

CHAPTER IV CONCLUSION

This dissertation was written to find out the effect of tax amnesty and sanctions of strictness on individual taxpayer's compliance. The level of tax compliance in Indonesia is still relatively low compared to other countries. This problem certainly has a significant impact on Indonesia's development revenue and financing. The weak level of compliance of taxpayers can occur due to weaknesses of sanctions that are applied in addition to other causes.

Various ways to increase the level of tax compliance have been implemented by the Directorate General of Taxes, namely the existence of tax amnesty. Based on previous research, it can be concluded that tax amnesty has a positive influence on tax compliance, but it is not significant. Other results show that tax amnesty only affects short-term income, but not for the long term (Luitel and Sobel 2007). In addition to the goal of increasing compliance, taxpayers who have assets deposited abroad are expected to be withdrawn for safekeeping in the country or commonly referred to as repatriation funds. Assets that have been invested in shadow economy or abroad are expected to be divested domestically in the hope of increasing state revenues. However, the statistical test in Hanif's research (2019) shows that the effect of repatriation on the objective variable of article 2 paragraph 2 letter a of the Tax Amnesty Act was apparently not achieved. Because statistically repatriation has no significant effect. Variables such as liquidity and the exchange rate are even more affected by global economic conditions and investment

competitiveness. The negative side of implementing tax amnesty in Indonesia is that it creates a sense of injustice especially for compliant taxpayers. In addition, tax amnesty can cause a sense of non-compliance for taxpayers because taxpayers hope that there will be tax amnesty in the future, another negative side, this tax amnesty is not in accordance with law enforcement principles, because taxpayers who are lacking or non-compliant should be subject to sanctions but instead forgiven. Tax amnesty has also been applied by many countries in the world, so many lessons can be drawn from the experience of countries that have implemented the tax amnesty. From this study, the Indonesian government should be able to adopt features that have been implemented and harmonize them according to domestic needs. Italy, for example, can be an example for capital repatriation, by setting a single rate as a ransom and a higher rate for taxpayers who take longer to use tax amnesty. Another alternative could be to provide a tax rate reduction of 80% - 100% as done in Mexico. Indonesia can also adopt a tax amnesty in Portugal that provides tax amnesty tariff cuts if repatriated assets carried out by WP are used to purchase securities issued by the government, such as Government Securities (SUN).

Even in the case of tax amnesty sanctions, the government has been supported by the latest law number 11 of 2016 which has stipulated the sanctions to be imposed if tax amnesty participants violate the rules that apply in implementing tax amnesty, namely administrative sanctions an increase of 200% from income tax that is not or underpaid. If these sanctions are applied, certainly, the participants of the tax amnesty will not commit violations. Therefore it is still questionable whether the amnesty is feasible to be carried out in the future or if the government has a new policy in terms

of increasing taxpayers' compliance while increasing state revenues. Regarding tax sanctions, tax sanctions are also regulated by the 1945 constitution. Previous research has stated that taxation witnesses have a positive effect on increasing taxpayer compliance. This is also evidenced by several researchers who show that the greater the tax sanctions, the behavior of taxpayer compliance increases. Allowances in the enforcement of sanctions that cause people to underestimate the rules that have been set. It is hoped that the government can further improve these regulations and policies so that violations that can be committed by taxpayers do not occur.

The conclusion of the previous research is that tax amnesty and sanction strictness have positive interactions but do not have a significant effect on increasing taxpayer compliance because they have not yet reached the targets set by the government. This can occur because of the negative impact of tax amnesty previously reported and also the relaxation of sanctions that occur. Efforts can be made by the government in tax amnesty and strict sanctions in accordance with the return policy. Whether the implementation has been maximized and can reinforce further taxation rules.

