. M. (2018). Dampak Dimensi Keadilan Pajak Terhadap Tingkat Kepatuhan Wajib Pajak Badan Dalam Konteks Tri Hita Karana Di Kpp Pratama Badung Selatan. *Sekolah Tinggi Ilmu (Stie) Ekonomi Triatma Mulya*, 21(2), 99-112.

they may nevertheless be informed by a sense of how far the existing system is from a just distribution or of what the basic principles underlying property distribution ought to be.⁴⁵

Most developed countries have progressive tax income and wealth, and provide poor citizens with income assistance and basic services on the basis of this taxation. These schemes are not usually understood as a way of distributing property, but they may remain informed by a sense of how far the existing system is from distribution only or what the basic principles underlying the distribution of the property should be.

The online tax system also aims to ensure legal certainty. Legal certainty has a double meaning. Legal certainty means that the law promulgated by the authorities. Legal certainty also means that the law must be so clear that society and the government and judges can adhere to it. Each party can find out about their rights and obligations. Tax law must be able to provide the legal guarantees necessary to assert strict justice, both for the state and for its citizens. Taxes are the transfer of wealth from the people's sector to the government sector (to finance state expenditures). For this reason, direct counter-achievement to individuals cannot be appointed. Whereas the transfer of wealth from one sector to another without any counter-achievements, can only occur as a will grant. Whenever the transfer of wealth occurs because of violence / coercion, namely in an event of seizure or robbery. That is why in England there is a proposition No taxation without representation and in America Taxation without representation is robbery.⁴⁶ This argument states that every tax collection must be legitimized by means of a legal provision. The online tax system is organized based on the principles of public interest, openness, proportionality and accountability in order to achieve equal distribution of welfare.

CONCLUSION

Tax equity is the basis of legitimacy in realizing tax compliance. Fairness in taxation avoids double taxation. The results of state income from taxes are distributed equally among the people. In ensuring tax compliance in accordance with the principle of tax equity, an online system in taxation is required. The online system in taxation will make it easier for taxpayers to make tax payments and reporting. Proof of payment and reporting is more authentic and easier to store than conventional tax systems. The online system in taxation is also useful for preventing corruption that may be done by tax officials and tax evasion that may be done by taxpayers. Even so, there are several things that need to be considered in this online taxation system, namely the guarantee of security in cyberspace where this taxation system is carried out. Digital literacy for taxpayers also needs to be improved to ensure the implementation of an online system in taxation.

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⁴⁵ Waldron, J. "Property Law", Dennis Patterson (ed.). (2010). *A Companion to Philosophy of Law and Legal Theory* Second edition, West Sussex: Blackwell Publishing, p. 21.

⁴⁶ Brotodihardjo, S., *op.cit.*, p. 37.

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