

*Research Article***Optimizing the Role of State Administrative Court Decisions in State Financial Recovery**Yulius^{1*}, Jos Yohan Utama²¹Supreme Court of the Republic of Indonesia, Indonesia²Faculty of Law, Universitas Diponegoro, Indonesia

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ABSTRACT

The government has significant authority in managing state finances, demonstrated by its ability to enact laws and to take public legal action through government decisions and actions. A number of authorities are inextricably linked to the measures taken to ensure that state finance can fund all state expenditures related to achieving development goals. This considerable power may violate citizens' rights due to the decisions or actions of the state finance manager. The community whose rights are jeopardized may file a lawsuit or petition the Administrative Court. The Administrative Court Decision must be able to synthesize public demands with the stability of the state finance to ensure that justice and legal order are fulfilled for the benefit of the state and people. This research is a normative legal research with statutory and conceptual approaches. This research concludes that the Administrative Court decision has enforced the law and harmonized and actualized the national legal system regarding state finances. It is also highly correlated with state financial stability because its value is immense and can affect the state's cash balance.

Keywords: State Finance, Decision, State Administrative Court.

A. INTRODUCTION

Establishing the Unitary State Government of the Republic of Indonesia has created state rights and obligations that can be valued in a fund that must be managed in the state financial management system. A sound management of state finances will maintain economic stability, increase growth, increase state revenues, and reallocate economic resources to realize justice. Conversely, development financing will fail if state finances are not appropriately managed. Therefore, setting up a sound state financial legal system is an unavoidable necessity for

implementation and success in development (Illahi, & Alia, 2017).

Management of state finances is currently facing various serious challenges. Based on the Summary of Audit Results for Semester I of 2023 by the Financial Audit Agency, there were 9,261 findings containing 15,689 state financial problems amounting to IDR 18.19 trillion. The Supreme Audit Agency grouped these problems into three categories: (1) weaknesses in the internal supervision system (SPI); (2) inefficiency and ineffectiveness; and (3) non-compliance with statutory provisions. The category of non-compliance with statutory provisions has resulted

in the highest amount of state losses amounting to IDR 16.92 trillion which consists of financial impact findings in the form of losses, potential losses, revenue shortfalls, and administrative irregularities. These problems with state finances resulted in budget deficit in which state revenues were lower than the expenditures. In the 2023 budget, there was a deficit of IDR 347.6 trillion (*Badan Pemeriksa Keuangan Republik Indonesia*, 2023). The budget deficit must be covered with additional loans, including foreign loans (Juliani, 2021).

The state financial manager is the Government (Ristriawan, & Sugiharti, 2017). Article 6 Paragraph (1) of Law Number 17 of 2003 on State Finance states: "The President as Head of Government holds the power of state financial management as part of government power." Furthermore, some of these powers are authorized to the Minister of Finance as the Fiscal Manager and the Government Representative in the ownership of separated state assets and to the Minister/ Head of Institution as the Budget/ Goods User of the state ministry/ institution he leads. As with the exercise of other governmental powers, the Government's position in state financial management is manifested in two roles: (1) as a public actor who exercises public authority, which is manifested in the quality of authorities in the form of Government Administration Bodies and/or Officials; and (2) as a civil actor who performs various civil actions, such as buying and selling, leasing, contracting,

and the rest, which are manifested in the quality of legal entities (Ristriawan, & Sugiharti, 2017).

The government, as a public law actor in the management of state finances, can manifest its power unilaterally through: the issuance of various regulations related to state finances (e.g., Government Regulation No. 28 of 2022 on the Management of State Receivables by the State Receivables Affairs Committee); issuance of various decisions related to state finances (e.g., Decree of the Director General of Taxes on the Determination of Underpaid Value Added Tax, or the Decree of the State Receivables Affairs Committee on the Determination of the Amount of State Receivables); and the implementation of government actions related to state finances (e.g., the action of the State Receivables Affairs Committee to confiscate collateral goods of other assets owned by debt bearers and/ or debt guarantors). The embodiment of government power in managing state finances is influential in supporting the country's economic progress (Palil et al, 2021).

Government actions in state financial management have ideally been carried out based on the law and sound state financial management principles. However, in practice, law violations may harm citizens' rights. The legal system has protected the citizens whom government agencies and/or officials harm by filing a lawsuit or appeal. An illustration is a dispute against the Decision of the Director General of Taxes on the Value Added Tax Underpayment Assessment. The

Decision of the Director General of Taxes should have been based on the applicable legal rules. However, there may be different views in interpreting the regulations and material facts, so taxpayers who feel aggrieved can file objections to the Directorate General of Taxes and Appeals and then to the Tax Court as a special court within the Administrative Court as referred to in Article 27 paragraph (1) of Law Number 48 of 2009 concerning Judicial Power in conjunction with the Constitutional Court Decision Number 26/PUU-XXI/2023 (Wijaya, 2021). If the taxpayer still objects to the decision of the Tax Court, he/she can file a judicial review to the Supreme Court, which will be heard by the Supreme Court Judges in the State Administrative Chamber. Tax cases, as this illustration, are numerous. In 2023, the Tax Court had decided 16,223 cases, while 6,926 of them were submitted for review to the Supreme Court (*Mahkamah Agung Republik Indonesia*, 2024). These tax cases are closely related to state finances because taxes are the most extensive state revenue in the State Budget. Suppose the Tax Court and the Supreme Court grant all taxpayer appeals, in that case, turmoil and imbalance in the state finance will lead to economic, social, and political instability.

In addition to the illustration of the tax case above, the other case related to state finances is the Decision of the State Receivables Affairs Committee on Determining the Amount of State Receivables. In the case Number 289/G/2022/PTUN.JKT in conjunction with Number

97/B/2023/PT.TUN.JKT in conjunction with Number 442 K/TUN/2023 between Trijono Gondokusumo and the Chair of the Task Force for Handling State Claims for the BLBI Funds with the object of the dispute being Defendant's Decision Number: S-387/KSB/2022 dated May 30 2022, the value of his assets is very high at IDR 4,893,525,874,669.00 (four trillion eight hundred ninety three Billion five hundred twenty five million eight hundred seventy four thousand six hundred and sixty nine Rupiah).

These disputes have pitted the Government as the manager of state finances against the public must be adjudicated by the Administrative Court. The Administrative Judicial Environment here consists of the State Administrative Court, the High Administrative Court, the Tax Court as a Special Court within the Administrative Judicial Environment, and the Supreme Court. Against such disputes, the Administrative Court will face challenges. On the one hand, the Administrative Court Decision is closely related to saving state finances and returning state financial losses. On the other hand, the Administrative Court Decision is required to embody the sovereignty of the people by protecting human rights from the arbitrariness of state financial management (Hadjon, 1987). The Administrative Court must harmonize these challenges judges through decisions to realize the rule of law and justice for the government and citizens. For this reason, this research was conducted with the main legal issue of making the

Administrative Court decisions effective in the context of saving state finances and legal sub-issues in the forms of: (1) state finances and their liability; (2) administrative court decisions related to state financial management; and (3) saving state finances by administrative court decisions.

Previous research that discussed the PTUN decisions relating to state finances examined the resolution of authority abuse that was detrimental to state finances from the perspectives of government administration law and criminal acts of corruption. This research is a normative research (Panjaitan, 2018) that discusses the legal consequences of administrative authority abuse by government officials which causes state financial losses (Juliani, 2021) and discusses the authority of the State Administrative Court in testing acts of abuse of office as well as procedures for testing abuse of authority in the State Administrative Court (Simbolon, 2022). The other research discussed the competence of the *Peraturan* in terms of examining requests for the abuse of authority and how to enforce the law in the field of state administrative law (Putrijanti, & Leonard, 2019). Furthermore, the research expands the meaning of state administrative decisions after the enactment of the state administration law, as well as the potential for citizen lawsuits as the objects of state administrative court disputes with comparisons with other countries (Sudiarawan et al, 2022).

B. RESEARCH METHODS

The research titled "Optimizing the Role of State Administrative Court Decisions in the Context of State Financial Recovery" is a normative legal research; a process to find legal rules, principles, and doctrines to answer the legal issues at hand. Normative legal research is conducted by examining primary legal materials with authority and secondary legal materials that are persuasive (Dent, 2017). Primary legal materials include legislation and court decisions, while secondary legal materials contain the opinions of legal experts in journal articles or textbooks. Normative legal research is used to examine a particular field of law in depth; in the context of this research, it is state financial law (Boulanger, 2020).

The problem approach used to answer legal issues in this research was legislative approach, and the conceptual approach is an approach known in normative legal research (Suhaimi, 2018). The legislative approach was intended to inventory, describe, interpret, systematize, and evaluate laws and regulations that had relevance to the legal issues of this research, such as Law Number 17 of 2003 concerning State Finance, Law Number 5 of 1986 concerning State Administrative Courts as amended twice most recently by Law Number 51 of 2009 concerning the Second Amendment to Law Number 5 of 1986 concerning State Administrative Courts, the Government Regulation Number 28 of 2022 concerning the

Management of State Receivables by the State Receivables Affairs Committee, and others. The conceptual approach was carried out by reviewing, identifying, and analyzing legal concepts relevant to the discussion in this study, including the concepts of state finances, state administrative courts, decisions, legal systems, and the rest.

C. RESULTS AND DISCUSSION

1. State Finance and Liability

The formation of a state government in implementing government functions in various fields must give rise to state rights and obligations that can be valued in finance. The state's finance needs to be managed in a sound state financial management system as outlined in Chapter VIII of the 1945 Constitution (UUD), Law (UU) Number 17 of 2003 concerning State Finance, various laws and regulations, and sound state financial management principles.

Van der Kemp defines state finances as all rights that can be valued in money and all things (both money and goods) that can be used as state property related to these state rights (Hadiyanto, 2022). According to Geodhart, state finances are all laws enacted periodically that authorize the government to make expenditures in a certain period and to indicate the means of financing needed to cover these expenditures (Darmawan, 2014).

Normatively, Article 1 Section 1 of Law Number 17 of 2003 on State Finance defines

State Finance as: "all state rights and obligations that can be valued in money, as well as everything in the form of money and in the form of goods that can be used as state property in connection with the implementation of these rights and obligations". The General Elucidation of Law No. 17 of 2003 on State Finance emphasizes that the approach in the formulation of State Finance is in terms of: (1) objects, in the form of "all state rights and obligations that can be valued in money, including policies and activities in the fiscal, monetary and management of separated state assets, as well as everything in the form of money and in the form of goods that can be used as state property in connection with the implementation of these rights and obligations"; (2) subjects, in the form of "all objects as mentioned above that are owned by the state, and/ or controlled by the Central Government, Regional Governments, State/ Regional Companies, and other entities related to state finances"; (3) process, in the form of "all series of activities related to the management of state financial objects ranging from policy formulation and decision making to accountability"; and (4) objectives, in the form of "all policies, activities and legal relationships related to the ownership and/or control of state financial objects in the context of organizing state governance". The broad field of State Financial management can be classified into the sub-fields of fiscal management, monetary management, and management of separated state assets.

Article 2 of Law No. 17/2003 on State Finance states that the scope of State Finance includes:

- a. the state's right to collect taxes, issue and circulate money, and make loans;
- b. the state's obligation to carry out the general service duties of state government and pay third-party bills;
- c. State Revenue;
- d. State Expenditure;
- e. Regional Revenue;
- f. Regional Expenditure;
- g. Self-managed state/regional assets or managed by other parties in the form of money, securities, receivables, goods, and other rights that can be valued with money, including assets separated in state companies/regional companies;
- h. assets of other parties controlled by the government in the context of carrying out government duties and/or public interests;
- i. other party's assets obtained by using the facilities provided by the government.

The broad understanding and scope of state finances based on Law Number 17 of 2003 on State Finance has raised criticism of the vital breath of neo-conservatism in state financial management because Law No. 17/2003 on State Finance defines state finances as all state assets originating and developing from the state, ultimately leading to state ownership. The characteristics of neo-conservatism are: the state as the supreme authority not only in the field of

public law but also in private law; the interference of state organs in the public finance audit mechanism; and the strengthening of the state bureaucracy in the management and supervision of the private sector (Simatupang, 2011).

This breadth of the definition and scope of state finances will prevent a regulatory vacuum that can harm state finances and hinder development. On the other hand, it can also harm citizens due to the broad role of the government in various decisions and actions related to state financial management (Sorik, & Dwiatmoko, 2022). For example, the state financial manager can impose sanctions in the form of corporate coercion as well as civil actions and restrictions on public services for Debt Insurers and/or Debt Guarantors or Parties Obtaining Rights as referred to in Government Regulation No. 28 of 2022 concerning Management of State Receivables by the State Receivables Affairs Committee. Concerning the decisions and/or actions of state financial managers that violate citizens' property rights, the legal system must provide legal protection through judicial institutions to create justice and peace (Firdaus, Syaputra, & Dirkareshza, 2022). Legal protection must be given to citizens harmed by the actions of state financial managers who abuse their authority. It must also be given to state financial managers when they have exercised their jurisdiction following the law.

In essence, all cases in the *TUN* (State Administrative) Court are related to and have

implications for state finances, considering that TUN disputes are public law disputes between community members and the government (Syam, Satoto, & Helmi, 2023). Disputes between community members and regional heads regarding the appointment/dismissal of service heads, for example, will have implications for state finances, from paying employee salaries to various other regional expenditures. However, there are certain cases which are very closely related to state finances, which can be categorized based on the object and subject of the dispute, as follows: (1) based on the object of the dispute, in the forms of Legislative Regulations under Laws, Decisions and/or Actions related to taxes, receivables state, budget management, and so forth; (2) based on the subject, in the forms of government actions in the realm of public law related to the management of state finances carried out by the Ministry of Finance, the Directorate General of Taxes, and the Regional Revenue Service.

Based on these two categories, the types of state financial management cases in the TUN Court can be identified as follows:

1. The cases of Reviewing Legislative Regulations under the Law (*HUM*), for example reviewing of the Government Regulation (*PP*) Number 28 of 2022 concerning Management of State Receivables by the State Receivables Affairs Committee and Presidential Regulation Number 75 of 2019 concerning Amendments to Presidential Regulation Number 82 of 2018 concerning Health Insurance. This *HUM* case will be tried by Supreme Judges at the TUN Chamber to create a legal system (Junaenah, 2016).
2. Tax matters. In 2023, the Tax Court had decided 16,223 cases, while 6,926 cases had been submitted for judicial review to the Supreme Court (Supreme Court, 2024). The value of money in this tax case was very large. As an illustration, in the Supreme Court Administrative Chambers, there are currently 13 (thirteen) Substitute Registrars, one of whom is Michael R. Zein, who in 2023 handled 102 tax cases with rejected decisions, the tax value of which was IDR 240,173,845,163.00 (two hundred and forty billion one hundred seventy three million eight hundred forty five thousand one hundred and sixty three Rupiah) and US\$ 2,064,786.84 (two million sixty four thousand seven hundred eighty six American Dollar and eighty four cents). The calculation for saving this amount of state money was only for the cases handled by a Substitute Registrar at the Supreme Court, and did not take into account the amount of money tried at the Tax Court.
3. The State Receivables cases, for example the case Number 289/G/2022/PTUN.JKT in conjunction with that of Number 97/B/2023/PT.TUN.JKT in conjunction with Number 442 K/TUN/2023 between Trijono Gondokusumo and the Chair of the Task Force for Handling Claims Rights State of BLBI

Funds, as well as the case Number 226/G/2022/PTUN.JKT in conjunction with that of Number 111 B/2023/PT.TUN.JKT in conjunction with that of Number 443 K/TUN/2023 between PT. Pembangunan Bogor Raya and the Chair of the State Receivables Committee, DKI Jakarta Branch with total assets of IDR 3,546,957,490,458.00 (three trillion five hundred forty six billion nine hundred fifty seven million four hundred ninety thousand four hundred fifty eight Rupiah).

4. The cases of procurement of goods and services with 58 cases in 2022 (Supreme Court, 2023). The example of a case involving the procurement of goods and services is the case Number 65/G/2020/PTUN.JKT in a dispute between PT. Multi Karya Pratama against the Working Group for the Selection of Procurement of Goods/Services Work Packages for the Land Transportation Management Center Region/ BPTD Wira Karsa Construction as the Winner.
5. Non-Tax State Revenue Cases, in which the members of the public who felt disadvantaged by the Non-Tax State Revenue Decree as intended in Article 60 of Law Number 9 of 2018 concerning Non-Tax State Revenue can file a lawsuit with the *TUN* High Court as the First Instance Court.

Regarding the lawsuits regarding the cases mentioned above, the *TUN* Court will try them based on law and justice. The legal product

produced by the State Administrative Court in examining state financial cases is a verdict.

2. The Administrative Court Decisions Related to State Financial Management

A decision is a judge's statement at a hearing that is open to the public and intended to conclude and settle disputes between citizens and government administrative bodies/ officials. The position of judge's decision is critical because, in addition to being pragmatically intended to resolve a concrete dispute, it is also an interpretation of legal norms and a guide for government officials and citizens in the future in tax-related cases. For example, judges' decisions must be appropriate and able to update Indonesia's very complex tax law system (Suhardi, 2016). For this reason, in the cases related to the management of state finances, the decision of the Administrative Court should embody the principles of the *Pancasila* State of Law in the forms of the harmonious and balanced relations between the government and citizens based on the principle of harmony (Putra, 2021).

Efforts to realize harmony and balance in the relationship between the government and citizens through Administrative Court decisions in state financial cases are not easy because. On the one hand, the state finances managed by the government are closely related to the health of the state finance to fund development (Weda, Arjaya, & Seputra, 2021). On the other hand, there are potential violations of citizens' human rights and the rule of law due to government

decisions and/or actions in managing state finances. Suppose the decision of the Administrative Court only defends state financial managers, in that case, there will be violations of property rights and other rights of the community that can lead the state to authoritarianism so that the state becomes extractive and difficult to control (Acemoglu, & Robinson, 2017). Moreover, eventually, people do not trust the law, so anarchy occurs (Fukuyama, 2005). Conversely, suppose the decision of the Administrative Court always defeats the state financial manager, in that case, the state's financial balance will deteriorate and become unbalanced, affecting the streamlined financing of the state in all fields.

Faced with the onerous task of deciding cases related to state finances, the Administrative Court judges must decide disputes within the framework of the national legal system so that "it can be a force that provides a balance between conflicting values in society" (Aedi & Samekto, 2013). Therefore, the Administrative Court judges must guide the principles and norms in examining cases related to state finances as follows:

First, they place the decision within the framework of the national legal system. The object of the dispute that the Administrative Court judge must adjudicate is the Government Decision/Action as the closing norm in which the Government Decision/Action is issued at the latest after there are various regulations on which it is based (Riza, 2018). In examining the closing norm, the judge must examine the legality of the

object of dispute based on all laws and regulations, policy regulations, and decisions that are the basis and related to the object of dispute. In other words, the Administrative Court judges must be able to place their decisions within the legal system if the basic regulations are vague or do not regulate at all. In that case, the judges, through their decision, must conduct legal reasoning to resolve the dispute and to update the legal system. By placing the decision in the legal system, the decision will not only be implemented perfectly, but it will also update the legal system. The existence of Preparatory Examination institutions and the nature of active judges (*dominus litis*) in the Administrative Court, (Soehartono et al, 2021), for example, must also be read as a tool/means for the judges to be able to place their decisions within the framework of the National Legal System. Conversely, suppose the decision of the Administrative Court is different from the legal system, especially in the decision to review laws and regulations (HUM), in that case, the decision will further complicate the national legal system.

Second, they conduct case examinations based on the nature of Administrative Justice and the principles of administrative law. The central point of the concept of *Pancasila* State of Law is the harmonious relationship between the government and people based on the principle of harmony, with the forms of the elements: the establishment of proportional functional relationships between state powers, deliberative

dispute resolution with the judiciary as the last means, and the establishment of a balance between rights and obligations (Putrijanti, 2020). The harmony of the relationship between the government and people based on the principle of harmony is emphasized in the Consideration letter of Law Number 5 of 1986 concerning State Administrative Courts in the form of "the maintenance of harmonious, balanced, and corresponding relationships between the apparatus in the *TUN* field and citizens." In the cases related to state financial management, judges can seek peace between the parties, for example, in the Preparatory Examination forum, because it was often found that the root of the conflict that occurred was misperception or miscommunication between the parties (Lestari, 2013). The principles of administrative law must also be a guideline which, in the context of state financial management, include the principles of accountability, professionalism, proportionality, openness, and prohibition of bills of attainder in the form of a prohibition against laws to eliminate the rights and property of citizens (Kusnandar, & Pratiwi, 2021; Umar, 2011).

Third, they carefully examine legal facts, which are the facts recognized by the law based on valid evidence. These legal facts can be actions, legal events or circumstances. The *TUN* Court Judges must be able to formulate legal facts in very complex state financial disputes in a straightforward and clear manner supported by

valid evidence. These legal facts will form the basis of the judge's judgment (McLeod, 2003).

Fourth, they conduct legal reasoning. Even though it is embodied in various forms of regulations, decisions, or government actions, the legal norm is one. The substance of a regulation must be the same as other regulations or decisions issued by the government. However, the complexity of regulatory and policy products and the number of institutions authorized to make them can lead to conflicts of rules, unclear rules, and a legal vacuum, all of which will complicate the application of the law. For example, when the state financial manager must decide on the amount of State receivables that citizens must pay, it is not easy and straightforward because the decision must be by various regulations that are so dynamic in their development, starting from Law No. 49 of 1960 concerning the State Receivables Affairs Committee, Law No. 15 of 2004 concerning Audit of State Financial Management and Responsibility, the Government Regulation No. 28 of 2022 concerning Management of State Receivables by the State Receivables Affairs Committee, to various policy regulations and previous decisions, as well as judicial decisions related to this issue. This legal complexity must be unraveled, harmonized, and resolved by the Administrative Court judges through legal reasoning and scientific skills in the framework of legal problem-solving. Legal reasoning is a systematized problematic thinking activity of legal subjects, which is multi-faceted, to

pursue the achievement of legal certainty, justice, and expediency to guarantee stability and predictability. In order to realize sound legal reasoning, lawbearers must at least: (1) master legal reasoning techniques/procedures, including *rechtsvinding* through legal interpretation or construction; (2) master and be open to non-legal sciences, such as formal sciences (in the form of logic, mathematics, and system theory); empirical sciences (in the form of natural sciences, and human sciences, such as language, history, sociology, and politics); and practical sciences (in the forms of medicine, technology, management, and others.). (3) It does not have a legal positivism paradigm that only adheres to the arguments of written regulations and ignores moral values, reason, principles, and national philosophy. In addition to assessing the normative legal elements of the dispute object being adjudicated (*rechtmatigheid*), the judge must also be able to estimate the usefulness of his decision. (4) they apply the spirit of reconciliation in the decision. For example, if the substance of the object of the dispute is correct but with procedural errors that are very subtle/minor so as not to injure justice, the judge for the sake of substantive justice and the principles of simple, fast and low-cost justice can reject the lawsuit with suggestions for the defendant to correct this minor procedural error. (5) Systematization oriented in which legal problems are first resolved based on written regulations, then using legal

science, legal system theory, and finally legal philosophy. (6) adhere to ethical standards.

Fifth, maintaining integrity. The authoritative basis for judges' decisions is the principles of independence and impartiality. The principle of independence means that judicial power (both institutions and apparatus) must be free from any intervention and anyone. Meanwhile, the principle of impartiality means the impartiality of judges. Therefore, judges must be objective in handling cases (Keller, 2023). These two principles are related to and cannot be separated from the principle of judicial integrity. Integrity is being honest and fair in thought, speech, and action. The integrity of a judge is an absolute requirement in law enforcement (Suparman, 2014).

The five things above must be a guideline for the Administrative Court judges in adjudicating the cases related to state finances. Guided by these five things, judges will be able to place their decisions in state financial cases appropriately. The position of the decision of the Administrative Court judge is very strategic because: (1) from a legal scientific point of view, the decision is a source of law, the result of the formulation of legal rules, the result of the enforcement of abstract legal rules into actual law, the embodiment of checks and balances between the branches of state power, and legal system reformers so that without a judge's decision the legal system will not work. (2) From a practical point of view, decisions are settlement of concrete disputes, an

interpretation that determines what the law is at the moment the regulations are unclear or there is a conflict of regulations, creation of law in the event of a legal vacuum, legal protection for the people and ensuring legal legitimacy, and guidelines for government officials and citizens in the future to behave in accordance under the law. For instance, in tax situations, the *TUN* Court Decision may serve as the basis for creating fair and equitable tax laws and policies, hence improving the effectiveness of state financial management (Novikasari, Ly, & Gershaneck, 2021).

3. State Finances Recovery by Administrative Court Decisions

The *TUN* (State Administrative) Court Decision is highly correlated with the state's financial stability. The *TUN* Court Decision has actually:

a. Saving State Finances

The *TUN* judiciary plays a very important role in optimizing the budgetary function of taxes, in which taxes are an instrument to put as much money as possible into the state treasury which will be used as a support in administering government. In 2023, the Tax Court had decided on 16,223 cases, while 6,926 cases had been submitted for judicial review to the Supreme Court (Supreme Court, 2024). As an illustration, 6,340 out of the 7,034 tax case review cases decided by the Supreme Court in 2023 were rejected, and based on a sample of a Substitute Registrar at the Supreme Court who handled 102 cases, the

tax value was IDR 240,173,845,163.00 (two hundred forty billion one hundred seventy-three million eight hundred forty-five thousand one hundred sixty-three Rupiah) and US\$2,064,786.84) (two million sixty-four thousand seven hundred eighty-six American Dollar eighty-four cents). The calculation of this amount of state money saved is only a sample of a small number of cases by a Substitute Registrar and does not take into account the total amount of money being tried in the Supreme Court or in the Tax Court, so there was a huge amount of money saved in all tax cases (A'in, & Ispriyarso, 2015).

Saving state finances by the State Administrative Court is also carried out in the cases of Non-Tax State Revenue, procurement of goods and services, and various similar cases, all of which have direct implications for state finances.

b. Recovering State Financial Losses

The *TUN* judiciary has received a lawsuit regarding state receivables filed by the BLBI obligors. In 2023 at the State Administrative Court of Jakarta, 12 (twelve) lawsuits were filed against the BLBI Task Force. The BLBI decisions with permanent legal force include the case Number 289/G/2022/PTUN.JKT in conjunction with Number 97/B/2023/PT.TUN.JKT in conjunction with Number 442 K/TUN/2023 between Trijono Gondokusumo and the Chair of the Rights Handling Task Force Claim the State for BLBI Funds with an asset value of IDR 4,893,525,874,669.00 (four trillion eight hundred

ninety three billion five hundred twenty five million eight hundred seventy four thousand six hundred sixty nine Rupiah); and also the case Number 226/G/2022/PTUN.JKT in conjunction with Number 111 B/2023/PT.TUN.JKT in conjunction with Number 443 K/TUN/2023 between PT. Pembangunan Bogor Raya and the Chairman of the DKI Jakarta Branch State Receivables Committee with total assets amounting to IDR 3,546,957,490,458.00 (three trillion five hundred forty six billion nine hundred fifty seven million four hundred ninety thousand four hundred fifty eight Rupiah). After the *TUN* Court Decision, the decisions and/or actions regarding the return of BLBI debt have a stronger legal basis and legitimacy to be implemented. In accordance with the principle of *rechtmatic* presumption, *parens patriae* and welfare state doctrine, the Government can take the necessary actions to settle and manage state receivables on the assets of the BLBI obligors.

The return of state finances through the *TUN* Court Decision shows that: first, the return of state financial losses can not only be done through civil measures (through civil lawsuits against BLBI obligors) or criminal (by imprisoning the perpetrators), but can also be done effectively and efficiently using the means administrative law through Government Decree (PUPN) as the guardian of the community based on the doctrine of *parens patriae*; second, the pattern of law enforcement in corruption cases can not only be carried out through a penal approach but also a

non-penal approach; and third, the criminal approach in enforcing criminal acts of corruption should be *ultimum remedium* (last resort), and the administrative law approach (including by the State Administrative Court which has been proven to be effective) as *primum remedium*.

Returning state financial losses that have been proven to be effective using administrative law, including through the *TUN* Court decisions, is in line with the concept of economic justice by Richard A. - broadly in the form of social satisfaction and happiness (maximization of happiness) so that all legal applications must be prepared with economic considerations without eliminating the element of justice and justice can become an economic standard which is based on three basic elements in the forms of value, utility, and efficiency based on rational reasoning (Sugianto, 2013). In the BLBI case, for example, it is proven that the costs incurred by the state in forming the BLBI Task Force, tracking the obligor's assets, issuing confiscation decisions, carrying out confiscation, and auctioning the assets are much smaller than the value of the BLBI assets which reached more than one hundred trillion rupiah. Thus, the *TUN* Court Decision in the BLBI case has restored state financial losses and is an embodiment of the economic conception of justice.

c. **Becoming a rule for subsequent similar disputes**

The *TUN* Court Decision is not *inter partes* which is intended to resolve disputes between the

parties only, but it is *erga omnes* which is binding on all interested parties. As an implication, the *TUN* Court Decision must be a guideline for state financial management officials when issuing similar decisions in the future. In tax cases related to the determination of palm oil meal as animal feed, for example, in which statutory regulations do not regulate it clearly, the *TUN* Court Decision must be a guideline for authorized tax officials (*fiskus*) in issuing regulations, policies and tax determinations related to this matter in next time.

d. Providing legal protection for citizens and the government

As a judicial institution that was intended from the start to provide legal protection for the community against the arbitrariness of the authorities, the *TUN* Court will definitely decide cases by granting the lawsuits of community members in accordance with the law. In this case, the *TUN* Court Decision prevents rulers from becoming despotic and authoritarian, which would undermine democracy, weaken the existence of the rule of law, and ultimately hamper development. However, on the other hand, if the Government has implemented the law well, the State Administrative Court must also provide legal protection by rejecting claims that have no legal basis.

e. Guaranteeing the Legitimacy of the Legal System

The *TUN* Court Decision will not only resolve concrete disputes that occur between the parties, but it will also update the legal system in

the events with a conflict of rules, unclear rules or a vacuum in the rules. Thus, the *TUN* Court Decision guarantees that the legal system can operate and its existence is recognized.

Based on the five things above, it can be seen that the *TUN* Court decision is highly correlated with the state's financial stability because its value is very large and can affect the state's cash balance. In other words, so far the *TUN* Court has significantly contributed to maintaining the stability of the state treasury. Apart from that, the *TUN* Court decisions do not only enforce state financial law, but also harmonize and actualize the national legal system regarding state finances. For this reason, the *TUN* Court decision must not only be implemented by all interested parties, but must also serve as a guideline for all related parties based on the principle of *erga omnes* so that unity and equality before the law can be realized (Rofingi, Roza, & Asga, 2022). The relevant parties are legislative regulators when they want to make regulations related to state finances, the government as the manager of state finances when issuing policies, decisions or actions related to state finance management, and community members for their rights to participate or file lawsuits related to the management of state finances. In the end, synergy and collaboration between legislators, the government, the State Administrative Court and citizens will create good governance in managing state finances (Ishak, Hasibuan, & Arbani, 2020).

D. CONCLUSION

The very broad definition and scope of state finances in Law Number 17 of 2003 concerning State Finances has resulted in the government's authority being so large through various decisions and/or actions related to the management of state finances. The government authorities regarding the management of state finances has the potential to violate the rights of citizens. The legal system must provide legal protection in order to create justice and peace, both for the government as the manager of state finances when it has exercised its authority in accordance with the law, and for citizens who are harmed by the actions of state finance managers who abuse their authority. Legal protection by the judiciary against public legal actions of the government managing state finances is the authority of the *TUN* Court.

The *TUN* Court's decision in state finance cases is not easy and simple because, on the one hand, state finances managed by the Government are very closely linked to the stability of the state treasury. On the other hand, there is the potential for violations of the human rights of citizens and violations of the legal system due to decisions and/or actions. government in managing state finances. For this reason, the *TUN* Court judge's decision regarding the management of state finances must be guided by five things: placing the decision within the framework of the national legal system; carrying out case examinations based on the essence of *TUN* Justice and the

principles of administrative law; examining legal facts carefully; performing legal reasoning; and maintaining integrity.

Apart from enforcing the law and harmonizing and actualizing the national legal system regarding state financial management, the *TUN* Court Decision is also highly correlated with state financial stability because its value is very large and may affect the state's cash balance. In this way, the *TUN* Court has significantly contributed to maintaining the stability of the state's financial balance and embodying the economic conception of justice that its decisions have saved state finances and restored state financial losses.

Based on the conclusions above, it can be recommended: first, the *TUN* Court judges must decide disputes related to state finances within the framework of the national legal system and guided by the principles and norms of state financial case examination. Second, the *TUN* Court Decision in state finance cases must serve as a guideline for: legislators when making regulations related to state finances; the government as the manager of state finances when issuing policies, decisions or actions related to state finance management; and community members regarding their rights regarding the management of state finances.

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