

VAT THRESHOLD AND TAXPAYERS' BEHAVIORAL RESPONSES

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ABSTRACT

Sebagai salah satu strategi untuk mengatasi tantangan rendahnya performa Pajak Pertambahan Nilai (PPN) karena kebijakan PPN yang kurang efektif, studi ini memberikan bukti empiris berdasarkan model yang dikembangkan oleh Keen dan Mintz (2004). Penelitian ini menggunakan data populasi Wajib Pajak dari tahun 2014 sampai dengan 2016 serta menerapkan kalibrasi parameter sesuai dengan konteks Indonesia. Lebih lanjut, studi ini juga meneliti perilaku Wajib Pajak terkait penerapan batasan pengukuhan Pengusaha Kena Pajak (PKP) dengan memberikan gambaran kepadatan sebaran Wajib Pajak pada titik mendekati batasan pengukuhan PKP. Hasil studi ini mengkonfirmasi nilai batasan PKP sebesar Rp1,8 Milyar untuk Tahun 2014, Rp 1,6 Milyar untuk Tahun 2015 dan Rp 1,2 Milyar untuk Tahun 2016. Setelah melakukan estimasi selisih antara batasan PKP saat ini dengan batasan PKP optimal, diperoleh prospek 3% atau sekitar Rp 10,8 Trilyun tambahan penerimaan PPN. Selain itu diperoleh hasil yang menarik lainnya, yaitu bukti empiris berupa sebaran Wajib Pajak yang tidak proporsional pada titik batasan PKP, yang mengindikasikan perilaku Wajib Pajak untuk menempatkan dirinya pada titik sedikit di bawah batasan PKP. Hal ini merupakan indikasi awal adanya praktik penghindaran PPN, di mana Wajib Pajak cenderung melaporkan omset lebih rendah untuk tidak melebihi batasan PKP.

Addressing the issue of downturned Indonesian Value Added Tax (VAT) performance due to its ineffective VAT design, this study seeks to provide empirical evidences according to the model borrowed from Keen and Mintz (2004). This study utilizes a population hinge on data ranged from 2014 to 2016 and employs calibration of parameters based on Indonesian context. As extension of the study, this research also investigates the behavioral responses of the taxpayers by visualizes the density at around threshold. The result confirms that the optimum point of VAT threshold in Indonesia is estimated at IDR 1,8 Billion for 2014, IDR 1.6 Billion for 2015 and IDR 1.2 Billion for 2016, respectively. Estimating the gap between the current threshold and estimated optimum threshold leads a prospective 3% or IDR 10,8 Trillion additional annual VAT revenue. The more striking result to emerge from the research is the visualization of disproportional density distribution at around threshold, which suggests the propensity of taxpayers to locate themselves just below the threshold. In this sense, it implies the indication of VAT avoidance, where the taxpayers tend to deliberately report a lower annual turnover to avoid exceeding the VAT registration threshold.

KEYWORDS: Keywords: VAT, tax, threshold, avoidance, evasion, MCF

1. INTRODUCTION

The issue of low performance Value Added Tax (VAT) has received considerable critical attention in the last decade particularly among developing countries. IMF (2011) revealed that the fraction of Indonesian tax revenue over GDP is estimated at about 11,5 to 13,3 percent, the lowest value among G-20 countries. IBFD (2010) argued that the low VAT performance is mainly driven by improper tax base as the result of outstripped VAT threshold. Abundant literature also suggested that low VAT performance is a common issue headed by developing countries as a consequence of a narrowed tax base, exceeded exemptions, zero rated and also the hurdle VAT regulations.

Several comparative studies suggested Indonesia as an emerging economy with high economic growth and positive GDP trend during the last five years respectively. Ideally, these positive trends should foster the expansion of VAT base and optimization of VAT revenue in Indonesia. In contrast, statistics do reveal a declining trend of Indonesian VAT performance in the last few years. Evidences