

# GOVERNMENT SUPERVISION ON TAPPING BOX POLICY TO IMPROVE RESTAURANT TAX PAYER COMPLIANCE IN BANDAR LAMPUNG<sup>1</sup>

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## Abstract

This research is based on the position of Restaurant Tax as one type of local tax which is a source of Local Revenue. In its implementation so far there have been many leaks from the Restaurant Tax sector, due to the weak supervision system for Restaurant Tax collection. Whereas the development of restaurants in Bandar Lampung is increasingly rapid, marked by the increasing number of restaurants, cafeterias, canteens, stalls, bars, and the like including catering/catering services, which are the object of restaurant tax. The discussion in this study has used a legal research method that has a normological pattern, so that law is understood as a set of written regulatory norms. Thus, it will be seen if the Bandar Lampung City Government has made the right policy by using a tapping box system to prevent this leakage. This research has been carried out with an approach through legislation methods and other related documents that apply in the field of government supervision of tapping box policies as legal material to be analyzed by the Tax Law method and responsive legal theory. The results showed that the use of tapping boxes can minimize the occurrence of restaurant tax leaks, especially if restaurant taxpayers, namely restaurant entrepreneurs, want to obey operate the tapping box machine all the time. Strict sanctions are needed in the administrative sector in addition to the application of 2% sanctions per month, which can be in the form of restaurant closure or revocation of business licenses for those recalcitrant entrepreneurs. Besides that the number of tapping box tools must be added because so far the number is limited and only installed in certain restaurants.

**Keywords:** government supervision, taxpayer compliance, tax policy.

## INTRODUCTION

Regional Taxes is are mandatory contributions to the Region that are owed by individuals or entities that are coercive under the law, without direct compensation and used for the needs of the Region for the greatest prosperity of the people. Based on the authority of the collection, local taxes can be divided into provincial taxes and regency/city taxes which are carried out based on Regional Regulations in accordance with Law No.28 of 2009 concerning Regional Taxes and Regional Levies. Local taxes are levied in accordance with procedures as regulated in the legislation concerning local taxes. Tax collection consists of a series of activities ranging from collecting data objects and tax subjects, determining the amount of tax owed to tax collection activities to taxpayers and monitoring deposits.

Hotel Tax and Restaurant Tax is a type of regency / city regional tax mentioned earlier in Law No. 28/2009, because these two types of tax are the most potential compared to other regency / city types of taxes. This is due to mobility and rapid growth so that the use of hotels and restaurants also develops.

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Restaurant tax is required for anyone who runs restaurant services. This service consists of sales of food and/or drinks consumed by the buyer, both consumed at the service and other places. The scope of restaurant tax collection as regulated in Law No.28 of 2009 is the facility of providing food and/or drinks for a fee, which also includes restaurants, cafeterias, canteens, stalls, bars, and the like including catering/catering services. Even so, entrepreneurs will certainly impose this tax on consumers, so that restaurant entrepreneurs should be obliged to deposit it to the local treasury.

A restaurant entrepreneur who does not pay restaurant tax according to what has been paid by consumers is a taxpayer who is dishonest and does not obey the law. For this reason, a policy is needed from the regional government to at least reduce tax leakage which is a loss for the Regional Original Revenue.

Some regions in Indonesia have used policies by using a tool called tapping box. This tool is installed in hotels and restaurants, its function is to record or capture all transactions which are then printed by the printer point of sales. The goal is for taxpayers to be honest in paying taxes.<sup>5</sup> The Bandar Lampung City Government has been using the policy of utilizing tapping box tools since October 2018.<sup>6</sup> However, it turns out that not all restaurants that have high tax potential in Bandar Lampung City use these tools.<sup>7</sup>

## **1. Formulation of Problems**

Based on the background of the problem described in the explanation above, the formulation of the problems are: a) How is Government supervision on Tapping Box Policy to improve restaurant tax payer compliance in Bandar Lampung? b) What are the weaknesses in applying tapping box policies in restaurant tax collection and c) How to enable the creation of an ideal and optimal policy model for collecting Restaurant Tax?

## **2. Methods**

This research has been carried out with an approach through legislation methods and other related documents that apply in the field of government supervision of tapping box policies as legal material to be analyzed by the Tax Law method and responsive legal theory. Data sources used in this study are data by interviewing several restaurant tax payer and the authority at Badan Pengelola Pajak dan Retribusi Daerah (Regional Tax and Retribution Management Agency) or BPPRD Bandar Lampung.

## **RESULTS AND DISCUSSION**

### **1. Government Supervision on Tapping Box Policy To Improve Restaurant Tax Payer in Bandar Lampung**

Supervision is an assessment that is a process of measurement and verification of a series of processes that have been carried out on an ongoing basis.<sup>8</sup> According to Sujamto, supervision is any effort or activity to find out and assess the actual reality regarding the implementation of a task or activity, whether or not it is appropriate.<sup>9</sup> According to Mc.

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<sup>5</sup> <https://ekonomi.kompas.com/read/2017/12/04/181153726/hotel-restoran-dan-tempat-hiburan-dipasang-tapping-box-agar-jujur-bayar>, accessed February 16, 2019.

<sup>6</sup> <http://lampung.tribunnews.com/2018/08/31/pemkot-bandar-lampung-tambah-200-tapping-box-di-hotel-dan-restoran>, accessed February 16, 2019.

<sup>7</sup> <http://www.lampost.co/berita-tidak-gunakan-tapping-box-restoran-begadang-ii-gunakan-alat-ini.html>, accessed February 16, 2019.

<sup>8</sup> Suriansyah Murhaini (2014), *Manajemen Pengawasan Pemerintahan Daerah*, Yogyakarta: Pustaka Pelajar, p.4

<sup>9</sup> Jum Anggriani (2012), *Hukum Administrasi Negara*, Yogyakarta: Graha Ilmu p.78

Ferland supervision is a process by which leadership want to know whether the results of the implementation of the work carried out by his subordinates according to plan, order, purpose or wisdom which has been specified.<sup>10</sup>

Legal supervision is an assessment regarding whether or not a government action causes or not because of law.<sup>11</sup> Conceptually, supervision consists of supervision functional, internal supervision, community supervision, which are marked orderly court and supervision system, sidalmen, coordination, integration and synchronization of the surveillance apparatus, the establishment of a surveillance information system that supports implementation follow-up, as well as an adequate number and quality of professional auditors, the intensity of the follow-up of supervision and fair and law enforcement consistent.<sup>12</sup>

One of the government's supervision in the field of taxation is supervision in terms of tax collection. Tax known as the obligation to contribute money or goods to the state in exchange for nothing in particular.<sup>13</sup> To be clear, 'nothing' does not preclude the instances in which taxes are sometimes reserved for certain uses, or that the contemporary tax state has no obligation to put those resources to public goods and services.<sup>14</sup>

Prof. Dr. Rochmat Soemitro said, taxes are people's contributions to the state treasury based on the law (which can be forced) by not getting reciprocal services which can be directly shown and which are used to pay public expenses.<sup>15</sup> 'Forced' means that if the tax debt is not paid then the debt can be collected using force, such as forced and confiscated letters, and also hostage-taking, to the payment of taxes, cannot be shown the existence of certain reciprocal services such as in retribution.

Because of this element of 'forced' or coercion, it is a must for the government as a tax collector to use good and correct procedures and ethics in collecting taxes. This is as explained by the father of taxation, Adam Smith, that there are principles that the government must pay attention to in collecting taxes, which are known as four maxims of good taxes:

- a. Equality. The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state.
- b. Certainty. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person.
- c. Convenience of Payment. Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it.
- d. Economy of Collection. Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state.<sup>16</sup>

Restaurant Tax Collection in Bandar Lampung based on Regional Regulation Number 1 of 2011 concerning Regional Taxes. According to article 11 paragraph 2, services provided by restaurants include the sale of food and/or drinks consumed by buyers, both consumed at service and elsewhere and catering/catering services subject to restaurant tax with rates

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<sup>10</sup> Soewarno Handyaningrat (1990), *Pengantar Studi Ilmu Administrasi dan Manajemen*, Jakarta: CV Haji Masagung, p.113

<sup>11</sup> Diana Halim Koencoro (2004), *Hukum Administrasi Negara*, Bogor: Ghalia Indonesia, p.74

<sup>12</sup> M. Haddin Muhjad (2015), *Hukum Lingkungan*, Yogyakarta: Genta Publishing, p.201.

<sup>13</sup> Martin, IW, Mehrotra, AK, Prasad, M. (2009) *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective*. Cambridge: Cambridge University Press.

<sup>14</sup> Liam Stanley, Todd K Hartman (2017), *Tax Preferences, Fiscal Transparency, and the Meaning of Welfare: An Experimental Study*, <https://journals.sagepub.com/doi/full/10.1177/0032321717731661>, accessed August 18, 2019.

<sup>15</sup> Rochmat Soemitro (1994), *Dasar-dasar Hukum Pajak dan Pajak Pendapatan*, Bandung, Eresco, p.23.

<sup>16</sup> Adam Smith (1890), *The Wealth of Nations*, Routledge, p.651.

ranging from 5% to 10% depending on the amount turnover. Restaurant Tax is a Progressive Tax, with the classification as in the following table.

**Table 1. Restaurant Tax Rate in Bandar Lampung**

Turnover amount per day	Tax Rate
Rp. 250,000 up to Rp. 350,000	5%
Rp. 350,000 up to Rp. 600,000	7,5%
above Rp. 600,000	10%

Source : Article 14 Regional Regulation of Bandar Lampung City No 1 of 2011 concerning Regional Taxes

The trend of Restaurant Tax results in Bandar Lampung tends to be below the target, as in the following table below.

**Table 2. The Trend of Restaurant Tax Targets in Bandar Lampung**

Year	2015	2016	2017	2018
Percentage	83.7%	53%	70%	88%

Source : BPPRD Bandar Lampung, processed

Supervision of restaurant tax collection until 2017 carried out by the Bandar Lampung City government but it is still not optimal, due to limited human resources and caused by the many restaurants and the like who make deviations and avoidance from their obligations to deposit restaurant taxes to the local treasury. These restaurants have been recorded and found among them are Kedai Virgo, The Si Nongkrong, Namel Kitchen, Yoshi Teppanyaki and Grill, Bebek Markotop, Sop Duren Ewok, Pondok Hijau, Fry Day, Mie Ayam Koga, Taiwan Tea House, Corner Kebab, Times Asian, Hoses, Solo Ria, Rumah Merah Dapur Sedap, , Bumbu Nusantara, Burger American Pempe Nyonya Cuan, Ramen Setan, Dot Bravo, Siomay Neng Gelis, Nabe Ya, Juls Gelato, Say Moo, Kabbaaa Corner, Bubble Drink, Hi Fries, Karagee Oishi, Crepe Signature, Kimi Chese Tea.<sup>17</sup>

Supervision of the tapping box is done by using a server that is directly connected to the BPPRD office. Supervision has also been carried out by taking random samples in several restaurants in Bandar Lampung, which was carried out not only by tax collection officers at the BPPRD but also by other agencies according to the direct appointment of the Mayor. This has been done to avoid allegations of corruption, collusion and nepotism that might occur between taxpayers and tax collector officers.

This appointment was based on the Decree of the Mayor of Bandar Lampung Number 491/II/.02/HK/2018 concerning the Determination of the Action Plan and Task Force for Implementing the Integrated Corruption Eradication Program of the Bandar Lampung Government in 2018 and 2019; and the Bandar Lampung Mayor Decree Number 551/II.02/HK/2018 concerning the Establishment of a Monitoring Team/Supervisory Instrument for Recording Data on Taxpayers (Tapping Boxes) on Hotel Taxes, Restaurant Taxes, Entertainment Taxes and Parking Taxes in Bandar Lampung.

Those who are appointed based on the Mayor's order have the duty to supervise and record all transactions on the object of the restaurant tax for both transactions carried out by eating on the spot or transactions ordered to be wrapped. Supervision is carried out from the time the restaurant opens until it is closed.

<sup>17</sup> Based on the results of an interview with Andre Setiawan, M.Si, Head of Taxation Division BPPRD Kota Bandar Lampung on July 17, 2019.

## 2. Weaknesses in Applying Tapping Box Policy in Restaurant Tax Collection

Basically, restaurant taxes are money paid by consumers when they buy food and drinks or eat and drink in restaurants. It is not a loss for the restaurant owner if he must deposit the public money to the government, because the money is paid outside the price of food and drinks. In accordance with the mandate of Law No.28 of 2009 concerning Regional Taxes and Regional Levies, restaurant tax is a regency/city government right. Restaurant owners who hold or manipulate restaurant tax deposits can be indicated as perpetrators of criminal acts of corruption and can be criminally entangled by Law.

The application of the tapping box policy has actually given significant results to increase restaurant tax returns in Bandar Lampung.

**Table 3. Comparison of Restaurants Tax Results in 2018 and 2019**

Year	January	February	March	April	May
2018	4.179.258.337	3.648.041.127	3.517.686.811	4.088.788.995	4.381.159.254
2019	6.721.381.694	5.788.958.151	5.497.406.159	6.407.301.039	6.863.041.753

Source : Report on Realization of Regional Revenue Budget, BPPRD, processed.

However, there are still weaknesses derived from inhibiting factors including However, there are still weaknesses stemming from the inhibiting factors, including from within and from outside the government, such as:

- a. There is still a lack of tapping boxes distributed in restaurants in Bandar Lampung, which is being pursued to be added by the government. The number of tapping box tools must be added because so far the number is limited and only installed in certain restaurants.
- b. There are still some restaurants that did not comply and deliberately turn off tapping boxes at certain hours when no supervisor nearby, i.e.:
  - 1) There are tax objects that do not want to be recorded as taxpayers, among them are Rumah Makan Gumati dan Rumah Makan Kedai Aceh.
  - 2) There are taxpayers who do not want to install the Tapping Box tool, that is Rumah Makan Kamang, Rumah Makan Sendawa, Bakso Rahayu, Rumah Makan Gajeboh, Rumah Makan Uda Sayang, dan Raja Pindang.
  - 3) There are taxpayers who don't want to pay according to data from the Tapping Box, e.g. Pempek 123.
  - 4) There are Obligatory Pjak who do not fully use the Tapping Box tool, among others Rumah Makan Gambreng, Raja Gurame, Bakso Moro, dan Wise Man.<sup>18</sup>

## 3. The Ideal and Optimal Policy Model for Collecting Restaurant Taxes Using Tapping Box

To overcome the problems that arise from applying the tapping box policy, it is recommended that the Bandar Lampung City government can do the following things:

- a. Strict sanctions are needed in the administrative sector in addition to the application of 2% penalty of interest per month, that is:
  - 1) Imposition of social sanctions in the form of announcements of restaurants that violate regulations in restaurant tax collection, that is by announcing in local newspapers and on billboards that can be seen directly by all members of the community. Through this way the public can find out which restaurants have been

<sup>18</sup> Report from BPPRD Bandar Lampung during supervision with Komisi Pemberantasan Korupsi (Corruption Eradication Commission) or KPK, *Kendala/Permasalahan Dalam Operasional PAD*, 2019.

- detrimental to the regional finances because of misusing tax money that has been paid by the public.
- 2) Restaurant closure.
  - 3) Revocation of business licenses for those recalcitrant entrepreneurs.
- b. The number of tapping box tools must be added because so far the number is limited and only installed in certain restaurants.
  - c. Further violations by business owners can be indicated as acts that intentionally harm regional finances, violate regional regulations, and intend to enrich themselves so that they can be continued as corruption.

## CONCLUSION AND RECOMMENDATION

The use of tapping boxes has been able to minimize the occurrence of restaurant tax leaks, especially if restaurant taxpayers, namely restaurant entrepreneurs, have complied to operate the tapping box machine all the time. To ensure the implementation of the tapping box policy, the government has made several sudden inspections to a number of restaurant points that have a very high potential tax using The Decree of the Mayor of Bandar Lampung Number 491/II/.02/HK/2018 concerning the Determination of the Action Plan and Task Force for Implementing the Integrated Corruption Eradication Program of the Bandar Lampung Government in 2018 and 2019; and the Bandar Lampung Mayor Decree Number 551/II.02/HK/2018 concerning the Establishment of a Monitoring Team/Supervisory Instrument for Recording Data on Taxpayers (Tapping Boxes) on Hotel Taxes, Restaurant Taxes, Entertainment Taxes and Parking Taxes in Bandar Lampung as legal basics.

The ideal and optimal policy model for collecting restaurant tax using tapping box can do by applying strict sanctions beside using 2% penalty of interest per month, the addition of tapping box tools at every restaurant point in Bandar Lampung, and the use of assistance from criminal law if corruption is indicated.

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