Tax Evasion and Violation of Human Rights: The Case of Indonesia

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ABSTRACT

This article discusses the issue of tax collection from the public in order to finance state administrators in carrying out their duties to create a society that is just, prosperous, spiritual and material. However, the implementation of tax collection is highly loaded with the contents of the political interests of the authorities. As a result, tax less redistributed to the benefit of public as taxpayers. The good and bad of tax policy cannot be separated from the political will of the government because tax policy is a political product of the ruling government, even though in reality it is not entirely legal as a political product but partly a social, cultural, economic and legal product. Interest has a very close relationship with policies made by the government, regardless of whether the policy is pro-people or just the reverse. Corrupt taxation policies will lead to taxation policies that suppress the rights of taxpayers, while democratic taxation policies will provide welfare for the people through redistribution. The author will review tax policies in Indonesia that seem to be forced and depend on the willingness of legislators, the design of tax policies that are dominated by political power without public participation and very minimal in its distribution to the public. This paper discusses tax administration design and practice and tax law making process that are undemocratic, authoritarian and less useful for taxpayers in Indonesia.

Keywords: Political Taxation; Democratization, redistribution, human rights violation.

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1. Introduction

Corruption has been existed since humans began to organize their lives in the form of well-organized organizations. The intensity of corruption varies in time and place, like other social problems, corruption is largely determined by various external factors. The main causes of corruption in the civil service of developing countries to be politicization of the civil service, poor pay, lack of accountability/transparency in public organizations, weak enforcements mechanisms, lack of merit-

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based career advancement, and excessive/opaque regulations (Desta 2019). Initially the record of corruption refers to the issue of bribery to the judges and the behavior of government officials, which were initially considered to be acts of corruption (Alatas 1987). As the society and state organization develop, corruption also undergoes evolution from one phase of life to another. In almost all countries there is found corruption, although with intensity that differs from one another.

Corruption is something that is powerful, insidious, and destructive of human lives and institutions (Basabose 2019). Corruption is not only found in third world countries, but also in a modern and democratic country. In developing and poor countries corruption impedes economic growth, and undermines political validity which further worsens poverty and the people's lives. Corruption attacks the fundamental political and social structures of a just society (Rendtortff 2010). The wider society is influenced by a high degree of corruption in terms of lowering of trust in the law and the rule of law, education and consequently the quality of life (Sumah 2018). Corruption has a negative impact on the enjoyment of human rights, that corruption undermines human rights, it has a ‘grave and devastating effect’ on the enjoyment of human rights, that corruption in government, institutions and society at large is a significant obstacle to the enjoyment of human right (Peters 2018). It diverts funds intended for investment in public services, erodes the rule of law, distorts justice systems, interferes with political processes, and affects the delivery of public services (Raoul Wallenberg Institute 2018). Taxes are the same as theft and are morally suspected when a clear notification of the state’s intention to cut off the initial view of distribution point is not given (Mc Kenzie 1980). It is unlawful and intentional nonpayment or avoidance of tax owed (Green 2009). People who have paid taxes lose wealth because the taxes paid have been stolen (Mc Kenzie 1980). In this sense taxation is considered as theft (Mc Kenzie 1980). With the existence of leaks due to the mafia and corruption of taxes, both in terms of revenue and the deposit of tax money to the state treasury, the efforts to improve the welfare and prosperity of the people are hampered thereby (Lamijan 2014).

Research on the relationship between tax evasion and tax payer’s rights violations in Indonesia seems to have not been discussed much among academics and practitioners, not even so much literature or textbooks on this matter. This may be due to the substance of tax corruption or criminal acts of tax corruption in a textual manner that does not directly address the substantive relationship with human rights. Whereas the correlation between the two is very clear, because almost all cases of tax corruption will be directly or indirectly followed by human rights violations. In Indonesia, tax corruption has become a difficult problem to eradicate in the system of government and is a picture of how wasteful is the governance in this country. Corruption thrives in Indonesia because of cultures such as giving gifts to the government, attaching importance to family ties and parochial loyalty (Mas’oed 1999). Corruption has resulted in poverty, low levels of education and health, and poor public services, causing suffer that is always experienced by the people, especially those who are below the poverty line (Chetwynd, Chetwynd & Spector 2003). This can happen because the taxes paid by taxpayers to the state that should be used to build infrastructure and the interests of the people have been corrupted. In addition, tax corruption occurs because the structure within the tax institution bureaucracy is not transparent, allowing the apparatus in it to carry out mafia and corruption of taxes that must be deposited into the state treasury (Detik Finance, 2018).

Most of the legislation passed by the Government of Indonesia provides space and opportunities for public officials to commit corruption and illegal fees to enrich themselves and their colleagues in illegal ways (Lamijan 2014). The structure within the tax institution bureaucracy is not transparent, thus enabling the apparatus in them to carry out mafia and corruption of the taxes that should be deposited into the state treasury (Lamijan 2014). Tax corruption is certainly a violation of human rights because taxes should be returned to the people through development. Tax corruption will lead to abandoned development which is the rights of taxpayers. In other words, the tax deviation carried out by the tax authorities in the form of corruption can create misery to the people as taxpayers. This means that tax misuse by the tax authorities has taken place against the economic, social and cultural rights of the people, which means that human rights violations have occurred.

According to Suandy, Taxation Politics since the time of independence, the new order until the reform era is the politics of tax law in Indonesia (Suandy, 2016). Political tastes of the ruler in the New Order era until the reform era are still around policies to pursue the maximum target of tax revenue to the State treasury without being followed by renewal in the bureaucracy or the tax collector (tax
authority) itself. It must be admitted that tax collection does not escape the forced taxation system (Ferdinandus, 2009), and by using violence (Soemitro 1986), does not touch the reformation in the field of tax officers who behave corruptly, so that what is reformed only touches the administration of taxpayers which in fact are detrimental to individual rights and the freedom of taxpayers.

Tax avoidance and tax evasion are criminal acts in taxation, but these are done by taxpayers due to the absence of government transparency on tax revenues as well as not providing access for the public to participate in determining government policies in taxation. Awareness of paying taxes will be minimal if taxpayers are not involved in any tax-related policies. If the direction and purpose of tax collection is clear, then the taxpayers will not commit tax avoidance and tax evasion. Taxpayers’ fight (Tax Law Year 2001) and resistance not to pay taxes can be in active and passive resistance miniatures. Active resistance is an effort made by taxpayers not to pay or reduce the payment of the amount of tax that should be paid so long as they feel the lack of facilities and infrastructure built by the government as well as the use of taxes that is not transparent for the benefit of the community and the accumulation of foreign debt. In this situation, the taxpayers will avoid the tax because there is a presumption that the tax paid will be used for other purposes (Ariyanti, 2017). Such taxation politics is inseparable from the political tastes of the central government which only pursue tax revenues without regard to individual rights and freedom of taxpayers. Such politics of tax law can be said to be the same from the days of independence to the reform, seem to be forced (depending on the tastes of the central authority), and very minimal in its distribution to the community, making it difficult to say that fiscal policy in Indonesia is democratic. Such methods of collecting taxes can be said as theft or robbery of the people's property. Tax collection must be in accordance with the principle of “no tax without representation” and “taxation without representation is robbery”. This is also related to the principles of tax usage that have been collected from taxpayers in force in Indonesia covering: accountability, performance based and transparency.

The consequences of reforms in tax administration that are only emphasized to taxpayers without reformation alongside the tax authority will lead to tax avoidance and tax evasion (Law No. 17 of 2000), by taxpayers because taxpayers never know what the tax is collected for. Tax avoidance and tax evasion are ways that are carried out by taxpayers to avoid the obligation to pay taxes due to distrust of taxpayers to the state / tax collector because taxes paid are felt to be not equivalent to the construction of facilities and infrastructure that can be enjoyed by the public.

The authors use the desk research method that uses collected documentary sources and written documents based on information related to law and condition of Indonesian Taxation Policy. This analysis is naturally concrete; it compares between Indonesian Taxation theoretically also practically. One of new contributions in this article is violation of the right of tax payers due discrepancy between tax representation and tax collection.

This paper is systematically made into six parts, namely: Part one is an introduction, part two is about the politics of tax law in Indonesia, part three is about the democratization of tax in Indonesia, part four is about the rights of taxpayers, part five is about tax corruption as a human rights violation and part six is the conclusions and suggestions.

2. Democratization of taxes in Indonesia

Taxation, being the most prominent and most extensive intrusion of the State's power into the sphere of the individual, shall be legitimized by the people's consent (Schon 2018). Tax exorbitant imposed governmental approval as Adam Smith argued, are a legitimate reason for people to oppose their rulers (Newcomb 2012). Whether the taxation system is democratic or not would be dependent upon several criteria, namely: “the existence of a mechanism that is able to overcome conflicts of interest between taxpayers and the tax authority, the availability of a place for taxpayers to participate in fiscal policy making, legal equality between taxpayers and the tax authority and the availability of access to supervision of tax use to taxpayers”. Public participation in every process of tax administration, fiscal policy included in the process of forming legislation is a democratic benchmark whether or not there is a tax politics. As long as the determination of policy is still dominated by power and not transparent (opportunistic policy), it is certain that the policy is not good (authoritarian). Certainly it is not enough to assess the existence of public participation in tax payments alone to assess
the democratic taxation. On the one hand, the increasing participation of taxpayers to pay taxes will spur an increase in the budget owned by the state treasury, but on the other hand such participation seems to be forced (this can be seen in tax collection with forced letters vide Law of the Republic of Indonesia No. 20 of 2000 and Law of the Republic of Indonesia No. 19 of 2000, is very contrary to the values of human rights possessed by a democratic country. Although tax is a juridical contract between taxpayers and the government, as long as the policy is pursued with opportunistic policies and the nature of regulation is repressive, taxpayers will still avoid their obligation to pay taxes.

In terms of democratization and the context between rights and obligations when the tax allocation is unclear or the lack of access provided by the government to obtain information on methods of collection, including supervision of receipts and tax allocations, the public as taxpayers has the right to refuse to pay taxes because they remember the taxation principle that “No Tax without Representation” or “Tax without Representation is Robbery”. A criminal's order to surrender an amount of money has the same subjective meaning as a tax official's order, because the party affected by the order must give up some money. However, only a tax official's order has a meaning as a valid rule, because the tax official's actions are based on tax legislation (Soekanto, 1985).

The origin of democratization of taxation in Indonesia is the enactment of a policy to calculate taxes by the taxpayer (self assessment policy). Article 12 of Law No. 16 of 2009 concerning Taxation Code is the main foundation of the self-assessment policy. Article 12 reads: (1) Every taxpayer is obliged to pay taxes owed in accordance with the provisions of tax laws and regulations, by not relying on the existence of a tax assessment letter. (2) The amount of tax payable according to the Notification submitted by the Taxpayer is the amount of tax payable in accordance with the provisions of tax laws and regulations. (3) If the Director General of Taxation gets the proof that the amount of the tax owed according to the Notification as referred to in paragraph (2) is incorrect, the Director General of Taxation shall determine the amount of tax payable, as well as withholding system (Law No. 17 of 2000). This system is designed to give full trust to taxpayers to calculate their own taxes, but the policy is not followed by corrupt bureaucratic reform among tax collectors.

Talking about a democratic taxation system is actually not about the technique of how people want to pay taxes or to put as much tax as possible into the state treasury, but more important is the tax regulation reform that is balanced between people's rights and obligations of the government with an orientation towards the interests of the people and budget reform that has been suspected of being exploited.

The achievement of tax collection that meets the target through the Tax Service Offices of the Director General of Taxation with a tax system that is repressive on one side may be considered an achievement for the government but it is a betrayal of people's rights on the other side because the people are only obliged to pay taxes regardless of their rights. The government must create equality between the taxpayers and the government as providers of facilities and infrastructure for public services so that there is no refusal to pay taxes by the people as taxpayers in the future.

Public participation is indispensable especially for academicians, tax law experts, and non-governmental organizations engaged in taxation and those who have competence in taxation policies including "drafting" regulations and oversight of the receipt and allocation of State money (tax funds). Then the general legal principle that tax collection is fair and in accordance with ability to pay the imposition of taxes must be in accordance with the ability to pay or the ability to bear of the taxpayers in due observance of the amount of income and wealth as well as the expenditure of taxpayers (Suandy 2008), must be applied and the term "taxpayer" is no longer used because there is an assumption that the people who are economically unable are also taxpayers.

With the lack of equality between taxpayer's rights and obligations such as tax accessibility, the right to participate in determining tax policies, the right to obtain information related to taxation issues with minimum facilities and infrastructure and transparency, government accountability as the tax collector, it can be concluded that the democratic tax law system has not been created in Indonesia. Public participation is urgently needed starting from the making of tax regulations, participation in supervision of funds originating from taxes and supervision of receipts and allocation of tax funds.

In 2018, Indonesian state revenues originating from tax revenues amounted to IDR1,618,095,493,162,000.00 (one quadrillion six hundred eighteen trillion ninety-five billion four hundred ninety-three million one hundred sixty-two thousand rupiah). There are 3 (three) sectors that
contribute the most to tax revenues, namely the processing industry by 31.8%; trade sector by 19.3%; and the financial services sector by 14% (Ministry of Finance of the Republic of Indonesia, 2019). Achievement of revenues from the tax sector is not an easy matter, due to various inhibiting factors in tax collection, namely national and international economic problems, tax bureaucratic service problems, compliance issues and awareness of taxpayers in paying taxes, and corruption in the tax sector both from sides of the acquisition and deposit of tax money to the state treasury.

The practice of tax evasion carried out through collusion with tax officials is one of the patterns of tax corruption that often occur in Indonesia (Mbonk 2010). The second pattern is the practice of manipulation from tax officers to taxpayers. What usually happens is when tax officials request a number of "tiredness money" for tax administration services. Meanwhile, the third pattern is in the form of tax negotiations. This pattern is mutually beneficial between tax officers and taxpayers. Taxpayers get a reduction in the value of taxes that must be paid significantly after submitting a sum of money to the tax officer (Yuntho 2014). Hadi Purnomo, the former tax director for the period 2002-2004 is suspected of committing an illegal act and/or abuse of authority in his capacity as the Director General of Taxation which caused state losses of 2 trillion rupiahs (Caesar, Yuntho & Easter 2016). Five tax cases handled by the Corruption Eradication Commission (KPK) detrimental to the country’s finances amounting of Rp. 2 trillion and the value of bribes reaching 6 billion (Caesar, Yuntho & Easter 2016). Due to the amount of tax that Bank Central Asia (BCA) did not pay, the country suffered a loss of IDR375 billion. In addition, tax restitution is one of the factors causing the breakdown of tax revenue pockets (Friana, 2019).

3. Rights of taxpayers

According to the Directorate General of Taxation, Ministry of Finance of the Republic of Indonesia, there are several rights of taxpayers that have been accommodated by the state. These rights include, firstly, the right to overpayment of taxes. This right means that if the tax payment is paid/deducted/collected greater than what is supposed to be owed, the Taxpayer has the right to recover the excess. Returns for overpayment of tax can be given within 12 months of receipt of the complete application. Secondly, the right to confidentiality for taxpayers. In this case, Taxpayers have the right to obtain confidentiality protection for all information that has been submitted to the Directorate General of Taxation (DGT) in order to comply with taxation provisions. However, in the context of investigation, prosecution or in the context of cooperation with other government agencies, written information or evidence from or about Taxpayers may be given or shown to certain parties determined by the Minister of Finance. Thirdly, in terms of certain matters or conditions, taxpayers can apply for installments or delayed payment of taxes. Fourthly, for certain reasons, taxpayers may submit an extension of the submission of annual tax returns, both Corporate Income Tax and Personal Income Tax. Fifthly, for certain reasons, Taxpayers may apply for a reduction in the amount of installments of Income Tax Article 25. Sixthly, in certain conditions, for example, a tax object is subject to a natural disaster, the taxpayer may apply for a reduction in the payable Land and Building Tax. The right to reduce land and building tax also applies to taxpayers who are veterans in the fighting for national independence. Seventhly, Taxpayers may apply for exemption from withholding/collection of Income Tax. Eighthly, the preliminary refund rights to overpayment of taxes. In this case, Taxpayers who have met certain criteria as Obedient Taxpayers can be given an initial refund of excess tax payments, within a period of no later than 1 month for Value Added Tax (VAT) and 3 months for Income Tax from the date of application. Ninthly, the right to get the tax is assured by the government. Finally, the right to obtain tax incentives in the VAT sector. Certain Taxable Goods which are exempted from imposition of VAT include Railway, Aircraft, Marine Vessels, Books, imported Indonesian National Armed Forces/National Police equipment and the delivery of them in the customs area by certain taxpayers. In addition, companies that carry out activities in certain areas such as bonded zones, are entitled to receive VAT facilities that are not collected, among others, on imports and acquisition of raw materials.

However, the several taxpayer rights mentioned earlier they do not always run smoothly. Some tax evasion cases committed by the tax authority often decorate the media and the judiciary in Indonesia. A part of the case of tax evasion by the tax authority lies in the system and policy that are not pro taxpayers. The causes of corruption in the taxation sector were due to a number of things: low
tax compliance, especially in certain sectors, weak management of tax refunds, weak tax law enforcement, wide discretion of tax authority, capability of human resources, ethics, and the integrity of tax officers, the administrative system that is not optimal, and the lack of synchronization of data with a number of related stakeholders (World Bank, 1997).

Moreover, the results of the Corruption Perception Index (CPI) in the past five years actually show that Indonesia tended to be stagnant. The CPI scores of Indonesia from 2015 to 2018 were 36, 37, 37 and 38, respectively (Trisasongko 2019), ranked the fourth among ASEAN states (Bhwana 2019). The level of corruption increases very sharply because the implementation of development programs fail in many areas (Seregig 2018). This confirms that behind all parties' positive anti-corruption efforts and progress in the area of ease of business and increased attention to corruption in the private sector, political corruption and corruption law enforcement are still real threats in Indonesia.

4. Tax evasion as a violation of human rights

In the history of state thought and law shows that the state is always connoted as an institution that has the legitimacy to impose the will on its citizens (Handoyo 2003). Crime of corruption is an inhuman act because it afflicts the community of all children of the nation, and this corruption is the same as the act of genocide. Tax evasion and tax fraud result in a situation where great sums of money never reach government authorities as they should. They undermine the potential of these governments to protect and fulfill fundamental rights such as the right to education, housing or a reasonable standard of living (Destrooper 2016). Tax abuses deprive governments of the resources required to provide the programmes that give effect to economic, social and cultural rights, and to create and strengthen the institutions that uphold civil and political rights (IBA, 2013). This act of corruption is the same as the killing of all the children slowly, indeed the parties who committed the crime of corruption do not kill directly but the murder is indirect through the economy. This analogy is important to give a sense of justice to the people as victims of tax corruption. The victims of tax corruption are all the nation's children or generations. The money being corrupted is not the money of the officials, but the money comes from the people.

In various surveys conducted by credible institutions, the judiciary was placed as one of the institutions with a high level of corruption. A research conducted by Kemitraan NGO in 2010 found that the Legislative Institution was the most corrupt institution with a percentage of 78%, followed by the Judicial Institution with a percentage of 70%, and the Executive Institution with a percentage of 32%. It was similar to the research conducted by Soegeng Suryadi Syndicate (SSS) in May 2012. The SSS survey results put the Parliament (from the center to the regions) as the most corrupt institution, i.e. 47% of 2192 respondents. Below the Parliament there were the Tax Service Office (21.4%), the Police (11.3%), Political Parties (3.9%), Attorney’s Office (3.6%), Bureaucracy Service (3.1%), the Judiciary (2.6%), Bank Indonesia (1.2%), and the Constitutional Court (1%). The survey results turned out to be directly proportional to public dissatisfaction with cases handled by the judiciary (Judicial Commission 2013). Indonesia's 2017 Corruption Perception Index (CPI) score was 37 and was ranked 96 out of 180 countries surveyed. This means that Indonesia's CPI score was at the same point as in 2016 (Transparency International 2017). The 2018 Corruption Perception Index indicates that the country is perceived to have a high degree of corruption in the public sector (Meikarta 2019).

Corruption is a very serious problem or extraordinary crime (Prahassacitta 2016), because corruption can endanger the stability and security of the country and its people, endanger the social and economic development of the society, politics, and can even damage democratic values and national morality. Law Number 30 of 2002 concerning the Corruption Eradication Commission gives the task to the Corruption Eradication Commission (KPK) to conduct investigation, enquiry and prosecution of corruption. Other tasks of the KPK are coordination with agencies authorized to eradicate corruption, supervision of the agencies that are authorized to eradicate corruption, taking preventive measures against corruption, and monitoring of the state governance. Corruption includes reducing the capacity of the state to fulfill the rights of its citizens. For this reason, the government must be able to provide strict sanctions against corruptors. At present, the government has not been able to take action against the perpetrators of corruption to the fullest. Corruptive behavior is quite massive and there is no deterrent effect. Based on the records of the Corruption Eradication Commission, per 1 December 2016, there were 122 members of the Central Parliament and Regional Parliaments, 25
ministers and heads of institutions, four ambassadors, seven commissioners, 17 governors, 51 regents and mayors, 130 echelon I to III officials, and 14 judges who had been designated as corruption convicts. "The consequence is that the law should be created more firmly against corruptors. In addition, the government must also be able to raise public awareness that corruption can be detrimental to the society, because their rights are deprived of the crime". Building the mainstream of corruption as a violation of human rights can be done with an approach to foster awareness that corruption is detrimental to the society because it is done systemically and massively. 

Violation of Human Rights (HAM) on this occasion is a violation of the fulfillment of Economic, Social and Cultural Rights. This group of rights is different from Civil and Political Rights. Economic, Social and Cultural rights directly come into contact with the needs of the society in general, such as: food supply facilities, education, health, housing and employment that allow each individual member of the community in a region both at the central and regional levels to live properly and minimally. The responsibility for fulfilling these rights is of course followed by an accountability mechanism of the state for the implementation of the fulfillment and protection of the rights contained in economic, social and cultural rights. The fulfillment of economic, social and cultural rights should be done with a sense of responsibility by the state. However, if the money that was supposed to be used to make people live better and prosperous has been corrupted, it causes a lot of suffering among the people in general. As the result, we can see the impact is that so many crimes have occurred, such as robbery, kidnapping, blasphemy, and even murder, all of which can be said as the origin of the need for life. In addition, there is also poverty, lack of nutrition, children dropping out of school, less employment opportunities, and so forth. This is because the money provided by the National and Regional Budgets has been corrupted by the executors/authorities who cooperate with entrepreneurs.

Non-fulfillment of economic, social and cultural rights results in violations of the contents of the Covenant on Economic, Social and Cultural Rights, as well as violations of Human Rights. In general, the followings are called violations in this Covenant according to McChesnay (2003);

1. Failure to take action to protect the existing rights;
2. Not taking immediate action to prevent the failure of rights being fulfilled;
3. Failure to fulfill an obligation required by the Covenant;
4. Not succeeding in achieving fulfillment of rights at a minimum level, even though it is needed by most people;
5. Limiting the fulfillment of a right recognized in the Covenant in a manner not permitted by the Covenant;
6. Deliberately stopping or slowing down the gradual development in the fulfillment of a right;
7. Cancelling or reducing the programs that have helped to fulfill the Covenant;
8. Failure to report to UN regularly.

Facts prove that there is a correlation between tax corruption and the fulfillment of economic, social and cultural rights, especially the right to work, the right to security for the community, the right to a decent standard of living, the right to health, education rights, housing rights and the right to a clean and healthy environment, and the right to develop a culture that is owned. That is significantly very influential, because the act of tax corruption will surely hamper the fulfillment of the rights mentioned above.

5 Conclusion

It can be concluded later that tax corruption has a significant negative impact on human rights enjoyment. Tax corruption has become a difficult problem to eradicate in the system of government and is a picture of how wasteful is the governance in this country. Corruption thrives in Indonesia because of cultures such as giving gifts to the government, attaching importance to family ties and parochial loyalty. Tax corruption has resulted in poverty, low levels of education and health, and poor public services, causing suffer that is always experienced by the people, especially those who are below the poverty line.

While Indonesia maximizes tax revenue, but the revenue is corrupted so that taxpayers lose the benefits that must be enjoyed from tax redistribution. The act of tax evasion is considered a violation of
human rights. Human rights, such as human rights for education and human rights for health, fail because of a lack of tax revenue that is important to finance programs to address these problems. So, it is valid to say that tax evasion provides obstacles to the fulfillment of human rights. It can be claimed with certainty that human rights are actually violated by these practices. In addition, linking human rights violations with tax evasion requires the government to be responsible on taxpayers’ rights violation as a result of this practice.

The tax system used by the Indonesian government should be changed from the Self-Assessment System to the Official Assessment System on the grounds that the Self-Assessment System tends to cause tax leakage. The advantage of the Official Assessment System is that the tax authority will look for taxpayers to be taxed until the amount of tax owed is determined. The tax authority must also strive to improve performance for its staff and provide strict penalties and sanctions on them to be more professional in carrying out their duties and obligations and avoid tax deviations. The Directorate General of Taxation as the competent party for ethical enforcement must strictly supervise the provision of restitution, so as not to be misused by the taxpayers and avoid the emergence of fictitious taxes. The Directorate General of Taxation of the Republic of Indonesia has implemented tax payments through e-system, which is a demand for good governance and excellent service. This is also done to reduce corruption arising from direct relations between the tax authority and the taxpayers. Therefore, the taxpayers who have fulfilled their rights as taxpayers can feel the results returned from the government in the form of development and public facilities originating from themselves.

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