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THE IMPACT OF INFORMATION TECHNOLOGY ON TAXATION: CORPORATE TAXPAYERS' INTEREST IN USING DJP ONLINE SYSTEM

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ABSTRACT

Technology and information systems enable e-government processes to run more effectively and efficiently, changing organisations' structure, people, processes, and regulations. DJP online is one of e-government strategies in Indonesia in the field of online taxation system. The purpose of this study is to examine the effect of Security and Privacy, Information Technology Readiness, System Speed, Perceived ease of use, and Performance Expectancy on the interest of Corporate Taxpayers in using DJP Online at KPP Pratama Jakarta Palmerah. The population of this study was 8,819 Corporate Taxpayers registered in KPP Pratama Jakarta Palmerah and the samples were 100 respondents from the population. This research used primary data obtained from a questionnaire. The results of this research show that Security and Privacy, Information Technology Readiness, Perceived ease of use, System Speed and Performance Expectancy have a significant positive influence on the interest of Corporate Taxpayers in using DJP Online facility at KPP Pratama Jakarta Palmerah.

INTRODUCTION

Many governments around the world have integrated information and communication technology to deliver better and convenient public services under the e-governance program. Using the technology, they reinvent public services and dissemination of information for better public administration under various e-governance initiatives. The advance of technology, particularly electronic devices, provides easy ways for carrying out archival tasks. This advance is beneficial, especially for government offices which require fast service and maintain a massive number of archives. It helps

offices to speed up the process of managing e-governance. Taxpayers in Indonesia require high-quality services, minimum cost of tax payment process, and minimum paper usage in the administrative process. To accommodate these needs, the government uses the online tax system (Prawati & Dewi, 2018). Mustapha & Obid (2015) stated that online tax system has received a great attention globally through the development of information technology, which affects the tax administration system.

The number of registered taxpayers in Indonesia currently reaches 36.031.972. Only 9.789.398 taxpayers or 58,97 percent submitted the tax return for the fiscal year of 2016 to 14 April 2017. The details, based on the taxpayer category, are 247.215 Corporate Taxpayers; 797.443 non-employee taxpayers; and 8.744.740 employee taxpayers. The increasing number of Corporate Taxpayers requires the easiness of modern taxation systems. Barati & Bakhshayesh (2015) stated that the easiness of modern taxation systems can also be applied in terms of tax administration services. Wibisono & Toly (2014) also stated that in terms of the use of information technology, electronic systems can be employed in tax administration in order to facilitate taxpayers in fulfilling tax obligations. A system can be said to have high quality if it is designed to fulfill users' satisfaction through the ease of use. The ease of use refers not only to the ease in learning and using the system, but also the ease in doing a job or task. The system should help individuals complete the job or task more easily. Based on the law of Directorate General of Taxation number PER - 03/PJ/2015 on Procedures for the Submission of Tax Letter Notification Electronically, e-filing is an electronic system to notify the tax return of both individuals and firms (corporate or organizations), as a medium to report tax payment through online system using internet or application service providers. The main objective of e-filing is to improve service for public by facilitating the report of tax return electronically via the Internet. This will reduce the cost and time required by taxpayers to prepare, process, and report their tax return accurately and timely (Sugihanti, 2011). Through this system, tax return reporting can be faster, more convenient, and more secure. Taxation electronic system becomes the form of taxation modernization in Indonesia through DJP online. Every taxpayer can access DJP Online through https://djponline.pajak.go.id/ and can use e-Registration, e-Filing, e-Invoice and e-Billing menu according to the taxpayers' needs. The online tax system is expected to improve tax compliance, increase public confidence in tax administration, and improve employee tax productivity. As previous research indicates, many deficiencies in the system can affect taxpayers` interest in using DJP Online, making the taxpayers reluctant in performing tax obligations using the DJP Online system.

This study uses the model of Technology Acceptance Model (TAM) developed by DeLone & McLean (1992). They found that the success of an information system can be represented by the qualitative characteristics of the system, the quality of the output of the information system, the consumption of the output, user satisfaction, individual impact, and organizational impact. According to DeLone & McLean (1992), the basic assumptions of the multidimensional model of information system success can be explained in three different levels: technical, semantic, and system effectiveness. The technical level of communication as the accuracy and

efficiency of the communication system generates information. Semantic level is the success of information in conveying the intended purpose or meaning. Meanwhile, the effectiveness level is the information effect on the recipient. In DeLone & McLean's success model, system quality measures technical success, information quality measures semantic success, and system usage, user satisfaction, individual impact and organizational impact.

DeLone & McLean (1992) assume that the quality of a system and the quality of information affect user satisfaction and its use. Usage and user satisfaction are mutually interrelated. They are perceived as having a direct impact on individuals in an organization. In other words, a quality information system that meets reliability will be able to satisfy the users of the information system and to optimize the users' performance and organization so that user behavior will support the technology. According to Livari (2005), system quality instruments can be derived from the ease of access, flexibility of the system, system integration and response time. The higher the quality of the system, the higher the users' satisfaction with the system is. If the users are satisfied with the system, it will cause the reuse of the system. Repeated reuse will increase the intensity of use of the system.

If the output of the DJP Online system is qualified, the satisfaction and performance of individuals will increase which then impacts on the satisfaction and performance of the organization. User satisfaction can also affect individual impact. If users often use information systems, more and more levels of learning (degree of learning) are derived from the information systems. According to Radityo & Zulaikha (2007), the improvement of this degree of learning indicates that there is an influence of the existence of the system on the quality of the users (individual impact).

This study is conducted to develop the prior study of Prawati & Dewi (2018) that examined the effect of performance expectancy, system quality, and customer satisfaction on Corporate Taxpayers interest in using of e-filing. This research is conducted to examine the effect of security and privacy, information technology readiness, system speed, perceived ease of use, and performance expectancy on Corporate Taxpayers' interest in using DJP Online System. The main differences are with the use of security and privacy, information technology readiness, system speed, and perceived ease of use.

Based on these explanation, the problem formulation of this study is whether security and privacy, technology information readiness, system speed, perceived easy to use, and performance expectancy affecting the Corporate Taxpayers` interest in using DJP Online System? This study is intended to answer the problem. This research objective is to analyzes the effect of Security and Privacy, Information Technology Readiness, System Speed, Perceived ease of use, and Performance Expectancy on Corporate Taxpayers` interest in using DJP Online.

LITERATURE REVIEW

Security and Privacy

Dewi (2009) stated that an information system is viable if the security of the system is reliable. The security of the system can be seen through user data safely stored by the information system. The user data must be kept confidential by the way data are stored by the system so that others cannot

access user data. Sugihanti (2011) explained that security means the use of information systems is safe; the risk of data or information loss is very small; also, the risk of theft is low. Privacy means that all matters related to users' personal information are guaranteed to be confidential, unknown to others. Secure storage will minimize the other party's chance to abuse the user data. DJP Online system security aspect can also be seen from the availability of username and password for taxpayers who have registered themselves in the system.

Information Technology Readiness

Hasan, Ilias, Rahman & Razak (2008) revealed that there is a positive relationship between the level of technology readiness and the interest in the e-filing system. It is supported by the research of Lai (2008), indicating that there are four factors which influence technology readiness, that are optism, innovativeness, discomfort, and insecurity. Kristin & Ekawati (2016) explained that the quality of information systems is one of the factors which affects the use of Knowledge Management (KM) portal. The quality of the information system from the Directorate General of Taxation is shown by the features, performance and user interface.

If taxpayers can accept a new technology, then they will be more willing to report their taxes using DJP Online. Information Technology Readiness also affects the progress of the individual mindset, meaning that the more advanced ones are ready to accept new technology, the more the technology grows.

System Speed

According to Dewi (2009), the speed of transaction flow on an online system is a critical value of customer satisfaction. The success of an information system (IS) is also influenced by the rate of processing speed of the IS. The more time to IS processing, the more users will feel less comfortable to access information on the IS. The less time connection of the internet, the less users will not hesitate to use IS. Therefore, the speed of the DJP Online system must be more excellent than the manual system. If the DJP Online process is fast, taxpayers will be more interested in using DJP Online.

Perceived Ease to Use

Davis (1989) stated that perceived ease of use is defined as a measure in which individuals believe that systems can be easily understood and used. A system can be said to be qualified if the system is designed to meet user satisfaction through the ease of using the system. Ease of use in this context refers to not only the ease in learning the system, but also the ease in completing a job or a task. Dečman & Klun (2015) stated that users represent one of important factors related to the success of information system implementations. Not only must the systems be constructed according to their needs and demands of the processes they perform, these systems must also be easy to use, include all the needed functionalities, and be backed up by help desk support and training.

Performance Expectancy

Venkatesh, Morris, Davis & Davis (2003) defined performance expectation as to what extent one believes that using a system will help him

gain the highest advantages. Hamzah (2009) explained that this concept describes the benefits gained by the user in terms of perceived usefulness, extrinsic motivation, job suitability, and relative gain. Related with DJP Online, the usage of performance expectation of DJP online users shows that the system gives benefits for them. If a Taxpayer believes that using DJP Online will provide benefits, the Taxpayers will use the DJP Online.

DJP Online

DJP Online is a website owned by Directorate General of Taxes. Services available in DJP Online are e-registration, e-filing, e-billing, and e-invoice. Taxpayers who can use DGT Online services are all taxpayers who already have a tax ID number (NPWP) and an active Electronic Filling Identification Number (E-FIN).

E-Registration is the taxpayers' registration system and/or the confirmation of Taxable Entrepreneur (PKP) connected directly to Directorate General of Taxation. The purpose of providing e-Registration service is to provide convenience for taxpayers in carrying out their tax obligations to register, update, and delete any information, anytime and anywhere, and to provide more effective, efficient and optimal services both operational and administrative to the community.

E-Filing is SPT reporting system either SPT Masa (monthly), or Annual SPT or Annual Renewal of Annual Tax Return by individuals or Corporates to Directorate General of Taxes conducted online and real time through Application Service Provider (ASP). Online means that the Taxpayers may report any tax on the internet anywhere and anytime, while real time means that the confirmation from the Directorate General of Taxes can be obtained at the time when the SPT is filled completely and correctly, and sent electronically.

E-billing is an electronic payment method using billing code. The billing code is the identification code issued through the billing system of a type of payment or deposit to be made by the Taxpayers. The billing code is only valid for 48 hours after it is issued. After 48 hours, the billing code is unusable and automatically erased from the system.

E-Tax invoices are tax invoices made or electronic systems specified and or provided by the Directorate General of Taxes. The Government issues an electronic tax invoice (e-invoice) with the aim of providing convenience and security for PKP (Taxable Entrepreneurs) in performing their taxation obligations, especially in generating tax invoices.

Based on the description above, the research hypotheses are as follows:

H1: Security and Privacy have a positive influence on Corporate Taxpayers` interest in using DJP Online

H2: Information Technology Readiness has a positive effect on Corporate Taxpayers` interest in using DJP Online

H3: System speed has a positive influence on Corporate Taxpayers` interest in using DJP Online

H4: Perceived ease of use has a positive influence on Corporate Taxpayers` interest in using DJP Online

H5: Performance Expectancy has a positive influence on Corporate Taxpayers` interest in using DJP Online.

MATERIALS AND METHODS

The object of this research is Taxpayer Agency registered in KPP Pratama Jakarta Palmerah. The population of this research includes Corporate Taxpayers registered in KPP Pratama Jakarta Palmerah until 2017. The total number of the taxpayers is 8.819. By using Slovin formula and using fault tolerance of 10% then it can be known the samples that exist in this research as follows:

$$n = \frac{8.819}{(1+(8.819)\ (0,1)^2)}$$

n = 99 rounded to 100

The measurement employed Likert scale, with 1 indicating strongly disagree, 2 indicating disagree, 3 indicating doubtful, 4 indicating agree, and 5 indicating strongly agree.

Validity and Reliability Test

Validity test was used to measure the questionnaire, whether or not the questionnaire is valid. If the corrected item-total correlation > r table, the data are valid (Ghozali, 2011). Reliability test was used to determine whether the questionnaire generates consistent results. Constructs or variables are said to be reliable if they have Cronbach Alpha value > 0,60 (Ghozali, 2011).

Normality Test and Classical Assumption Test

The normal distribution test in this study used Kolmogorov-Smirnov Z value. Classical assumption test for linear regression model was used to ensure that the model was free from multicollinearity, autocorrelation, and heteroscedasticity.

The regression model is shown on equation (1)

$$Y= \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots.. (1)$$

Where:

Y = Corporate Taxpayers' interest in using the DJP online system
X1 = Security and privacy
X2 = Information technology readiness
X3 = System speed
X4 = Perceived ease to use
X5 = Performance expectancy
β1, β2, β3, β4, β5 = regression coefficients
ε = error

Following that, using α 5% - the hypothesis will be tested statistically, the t and F test using multiple regression.

RESULTS AND DISCUSSIONS

Respondents' Profile

Based on the business profile of the 100 respondents, 65 of them were in the trading and service business or 65% of the total respondents; 14 of them were unidentified or 14% of the total respondents; 11 of them were in the banking industry or 11% of the total participants. Meanwhile, 10 respondents or 10% of the total respondents were in manufacturing business. It can be concluded that the respondents of trade and service businesses are the most dominant.

Based on the experience of using DJP Online, the respondents with a range of 1-3 years were the most dominant with a total number of 41 or 41% of the total participants. This number is followed by respondents with a range of > 3 years of 33 or 33% of the total participants. The fewest respondents with a range of <1 year were 26 or 26%.

Descriptive Analysis

The results of descriptive statistical analysis are presented in Table 1. It shows that the average value of the respondents is greater than the standard deviation. Therefore, the data have low variability.

The Result of Validity and Reliability of Data

Validity test of the data on variables produced a correlation coefficient greater than 0,197 meaning that the data are valid. The reliability test obtained Cronbach alpha > 0,6 which means that the data are reliable.

Normality and Classical Assumption Test Results

By using Kolmogorov-Smirnov Z value, the result of asymp. sig. (2-tailed) value showed above α 5% that means all data variables are normally distributed (Table 2). Table 3 shows the results of multicollinearity test. The value of Variance Inflation Factor (VIF) is less than 10 showing that the data are free from multicollinearity. The heteroscedasticity test used Scatterplot graph. Figure 1 shows that the data points spread and do not form certain clear patterns. Classical assumption test results show that the variables are free from multicollinearity, autocorrelation, and heteroscedasticity.

Table 1.
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1	100	1,00	4,03	2,2048	,83430
X2	100	1,00	3,39	2,3564	,64437
X3	100	1,00	4,67	2,9549	,76287
X4	100	1,00	4,95	2,7603	,79447
X5	100	1,00	4,74	2,9795	,87959
Y	100	1,00	4,65	2,7326	,66452
Valid N (listwise)	100				

Table 2.
The Result of Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,79944280
Most Extreme Differences	Absolute	,084
	Positive	,084
	Negative	-,068
Test Statistic		,084
Asymp. Sig. (2-tailed)		,080[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Table 3.

The Result of Multicollinearity Test Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1,189	,410		-2,898	,005		
X3	,455	,081	,261	5,617	,000	,445	2,247
X4	,307	,024	,459	12,979	,000	,768	1,302
X5	,407	,062	,269	6,540	,000	,568	1,759
X2	,176	,043	,171	4,123	,000	,561	1,781
X1	,167	,042	,158	3,978	,000	,613	1,630
a. Dependent Variable: Y							

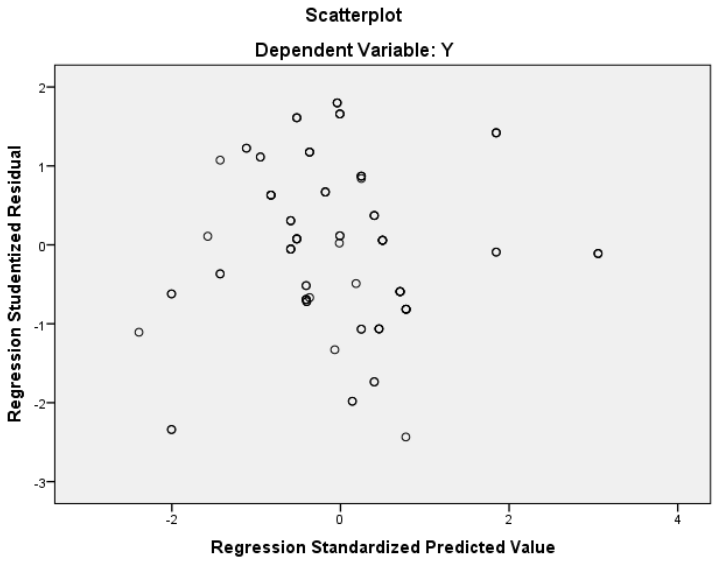

Figure 1. The Result of Heteroscedasticity

Table 4.

Multiple Regression Analysis Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1,189	,410		-2,898	,005		
X3	,455	,081	,261	5,617	,000	,445	2,247
X4	,307	,024	,459	12,979	,000	,768	1,302
X5	,407	,062	,269	6,540	,000	,568	1,759
X2	,176	,043	,171	4,123	,000	,561	1,781
X1	,167	,042	,158	3,978	,000	,613	1,630

a. Dependent Variable: Y

This study proves that system speed (X3) has a significant influence on Corporate Taxpayers' interest in using DJP online system. Based on the result of t – test, t-count of 5,617 was obtained with a significant level of 0,000. It shows that if access to DJP Online can be done quickly, the users will be interested in using DJP Online.

Perceived ease of use (X4) has a significant influence on the Corporate Taxpayers' interest in using DJP online system. Based on the result of t – test, t-count of 12,979 was obtained with a significant level of 0,000. It shows that if access to DJP Online can be done quickly, user will be interested in using DJP Online. This study proves that if the DJP Online is easy to read, users will easily understand it and user experience about DJP Online is an uncomplicated system so that the interest of using DJP Online is higher. This is in accordance with Desmayanti (2012) who concluded that the Perceived ease of use has a significant positive effect on taxpayers` interest to use online tax system. According to Amijaya (2010), Perceived ease of use will have an impact on behavior. This means the increase of Perceived ease of use will also increase information technology usage.

Performance expectancy (X5) has a significant influence on the Corporate Taxpayers' interest in using DJP online system. Based on the result of t –test, t-count of 6,540 with a significant level of 0,000 was obtained. The result shows that if DJP Online can help users improve performance, it will drive the users to be interested in using online DJP. The online DJP without the expectation of e-filling performance, the Corporate Taxpayers' will be difficult for paying the tax and reporting Tax Return. So, the taxpayers will automatically neglect to report the fulfillment of tax obligation. This aligns with the research of Sugihanti (2011) and Prawati & Dewi (2018).

Information technology readiness (X2) has a significant influence on the Corporate Taxpayers' interest in using DJP online system. Based on the result of t – test, t-count of 4,123 with a significant level of 0,000 was obtained. The Information Technology Readiness of DJP Online can provide prompt confirmation. Application Provider Service (ASP) provides technical

service to the users if the users experience difficulties in using DJP Online. This means that if the readiness of the technology increases, the users of DJP Online will be more interested in using the application. This is in accordance with Desmayanti (2012) who concluded that the readiness of Taxpayer Information Technology has a significant positive effect on Intensity of Behavior in the use of e-filing.

Security and privacy (X1) have a significant influence on the Corporate Taxpayers' interest in using DJP online system. Based on the result of t – test, t-count of 3,978 with a significant level of 0,000 was obtained. The study shows that if the Corporate Taxpayers believe that DJP Online can provide a higher level of security and Privacy, the interest of Corporate Taxpayers in using DJP Online will also be higher. This is in accordance with Desmayanti (2012) who found that Security and Privacy have a significant positive effect on the intensity of behavior in using e-filing. However, this is different from Dewi (2009) who found that Security and Privacy negatively affect the interest in using e-filing.

CONCLUSIONS

This study reveals that Security and Privacy, Information Technology Readiness, System Speed, Perceived Ease of use, and Performance Expectancy have a positive effect on Corporate Taxpayers' interest in using DJP Online. In this information-communication technology era, every government is required to develop reliable, fast, and customized channels for service delivery under various e-governance initiatives. Therefore the role of the government to increase the interest of Corporate Taxpayers in using DJP Online in the form of e-registration, e-filing, e-biling, e - factur through the enhancement of system security and privacy, improvement of information technology readiness, improvement of system speed, and improvement of system performance is important. Further research may identify other factors that influence the use of DJP online by Corporate Taxpayers. The research objects might also include Individual Taxpayers and Micro Small Medium Enterprises (MSME).

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