

EVALUATION OF COVID-19 TAX INCENTIVE POLICIES: INCOME TAX ARTICLE 25 AND INCOME TAX ARTICLE 22 IMPORT

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Abstract

The Covid-19 pandemic in 2020 caused the state tax revenue target to not be achieved. Covid-19 Tax Incentives PPh Article 25 and PPh Article 22 Import in 2022 are still being provided by the government because the Covid-19 pandemic has not ended and has had an impact on the economy. The purpose of this research is to evaluate the covid-19 tax incentive policy PPh Article 25 and PPh Article 22 Import from the perception of taxpayers based on The Four Maxims and evaluate the application of the two tax incentive policies at the ABC Tax Office. This research method is mixed, combining quantitative and qualitative approaches. The data in this study were obtained from questionnaires to taxpayers and interviews with tax authorities and taxpayers. The results of the study show that taxpayers' perceptions of tax incentive policies have fulfilled The Four Maxims, but there are still constraints from the web system. The implementation of the Covid-19 tax incentive policy at KPP ABC has been effective, but monitoring, evaluation, and assessment of taxpayer satisfaction have not been carried out as a whole regarding the tax incentive policy.

Keywords: *Tax Incentives, Covid-19 Tax Incentives, Four Maxims, National Economic Recovery*

INTRODUCTION

The World Health Organization (WHO) declared COVID-19 a global pandemic in March 2020. The spread of COVID-19 in Indonesia has impacted various sectors, notably the economy. Economically, the pandemic threatens the country's tax revenue, as tax payments are an obligation for taxpayers to contribute to national development. According to Government Regulation in Lieu of Law of the Republic of Indonesia No. 1 of 2020, COVID-19 has caused significant material losses, impacting the economy, social welfare, and society at large. Economically, it has led to a slowdown in national economic growth, a decrease in state revenue, and an increase in state spending and financing.

To address these economic disruptions, governments worldwide have sought to implement timely and appropriate measures. One such measure is fiscal policy, which includes tax policy (Horton & El-Ganainy, 2012). The COVID-19 pandemic has weakened the economy, prompting tax policy to focus on tax relief or incentives to maintain purchasing

power. Government policies aim to enhance welfare for beneficiaries. Such policies can have positive or negative consequences depending on their implementation and oversight (Abdurrahman & Mildawati, 2021). Fiscal stimulus policies are enacted to support economic development acceleration (Lativa, 2021). Fiscal stimulus is also crucial as a counter-cyclical policy to restore economic stability during crises or recessions. Tax policy serves a regulatory function beyond generating state revenue; it also aims to facilitate better economic growth and achieve state revenue targets. The International Monetary Fund (IMF) states that fiscal policy is used by countries to counter the pandemic's effects, including tax cuts. The IMF also notes that in uncertain situations, policies may be temporary, as tax policy formulation is dynamic. Temporary policies should be based on appropriate performance and mindset to achieve these goals.

The Indonesian government has issued new tax regulations as part of the National Economic Recovery initiative. These regulations aim to mitigate recession and economic decline. The government, through the Ministry of Finance, issued Minister of Finance Regulation No. 23/PMK.03/2020 concerning Tax Incentives for Taxpayers Affected by the Coronavirus Outbreak. This study focuses on the incentives of reduced installments for Income Tax Article 25 and Income Tax Article 22 Import. These incentives differ from other government-covered tax payments. The increase in the installment discount from 30% to 50% aims to ease the burden on businesses during the COVID-19 pandemic, allowing them to allocate the Article 25 Income Tax installment reduction for operational financing to maintain production (Ayem & Hijayanti, 2022).

According to reports by the Minister of Finance, actual tax revenue in 2020 was only IDR 1,070.0 trillion, or 89.3% of the target of IDR 1,198.8 trillion, resulting in a shortfall of IDR 128.8 trillion in 2020. The government states that PMK No. 3/PMK.02/2022 does not fully meet the evolving needs for tax incentive expansion, necessitating new regulations (DDTC News, 2022). Given the ongoing impact of COVID-19 on the economy, these two tax incentive programs should continue. The Indonesian Employers Association has requested the continuation of the Income Tax Article 25 installment relief program for business owners (DDTC News, 2022).

There is a research gap. Saniananda (2021) analyzed the effectiveness of Income Tax Article 25 incentives solely from taxpayer compliance, finding them ineffective in encouraging tax installment payments. In contrast, Febri (2022) evaluated the effectiveness of incentives from the perspective of recipient companies. This study found that Company X

utilized the Article 25 Income Tax installment reduction and the Article 22 Import Income Tax exemption incentives, which aided the company's cash flow. This research differs in terms of the research object, measurement framework, and perspective, examining both the tax authority and taxpayers benefiting from these incentives. The study assesses taxpayer perceptions based on the Four Maxims of tax collection.

Based on the research background, the research questions are as follows:

1. How do taxpayers perceive the tax incentive policies for reduced installments of Income Tax Article 25 and the exemption of Income Tax Article 22 Import during the COVID-19 pandemic based on the Four Maxims of tax collection?
2. How is the implementation of tax incentive policies for reduced installments of Income Tax Article 25 and the exemption of Income Tax Article 22 Import conducted at KPP ABC?

Based on these research questions, the objectives of this study are:

1. To evaluate the tax incentive policy for reduced installments of Income Tax Article 25 and the exemption of Income Tax Article 22 Import based on taxpayer perceptions using the Four Maxims of tax collection.
2. To assess the implementation of the tax incentive policy for reduced installments of Income Tax Article 25 and the exemption of Income Tax Article 22 Import at KPP ABC using Campbell et al.'s (1974) theory of effectiveness.

THEORETICAL REVIEW

Income Tax Article 25 Installment Reduction Incentives

According to PMK No. 23/PMK.03/2020, Income Tax Article 25 (PPH Pasal 25) represents tax payments made in installments to alleviate the taxpayer's burden. The pandemic has caused severe financial difficulties for business owners, adversely affecting their cash flow. Taxpayers can benefit from the Article 25 Income Tax incentives. According to Mirani et al. (2021), the government allows business owners to sustain and develop their businesses during the pandemic by gradually reducing their tax burden. These incentives have several requirements, including:

1. Taxpayers must meet the Business Field Classification in the list of tax incentive recipients.
2. Taxpayers must be designated as a KITE Company which stands for Ease of Import for Export Purposes.

3. Taxpayers must have obtained a Bonded Zone Operator License or a Bonded Zone Business License.

Taxpayers utilizing the Income Tax Article 25 installment reduction incentive must submit a realization report; failure to do so renders them ineligible for the incentive and liable for the due taxes.

Income Tax Article 22 Import Exemption Incentives

The Income Tax Article 22 Import incentive can be obtained by taxpayers engaged in importing goods. The provisions of Income Tax Article 22 Import, imposed by Foreign Exchange Banks or the Directorate General of Customs and Excise, apply to taxpayer import and export activities. The pandemic slowed import activities into Indonesia, aimed at preventing the spread of COVID-19, which would harm international trade businesses. According to PMK No. 23/PMK.03/2020, taxpayers can benefit from the Income Tax Article 22 Import incentive by meeting several criteria, including:

1. Taxpayers must meet the Business Field Classification as tax incentive recipients.
2. Taxpayers must be designated as a KITE Company which stands for Ease of Import for Export Purposes.

Taxpayers utilizing the Income Tax Article 22 Import exemption incentive must submit a realization report, failure to do so renders them ineligible for the incentive and liable for tax payments.

Theory of Effectiveness

To measure the effectiveness of a policy, various expert opinions can be considered, such as Campbell's views in Meilinda (2021), who measured organizational effectiveness based on practices across various industries. The effectiveness is gauged based on the definition of success, as follows:

1. Program Success: The extent to which the actual operational goals of a program are achieved compared to the planned goals. Success is directly proportional to the level of achievement in a program. To achieve program effectiveness, one must possess the operational competence to implement a work schedule aligned with established objectives.
2. Target Success: This relates to achieving a company's desired goals, which can be defined as results set within a specific timeframe.

The Four Maxims of Tax Collection

COVID-19 tax incentives are provided to taxpayers to encourage the recovery of their business activities during the pandemic. In implementing tax policies, the principles of tax collection should be reflected in every policy offered to taxpayers. Adam Smith, in Taufik (2018), describes the Four Maxims of tax collection as follows:

a. Equity Principle

This concept mandates that the government's tax collection efforts should be proportional to the taxpayer's ability. The government should not discriminate against its taxpayers, highlighting the importance of equality regarding taxpayer capabilities.

b. Certainty Principle

There should be certainty in the amount each taxpayer must pay, unrelated to specific arguments. This principle involves the object, subject, payment period, payment method, and the tax amount due. In this principle, there is no room for negotiation, and the applicable rules must be clear, precise, and free from ambiguity.

c. Convenience Principle

This principle states that tax payments should be made at the appropriate time, such as when income is earned. It is best to schedule tax payments when conditions do not hinder fulfilling tax obligations. The tax collection procedure should be straightforward and simple to prevent taxpayers from being overly burdened.

d. Economy Principle

This principle dictates that tax collection should be conducted efficiently to avoid collection costs exceeding revenue, ensuring a favorable ratio between tax revenue and collection expenses.

Conceptual Framework

In the context of national economic recovery, the two incentives—the Income Tax Article 25 Installment Reduction and Income Tax Article 22 Import Exemption—remain in place. This study aims to evaluate these two incentives. The evaluation is measured from the perspectives of taxpayers and KPP ABC: taxpayer perceptions based on the Four Maxims and KPP ABC's effectiveness based on Campbell's Theory of Effectiveness, namely program success and target success. The conceptual framework is illustrated in Figure 1.

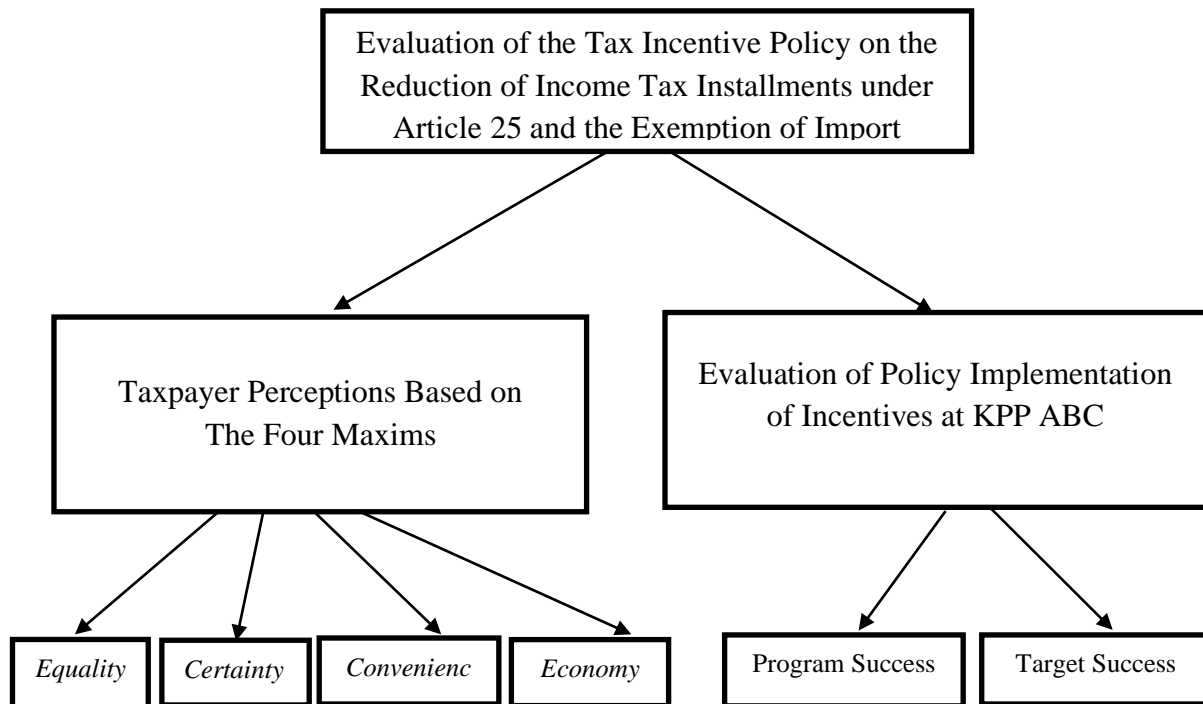


Figure 1
Conceptual Framework

RESEARCH METHODOLOGY

Research Design

The research strategy employed is a case study of the Covid-19 tax incentive policy, specifically the reduction of Article 25 Income Tax installments and the exemption from Article 22 Import Tax. The research approach utilizes a mixed methods research design, incorporating both quantitative and qualitative methods during the data collection phase. According to Cresswell (2003), this strategy integrates both quantitative and qualitative research methods. The quantitative research method is used to measure the phenomena numerically, which can later be used for comparison, while the qualitative method is employed to explore detailed information related to the research issues. The mixed methods model utilized is Concurrent Triangulation, a balanced combination approach. Triangulation is a data collection technique that merges various data sources and collection methods. In this study, data were collected through questionnaires, and interviews were conducted to corroborate the data.

Population and Sample

The population for this study consists of corporate taxpayers who have utilized the Covid-19 tax incentives, specifically the reduction of Article 25 Income Tax installments and the exemption from Article 22 Import Tax, at KPP ABC. The sample for this study was determined based on the distribution of questionnaires to taxpayers, as detailed in Table 1 and Table 2.

Table 1
Summary of Questionnaire Distribution for Article 25 Income Tax Installment Reduction Incentives

Description	Number of Questionnaires Distributed	Number of Completed Questionnaires
Via whatsapp	55	34
Total Questionnaires for Analysis		34
Response Rate (Completed/Distributed)		61,81%

Table 2
Summary of Questionnaire Distribution for Article 22 Import Tax Exemption Incentives

Description	Number of Questionnaires Distributed	Number of Completed Questionnaires
Via whatsapp	45	27
Total Questionnaires for Analysis		27
Response Rate (Completed/Distributed)		60%

Data Collection Techniques

To address the research questions in this study, both primary and secondary data are utilized as sources of information. To evaluate taxpayers' perceptions based on The Four Maxims, primary data is collected through questionnaires and interviews. Secondary data is obtained from the Directorate of Tax Data and Information (DJP) and KPP ABC. Access to secondary data is obtained by submitting a research permission request to the research subjects, DJP and KPP ABC, via eriset@pajak.go.id. To evaluate the policy of these two tax incentives, secondary data is collected in the form of the number of applications for Article 25 Income Tax installment reductions and Article 22 Import Tax exemptions at KPP ABC, the number of taxpayers receiving these incentives, the target revenue for Article 25 Income Tax at KPP ABC, the realization of revenue from Article 25 Income Tax and Article 22 Import Tax at KPP ABC, as well as through interviews with tax officers.

Data Analysis Techniques

For analyzing questionnaire data regarding taxpayers' perceptions, the data is quantified numerically using a Likert scale. According to Sugiyono (2013), the Likert scale is used to measure attitudes, opinions, and perceptions of individuals or groups regarding a phenomenon. A 6-point Likert scale is employed in this study.

For analyzing interview results, transcripts are created first. Data reduction is then carried out by selecting relevant and significant information aligned with the research topic. After data reduction, the researcher classifies the data according to themes, systematically organizing the description to clarify the identified themes. Conclusions are drawn based on the interpretation of the meaning of these themes or descriptions to answer the research questions.

The unit of analysis in this study is KPP ABC, located in North Jakarta. KPP ABC's functions include evaluating PBB objects, observing tax potential, collecting, searching, and processing data, providing tax information, recording tax objects and subjects, selecting and distributing tax legal products, receiving and processing tax returns (SPT), administering tax documents and files, receiving other acceptance letters, and conducting socialization and services related to tax policies.

RESULTS AND DISCUSSION

Taxpayers' Perceptions Based on the Principle of Certainty

Table 3
Questionnaire Results on Perceptions of Certainty of Article 25 Income Tax Incentives

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	I am aware that failure to report the realization will result in a penalty of being unable to utilize the tax incentive and having to pay the tax obligation.	163	204	80%	4,79
2	My company is confident that there will be no future tax audits related to the Article 25 Income Tax installment reduction incentive, provided that tax obligations are met.	149	204	73%	4,38
	Total	312	408	76%	4,59

Table 4
Questionnaire Results on Perceptions of Certainty of Article 22 Import Tax Incentives

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	I am aware that failure to report the realization will result in a penalty of being unable to utilize the tax incentive again and having to pay the tax obligation.	127	162	78%	4,70
2	My company is confident that there will be no future tax audits related to the Article 22 Import Tax exemption incentive, provided that tax obligations are met.	109	162	67%	4,04
	Total	236	324	73%	4,37

Based on Table 3, the highest approval rate is found in Statement 1 at 80%, where taxpayers are aware that failure to report the realization will result in a penalty of being unable to utilize the Article 25 Income Tax installment reduction incentive and having to pay the tax obligation. Meanwhile, the lowest approval rate is 73% for Statement 2, where taxpayers believe that there will be no future tax audits related to this tax incentive, provided that tax obligations are met.

According to Table 4, the highest approval rate is observed in Statement 1 at 78%, where taxpayers are aware that failure to report the realization will result in a penalty of being unable to utilize the Article 22 Import Tax exemption incentive and having to pay the tax obligation. The lowest approval rate, at 67%, is for Statement 2, where taxpayers are confident that there will be no future tax audits related to this tax incentive, provided that tax obligations are met.

Taxpayers' perceptions of certainty in both of these incentive policies are indicated by an approval rate of 76% and an average Likert scale score of 4.59 for the Article 25 incentive, and 73% and an average Likert scale score of 4.37 for the Article 22 Import Tax incentive. Both incentive policies are effective in terms of certainty, with the highest agreement related to certainty being that failure to report the realization will result in a penalty of being unable to utilize the tax incentives and having to pay the tax obligations. This provision provides certainty regarding administrative obligations in utilizing both tax

incentives and clear consequences for non-compliance with the reporting of realizations. This aligns with Waluyo's (2011) assertion that tax policies should be based on legal regulations to clearly and definitively inform taxpayers. The Covid-19 tax incentive policies have addressed legal certainty and consequences for violations committed by taxpayers. These results are also consistent with Nuryanah et al. (2021), which states that certainty in terms of penalties for taxpayers receiving tax incentives in cases of violations is crucial.

Table 5

Questionnaire Results on Perceptions of Fairness for Article 25 Income Tax Incentives

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	The determination of business sectors eligible for the Article 25 tax instalment reduction incentive adequately covers those in need of assistance due to the Covid-19 pandemic.	157	204	77%	4,62
2	I believe that the penalties imposed on companies receiving the Article 25 tax instalment reduction incentive for failing to report the realization of the incentive—namely, losing the incentive and having to pay the tax—are appropriate.	161	204	79%	4,74
Total		318	408	78%	4,68

Table 6

Questionnaire Results on the Perception of Fairness for the Article 22 Import Tax Exemption Incentive

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	The determination of business sectors eligible for the Article 22 import tax exemption incentive adequately covers those in need of assistance due to the Covid-19 pandemic.	128	162	79%	4,74

2	I believe that the penalties imposed on companies receiving the Covid-19 pandemic incentive, namely Article 22 import tax exemption, for failing to report the realization of the incentive—specifically, losing the incentive and having to pay the tax—are appropriate.	127	162	78%	4,70
Total		255	324	79%	4,72

Analysis of Taxpayers' Perceptions Based on the Principle of Equality

According to Table 5, the highest approval rate is observed for statement 2, at 79%, where taxpayers feel that the sanctions imposed on companies receiving the Article 25 Income Tax reduction incentive for failing to report incentive realizations—resulting in the forfeiture of the incentive—are appropriate. Conversely, the lowest approval rate is found for statement 1, where 77% of taxpayers agree that the criteria for the KLU eligible for the Article 25 incentive have been set. This is deemed adequate to cover all KLUs that genuinely require assistance during the Covid-19 pandemic.

Based on Table 6, the highest approval rate is for statement 1, at 79%, which affirms that taxpayers agree the criteria for the Article 22 Import Tax exemption incentive cover KLUs that genuinely need assistance during the Covid-19 pandemic. In contrast, the lowest approval rate, at 78%, is for statement 2, where taxpayers feel that the sanctions imposed on companies receiving the Article 22 Import incentive for failing to report incentive realizations—resulting in the loss of the incentive—are appropriate.

Taxpayers' perceptions of equity in both tax incentive policies are reflected in an approval rate of 78% and an average Likert scale score of 4.68 for the Article 25 incentive, and an approval rate of 79% and an average Likert scale score of 4.72 for the Article 22 Import incentive. These approval rates indicate effective equity in the two policies, with the highest approval for the criteria determining which taxpayers can benefit from these incentives. This reflects the government's careful consideration in setting these criteria, as evidenced by the adjustments made to the KLU list in each regulation, ensuring alignment with the taxpayers' capabilities. This is further supported by an interview with a taxpayer who stated, "The process is quite fair; incentives are not given to all companies indiscriminately but involve specific stages related to eligibility, making it fair for those truly affected and aligned with taxpayers' capabilities." This reflects the principle of fairness where taxpayers can fulfill their tax obligations according to their ability, in line with

Waluyo's (2011) principle of equity where the tax burden is commensurate with the taxpayer's ability to pay.

Table 7
Questionnaire Results on the Convenience of the Article 25 Income Tax Installment Reduction Incentive

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	The tax officers/Account Representatives provided services and consultations that facilitated my ability to utilize the Covid-19 tax incentives.	162	204	79%	4,76
2	The administrative requirements for obtaining the Article 25 installment tax reduction incentive are straightforward, allowing my company to meet these requirements.	169	204	83%	4,97
3	Reporting the realization of the Article 25 installment tax reduction incentive via E-reporting is easy, allowing my company to complete the reporting.	166	204	81%	4,88
4	The 2021 update to djponline has made it easier for my company to complete the tax incentive realization report for the Article 25 installment tax reduction.	166	204	81%	4,88
	Total	663	816	81%	4,88

Table 8
Questionnaire Results on the Convenience of the Article 22 Import Tax Exemption Incentive

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	Tax officers/Account Representatives provided services and consultations that facilitated my ability to utilize the Covid-19 tax incentives.	128	162	79%	4,74
2	The administrative requirements for obtaining the Article 22 Import tax	126	162	78%	4,67

	exemption are straightforward, allowing my company to meet these requirements.				
3	Reporting the realization of the Article 22 Import tax exemption via E-reporting is easy, enabling my company to complete the reporting.	134	162	83%	4,96
4	The 2021 update to djponline has made it easier for my company to complete the tax incentive realization report for the Article 22 Import tax exemption.	133	162	82%	4,93
	Total	521	648	80%	4,82

Analysis of Taxpayer Perceptions Based on the Principle of Convenience

Based on Table 7, the highest approval rate is found in statement 2, with 83% of taxpayers agreeing that the administrative requirements for obtaining the Article 25 Income Tax installment reduction incentive are easy to meet, thus allowing companies to comply with the incentive. Meanwhile, the lowest approval rate is 80% for statement 1, where taxpayers indicate that tax officers/Account Representatives provide services and consultations that facilitate the use of Covid-19 tax incentives.

According to Table 8, the highest approval rate is for statement 3, with 83% of taxpayers agreeing that reporting the realization of the Article 22 Import Tax exemption via E-reporting is straightforward, enabling companies to complete the reporting. Conversely, the lowest approval rate is 78% for statement 2, where taxpayers agree that the administrative requirements for obtaining the Article 22 Import incentive are easy to fulfill.

The perception of taxpayers regarding the principle of convenience in these two tax incentive policies is reflected in the approval rates of 81% for the Article 25 Income Tax installment reduction incentive and 80% for the Article 22 Import Tax exemption incentive. This indicates a high level of effectiveness in the convenience provided by both policies. Despite social restrictions due to the Covid-19 pandemic and the non-requirement for taxpayers to visit in person, the availability of online reporting systems and the simplicity of administrative requirements have been very helpful to taxpayers. This aligns with Waluyo's (2011) assertion that convenience is demonstrated through the services provided by tax officials and the ease of procedures tailored to the conditions of taxpayers.

Table 9**Results of the Questionnaire on the Perception of the Benefits of the Article 25 Income Tax Installment Reduction Incentive**

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	The Article 25 Income Tax installment reduction incentive has benefited in restoring my company's cash flow during the COVID-19 pandemic.	171	204	84%	5,03
2	My company does not need to incur additional costs, such as consultant fees, to utilize the Article 25 Income Tax installment reduction incentive.	157	204	77%	4,62
3	My company does not need to incur additional costs, such as overtime for tax staff, to utilize the Article 25 Income Tax installment reduction incentive.	154	204	75%	4,53
Total		482	612	79%	4,73

Table 10**Results of the Questionnaire on the Perception of the Benefits of the Article 22 Import Tax Exemption Incentive**

No	Statement	Total Score	Maximum Score	Approval Rate	Average Likert Scale Score
1	The Article 22 Import Tax exemption incentive has provided benefits in restoring my company's cash flow during the COVID-19 pandemic.	138	162	85%	5,11
2	My company does not need to incur additional costs, such as consultant fees, to utilize the Article 22 Import Tax exemption incentive.	132	162	81%	4,89
3	My company does not need to incur additional costs, such as overtime for tax staff, to utilize the Article 22 Import Tax exemption incentive.	134	162	83%	4,96
Total		404	486	83%	4,99

Analysis of Taxpayer Perception Based on the Principle of Benefit (Economy)

Based on Table 9, the highest approval rate is observed for Statement 1 at 84%, where taxpayers agree that the Article 25 income tax installment reduction incentive has benefited the recovery of their company's cash flow during the COVID-19 pandemic. In contrast, the lowest approval rate, at 75%, is for Statement 3, where taxpayers agree that their companies did not need to incur additional costs, such as overtime for tax staff, to utilize the incentive.

According to Table 10, the highest approval rate is found for Statement 1 at 85%, indicating that the Article 22 Import Tax exemption incentive has been beneficial in restoring the cash flow of companies during the COVID-19 pandemic. Conversely, the lowest approval rate is 81% for Statement 2, where taxpayers agree that their companies did not need to incur additional costs, such as consultant fees, to benefit from the incentive.

Taxpayer perceptions of the benefits aspect for both incentives show an approval rate of 79% for the Article 25 incentive and 83% for the Article 22 Import incentive. This indicates that the government's provision of these incentives to address the COVID-19 pandemic was appropriate and beneficial for taxpayers, as it alleviated their tax payment obligations and supported company cash flow. This is supported by interviews with taxpayers who stated, "The clear benefit from the perspective of cash flow has been significant during the decline in revenue throughout the pandemic, and the incentive has alleviated the burden of tax payments." This aligns with Mustaqiem (2014), which suggests that tax policies that do not impose additional costs on taxpayers can encourage businesses to continue operations during a pandemic. Furthermore, the findings are consistent with Padyanoor (2020), which indicates that tax incentives support company cash flow through reductions in Article 25 installments, and Ustantini et al. (2021), which highlights that COVID-19 tax incentives help maintain company cash flow. Another benefit observed is the increased taxpayer compliance in reporting, which corresponds with Saniananda (2021), noting that the Article 25 installment reduction incentive effectively enhances taxpayer compliance in filing the monthly tax return.

Analysis of Tax Incentive Policy Implementation at KPP ABC Based on Program Success

KPP ABC does not have specific targets related to the incentives provided by Article 25 Income Tax reductions or the exemptions granted by Article 22 Import Tax. However, as of the early turmoil of 2020, KPP ABC had not yet realized the revenue from Article 25

Income Tax due to the severe condition of the affected companies at that time. Meanwhile, the Article 22 Import Tax still failed to meet its target due to ongoing import restrictions imposed by the government.

Despite the lack of specific targets for these incentives, the success of the Article 25 Income Tax reduction and Article 22 Import Tax exemption programs can be evaluated based on their intended goals. According to tax advisors, these incentives have been successful in assisting companies impacted by the Covid-19 pandemic. This aligns with the outcome-based measurement perspective proposed by Ripley and Franklin (1986). Research by Tarigan (2021) indicates that the utilization of the Article 25 Income Tax incentive has been effectively carried out by taxpayers. Furthermore, Campbell et al.'s effectiveness measurement, as referenced in Meilinda (2021), suggests that the operational capability to execute a program in line with its predetermined objectives is a key indicator of program success.

The success of the program is also supported by survey results indicating that taxpayers utilize the incentives because they find the process easy. This suggests that the government has effectively designed the procedures. Conversely, some taxpayers did not apply for the incentives as their companies were beginning to recover.

Analysis of Tax Incentive Policy Implementation at KPP ABC Based on Target Achievement

Based on the first statement regarding fairness, over 70% of respondents believe that the determination of KLU (business sector classification) for receiving the Article 25 Income Tax installment reduction and the Article 22 Import Tax exemption is appropriate. This suggests that the KLU determination effectively targets taxpayers impacted by the Covid-19 pandemic.

The success in achieving targets is also evident from the outreach efforts conducted by tax officials at KPP ABC. These outreach and consultation activities are designed to assist taxpayers affected by the Covid-19 pandemic. This aligns with the effectiveness measurement by Campbell et al. as cited in Meilinda (2021), which evaluates a program based on its outcomes. The outreach efforts expand the reach to taxpayers, ensuring that the incentive recipients are properly targeted.

Target achievement is further assessed by the compliance of tax obligations. According to Account Representatives (AR) and functional tax advisors, taxpayers are sufficiently compliant in reporting their realizations, enabling them to benefit from the tax

incentives. However, there are still issues with the web system, which occasionally experiences errors.

CONCLUSION AND SUGGESTIONS

Conclusions

The evaluation of taxpayers' perceptions indicates that the tax incentive policies meet all four principles of tax collection, The Four Maxims, namely: certainty, fairness, convenience, and benefits.

The evaluation of the implementation of tax incentive policies at KPP ABC reflects the effectiveness measurement (Campbell et al., 1974) of program success. The goal of the Covid-19 tax incentives, specifically the Article 25 Income Tax installment reduction and Article 22 Import Tax exemption, was to support national economic recovery. However, the lack of specific targets for the utilization of the Article 25 and Article 22 Import Tax incentives given to individual tax offices may limit efforts to maximize taxpayer participation. Despite this, the realization of Article 25 Income Tax revenue has met the target, although the Article 22 Import Tax has not yet achieved its target due to uncertain import conditions. The success of the program is also reflected in taxpayers' perceptions, as they find the process for applying for the Article 25 Income Tax reduction and the Article 22 Import Tax exemption easy and beneficial, without incurring additional costs such as overtime expenses for employees.

The determination of the KLU (business sector classification) eligible for the Article 25 Income Tax reduction and the Article 22 Import Tax exemption has been effective and well-targeted, in line with effectiveness measurements (Campbell et al., 1974). To encourage taxpayers to utilize the Covid-19 tax incentives, KPP ABC has conducted outreach activities such as tax classes, Instagram Live Q&A sessions, collaborations with regional offices, and has opened helpdesks via WhatsApp and in person. However, monitoring and evaluation of the Covid-19 tax incentives have not been conducted comprehensively at KPP ABC, and there is a lack of taxpayer satisfaction surveys regarding the Article 25 Income Tax reduction and the Article 22 Import Tax exemption incentives. There are also challenges in the utilization of these incentives, such as system-related issues.

Implications

This study provides theoretical implications for the evaluation of tax policies, suggesting that government-provided tax incentives should be directed towards an effective tax administration system. The study addresses aspects of certainty, fairness, convenience, and benefits as outlined in The Four Maxims. It also offers practical implications for policymakers, emphasizing the necessity of comprehensive monitoring and evaluation to ensure the effectiveness of policy implementation.

Suggestions

The Directorate General of Taxes (DGT) should establish utilization targets for tax incentives at tax offices. This is necessary to encourage tax offices to enhance the use of Article 25 Income Tax installment reduction and Article 22 Import Tax incentives, as well as to support the acceleration of national economic recovery in 2023. The DGT should evaluate each tax office regarding the implementation of these tax incentives, specifically the Article 25 and Article 22 Import Tax incentives, and conduct surveys to assess the satisfaction of taxpayers with the Covid-19 tax incentives at each tax office. This will support the optimal and effective implementation of the Covid-19 tax incentive policies.

The DGT needs to update the *djponline* system, particularly concerning the incentive application process, as there are still instances where taxpayers have been able to apply for incentives prematurely and anomalies in data reporting. This update aims to prevent future audits.

Corporate taxpayers should utilize the services provided by tax offices, such as consultations with tax advisors, Account Representatives, and helpdesks, to facilitate compliance with tax obligations. Corporate taxpayers are also encouraged to attend socialization events organized by tax offices to enhance their understanding of tax incentives and regulations, thereby fostering compliance with tax obligations.

Future research should consider distributing questionnaires more broadly to both taxpayers who utilize and those who do not utilize the Article 25 Income Tax and Article 22 Import Tax incentives, based on The Four Maxims.

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