

Proceeding Paper

e-Bupot Unification as an Application to Fulfill Tax Obligations for Tax Withholder †

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Abstract: The e-Bupot Unification application was published in order to provide ease of administration, especially for tax with holders. The purposes of this study are to describe what tax obligations can be fulfilled by a tax withholder using this application and to analyze the advantages and disadvantages of this application. The research methodology used is descriptive analysis, data were obtained from literature reviews and case studies. The results show that by using this application, the obligation of a tax withholder becomes easier, simpler, and more efficient. The simplification of tax administration in the use of this application has fulfilled the ease of administration principle.

Keywords: e-Bupot Unification; ease of administration; withholding tax

1. Introduction

One of the tax collection systems used in the imposition of taxes in Indonesia is the Withholding Tax System, which is a tax collection system that authorizes a designated third party to determine the amount of tax owed by the taxpayer in accordance with the applicable tax laws and regulations [1]. The third party in this case is the party who pays the income, known as the tax withholder [2]. There are some obligations that must be fulfilled by a tax withholder in the withholding tax system, namely making a withholding tax slip while calculating the amount of tax that must be withheld, then depositing the tax into the state treasury, and then reporting it in a Monthly Tax Return (SPT Masa).

In this regard, the government in Indonesia, through the Directorate General of Taxes (DGT), continuously strives to provide convenience in terms of administration for a tax withholder to fulfill their various tax obligations. One of the most recent innovations issued by the DGT is the application of a unified electronic withholding tax slip that is called e-Bupot Unification [3]. This application is a refinement of a similar application that has previously been published, namely the e-Bupot application. If the e-Bupot application can only be used to fulfill tax obligations for the imposition of Article 23/26 Income Tax, then the e-Bupot Unification can accommodate the fulfillment of tax obligations for other types of income taxes imposed through the withholding tax system, namely Income Tax Article 22, Article 4 paragraph 2 and also Article 15 [4].

The e-Bupot Unification application is expected to be able to encourage a level of tax-payer compliance, especially for tax with holders, and ultimately help achieve the target of state revenue from the tax sector. In addition, the presence of the e-Bupot Unification application is expected to reduce the administrative burden of a tax withholder in submitting their tax returns and minimize the occurrence of filling errors which will be detrimental to the tax withholder themselves. It is feared that the various types of tax return will cause complications for taxpayers, because each tax return has its own format, character and filling procedure. In addition, it can also have implications for the amount of administrative costs that must be incurred both from the side of the DGT and from the side of the taxpayer himself.



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The purpose of this study is to describe what tax obligations can be fulfilled by a tax withholder using the unification e-Bupot application, as well as to analyze its advantages and disadvantages, from the perspective of the ease of administration principle.

The significance of this research is that it is expected to increase knowledge for academics, especially in the practice of implementing unification e-Bupot applications. In addition, this research can also be used as reference for related parties who will conduct research with problems similar to the topics discussed in this study. For tax practitioners, this research is expected to be a reference in the use of the e-Bupot Unification application, as well as to find solutions to problems that arise from its use. In addition, this research is expected to be an illustration for policy makers about how to implement the unification e-Bupot application in the field, the obstacles faced by users of the application, and can provide input for the improvement of the application in particular and improvement of tax policy in the future.

2. Materials and Methods

Based on the research objectives, this research is a form of descriptive research. The research methodology used is descriptive analysis, where data are collected from case studies and literature review. This research is qualitative research. Qualitative research that which produces descriptive data in the form of the written or spoken words of people and observable behavior. The data collection carried out in this study used two methods, namely literature studies and case studies. Both of these data collection techniques were used in order to obtain a more comprehensive answer regarding the problems to be studied for this research. First, the literature study carried out in this research includes collecting, reading and studying literature in the form of books, articles, journals, laws, regulations of the minister of finance, and related regulations. Second, we conducted a field study in the period January–June 2022. The type of data used are secondary data, which were obtained from the results of work practices (internships), obtained by raising cases found during internships. Obtained secondary data are in the form of documentary data and oral and written statements from the parties concerned.

3. Results and Discussion

3.1. Unification e-Bupot Application as a Modernization of Tax Administration

The OECD [5], in its research, emphasizes that the tax administration system must be transformed and changed continuously in accordance with the rapid advances in technology and digitalization, as well as the development of business patterns. The main objective is to increase the effectiveness and efficiency of taxation, or reduce costs and increase taxpayer voluntary compliance, so as to encourage economic growth and investment. The ideal tax system in the digital era, according to the OECD, must encompass the following criteria: (1) be globally connected; (2) be technologically enabled; (3) be collaborative and integrated (collaborative and integrated); (4) be prioritizing data and insights (data and insight led); (5) have better management of information compliance, or have qualified human resources (a qualified workforce); (6) and lastly, should continue the transformation change significantly in following the latest digital technology and business trends.

Bojuwon [6] suggests that the online taxation system has received great attention globally through the development of information technology that affects the tax administration system. With the advent of information technology (IT), it is possible for tax managers to improve a tax administration system by creating awareness about their tax structure as most taxpayers have limited knowledge of the way in which information technology has made progress and made the services offered to the public better and simpler. The use of information technology has provided a new perspective for the development and integration of the tax administration system. The tax administrator's understanding of the online tax system should lead to an increase in the level of service provided and encourage system users to comply with it, leading to to increased revenue [7].

Provisions regarding e-Bupot Unification are regulated in the Regulation of the DGT Number PER-24/PJ/2021. Those taxpayers who are income tax withholders or collectors can use the e-Bupot Unification application from the January 2022 Tax Period. The January to March tax period is a transition period, meaning that the taxpayer can determine when to start using the e-Bupot Unification application. However, in the April 2022 tax period, all taxpayers who are withholding or collecting are required to switch to using the e-Bupot Unification application.

The e-Bupot Unification application is designed in a web-based form. All withholding tax receipts made through the application will be electronically signed. Therefore, the taxpayer must have an electronic certificate or DGT authorization code. If one does not have an electronic certificate or the validity period of the certificate has expired, then the taxpayer, the taxpayer's representative, or the taxpayer's proxy must apply for the issuance of an electronic letter or DGT authorization code [3]. Through e-Bupot Unification, taxpayers can make a withholding/tax slip for several types of taxes. The types of taxes in question are Income Tax Article 4 paragraph (2), Income Tax Article 15, Income Tax Article 22, Income Tax Article 23, and Income Tax Article 26. Reporting is also carried out with the unification tax return, so that it can help reduce the administrative burden for taxpayers. The provisions regarding the time of reporting and depositing of taxes are still the same as the previous rules. The deposit of income tax that has been withheld/collected must be no later than 10 days after the end of the tax period. Self-payment of income tax must be made no later than 15 days after the end of the tax period. For the submission of the unification income tax period SPT, this is carried out no later than 20 days after the tax period ends.

The e-Bupot Unification is an application that can assist taxpayers in reporting the unification income tax return in the form of an electronic document. The e-Bupot Unification web service has been presented by DGT to complement the previous e-Bupot function. The way to use the unification e-Bupot application can be seen in the following link which discusses a tutorial on the use of unification e-Bupot <https://www.pajak.go.id/id/tutorial-use-e-bupot-unification> [8].

3.2. Fulfillment of Tax Obligations by Tax Withholders through the Unification e-Bupot Application

The e-Bupot Unification application is present as an innovation in the field of tax administration, one which provides services to taxpayers, especially tax with holders, to fulfill their various tax obligations. This application is a refinement of the previous e-Bupot application, which at that time could only be used for the type of withholding in Income Tax Article 23/26. Now, with the presence of the unification e-Bupot application, a tax withholder can use one application to fulfill all their tax obligations. Other income taxes are also imposed with the withholding tax system, which includes Income Tax Article 23, Article 26, Article 4 paragraph 2 and Article 15.

Taxpayers who can use the unification e-Bupot Application must fulfill the following requirements [9]:

- (1) must already have E-FIN to use DGT Online account,
- (2) have an electronic certificate, and
- (3) be determined through a decision of the Director General of Taxes

The tax obligations that can be fulfilled by tax withholders using this application are outlined in the following sections.

3.2.1. Creating Electronic Withholding Tax Slip

Based on Article 1 paragraph 8 PER-24/PJ/2021 [10], the withholding tax slip is a document in a standard format or other equivalent document, which is made by an income tax withholder as evidence of income tax deduction/collection and shows the amount of income tax accrued that has been withheld or collected.

Provisions regarding the numbering associated with the withholding tax slip are as follows:

1. Serial numbers are given sequentially even though the types of income tax are different
2. One serial number for one taxpayer, one tax object code, and one tax period
3. Numbering on separate paper forms with electronic documents
4. The number of a withholding tax slip does not change if there is an edit (edit) or correction and cannot be reused in the event of deletion or cancellation
5. For income tax withholders/collectors who have met the requirements to use the unification e-Bupot application in the middle of the tax period, they must produce proof of unification deduction/collection and income tax returns in the form of electronic documents

3.2.2. Creating Unification Monthly Income Tax Return

According to the Big Indonesian Dictionary, unification is defined as uniting, unification, or uniformity. Meanwhile, according to the Law on General Provisions and Tax Procedures (UU KUP), a tax return (SPT) is a letter used by a taxpayer to report the calculation and/or payment of taxes, tax objects and/or non-tax objects and/or assets and liabilities in accordance with the provisions of the tax laws and regulations. It can therefore be concluded that unification tax return is the process of unifying or making uniform the various types of tax return into one form.

Referring to Article 1 Number 7 of the Regulation of the Director General of Taxes Number PER-23/PJ/2020 [11], unification income tax return (hereinafter referred to as unification income tax return) is a periodic tax return used by income tax withholders to report the withholding of income tax, deposit of withholding of income tax, and/or self-deposit of several types of income tax in one tax period, in accordance with the provisions of the legislation in the field of taxation. What is unified in the unification e-Bupot application is the tax return for the Income Tax Article 4 Paragraph (2), Article 15, Article 22, and Article 23/26.

The unification income tax SPT consists of the following:

- a. main unification monthly income tax
- b. detailed list of self-paid income tax
- c. list of objects withholding/collecting Taxes
- d. other party's income; and
- e. list of unification withholding tax slip along with a list of tax payment letters, state revenue slip, book-entry Income Tax Article 4 Paragraph (2), Income Tax Article 15, Income Tax Article 22, Income Tax Article 23, and/or Income Tax Article 26.

3.2.3. Tax Payment

Income tax that has been deducted and the withholding tax slip that has been made by the tax withholder can then be deposited through this unification e-Bupot application. Deposits are made by creating a billing code via electronic deposit letter (SSE) which is an additional feature of the DGT online application. Electronic billing is a payment system (billing system) of the Directorate General of Taxes (DGT) in the form of an application. The definition of e-Billing according to Article 1 Paragraph (3) of the Regulation of the Director General of Taxes Number PER-05/PJ/2017 concerning electronic tax payments states that the DGT billing system is an electronic system managed by DGT in order to issue and manage billing ID, and is part of the electronic state revenue system.

Furthermore, if a billing code has been received, the next step is to deposit the amount of income tax payable which can be paid via ATM, bank transfer or with the available payment services. After making a payment, the taxpayer will receive NTPN data which will be used in the next step, namely in the "Rekam Bukti Penyetoran" sub menu option.

3.2.4. Reporting Unification Monthly Tax Return

After the tax withholder creates a withholding tax slip, a unification monthly tax return and obtains a billing code, the next obligation is to report the unification monthly tax return. In summary, how to report the unification monthly tax return is to enter the

“SPT Masa” menu, then click “Penyiapan SPT Masa Unifikasi”. Next, one must reach the action column section, then click “SPT Lengkap”. In the complete SPT section, there will be several sections that must be checked for completeness before making sure the name, tax identification number, tax year/term, and correction are appropriate before continuing by paying attention to the following sections:

- a. DOSS attachment recording
- b. DOPP attachment recording
- c. Deposit proof list
- d. Signer

Then, one should click save. In this process a notification will appear asking the user to be patient and wait. If successful, there will be a success notification, the user should then click OK and go to the next step, which is to go to the “SPT Masa” menu and click “Penyiapan SPT Masa Unifikasi”. Then, in the action column, the user should click “Kirim SPT”. If all is considered correct, then the user should proceed to the column “Kirim SPT”.

3.3. Advantages and Disadvantages of e-Bupot Unification

Based on the data taken from the results of case studies using the unification e-Bupot application on several tax with holders, we can analyze some of the advantages and disadvantages of the unification e-Bupot application. These advantages and disadvantages are as follows:

3.3.1. Advantages

- a. The e-Bupot Unification application is more integrated because it can be used to fulfill all tax obligations starting from creating a withholding tax slip, obtaining billing codes for tax payments, and reporting a unification monthly tax return, which included Income Tax Article 22, Article 23, Article 26, Article 4 Paragraph 2, and Article 15.
- b. The e-Bupot Unification application is more practical, easy, and simple because a tax withholder only needs to use one application to fulfill all withholding tax obligations covering all types of taxes imposed through the withholding tax system.
- c. The unification e-Bupot application is more convenient because all data that have been filled in by the tax withholder are stored in the online DGT database.
- d. The withholding tax slip made by the tax withholder will be automatically validated by the online DGT system with a QR code to ensure the validation of the tax that has been withheld. The issued withholding data will automatically become prepopulated data so that the annual tax return for the withholding tax recipient will immediately appear.
- e. The e-Bupot Unification application can minimize any mistakes in calculating and filling out the forms contained in it because it will automatically calculate the amount of income tax that must be deducted by applying the existing rates. In addition, there is a notification that appears automatically if there is an error or incomplete form filling.

3.3.2. Disadvantages

- a. If the tax withholder wants to make corrections to one type of tax in the unification period tax return, then the other types of taxes that have no errors must also be corrected. This is due to the way in which all types of withholding tax income are integrated in the unification e-Bupot system.
- b. Technical problems often occur on the online DGT server, so that the use of the unification e-Bupot application experiences delays such as those in receiving the validated withholding slip, those associated with the occurrence of error conditions in the application, and those due to the network being disconnected because the server can suddenly become “down”.
- c. Taxpayers often fail to download the withholding slip due to the long queue and the process of posting the tax return which takes quite a long time.

- d. There is no clarity regarding the imposition of administrative sanctions if the tax withholder is late in depositing taxes or reporting the tax return for one type of tax, because the integrated system in the unification e-Bupot is reluctant to make the tax withholder subject to a heavier administrative sanction.
- e. The management of the validity period of the electronic certificate, which must be periodically extended after two years, can be a new obstacle or problem if the taxpayer is late in extending the electronic certificate, but the tax withholding activity is still ongoing.

3.4. Analysis of the Ease of Administration Principle in the Unification e-Bupot Application

The use of the ease of administration principle as an analytical material in this study is based on the consideration that ease of administration is a very important principle to be applied in tax collection because this principle concerns the interests of all parties, both government and taxpayers [12]. The tax collection procedure must be simple, easy to implement, and should not be complicated. Complicated tax collection procedures can cause taxpayers to be unable to fulfill their tax obligations properly and correctly, and, for the tax authorities, makes it difficult to supervise the implementation of taxpayers' tax obligations.

According to the book *The Encyclopedia Americana* [12] it is stated that there are three administrative principles. These are the principles of certainty, convenience, and economy. Meanwhile, according to Fritz Neumark in a book entitled *The New Encyclopedia Britannica* (1992), there are four principles of ease of administration, namely clarity, continuity, cost-effectiveness, and convenience. Based on the two references above, Rosdiana and Irianto [12] argue that clarity and continuity are part of the certainty principle. Thus, based on Fritz Neumark's theory, Rosdiana and Irianto developed the elements that make up the principle of ease of administration, separating them into four, namely the principles of certainty, efficiency, convenience, and simplicity. The following is the author's analysis of the unification e-Bupot application based on the ease of administration principle, which is the result of excerpts from previous research that the author has undertaken at the time of the publication of the e-Bupot application [13].

3.4.1. e-Bupot Unification in Terms of Certainty

The principle of certainty refers to the legal certainty that taxpayers require in carrying out their tax rights and obligations. In this case, there must be legal certainty, not only regarding provisions regarding tax subjects, tax objects, bases for imposition and tax rates, but also legal certainty regarding general procedures or procedures for fulfilling tax obligations. The unification e-Bupot application comes with clear legal certainty that has been stated in a number of implementing regulations. In these regulations, the technical and administrative provisions for the use of the unification e-Bupot application have been stated clearly. Thus, the users of the application can obtain adequate, complete, clear, and easy to understand information so that they can apply the application in accordance with applicable regulations.

3.4.2. e-Bupot Unification in Terms of Efficiency

According to the principle of efficiency, tax collection is efficient if the cost of taxation is low. With the unification e-Bupot application, the tax withholder no longer needs to report periodic returns manually by visiting the tax service office directly or by sending by registered post or by courier. The withholder only needs to provide withholding evidence and report the electronic SPT Masa by using electronic devices anywhere and anytime before the reporting deadline ends. This means that there is a cost efficiency in the fulfilment of tax obligations, where a tax withholder does not need to incur travel costs related to travel to the tax service office, or to the sending of documents by post or courier. Efficiency can also be seen in terms of reporting time, where tax withholders do not have to report

periodic returns only during working hours, as provided for in manual reporting which often results in long queues, which of course will take longer.

3.4.3. e-Bupot Unification in Terms of Convenience

The principle of convenience requires convenience or comfort for taxpayers in fulfilling their tax obligations. By using the unification e-Bupot application, a tax withholder can carry out their tax obligations, namely making withholding evidence, or depositing and reporting periodic returns at a time that is convenient for them. In this case, the withholding agent can determine for themselves when and where is a convenient place or time for them to make proof of withholding, deposit and to report their periodic tax return. However, the tax withholder must also pay attention to the provisions regarding the time limit for making withholding evidence and the deadline for reporting the electronic periodic SPT in accordance with applicable regulations. This is because if the time limit has passed, the system in the e-Bupot application will automatically be locked.

3.4.4. e-Bupot Unification in Terms of Simplicity

The principle of simplicity requires that tax regulations be simplified in order to be more certain, clear and easily understood by taxpayers. The technical and administrative provisions contained in a series of regulations regarding the unification e-Bupot application have so far been understood and followed by its users. These provisions can be easily applied in fulfilling the obligations of a tax withholder. The technical steps for using the unification e-Bupot application can also be seen on the official website of the Directorate General of Taxes and are not only contained in the regulations. Thus, a tax withholder can easily follow step by step using the unification e-Bupot application in accordance with the technical instructions listed on the website.

4. Conclusions

1. The unification e-Bupot application can be used to fulfill tax withholding obligations such as creating a withholding tax slip, creating and reporting unification monthly tax return, and depositing taxes owed, in one integrated application for all types of taxes imposed through the withholding tax mechanism
2. Based on a case study of the use of the unification e-Bupot application, we can see that there are advantages and disadvantages to this application. The advantages include the use of the unification e-Bupot application, which is more integrated, practical, easy, simple, safe, and can minimize any mistakes in filling out the tax return. The weakness is that there are often technical problems, server problems, errors during use, and administrative problems in managing electronic certificates
3. The unification e-Bupot application, in terms of the ease of administration principle, has fulfilled the elements of certainty, efficiency, convenience, and simplicity

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