

The Effectiveness Application of E-Invoice VAT to The Taxable Entrepreneurs in KPP Pratama Madiun

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Abstract

Value-added tax (VAT) is one of the sources of state revenue from the tax sector. The use of e-invoices is expected to increase taxpayer compliance. This study aims to analyze and test the application of E-Invoice VAT to the compliance of Taxable Entrepreneurs (PKP) listed in KPP Pratama Madiun. This type of research is qualitative research with the explorative method. Data sources are primary data obtained from interviews with Taxable Entrepreneurs (PKP) and Tax Officer. Data analysis use the exploration analysis method. The result of the research shows that: Application of e-invoice within the scope of KPP Pratama Madiun has been effective, Effectiveness of VAT e-invoice implementation improve taxpayer compliance, Several times interviewed states the use of e-invoice is an internet connection problem, and the application of errors sometimes occurs.

Abstrak

Pajak pertambahan nilai (PPN) merupakan salah satu sumber pendapatan negara dari sektor pajak. Penggunaan e-faktur diharapkan dapat meningkatkan kepatuhan wajib pajak. Penelitian ini bertujuan untuk menganalisis dan menguji penerapan PPN e-Faktur terhadap Kepatuhan Pengusaha Kena Pajak (PKP) yang terdaftar di KPP Pratama Madiun. Jenis penelitian ini adalah penelitian kualitatif dengan metode eksploratif. Sumber data adalah data primer yang diperoleh dari wawancara dengan Pengusaha Kena Pajak (PKP) dan Petugas Pajak. Analisis data menggunakan metode analisis eksplorasi. Hasil penelitian menunjukkan bahwa: Aplikasi e-faktur dalam lingkup KPP Pratama Madiun telah efektif, Efektivitas penerapan PPN e-Faktur meningkatkan kepatuhan wajib pajak, Beberapa kali diwawancarai menyatakan penggunaan e-Faktur adalah masalah koneksi internet, dan aplikasi kesalahan terkadang terjadi.

Kata Kunci: e-Faktur, efektivitas, kepatuhan, Pengusaha Kena Pajak (PKP)

INTRODUCTION

Tax has a function of *budgetair* where tax as a source of funding for finance operational activities for a country and the largest source of state budget revenue in Indonesia is taxes (Husnurrosyidah & Suhadi, 2017). As a source of funding, taxes have a vital role for the country to carry out state routine duties, and support development. Regular state spendings including employees' salaries, shopping for goods, maintenance costs and other operational costs. And for development needs, the State funds are from government savings, known as *public saving*. Knowing that the country's development needs will increase from time to time, so we hope *Public Saving* keep increasing. To be able to increase this public saving, the source of revenue

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or state income must also be increased. This will directly affect to the revenue increasing demand from the tax sector where Value Added Tax (VAT) also subsidizes State revenues.

Taxes are the largest source of revenue for a country, especially in Indonesia (Nasution, 2019). Therefore, it is necessary to increase state revenue, which agrees with (Christin, 2017) which reveals that the most modern policies of the Directorate General of Taxes one of which is the e-Invoice, which was launched on July 1st 2014 with an electronic system (e-SPT PPN) in tax reporting to maximize revenue taxes for the state. According to Rochmat Soemitro in Resmi (2013) and Mardiasmo (2011) taxes are citizen's contributions to the State treasury based on the law (which can be forced) by not receiving lead services (contra) that can be directly shown and used to pay general spendings. The State revenue from this tax source contributed around 77% or Rp 1.148.355.000.000 in 2013, and increased in 2014 to Rp 1.310.219.000.000 or 79% of the total State revenue sources (<http://www.pajak.go.id/>). In order to support the tax revenues increasing, the Directorate General of Taxes always makes improvements to the organizational structure and its services. Moreover, the development of science and technology is increasingly helping these improvements (Lintang et al., 2017).

The e-invoice system is effective in reporting Value Added Tax (Yanto & Dewi, 2020). The taxation reformation was carried out, namely improvements in taxation policies and modernization of the tax administration system by the Directorate General of Taxes due to reports on tax revenues (Saputra, 2017). The development of science and technology is very useful and supports the modernization of the tax administration especially on improvement systems. Modernization of tax administration as a supporting step for the implementation of *The Self Assessment System*, where initially the applicable taxation system was *The Official Assessment System* (Pandiangan, 2014). According to (Mardiasmo, 2016) *Official Assessment cSystem* is a tax collection system that authorizes the government (tax authorities) to determine the amount of tax owed by taxpayers. While the *Self Assessment System* is a tax collection system that authorizes taxpayers to determine the amount of tax payable (Siringoringo, 2020).

Companies need knowledge of how to determine Value Added Tax (VAT) for calculation, recording, and reporting using e-Invoice (Lukimis & Ilat, 2018). One of form of tax modernization administration is Electronic Value Added Tax Invoice (VAT e-invoice). Director General of Taxes Regulation Number PER-16/PJ/2014 Regarding the Second Amendment to the Regulation of the Director General of Taxes Number PER-24/PJ/2012 Regarding the Shape, Size, Procedure for Filling Out Information, Notification Procedures for Making, Payment Procedures (2014) article 1 provides an understanding of Electronic Invoice (e-Invoice) Tax is a tax invoice made through an application or electronic system determined and/or provided by the Directorate General of Taxes. Because it is electronic, the tax invoice is signed electronically in the form of an online barcode, so that e-Invoice is valid (Lintang et al., 2017).

The application of this e-Invoice tax has advantages and benefits that are not only felt by the Directorate General of Taxation and only the Tax Service Office Officers but also felt by the PKP (Yanto & Dewi, 2020). The use of e-invoice protects PKP from misuse of tax invoices by non-PKP. In addition, PKP can also save time, effort, and costs when implementing VAT e-invoices. PKP can cut spending on printing tax invoices. PKP can also save time and effort because the delivery of taxes can be done anywhere and anytime by accessing the Tax e-Invoice menu that has been provided online at the Directorate General of Taxes website. Because the use of e-Invoice is done online, it allows the utilization, creation and reporting of e-Invoice in real time. So by using tax e-invoices, PKP no longer needs to print paper invoices and PKP does not have to go to the Tax Office to report it (Khairani & Mukarromah, 2015; Lintang et al., 2017).

The Tax e-Invoice is expected to improve the compliance of Taxable Entrepreneurs in carrying out their tax obligations. The use of e-tax invoice has an impact on the increase in VAT collection at Jayapura KPP Pratama (Allolayuk, 2018). According to (Khairani & Mukarromah, 2015) electronic tax invoices are referred to as one strategy to implement a data centralization approach (centralized data approach) in building a tax compliance environment in the future (the future tax compliance environment). Compliance with Taxable Entrepreneurs is a situation where a Taxable Person for VAT purposes as a Taxpayer fulfills all tax obligations and executes his taxation rights in accordance with formal and material provisions in the Taxation Law (Sutedi, 2013).

Compliance with Taxable Entrepreneurs in terms of utilizing tax invoices along with data collected by the Director General of Taxes. Especially in Java and Bali there are 14.48% or as many as 36,799 Medium and Large PFM with a turnover of more than Rp 4.8 billion a year which makes tax invoices and there are 40.46% or as many as 102,796 Small PFM with a turnover of less than Rp 4.8 billion that made tax invoices. Until the end of June 2015, there were 89,857 PKPs or 64.43% of the total PKP in Java and Bali that made tax invoices that already had certificates, and a number of 632 PKPs had used e-Invoice before 1 July 2015 (<http://www.pajak.go.id>).

Decided by the Director General of Taxes Regulation Number PER-16/PJ/2014 Regarding the Second Amendment to the Regulation of the Director General of Taxes Number PER-24/PJ/2012 Regarding the Shape, Size, Procedure for Filling Out Information, Notification Procedures for Making, Payment Procedures (2014) which applies from 1 July 2014 to become the basis for the implementation of Tax Electronic Invoice (E-Invoice). In addition to the implementation of the Tax e-Invoice by all Taxable Entrepreneurs (PKP) in Java and Bali starting July 1st, 2015, and all PKP in Indonesia on July 1st, 2016.

The application of e-invoices is expected to be effective not only from the point of view of the Director General of Taxes and the Tax Service Office but also from the side of Taxable Entrepreneurs as Taxpayers. Effectiveness is the relationship between what is planned, the process of activities and outputs with goals or objectives that must be achieved. Supraja (2020) states that the effectiveness of tax revenue is how far the tax office can achieve the set tax revenue target. Operational activities are said to be effective if the activity process reaches the policy goals and final goals (Wisely Spending) (Mardiasmo, 2009). As disclosed by Astuti & Panjaitan (2017) that tax revenue is significantly affected by e-invoice, but tax knowledge has no significant effect on tax revenue.

Tax compliance of taxable entrepreneurs with the ability to use the internet is significantly affected by the use of e-invoicing and e-SPT PPN (Christin, 2017). Meanwhile, Lintang et al., (2017) states that the role of the Manado Pratama KPP tax officer is needed in increasing the level of awareness and honesty of taxpayers to be able to report taxes according to the specified time, because e-invoicing is still classified as less effective in terms of increasing the compliance of taxable entrepreneurs who make invoices registered at KPP Pratama Manado. The implementation of e-Invoice in making tax invoices has gone well, but the company still faces several obstacles in using the e-Invoice application that has been resolved, it's just that it requires attention, especially on the internet network that does not support it causing failure to upload tax invoices (Maria et al., 2018). This means that the effectiveness in the application of e-invoice still requires the capacity of tax officers in increasing the compliance of businessmen who are taxable for a dissertation of supporting internet network facilities.

As for indicators of effectiveness include the accuracy of use, results of use and support the purpose. Indicators of the accuracy of use, namely what has been determined in terms of

use, already represents what was expected previously related to the process. Then the results indicators to describe the output of the process of activities carried out whether it will provide good changes and have the expected results. While the Indicator supports the objectives related to the output in accordance with the planned activities and expected goals.

This research focuses on the application of e-invoices as a form of modernization of tax administration that supports Taxable Entrepreneurs (PKP) in carrying out their tax obligations. The researcher is interested in conducting this research because the number of PFM in Indonesia continued to increase and the potential for tax revenues (both Value Added Tax and Luxury Goods Sales Tax) are very large from the PKP. Therefore, the researcher wants to know whether the application of e-invoices has been effective in supporting the implementation of tax obligations by Taxable Entrepreneurs (PKP), so that taxpayer compliance (especially PKP) can increase.

The study was conducted on Taxable Entrepreneurs who were registered at the Madiun Primary Tax Office, considering that Madiun's area is very potential because there are many micro, small and medium scale entrepreneurs who have either been registered as PKP or are potentially registered as PKP. Until the beginning of 2018 there were 1,354 Taxable Entrepreneurs (PKP) registered at the Madiun Primary Tax Office

From the background of the problems described above, the problems in the research are formulated into the following questions: "What is the effectiveness of the application of electronic invoices (e-invoices) tax to improve the Compliance of Taxable Entrepreneurs (PKP) registered at the Madiun Primary Tax Office?"

LITERATURE REVIEW

Taxable Tax Compliance

Taxpayer compliance, especially Taxable Entrepreneurs is expected to increase along with improvements to the tax administration system in terms of the implementation of E-Invoice, where the regulation starts on July 1st, 2014. The regulation is followed by the PKP application on Java and Bali starts July 1st, 2015, as well as all PKP PKP as of July 1st 2016. Taxpayer compliance is the fulfillment of tax obligations carried out by taxpayers in order to contribute to the development of the country which is expected to be voluntary fulfillment (Nasution, 2019). Taxpayer compliance is an important aspect in view of the enactment of the Self Assessment System which gives full authority to taxpayers to calculate, pay and report their tax obligations (Tiraada, 2013). According to Sutedi (2013) there are 2 (two) types of compliance, namely formal compliance and material compliance. Based on Minister of Finance Regulation No. 192.PMK.03/2007 criteria for compliant taxpayers include: (a) Submitting annual SPT and period SPT for all types of taxes on time; (b) Has no tax arrears for all types of taxes, unless they have obtained permission to pay in installments or taxes delay payment; (c) The financial statements are audited by public accountants or government financial supervision institutions with qualified opinions for three years. Opinions on financial statements audited by public accountants who are not currently in the fostering of government institutions that supervise Public Accountants; (d) Never been convicted of committing a criminal offense in the field of taxation based on a court decision that has had permanent legal force within the last 5 years.

Based on the understanding of Taxpayer Compliance by (Tiraada, 2013) as well as restrictions on the criteria for compulsory taxpayers according to Minister of Finance Regulation No. 192.PMK.03/2007, the researcher compiled interview guidelines to find out the compliance of the Taxable Entrepreneurs as follows: (1) Do you voluntarily register as a

Taxpayer of Taxable Entrepreneur to the Tax Office (KPP)? (2) Do you calculate your own value added tax (both VAT input and VAT Output) by yourself? (3) Does the existence of e-Invoice tax help and facilitate the calculation of VAT independently? (4) Do you always pay VAT less when you are paid in on time? (5) Do you always submit the VAT SPT completely and on time before the deadline for submission?

Taxable Entrepreneurs

One important element of the successful implementation of e-factor for service improvements in the taxation sector which is ultimately expected to increase tax revenues, especially Value Added Tax (VAT) is a Taxable Entrepreneur. PKP awareness and willingness to implement e-Invoice tax consistently is a form of PKP compliance in carrying out its tax obligations (The Law Number 42/2009 Regarding the Third Amendment to Law Number 8/1983 About Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, 2009) Taxable Entrepreneurs according to Article 1 of the Law of the Republic of Indonesia Number 42 of 2009 Concerning Third Amendment to Law Number 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (VAT Law) are Entrepreneurs who deliver Submitted Goods Taxes and or surrender of Taxable Services subject to tax under the Value Added Tax Act, are not included in Small-scale Businesses whose limits are determined by the Regulation of the Minister of Finance, except for Small-scale Entrepreneurs who choose to be confirmed as Taxable Entrepreneurs (Budiman, 2018).

Taxable Entrepreneurs have the following obligations: (1) report their business to be confirmed as a Taxable Person for VAT purposes (PKP); (2) Collect the outstanding VAT and PPn BM; (3) Deposit the accrued VAT in the event the Output Tax is greater than the Input Tax can be credited and deposit Sales Tax on Luxury Goods owed; (4) Report tax calculation (Mardiasmo, 2016).

Electronic Invoice (e-invoice) PPN

Invoice is an electronic application to replace e-SPT for taxable entrepreneurs (Maria et al., 2018). Tax Invoice is proof of tax collection made by Taxable Entrepreneurs who does BKP submissions or JKP submissions (Mardiasmo, 2016). The definition of Electronic Tax Invoice is explained in the Announcement of the Ministry of Finance of the Republic of Indonesia number PENG2/PJ.02/2015 concerning Electronic Tax Invoice (e-invoice), where Tax Invoice reported by Taxable Entrepreneurs (PKP) is in electronic form. Tax Invoice is made: (1) When the delivery of taxable goods and/or submission of Taxable Services; (2) When the payment receipt occurs before the delivery of Taxable Services; (3) When the receipt of payment terms in the delivery of some stages of the work; (4) Other times regulated by or based on the Regulation of Finance Minister.

Effectiveness

Effectiveness is the relationship between output and goals or objectives that must be achieved. Operational activities are effective if the activity process reaches the goals and final wise policy (*Spending Wisely*). The greater the output contribution produced toward the achievement of the goals or targets specified, the more effective the work process of an organizational unit (Mardiasmo, 2009). Ministry of Home Affairs Policy number 13 in 2006 explains that effective is the program achievement results with predetermined targets, that is comparing outputs with results. When connected with Indonesia Taxation, effectiveness the amount of tax revenue is suitable with what has been planned by the government so that targets and objectives of taxation can be reached, effectiveness also related to taxation policy in which

the tax activity process runs based on taxation policies. (Donni & Agus, 2013, p. 11) stated three approaches about effectiveness, such as approach to objectives, system theory, and *multiply constituency*.

Pandiangan (2014) states that this Effectiveness can be seen in the following taxation activities: (1) When you are going to register as a WP, you can immediately apply because the documents needed to register are available; (2) When calculating taxes, WP can immediately implement because all data, information, and documents related to tax calculation are available; (3) When going to cut or collect taxes, the WP can immediately implement because information is available about how much tax payable will be deducted or collected; (4) When going to pay taxes, taxpayers can immediately implement because there are already available tax funds and the facilities needed to pay or deposit taxes; (5) When going to report taxes, the WP will immediately implement because there are already available data and information relating to tax reporting

Based on the understanding of the activities that reflect effectiveness, the indicators of the effectiveness of a program or activity or system, including the accuracy of use, results of use, and supporting objectives. Accuracy of use is what has been determined in terms of usage already representing what was expected previously that related to the process. Result Indicator describe the output of the activities process carried out whether it will provide good changes and give the expected results. Indicators support the goals related to the output that fits the planned activity with the expected goals. If three indicators are met in the application of the VAT e-Invoice, means the effectiveness of the implementation of Electronic Invoice (e-Invoice) Tax as proof of tax collection by Taxable Entrepreneurs (PKP) has been achieved.

The guidance Questions as interview to find out the effectiveness of applying VAT e-invoices are as follows: (1) Is the Electronic Tax Invoice can carry out the function as proof of tax collection? (2) Does Electronic Tax Invoice provide convenience in processing tax receipts? (3) Is electronic use of tax invoices better than using paper invoices? (4) Does Electronic Tax Invoice provide convenience in processing Taxpayer data? (5) Can Electronic Tax Invoices maximize tax revenue?

METHODS

Reserach Types

This research is qualitative research. Qualitative research is research that intends to understand the phenomenon of what is experienced by research subjects such as behavior, perception, motivation, actions, etc., holistically, and by means of descriptions in the form of words and language, in a specific and natural context by utilizing various natural methods (Moleong, 2010). The research method used is an exploratory method. Explorative research is research that aims to map an object in a deeper way or in other words explorative research is research conducted to look for causes or things that affect the occurrence of something and is used when we do not know exactly and specifically about the object of our research (Sugiyono, 2013). According to (Sekaran, 2009) exploratory studies are conducted to understand better problems because only a few studies have been carried out in a field.

Samples and Sampling Techniques

According to Spradley in (Sugiyono, 2013) that in qualitative research does not use the term population or sample but it is called *social situation* or social situation which consists of three elements, namely: place, actors and activities that interact synergistically. The social situation in this study includes (the perpetrator, a Taxable Entrepreneur registered at the Madiun

Primary Tax Office). The selection of Taxable Entrepreneurs registered at the Madiun Primary Tax Office as resource persons was carried out using a purposive technique then continued with *snowball*. The criteria for the *purposive* technique are resource persons who are Taxable Entrepreneurs (PKP) who understand the modernization of tax administration, especially regarding the implementation of e-invoice. Resource persons are also able to apply e-invoice. After obtaining the first resource person (according to the criteria), the determination of the next resource person is in accordance with the direction and information from the first resource person.

Data Sources and Data Collection Techniques

The source of this research is primary and secondary data sources. The primary data source is obtained by interview techniques related to the use of e-Invoice tax, while secondary data sources are obtained from the Pratama Madiun KPP the total of taxpayers, as well as the number of Taxable Entrepreneurs registered at the Pratama Madiun Tax Office.

Data collection research using interview techniques, observation and documentation. Interviews were conducted with Taxable Entrepreneurs (PKP) to obtain an overview of Electronic Tax Invoice (e-Invoice) and its application as well as for triangulation of interviews also conducted with tax officers. Observation focuses on the procedure for implementing e-Invoice by Taxable Entrepreneurs (PKP). Observation is also to see tax submission activities using Electronic Invoice (e-invoice) Tax from several Taxable Entrepreneurs (PKP) and Tax data processing from Tax Officers. Documentation focuses on collecting data on tax regulations and policies that must be complied with by Taxable Entrepreneurs (PKP) in Madiun City.

Stages of Research

The research was carried out in the following stages: (1) Planning research activities; (2) Make observations in the field; (3) 3. Make a research proposal from the temporary findings; (4) Gather data needed in research; (5) Processing data, analyzing data and interpreting it; (6) Make research report; (7) Scientific Publication

Data Validity Test

The validity test in this study uses triangulation techniques, triangulation is a technique of checking the validity of data that uses something else outside the data for checking purposes or as a comparison to those data. Triangulation with sources means comparing and checking the trust degree in information obtained through time and different tools in qualitative methods according to Patton in (Moleong, L, 2008). The triangulation method with sources can be achieved with the following ways: (1) Comparing observational data with interview data; (2) Comparing what people say in public with what they say personally; (3) Compare what people say about the research situation with what they say all the time; (4) Comparing the situation and perspective of a person with various opinions and views of people such as ordinary people, people who are middle or high educated, people are, people are government; (5) Comparing the results of interviews with the contents of a related document.

Triangulation in this study was conducted by comparing the interviews results conducted to Taxable Entrepreneurs toward the interviews results with tax officers (Supervision and Consultation Section).

Data Analysis Technique

This study uses qualitative data analysis techniques for data obtained from the results of interviews, observations, and documents and collected and grouped based on facts in the

field and interpreting and making meaning of the data that has been collected. Data analysis by exploring through extensive interview steps with several people to handle a situation or understand phenomena (Sekaran, 2009; Sekaran & Bougie, 2017).

RESULT AND DISCUSSION

Electronic Invoice (e-invoice) Value Added Tax is a government policy made by the Directorate General of Taxes published in the Directorate General of Tax Regulation PER-16/PJ/2014 concerning procedures for making and reporting tax-based electronic invoices. VAT e-Invoice as a refinement of paper-based invoices where e-Invoice is also proof of tax collection on transactions that occur on Taxable Goods and or Taxable Services by Taxable Entrepreneurs (PKP). E-invoices make it possible to detect and reduce the existence of fictitious invoices or transactions from fictitious companies.

The e-invoice application began on July 1, 2014, but not all PKP have been implemented, there are only around 45 PKP. July 1st 2016 this e-invoice was applied to all PKP in Indonesia. It has been around 4 years, e-Invoice was implemented. During the 4th years of the implementation of e-invoice there were still developments and improvements with the aim that both the DGT and KPP could provide the best service to Taxpayers in this case Taxable entrepreneurs. Both the DGT and the KPP have hopes that taxpayers will be obedient in fulfilling their tax obligations.

In order to improve Taxpayer Compliance, especially Taxable Entrepreneurs, the application of e-Invoice must be ensured of its effectiveness and efficiency. The results of this study are based on the interview results with Waskon I, and two (2) PKP as follows: Effectiveness of the Use of e-Invoice tax, with three indicators such as the accuracy of use, results of use, and support the purpose.

From The First Indicator, The Accuracy of Use is Known as The Results

Electronic Tax Invoice can carry out the function as proof of tax collection.

Indonesia Law Number 42 in 2009 about the Third Amendment to Law Number 8 in 1983 about Value Added Tax on Goods and Services and Sales Tax on Luxury Goods Article 1 chapter 23 states that Tax Invoice is proof of tax levies made by Taxable Entrepreneurs Tax that submits Taxable Goods or submits Taxable Services. This is suitable with the respondent's answer (Waskon 1, PKP 1, and PKP 2).

Waskon 1:

"Yes, the VAT e-invoice can carry out the function as proof of tax collection more precisely as administration. Invoice becomes a legality of the transaction. This invoice is also a invoice for VAT ... "

KPP 1:

"Yes, e-Invoice can as a proof of tax collection in this case is Value Added Tax (VAT) when we carry out transactions (sales or purchases) that give rise to the existence of VAT Inputs or output VAT). e-invoices also to maintain the legality of transactions in accordance with tax provisions ... "

PKP 2:

"Yes, e-Invoice can be used as proof of VAT collection. This e-Invoice is a valid invoice received by the tax office and DGT. This e-invoice is actively applied to replace paper invoices. Then from that it can be proof of VAT collection both VAT output or VAT Input".

Electronic Tax Invoice can provide convenience in processing tax receipts.

Announcement Number PENG-2/PJ.02/2015 about Electronic Tax Invoice (e-Invoice) in point 2 That the e-Invoice implementation is intended to provide convenience, comfort and security for Taxable Entrepreneurs in doing tax obligations, especially the making of Tax Invoice.

Waskon 1 opinion:

"Yes, the WP cannot hide the seller and the registered buyer, easily oversees the supervision.

PKP 1 giving opinion:

"Yes, because with e-Faktur the VAT calculation process is fast and easy, so I feel comfortable using e-Invoice ..."

PKP 2 said:

"Yes, I feel more comfortable using e-Invoice ... The convenience is as long as it is supported by existing government regulations"

The information above make clear that the use of tax invoices provides convenience not only to the Tax Officers but also to the PKP. This convenience should improve the performance of tax officers, as well as improve PKP compliance, especially in administration terms including tax reporting.

The Second Indicator of Effectiveness is Use

Here are the results of the interview regarding the results for the implementation of e-Invoice.

Use of E-tax invoices is better than paper invoices.

Waskon 1 shares:

"Yeah, obviously it's supervised well, who is the seller, who is the buyer. the previous (paper invoice) invoice can be fictitious... "

PKP1 said:

"Yes, it's better because I don't need to fill out a paper form anymore, I can print the invoice too, even if it's not printed, it's fine. In addition, using e-Invoice can also minimize count errors. The use of e-Invoice also doesn't waste a lot of paper."

PKP 2 said:

"Yes, better. Because me or the employee is not complicated to fill in or write on the paper invoice..."

From the opinion of Waskon 1, PKP 1, and PKP 2, it can be concluded that the use of Tax e-Invoice is better than Paper Tax Invoice because it has many advantages, which are safer, more convenient, saves time, effort, and filing space.

Tax e-invoices provide easy processing of taxpayer data and are easy and safe to access.

Waskon 1 said:

"Yes, it's easier to supervise PKP in paying taxes..."

PKP 1 said:

"For easy access, what I feel is sometimes easy but also sometimes difficult. This is probably caused by the internet network. As for security, I think it is quite safe to access or use e-Invoice, because each PKP has its own account and password..."

PKP 2 said:

"Yes, using e-invoice is safe because to access e-invoices each PKP uses its own account that has been registered with KPP. The e-invoice first using is rather difficult to get into the available sites probably because of an imperfect system..."

From the opinion of Waskon 1, PKP 1, and PKP 2, it can be concluded that the use of e-tax invoices makes it easy to process taxpayer data, especially also easy for tax officers to supervise PKP. Ease of access is sometimes still constrained by less good internet networks and applications/systems that are sometimes error. This is the input for DGT and KPP to make improvements again. While security of access, the use of e-Invoice has guaranteed the security of access for PKP, because each PKP has its own account.

The Third Indicator is to Support The Goal

Here are the interview results that the using of e-invoice supports the purpose of the application of e-invoice itself.

e-Tax invoices can maximize tax revenue (for tax authorities) and provide convenience in tax submission (for PKP)

Waskon 1 said:

"No, just keep an eye on which one hasn't been paid and, the 2% sanction owed: $2\% \times 2$ x the basic price"

This means that the use of e-Invoice more precisely maximizes the supervision done by DGT and KPP (not to maximize the acceptance).

PKP 1 said:

"Yes, because it only enters transaction data into the application. Although sometimes difficult when submitting reports. If the internet network is not good, we have to come directly to the tax office."

PKP 2 said:

"Yes, tax submission is easy and fast because I just need to input the data into the available menu."

From the opinion of PKP 1 and 2, it can be seen that e-tax invoice provide convenience in filing taxes because PKP is only needed to input data related to taxation of goods and/or taxable assets. Services. It's just that the ease of use of e-invoice is still constrained by a bad internet connection.

The effective e-invoices implementation and providing more benefits not only from the DGT and KPP but also giving more benefits to PKP will definitely increase Taxpayer Compliance, especially PKP, in carrying out its tax obligations. Compliance with Taxable Entrepreneurs is an activity process (fulfillment of tax obligations and the acquisition of taxable rights of Taxable Taxable Entrepreneurs) in accordance with those stated in the Taxation Law. To find out Taxpayer Compliance in this case a Taxable Entrepreneur as a result of the effective implementation of e-invoice, the indicators used include:

a) *Taxpayers register to the Tax Service Office to be a Taxable Person for VAT purposes.*

From interviews with 2 Taxable Entrepreneurs obtained the following results:

PKP 1 said:

"Yes, I registered myself and my business as a Taxable Entrepreneur. I register independently and voluntarily. Because I think it's my duty ... "

PKP 2 said:

"Yes, I registered as PKP to the tax service office. At first I thought I didn't want to register, but after getting an explanation from the tax officer, I finally registered as PKP."

From the interview above, it is known that the two Taxable Entrepreneurs were obedient when viewed in terms of their willingness and volunteering to register themselves as Taxable Entrepreneurs.

b) *Taxable Entrepreneurs calculate their business taxes.*

The results of interviews with the two PKP can be summarized as follows:

PKP 1 says:

"tax employees help me to calculate the taxes we have to pay, especially related to VAT ... "

PKP 2 states:

"Yes, of course I calculated the VAT myself from the transaction in my business, ... If there are difficulties, I usually ask AR/tax officers who understand ... "

From the second PKP statement above, it can be seen that the two PKP are quite obedient, because both PKP try to calculate their own taxes arising from their business, and when there are difficulties PKP take the initiative to ask or consult AR or competent tax officers.

c) *Taxable Entrepreneurs independently calculate VAT by utilizing tax e-invoice.*

PKP 1 states:

"I was helped by the e-invoice tax so that I and the employee could independently calculate the VAT for both the PPN output and the VAT input ... "

PKP 2 states:

"... I can calculate the less paid VAT and VAT myself. I think this e-invoice makes it easy to calculate."

From the second PKP statement above, it can be seen that the two PKPs can independently carry out tax calculations, especially VAT, by utilizing tax e-invoices. Tax invoices make it easy for PKP to calculate taxes.

d) *Taxable Entrepreneurs pay less VAT paid on time.*

PKP 1 states:

" I will try to pay taxes on time ..., in addition to orderly administration, it also avoids delays because if it is too late it will be fined ..."

PKP 2 states:

"The ease of use of e-invoices, as well as the speed of tax calculation, strongly supports me to immediately pay VAT ..."

From the second statement of the PKP above, it can be seen that both PKP always strive to pay taxes, especially VAT on time. Moreover, e-invoices tax provide convenience that supports payment of taxes can be more timely.

e) *Taxable Entrepreneurs submit full and timely SPT before the deadline for submission.*

PKP 1 states:

"I'll try to deliver a SPT report completely and as soon as possible. Actually the use of e-invoices can provide convenience and support to immediately pay and even immediately report ... "

PKP 2 states:

"... I was on time to deliver the SPT. Yes, although sometimes there are delays, one of them is due to internet connection constraints ... and sometimes because i forget. So we try more often to be on time ... "

From the second PKP statement above, it can be seen that the two PKPs have submitted SPT reports in full and on time. Although sometimes there are obstacles that cause delays in reporting one of them due to internet connection problems.

CONCLUSIONS

Based on the results of the research described, it can be concluded as follows: (a) The application of e-Invoice in the scope of Madiun Primary KPP has been effective. This is known from the achievement of the three indicators which include the accuracy of use, results of use, and the purpose supports. The answers of interviewees lead that the application of e-Invoice is effectively, effectiveness, and has supported the purpose of the implementation in the e-invoice tax itself; (b) Effectiveness and application of VAT e-invoice increases PKP compliance. This can be seen from the PKP answer which leads to the use of e-invoice to provide convenience so that they are able to carry out tax obligations (register, count, pay, and report) in punctual; (c) Several interviewees stated that the constraints on using e-Invoice are internet connection problems, and sometimes has error applications.

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