The Effect of Tax Sanctions, Self-Assessment System, E-Commerce, and AEoI toward Tax Avoidance of Online Business in Indonesia

Noviyanti[1], S. M. Ferdous Azam[2]
[1,2]Department of Graduate School of Management, Management & Science University, 40100 Selangor, Malaysia.
Email:[1]Noviysc@gmail.com, drferdous@msu.edu.my

ABSTRACT

This study aims to determine the effect of tax sanctions, self-assessment system, e-commerce, and AEoI toward tax avoidance of online business in Indonesia. A quantitative research method is used with a deductive research approach. This study used primary data by distributing questionnaires to all online business owners in Indonesia. The sampling method used as many as 482 online business owners in Indonesia by using simple random sampling. The IBM SPSS 20 software is used for analytical tool in this research. The result of this research indicates the self-assessment system, e-commerce, and AEoI have an effect on tax avoidance of online business in Indonesia, while tax sanctions have no effect on tax avoidance of online business in Indonesia. Therefore, this study then suggests further research on other factors that can influence tax avoidance to get a better solution in minimizing the level of tax avoidance and increasing tax revenue in Indonesia.

Keywords
Tax sanctions, Self-assessment system, E-commerce, AEoI, Tax avoidance

Article Received: 10 August 2020, Revised: 25 October 2020, Accepted: 18 November 2020

Introduction

In this global economy, the role of taxes in state revenue has continued to increase after-tax reform was carried out, however The Ministry of Finance gives an overview of the realization of state revenue until August 2020 reached IDR 1.028,02 trillion. It was recorded down 13.4% compared to the same period last year due to the Covid-19 pandemic. The contraction of state revenues was deeper in the last month compared to July, which fell 12.4% compared to July 2019. Moreover several years ago, state revenues also did not reach the stated target, such as in 2016, tax revenue was only reached Rp 1.105 trillion from the target of Rp 1.355 trillion (Ministry of Finance, 2016). Many factors affect the achievement of tax revenue targets, one of the causes is due to very low taxpayer compliance (Saskiananda, 2018). Taxpayer compliance issues can be affected by the application of tax sanctions, therefore regulations or laws are not violated by taxpayers (Aprilina, 2016). Tax sanctions are a deterrent, therefore taxpayers do not violate taxation norms by giving positive penalties to taxpayers who have been negligent in the tax obligations (Mardiasmo, 2011).

The problem of taxpayer compliance is also very important for the success of tax collection, such as the self-assessment system that has been implemented in current tax collection, but this income tax collection will not be successful if it is not supported by very high tax compliance and also there is an opportunity to commit fraud by taxpayers (Wardani and Nurhayati, 2019). The success of a company can be seen from its financial achievements and profitability (Maghfuriyah et al, 2019).Not only in Indonesia, but businesses also represent 98.5% of the total 920.624 companies in Malaysia (Pambreni et al, 2019). However, many taxpayers still have not carried out the obligation to report and pay taxes can be caused by taxpayers deliberately trying to avoid taxes, as happened in e-commerce activities (Wardani and Nurhayati, 2019). E-commerce influences tax avoidance because e-commerce is something whose income is not seen in real terms and can only be seen through accounts and it is difficult to detect receipts from online shop owners, therefore the Directorate General of Taxes only relies on conventional trade (Aprilia, 2014).

Tax avoidance is a way to look for weaknesses in the provisions of taxation legislation, therefore a weak point of the legislation was found which can result in the State losing considerable revenue from the taxpayer's actions (Ispriyarso, 2020). Therefore, the government should improve the quality of government performance, especially in the financial sector (Islami et al, 2020). Moreover, the more aggressive the tax officer, then the company will indirectly follow the regulations that have been implemented by the government (Nguyen et al, 2019). Besides, many taxpayers also hold assets abroad, especially in “Tax Haven” countries because of lower tax rates, it is safer because the confidentiality of customer data is more secure, so these assets are never reported to the state and as a result, the potential for state taxes disappears only once (Sukmana, 2017).

Most of the assets of taxpayers in Indonesia are stored in five countries, namely Singapore, British Virgin Islands, Hong Kong, Cayman Island, and Australia (Sub Directorate of Legal Aid, Directorate of Tax Regulations II, 2018). In Singapore, the assets of Indonesian citizens that are stored are estimated at 60% of all Indonesian citizens' assets abroad, so the Directorate General of Taxation has started to run an automatic exchange of information or AEoI between countries which is a new global standard that is useful for identifying and tracking potential taxes abroad and can have the potential to increase state revenue in the tax sector (Akmam, 2017). Based on the above issues, therefore the objectives of this research are to analyze the effect of tax sanctions, self-assessment system, e-commerce, and AEoI toward tax avoidance of online business in Indonesia.

Literature Review

This part contains theories from experts' opinions and existing theories regarding tax sanctions, self-assessment system, e-commerce, AEoI, and tax avoidance. Besides, there are two theories that support this study, namely agency theory and theory of planned behavior. According to Supriyono (2018), agency theory is a contractual relationship between principal and agent carried out for a service where the principal gives authority to the agent regarding the best decision making for the principal by prioritizing the interest in optimizing company profits to minimize the burden, including tax burden by tax avoidance. Besides, the existence of other theories that support this research which illustrates the strong relationship between organizational satisfaction and success can be achieved by maximizing the utility of principals and management is the theory of planned behavior. Theory of planned behavior explains the behavior carried out by individuals arises because the individual intends to behave and the individual's intention is caused by several internal and external factors of the individual. Individual attitudes towards behavior include beliefs about a behavior, evaluation of the results of the behavior, subjective norms, normative beliefs, and motivation to obey (Sulistomo and Prastiwi, 2011).

Tax Sanctions

Tax sanctions occur because there are violations of tax legislation, therefore if a violation occurs then the taxpayer is punished with an indication of taxation policies and tax laws. Tax sanctions are guarantees that the provisions of taxation legislation (taxation norms) will be obeyed or in other words tax sanctions are a prevention tool, therefore taxpayers do not violate taxation norms (Mardiasmo, 2016). Tax sanctions occur because of violations of tax legislation, especially in general provisions or procedures for taxation (Siti, 2009). Therefore, if a violation occurs, the taxpayer is punished with an indication of taxation policy and the taxation law. Tax penalties aim to provide a deterrent effect to taxpayers who violate taxation norms, then to create taxpayer compliance in carrying out the tax obligations. There are two types of sanctions, namely criminal sanctions and administrative sanctions. Criminal sanctions are used in the form of torture or suffering, deterrence or legal protection used by the tax authority, therefore tax norms can be obeyed. Besides, administrative sanctions are applied in the form of interest payments and increases, these administrative sanctions in the form of payment of losses to the state caused by taxpayers (Mardiasmo, 2011).

Self-assessment system

Self-assessment system is an assessment procedure based on the assumption that all information provided by the tax payer is correct and need not be checked by the revenue officers. An active self-assessment system requires certain conditions to be fully met which are stressed out by Mulugeta (2016) as the tax knowledge of the taxpayers, simplicity of the tax system, effective enforcement of the tax laws and penalties, good services to taxpayers, simple filling procedures. However, Wibisono (2013) states the self-assessment system is a system in which taxpayers are entitled to government approval (tax authorities) to calculate, pay and self-report tax payable in accordance with the tax provisions used.

E-commerce

E-commerce (Electronic Commerce) is a set of dynamic technologies, applications and business processes that connect companies, consumers and certain communities through electronic transactions and trade in goods, services and information conducted electronically. E-commerce takes by using the indicators of adequate technology related to taxation, approving technology, business processes, and business transactions (Ulfa, 2015). However, Wahyuni (2011) states online trading transactions have complicated problems. One of the online buying and selling business in the last few years developed rapidly, but not many have offered businesses that report business taxes. E-commerce is the buying, selling and marketing of goods and services through electronic systems such as television, radio and internet networks can participate in e-commerce activities (Wong, 2010).

AEoI (Automatic Exchange of Information)

Automatic Exchange of Information (AEoI) is a standard for the automatic exchange of financial information in matters of taxation. AEoI standards have agreed to open and provide access to information finance in that country to another country's tax authority and get access to financial information abroad automatically. Through this system, the original tax authority can track all taxpayers who open accounts in other countries automatically. The Directorate General of Taxes will more easily prevent potential tax avoidance (Directorate General of Taxes, 2017). Besides, Selvi (2018) states that global financial transactions are one of the most important problems in the taxation world. This global financial transaction is often one way for taxpayers to avoid taxes and smuggle taxes. However, Lestari (2017) states that disclosure of banking transaction information is considered to facilitate law enforcement in tracking misappropriation of funds abroad. The Directorate General of Tax also investigates companies and the private sector and individuals in the process of financial and tax abuse. After the regulation is stipulated, the Directorate General of Taxes will know the movement of money transactions that are expected to minimize the occurrence of tax avoidance.

Tax Avoidance

In practice, almost all tax systems experience tax resistance. Tax resistance can be classified into two groups, namely passive tax resistance and active tax resistance. Passive tax resistance is resistance in the form of obstacles in tax collection resulting from economic conditions of taxpayers. Whereas active tax resistance is a tax resistance which is directly addressed to the tax apparatus with the aim of reducing the tax burden. There are two groups of active resistance, resistance without breaking the law which is called tax avoidance and resistance that violates the law which is called tax avoidance (Suandy, 2014). Tax

avoidance is a form of effort that is often done by companies. Tax avoidance by companies does not only happen by chance but tax avoidance is the result of company policy involving tax directors and corporate tax consultants in making tax decisions. Tax avoidance is detrimental to a country because this results in reduced state revenues (Harto, 2014). Besides, Tommy and Maria (2013) state that tax avoidance is a legal reduction effort which is carried out by making optimal use of taxation provisions such as exemptions and allowable deductions and benefits of unregulated things and weaknesses. In the applicable regulations, tax avoidance does not violate taxation laws because the efforts of taxpayers to reduce, avoid, minimize or ease the tax burden are carried out in a manner that is permissible by tax laws.Tax avoidance is one of the methods used to avoid legal tax payments that are often done by taxpayers by reducing the amount of tax payable without breaking tax regulations or other terms looking for regulatory weaknesses. However, Hanlon (2010) defines tax avoidance as an explicit tax reduction. Tax avoidance describes a continuation of the company's tax planning strategy. In addition, the traditional theory of tax avoidance is considered as an activity to transfer welfare from the state to shareholders (Chasbiandani and Martani, 2012).

Conceptual Framework

This conceptual framework describes the relationship between the dependent variable and the independent variable. This conceptual framework provides an overview of the framework that will be created in the hypothesis. Susanti (2016) states that the conceptual framework is the framework of the relationship between the concepts to be observed and measured through research that will be conducted based on a theoretical framework. This below is an example of a conceptual framework in this study:

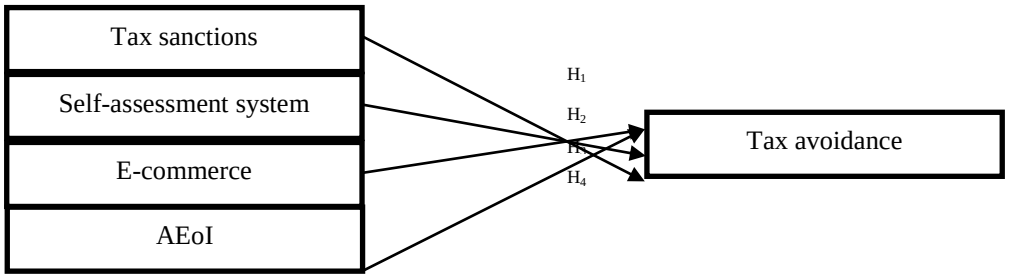

Figure 1: Conceptual Framework

Based on the literature review and conceptual framework, the following hypotheses can be drawn:
H1: There is a relationship between tax sanctions and tax avoidance.
H2: There is a relationship between self-assessment system and tax avoidance.
H3: There is a relationship between e-commerce and tax avoidance.
H4: There is a relationship between AEoI and tax avoidance.

Methods

This research attempts to analyze the effect of tax sanctions, self-assessment system, e-commerce, and AEoI toward tax avoidance of online business in Indonesia by using a quantitative approach, in which the primary data were gathered by distributing the questionnaires. The population of online business owners in Indonesia is at 13.485 (BPS, 2018). Sampling technique used probability sampling with simple random sampling. In this study, sample size is calculated by slovin formula with a result sample of 482 online business owners in Indonesia. The analytical method in this study used reliability analysis, pearson correlation analysis, determination coefficient test (R^2), and hypothesis testing,

Research on the effect of tax sanctions, self-assessment system, e-commerce, and AEoI toward tax avoidance of online business in Indonesia was conducted by using a likert scale measurement system. Likert scale ranges from numbers 1 to 5 in each answer based on the questions on the questionnaire. Each variable has 8 questions, therefore the total for all variables has 40 questions except the demographic profile and online business information. The mechanisms for measuring the effect of tax sanctions, self-assessment systems, e-commerce, and AEoI toward tax avoidance of online business in Indonesia are as follows:

1. Make a list of questions for each variable based on previous study.

Provide Value and make a scale to measure the level of accuracy of the respondent's answer, namely 1 for strongly disagree to 5 for strongly agree.

Results

This part gives an overview the results of the statistical analysis by using IBM SPSS version 20 which consists of demographic profile of respondents, reliability analysis, pearson correlation analysis, determination coefficient test (R^2), hypothesis testing which consists of the F-test and t-test.

Demographic profile of respondents

In this study, there were 507 respondents who answered the questionnaire. However, only 482 respondents who have online business. This demographic profile describes the background of each online business owners. There are percentages made in the form of tables on each profile of the

online business owners to make researcher easier to know the background of the owners of the online business clearly.

Table 1
Demographic profile

1. Gender		
Category	Frequency	Percent
Male	196	40.7
Female	286	59.3
Total	482	100.0
2. Age		
Category	Frequency	Percent
<20 Years	21	4.4
21-30 Years	324	67.2
31-40 Years	120	24.9
41-50 Years	17	3.5
Total	482	100.0
3. Marital Status		
Category	Frequency	Percent
Single	283	58.7
Married	199	41.3
Total	482	100.0
4. Online Business Duration		
Category	Frequency	Percent
<1 year	81	16.8
1-5 years	352	73.0
6-10 years	36	7.5
>10 years	13	2.7
Total	482	100.0
5. Level of Education		
Category	Frequency	Percent
Secondary School	172	35.7
Diploma	93	19.3
Degree	205	42.5
Master Degree	8	1.7
PhD Degree	1	0.2
Others	3	0.6
Total	482	100.0
6. Income per month		
Category	Frequency	Percent
<500.000	46	9.5
500.000-1.000.000	54	11.2
1.000.001-2.000.000	104	21.6
2.000.001-3.000.000	139	28.8
3.000.001-4.000.000	76	15.8
4.000.001-5.000.000	30	6.2
>5.000.000	33	6.8
Total	482	100.0
7. Tax Registration Number		
Category	Frequency	Percent
Yes	228	47.3
No	254	52.7
Total	482	100.0

General description of the respondents contains the finding of gender, age, marital status, online business durations, level of education, income per month, and tax registration number of online business owners in Indonesia and all the necessary information is gathered from the questionnaires.

Reliability Analysis

The purpose of reliability analysis is to find out whether the results of Cronbach's alpha on each variable are reliable or not. Variables will be said to be reliable if the results of Cronbach's alpha is more than 0.7 and not reliable if Cronbach's alpha is less than 0.7 (Sekaran and Bougie, 2016)

Table 2
Reliability Analysis

Variables	Pilot Study		Actual Data	
	N of Items	Cronbach's Alpha	N of Items	Cronbach's Alpha
Tax Sanctions	8	0.921	8	0.868
Self-assessment system	8	0.793	8	0.853
E-Commerce	8	0.852	8	0.851
AEoI	8	0.967	8	0.933
Tax Avoidance	8	0.838	8	0.861

In the case processing summary table, the amount of valid data to be processed and issued data is 482 with a percentage of 100% and no data is issued or excluded with a total of 482 data. In the Reliability Statistics table, this output is used as a result of the reliability analysis using the Cronbach's Alpha technique used to determine whether an instrument is reliable or not by using an Alpha value limit of 0.7. In the output above, both Cronbach's Alpha value for the entire variables in pilot study and actual data are above 0.7. Therefore, this instrument has been reliable. According to Kline (2011), to find out whether the data is normally distributed or not, the criteria used are if the skewness ratio is between +3 to -3 and the criteria used are if the kurtosis ratio is less than 10, then the data distribution is normal. In this study, the data is normally distributed.

Pearson Correlation Analysis

The symbol for Pearson correlation is "ρ" when measured in population and "r" when measured in a sample. Because this

will deal with almost exclusively sample, this will be users to represent pearson correlations unless stated otherwise. Pearson r can range from -1 to 1. r from -1 indicates a perfect negative linear relationship between variables, r 0 indicates there is no linear relationship between variables, and r of 1 shows a perfectly positive linear relationship between variables.

Table 3
Pearson Correlation Analysis

Correlations						
		Tax Sanctions	Self-Assessment System	E-Commerce	AEoI	Tax Avoidance
Tax Sanctions	Pearson Correlation					
	Sig. (2-tailed)					
	N					
Self-Assessment System	Pearson Correlation	.710**				
	Sig. (2-tailed)	.000				
	N	482				
E-Commerce	Pearson Correlation	.747**	.730**			
	Sig. (2-tailed)	.000	.000			
	N	482	482			
AEoI	Pearson Correlation	.706**	.727**	.726**		
	Sig. (2-tailed)	.000	.000	.000		
	N	482	482	482		
Tax Avoidance	Pearson Correlation	.676**	.752**	.727**	.719**	
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	482	482	482	482	
**. Correlation is significant at the 0.01 level (2-tailed).						

The output of correlation above explains the value of the correlation coefficient and the significant value between each independent variable and the dependent variable. The entire correlation coefficient values are close to 1, this can be concluded that the relationship between each independent variables with the dependent variable are close. Besides, the entire output of significance values (Sig. 2-tailed) are 0.000. Significance value < 0.05 then Ho were refused. Therefore, this can be concluded that there is a relationship between each independent variables on dependent variable. Moreover, each relationships are positive because the correlations value are positive.

Determination Coefficient Test (R^2)

The determination coefficient is indicated by R^2. The numbers will be converted into percentages, this means the percentage contribution of the influence of independent variables on the dependent variable. It can be concluded that the coefficient of determination is used to measure how far the model's ability to explain dependent variations. The results of the coefficient of determination in this study are as follows:

Table 4
Determination Coefficient Test (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813[a]	.661	.658	.334
a. Predictors: (Constant), AEoI, Tax Sanctions, Self-Assessment System, E-Commerce				

Based on the table above, the results of the R^2 value is 0.661. Then the percentage of influence of the entire independent variables on the dependent variable is 66.1%,

this means that the independent variable used in this study is 66.1% and the rest is influenced by other variables.

Hypothesis-testing

Simultaneous Hypothesis testing consists of two parts namely, F-test and t-test. F-test aims to find out the influence of the entire independent variables together on tax avoidance. On the other hand, t-test aims to find out the influence of each independent variables on tax avoidance.

Simultaneous Significant Test (F-Test)

Simultaneous Significant Test (Test F) aims to determine whether regional wealth, debt financing, total assets, and the total number of Local Government Apparatus together influence the Level of disclosure of local government financial reports. This F test is carried out by comparing the calculated F results with F according to the table. Based on the results of data processing in the table below, it can be seen that the F test results are as follows:

Table 5
F-test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.718	4	25.929	232.702	.000[b]
	Residual	53.151	477	.111		
	Total	156.869	481			
a. Dependent Variable: Tax Avoidance						
b. Predictors: (Constant), AEoI, Tax Sanctions, Self-Assessment System, E-Commerce						

Based on the result above, this is known that the F_{count} is 232.702 with a significance level of 0.000. Furthermore, the calculated F_{count} compared with the value of F_{table} where the number of independent variables (k) = 4 and the number of samples (n) = 482, then obtained df1 (number of variables-1) = 3 and df2 (nk-1) or (482-4-1) = 477 (n is the amount of data and k is the number of independent variables). This shows that the value of F_{count} has a value greater than F_{table} (57.808> 2.62). Furthermore, the significant value is smaller than the significance level α = 5% which is 0,000 <0.05, therefore this can be concluded that simultaneously the independent variables namely tax sanctions, self-assessment systems, e-commerce, and AEoI together have a significant influence on tax avoidance.

Simultaneous Significant Test (t-Test)

T-test is a significant test to determine the effect of variables X_1, X_2, X_3 and X_4 on Y partially. This has a significant effect or not. To find out whether this is significant or not, the t_{count} will be compared with t_{table}. t_{table} was sought at a significant 0.05/2 = 0.025 (2-side test) with degrees of freedom df = n-k-1. If the calculated t value is greater than t_{table} and significantly smaller than the significant level <α = 5%, then the variable has an influence on the dependent variable. Based on the above data description, the results of the t-test management are as follows:

Table 6
t-test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.276	.130		2.117	.035
	Tax Sanctions	.090	.046	.087	1.958	.051
	Self-Assessment System	.374	.048	.347	7.826	.000
	E-Commerce	.247	.047	.243	5.267	.000
	AEoI	.215	.041	.229	5.198	.000
a. Dependent Variable: Tax Avoidance						

Based on the results above, this is known that this study uses a sample (n) = 482 and the number of independent variables (k) = 4 which is (482-4-1=477), then the t_{table} in this study is 1.965. Based on the partial test results in the table above, this can be concluded as follows:

H1: There is a relationship between tax sanctions and tax avoidance.

Variable tax sanctions that have t_{count} 1.958 < t_{table} 1.965 and a significant value of 0.051>0.05. H_o was accepted and H_1 was refused. Therefore, this can be concluded that partially the independent variable tax sanctions have no effect and no significant on the dependent variable, namely tax avoidance.

H2: There is a relationship between self-assessment system and tax avoidance.

Variable self-assessment system that has t_{count} 7.826 > t_{table} 1.965 and a significant value of 0.000<0.05. H_o was refused and H_2 was accepted. Therefore, this can be concluded that partially the independent variable self-assessment system has effect and significant on the dependent variable, namely tax avoidance

H3: There is a relationship between e-commerce and tax avoidance.

Variable e-commerce that has t_{count} 5.267 > t_{table} 1.965 and a significant value of 0.000< 0.05. H_o was refused and H_3 was accepted. Therefore, this can be concluded that partially the independent variable e-commerce has effect and significant on the dependent variable, namely tax avoidance.

H4: There is a relationship between AEoI and tax avoidance.

Variable AEoI that has t_{count} 5.198> t_{table} 1.965 and a significant value of 0.000<0.05. H_o was refused and H_4 was accepted. Therefore, this can be concluded that partially the independent variable AEoI has effect and significant on the dependent variable, namely tax avoidance.

Summary of hypotheses testing

Table 7
Summary of hypotheses testing

H(x)	Hypothesis	Significance	Relationship	Reference and Justification	Finding
H1	There is a relationship between tax sanctions and tax avoidance	Not Significant	Weak, Positive	Table 3 and Table 6	Not Supported

H2	There is a relationship between self-assessment system and tax avoidance	Significant	Strong enough, Positive	Table 3 and Table 6	Supported
H3	There is a relationship between e-commerce and tax avoidance	Significant	Strong enough, Positive	Table 3 and Table 6	Supported
H4	There is a relationship between AEoI and tax avoidance	Significant	Strong enough, Positive	Table 3 and Table 6	Supported

Discussion

First research objective in this study is to find out the effect of tax sanctions on tax avoidance of online business taxpayer. Tax sanctions are a punishment for taxpayers who do not comply with tax payments. Although the Indonesian government has implemented a number of tax sanctions that are acceptable to taxpayers. But in this case, the application of tax sanctions for all taxpayers, especially those in the online business sector has no effect. This research is in line with research conducted by Yetmi (2019) which states that tax sanctions have no effect on tax avoidance, Febri and Sulistyani (2018) which state that tax sanctions have no effect on tax compliance. However, this research is in contrast to research conducted by Ayem and Listiani (2019) which states that tax sanctions have a positive and significant effect on tax avoidance.

Second research objective in this study is to analyze the effect of self-assessment system on tax avoidance of online business taxpayer. The self-assessment system is the simplest way used by the Indonesian government to help Indonesian people easier to make tax payments. From the result, self-assessment system has effect and significant on the dependent variable. This research is in line with research conducted by Wardani and Nurhayat (2019) which states that the self-assessment system has a positive effect on tax avoidance.

Third research objective in this study is to investigate the effect of e-commerce on tax avoidance of online business taxpayer. The Indonesian government is very supportive of the existence of e-commerce. This is evidenced by the number of activities carried out by the Indonesian people in shopping online, Therefore with the highest number of online transactions, the tax revenue received by the tax directorate general will also increase. However, many online business owners object to the presence of online taxes. Therefore, this is a compelling situation in which online business owners always avoid taxes. From the result, e-commerce has effect and significant on the dependent variable. This research is in line with research conducted by Aprilia, Astuti, and Nuzula (2014) which states that e-commerce has an influence on tax avoidance. On the contrary, this research is not in line with research conducted by Wardani and Nurhayati (2019) which states that e-commerce has no effect on tax avoidance.

Fourth research objective in this study is to find out the effect of AEoI (Automatic Exchange of Information) on tax avoidance of online business taxpayer. The Indonesian government is following the AEoI as one of the strategic steps to improve the financial information management system in Indonesia in order to increase tax compliance, thus potentially increasing state revenue from the tax sector. AEoI aims to prevent tax evasion and tax avoidance practices by taxpayers who hide the income or financial assets abroad. From the result, AEoI has effect and significant on the dependent variable. This research is in line with research conducted by Ispriyarso (2020) and Puspitasari (2012) which state that AEoI has effect on tax avoidance. On the contrary, this research is not in line with research conducted by Selvi (2018), Wardani and Nurhayati (2019) which state that AEoI has no effect on tax avoidance.

Conclusion

The entire of the research objectives given in the beginning have answered by having a relationship with tax avoidance or not, as well as having an effect and significant effect on tax avoidance or not. Matters relating to tax avoidance, such as the four independent variables in this study, such as tax sanctions, self-assessment system, e-commerce, and AEoI have an important role to provide benchmarks on determining online business tax in Indonesia. From the research objective above, the entire of variables have a relationship, have effect and significant on tax avoidance except tax sanctions variable. Through this research, online business owners are expected to be aware of the tax obligations and not avoid tax avoidance. Therefore, the Government can increase the state revenue to overcome the impact of the covid-19 outbreak as well as maintaining the credibility of the state budget. Moreover, the entire of online business owners can read this research as additional knowledge and know what the cause to increase state income. Especially by obediently reporting taxpayers to the online business of each owner. Then in the future, people who will start an online business also can get an overview of the obligations in paying taxes and not avoiding taxes by reading the results of this research. However, online business owners, students, and educators can make references to find out the characteristics contained in this study, because this study has a weakness that is on the questionnaire, many respondents are hesitant and prefer to answer neutral especially at AEoI variable. Besides, many respondents who do not approve of taxpayers must be subject to tax sanctions if taxpayers do not pay taxes. Furthermore, considering that there are many populations of Indonesians doing business online. Thus, the task of the government is to uphold justice and minimize the reduction of tax avoidance. In addition, there are limitations from this study namely, when distributing questionnaires using social media, researchers did not distribute questionnaires to several places such as in Papua and Sulawesi because of limited access there. Therefore, in the future, this can include cities on the islands of Sulawesi and Papua as a comparison of research results. Besides, this study only uses four variables that have a relationship with tax avoidance. Therefore, further research should be able to add independent variables to get good results and also to strengthen this research. These variables can be in the form of tax law and tax compliance.

References

[1] Akmam, S. (2017). Auto Exchange in Information: Economic Perspectives Political. Journal of International Relations, 10, 28–30.

[2] Aprilia, A. (2014). Handling and Supervision of Taxation in the context of Intensification E-Commerce Field (Indonesian. Brawijaya University.

[3] Aprilina, K. R. (2016). Influence Tax Collection, Tax Audit and Tax Sanctions against Taxpayer Compliance Level at KPP Pratama Kapanjen. Department Journal Accounting, 4, 15.

[4] Ayem, S., & Listiani, L. (2019). The Influence of Taxation Socialization, Law Enforcement and Tax Sanctions on Taxpayers' Perceptions of Tax Evasion. Integrated Accounting Research Journal, 12(1). doi:10.35448/jrat.v12i1.4454

[5] Chasbiandani, T. . (2012). The Effect of Long-Term Tax Avoidance on Company Value.

[6] Directorate General of Taxes. (2017). Director General of Taxes Regulation Number PER-10/PJ/2017.

[7] Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2010). The Effects of Executives on Corporate Tax Avoidance. The Accounting Review.

[8] Harto, U. H. (2014). Analysis of the Effects of Executive Compensation, Executive Share Ownership and Executive Risk Preference on Corporate Tax Avoidance. Diponegoro Journal of Accounting.

[9] Islami, A. Y., Edwin, F. & Riana, M. (2020). Factors influencing the financial performance of south Sumatra Province local government for the period 2012-2016. Journal of Critical Reviews, 7(15), 2115-2124. doi:10.31838/jcr.07.15.282

[10] Ispriyarso, B. (2020). Automatic Exchange of Information (AEOI) and Tax Avoidance.

[11] Kurniasih, T., & M. Ratna Sari, M. (2013). Effect of Return Turn On Asset (ROA), Leverage, Corporate Governance, Company Size and Fiscal Loss Compensation on Tax Avoidance. Buletin Studi Ekonomi. ISSN 2580-5321.

[12] Lestari, L. R. (2017). Automatic Exchange of Information Seen from the Account Representative Perspective. Surabaya State University.

[13] Maghfuriyah, A., Azam, S., & Shukri, S. (2019). Market structure and Islamic banking performance in Indonesia: An error correction model. Management Science Letters, 9(9), 1407-1418.

[14] Mardiasmo. (2011). Revised Edition Taxation 2011. Andi.

[15] Mardiasmo. (2016). Taxation. Andi.

[16] Ministry of Finance. (2018). Tax Paying Compliance Still Low. https://www.kemenkeu.go.id/publikasi/%0Aberita/menkeu-kepatuhan membayar%02pajak-masih-rendah

[17] Mulugeta, T. (2016). A close scrutiny of self-assessment system and its impact on tax compliance level for taxpayers. Global Society of Scientific Research.

[18] Nguyen, H., Tham, J., Khatibi, A., & Azam, S. (2019). Enhancing the capacity of tax authorities and its impact on transfer pricing activities of FDI enterprises in Ha Noi, Ho Chi Minh, Dong Nai, and Binh Duong province of Vietnam. Management Science Letters, 9(8), 1299-1310.

[19] Pambreni Y, Khatibi A, Azam SMF, Tham J. The influence of total quality management toward organization performance. Management Science Letters, 9(9), 1397–406.

[20] Puspitasari, C. (2012). Breaking Bank Secrets: Efforts to Enforce Tax Compliance. University of Diponegoro.

[21] Saskiananda, N. (2018). The Role of Taxes for Nation Development. https://www.kompasiana.com/nabilahsa

skia/5c29763aaeebe14af94539e8/peranpajak-untuk-pembangunan-bangsa

[22] Sekaran, U., & Bougie, R. (2016). Research Methods For Business. John Wiley & Son Ltd.

[23] Selvi. (2018). Automatic Exchange of Information as Big Data in the Field of Taxation. STIAMI Institution.

[24] Suandy, E. (2014). Tax law (6th ed.). Salemba Empat.

[25] Sub Directorate of Legal Aid Directorate of Tax Regulations II. (2018). Access Financial Information For Tax Interests.

[26] Sukmana, Y. (2017). The Pleasure of Hiding Foreign Treasures. https://money.kompas.com/read/2017/0%0A3/08/193000026/enaknya.sembunyikan.%0Aharta.di.luar.negeri.mungkin.tak.akan.ad%0Aa.lagi.?page=all

[27] Sulistomo, A., & Prastiwi, A. (2011). Perceptions of Accounting Students Against Fraud Disclosure (Empirical Study of Accounting Students of UNDIP and UGM).

[28] Sulistyani, F. . (2018). Effects of Knowledge and Understanding of Regulations on Taxation, Taxation Sanctions, and Tax Avoidance on Tax Compliance.

[29] Supriyono, R. A. (2018). Behavioral Accounting. UGM Press.

[30] Susanti, L. (2016). Research Methods Module. Brawijaya University.

[31] Ulfa, I. H. (2015). The Influence of Consciousness, Tax Knowledge and Attitude of Obligators Tax Against Compliance Taxpayers Work Free at Kpp Pratama East Semarang. Accounting Journal.

[32] Wahyuni, N. (2011). The Impact of E-Commerce and Tax Examinations on Tax Revenue. University of Computer Indonesia.

[33] Wardani, D. K., & Nurhayati, N. (2019). System of Assessment of self-effect, e-commerce, and disclosure of access to bank account information on intention to avoid taxes (Indonesia. Akuntansi Dewantara, 3.

[34] Wibisono, E. (2013). Effect of Application of Self Assessment System Against Trends. University of Pembangunan Veteran.

[35] Wong, J. (2010). Internet Marketing for Beginners. Elex Media Komputindo.

[36] Yetmi, Y. (2019). The Influence of Service Quality, Tax Sanctions on Tax Evasion with Tax Information Technology as a Moderation Variable. Ekonomi Bisnis, 25(1), 80–93. https://doi.org/10.33592/jeb.v1i25.289