



Tax Revenue Rate During the Pandemic Covid 19 in Medan City: Evidence from KPP Medan

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ABSTRACT

This study aims to see how the level of tax revenue for the people of Medan City during the Covid 19 pandemic. There are several factors that influence the level of tax revenue for the people of Medan City, including compliance and tax services. This study took samples from the Medan City Primary Tax Service Office with a total sample of 100 people. By using the Multiple Linear Regression data analysis technique. The results of the study found that taxpayer compliance has an effect on the level of tax revenue and service has an effect on the level of tax revenue. Simultaneous testing produces awareness results and also services that simultaneously influence tax compliance during the Covid 19 pandemic in Medan City

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INTRODUCTION

Law No. 17 of 2013 concerning state finances states that state revenues originate from tax revenues, non-tax state revenues, and grant receipts within and outside the country. The largest source of state revenue is taxes, which are divided into seven sectors. Income tax, value-added tax, luxury sales tax, land and building tax, export tax, international trade tax, and import duties and excises. Taxpayer compliance is the condition of a taxpayer who carries out his obligations in a disciplined manner in accordance with laws, regulations, and applicable taxation procedures. (Ginanjar & Saporinda, 2022)

A tax is a mandatory contribution to the state that is owed by an individual or entity that is coercive under the law, with no direct compensation, and is used for the needs of the state for the greatest prosperity of the people (Law No. 28 of 2007). "Taxes are a tool for the government in achieving its goal of obtaining direct and indirect revenues from the community in order to finance routine expenditures as well as national and economic development of the community. The taxation system always changes from time to time according to the development of society and the state, both in the state sector as well as in the social and economic fields. (Abdullah & Nainggolan, 2018)

Tax reporting and compliance with paying taxes on time, the community will be categorized as an obedient society to their tax obligations. Of course, public compliance in paying taxes will also be influenced by several other factors apart from the ability to pay taxes. One of the supporting factors

is the convenience and services provided by the government. With the innovation from the government in facilitating tax payment services, it will greatly assist the community in carrying out their tax obligations.

The government must maintain a level of tax revenue. This is because taxes are the main source of income for the state. During the COVID-19 pandemic, the government faced a serious challenge to continue to collect taxes from people experiencing financial difficulties).

We can still understand the effects of the Covid-19 Pandemic. One of them is the slowdown in economic growth due to declining purchasing power, as well as the sluggish business climate in both the micro and macroeconomic sectors. Many small and medium-sized entrepreneurs have had to close their businesses due to activity restrictions imposed by the government, which ultimately paralyzed the economic sector. The paralysis of the economic sector has a domino effect on society in fulfilling obligations, especially tax obligations. (Nainggolan, 2022)

In this study the author will review how the level of public tax revenue during the Covid 19 pandemic and examine it based on decency and also tax services provided by the government

How many provisions of government regulations, including the government's efforts to provide tax incentives to encourage people to carry out tax obligations? This research was conducted in the city of Medan. As one of the largest cities in Indonesia, Medan has high business mobility. But the Covid 19 pandemic has changed everything. The government's social restrictions have had an impact on Medan's business world. Many small and medium businesses have had to stop their business activities because they cannot continue to bear losses if they continue to operate. The decline in purchasing power also has an impact on the viability of small and medium enterprises in Medan.

Regional taxes are one of the sources of revenue in the Medan City Revenue Service; therefore, a budget or revenue plan from local taxes is required. The budget is intended as a tool for planning and monitoring so that revenue from local taxes can be realized properly. Hanum, Z (2010). Quoted from suarasumut.id The Head of the Medan City BPKAD said, during 2021 the realization of regional tax revenues in the city of Medan has decreased and has not reached the expected target "The target local tax revenue is IDR 1.7 trillion, realization IDR 1.15 trillion (66.96 percent). The regional retribution targets Rp. 110.4 billion, realization of Rp. 91.3 billion (82.69 percent). The regional wealth management results target Rp. 20.6 billion, realization of Rp. 16.1 billion (78.27 percent). The other "The target is Rp. 300.4 billion for other valid PAD. The realization was Rp. 78.1 billion (26.04 percent)"

RESEARCH METHOD

The research approach used in this study was associative. According to Sugiyono (2010), the associative approach aims to determine the effect of two or more variables to determine the effect or influence of one variable and another. The total population of this study was 15,630 individual taxpayers at the KPP Pratama Medan Barat, with a sample of 100 people. The data analysis technique used is multiple linear regression

RESULTS AND DISCUSSIONS

Regression Analyst

Multiple linear regression analysis was used to determine the extent to which the independent variables, namely the compensation variable (X1) and training (X2), had an effect on the dependent variable, employee performance (Y).

Table 1. Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	1,226	1,354	
Tax compliance	3,143	,216	,582
Tax Service	3,871	,148	,352

Dependent Variable: Y - Tax Revenue Rate

$$Y = 1,226 + 3,143X_1 + 3,871X_2$$

The equation above can be interpreted as follows:

- 1 The constant value of 1.226 means that if there is no independent variable consisting of the tax compliance variable and tax service, the Tax Revenue Level has a value of 1.226
- 2 The compliance variable has a positive effect on the level of tax revenue, with a regression coefficient of 3.143, meaning that if the variable (X1) increases by one unit, then the level of acceptance will increase by 3.143 units, assuming constant tax services.
- 3 The service variable (X2) has a positive effect on compliance with the level of tax revenue, with a regression coefficient of 3.781, implying that if the service variable (X2) increases by one unit, the level of tax revenue will increase by 3.781 units, assuming the compliance variable is constant.

t-test

Table 2. t-test

Model	t	Sig.	t table	result
1 (Constant)	1.226	.419		
X1 - Tax Awareness	3.143	.002	1,67	Received
X2 - Tax Service	3.871	.001	1,67	Received

a. Dependent Variable: Y - Tax Compliance

Based on the results of the partial testing of the effect of paying tax compliance on the level of tax revenue, the t-count value is 3.143, while the t-table is 1.67 and has a significant number of 0.02 < 0.05. Based on the decision-making criteria, it can be concluded that Ha is accepted (Ho is rejected), which shows that compliance with paying taxes has a significant influence on the level of tax revenue. Based on the results of the partial testing of the effect of tax services on the level of tax revenue, the t-count is 3.871, while the t-table is 1.67 and has a significant number of 0.01 < 0.05. Based on the decision-making criteria, it can be concluded that Ha is accepted (Ho is rejected), this shows that there is a significant effect between tax services on the level of tax revenue.

F-Test

Table 3: F-test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	432.171	3	341.625	21.154	.001 ^a
Residual	213.915	96	4.371		
Total	646.086	99			

Table 2 shows that the significance level is 0.001. This illustrates the variable awareness of the willingness to pay taxes and tax services, which together influence the level of tax revenue; this is by following a significance level of 0.05, occurring below 0.05 (0.000). From the attachment, it is obtained that $F_{0.05;2;96} = 2.699$. When compared with the value of the F-table, $F_{count} > F_{table}$, or $21.154 >$

2.699, it can be concluded that all independent variables (X1, X2) have a simultaneous effect on the dependent variable (Y). This is in accordance with the results of the research conducted by Irmayani (2017) that there is a significant influence between taxpayer compliance and tax services on tax revenue.

CONCLUSION

From the results of the research, data analysis, and discussion, the following conclusions were drawn:

1. Taxpayer compliance has an influence on the level of tax revenue
2. Tax services have an influence on the level of tax revenue
3. Taxpayer compliance and tax services simultaneously affect the level of tax revenue

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