

**ANALYSIS OF THE EFFECTIVENESS AND CONTRIBUTION OF TAX  
COLLECTION WITH WARNING LETTERS, COMPULSORY LETTERS, AND  
ORDERS TO IMPLEMENT CONFISCATION TOWARDS THE DISBURSEMENT  
OF TAX ARRESTS (CASE STUDY AT KPP MADYA IN THE KANWIL DJP  
WEST JAVA I)**



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**Abstract**

The purpose of this study is to determine how effective tax collection is and how much it contributes to the disbursement of tax arrears. This study uses a qualitative descriptive approach. The ratio data used in this study are the performance report of the collection section, tax revenue reports, and other research-related data. The data used in this study include primary data and secondary data. The effectiveness and contribution ratio are some of the tools used by researchers in descriptive ratio analysis. The results of this study indicate that the effectiveness of tax collection at KPP Madya Bandung and KPP Madya Dua Bandung in 2019-2023 is included in the ineffective category when viewed from the realization of the achievement of tax collection targets. Meanwhile, the level of contribution of tax collection actions to the disbursement of tax arrears is classified as less contributive. The implementation of tax collection procedures has many obstacles, including the response of Taxpayers who are less cooperative in tax collection actions. KPP Madya in the West Java I Regional Office of the Directorate General of Taxes in this case KPP Madya Bandung and KPP Madya Dua Bandung have prepared various strategies as an effort so that the disbursement of tax arrears can run smoothly.

**Keywords:** Effectiveness, Contribution, Tax Collection, Taxpayer Compliance, Taxpayer Response

## INTRODUCTION

Indonesia is ranked fourth in terms of population in the world with a population of 278 million in 2023 (Rainer, 2023). With a population that is quite large and achieving the goals and ideals of a prosperous and prosperous Indonesia, of course, it requires a lot of money (Damayanti & Karim, 2022). This money can be obtained from state revenue, one of which comes from tax revenue.

State Expenditure (APBN) comes from tax revenue. With the large APBN from the tax sector, the government through the Directorate General of Taxes (DJP) unit is trying to optimize tax revenue as much as possible. The efforts made are in the form of tax reform, where tax reform from 1984 until now still uses the self-assessment system. This system gives Taxpayers the authority to take care of all their tax affairs independently.

But in fact, the implementation of this tax reform has not been running optimally. One of the causes is that the public is still less aware of fulfilling their tax obligations which causes the value of tax arrears in Indonesia to be quite large (Malahayati et al, 2023). These tax arrears arise because the public does not/or has not paid off tax debts by the specified deadline, thus changing the status of tax debt to tax arrears.

The West Java I Regional Tax Office is one of the regional offices in the West Java region that has succeeded in exceeding the tax revenue target in 2022 and 2023. The disbursement of tax arrears at the West Java I Regional Tax Office which exceeded the target cannot be separated from the contribution of the Bandung Madya Tax Office and Bandung Madya Dua Tax Office which contributed 50% of the total realization of tax arrears disbursement at the West Java I Regional Tax Office in 2023. The value of tax arrears at the Bandung Madya Tax Office and the Bandung Madya Dua Tax Office can be considered quite large by looking at the table of tax arrears at the Bandung Madya Tax Office and the Bandung Madya Dua Tax Office as follows:

**Table 1.**  
**Amount of Arrears and Disbursement of Tax Arrears of KPP Madya Bandung for 2019-2023**

<b>Year</b>	<b>Tax Arrears (Rp)</b>	<b>Disbursement of Tax Arrears (Rp)</b>	<b>Effectiveness Disbursement</b>
2019	317.114.092.007	64.859.113.131	20.45%

2020	578,864,922,625	81,403,319,475	14.06%
2021	378,620,665,273	75,402,859,456	19.92%
2022	415,823,062,521	84,827,122,066	20.40%
2023	447.275.554.335	79,898,087,371	17.86%

Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office (data processed by ourselves)

**Table 2.**  
**Amount of Tax Arrears and Disbursement of Tax Arrears at KPP Madya Dua Bandung for 2021-2023**

Year	Tax Arrears (Rp)	Disbursement of Tax Arrears (Rp)	Effectiveness Disbursement
2019			
2020			
2021	356,954,229,856	88,719,685,192	24.85%
2022	316,391,652,607	116,779,718,639	36.91%
2023	172.068.176.304	72,663,817,665	42.23%

Source: Inspection, Assessment, and Collection Section of KPP Madya Dua Bandung (data processed by ourselves)

The effectiveness of tax collection can be achieved through a series of collection implementations carried out by the collection section or division, one of which is active tax collection which begins with the issuance of a Warning Letter. If the Taxpayer cannot fulfill his obligations, the next step is the issuance of a Distress Letter. The issuance of this Distress Letter occurs if the Taxpayer does not or has not paid his tax debt more than 21 days from the issuance of the Warning Letter. If the Taxpayer does not pay off his tax debt even after the issuance of the Distress Letter, then a Seizure Order will be issued. The action in the form of issuing a Seizure Order is issued if the Taxpayer has not paid his tax debt more than 2x24 hours after the Distress Letter is informed to the taxpayer.

In carrying out collection actions, KPP Madya Bandung and KPP Madya Dua Bandung have received several awards in the period from 2019 to 2023. However, the high tax arrears in both KPP Madya represent that taxpayer awareness is still low regarding their obligations. Therefore, it is necessary to make improvements and evaluations of the performance of KPP Madya Bandung and KPP Madya Dua Bandung, especially in the

implementation of active tax collection to be more optimal in order to achieve more effective tax revenue.

### **Formulation of the Problem**

Based on the research background above, the formulation of the problem in writing this thesis is as follows:

1. What is the level of effectiveness and contribution of the implementation of tax collection actions with Warning Letters, Compulsion Letters, and Confiscation Orders at the Medium Tax Service Office within the West Java I Regional Tax Office in 2019 - 2023?
2. What are the obstacles experienced by the Medium Tax Office in the West Java I Regional Tax Office in implementing tax collection actions?
3. What efforts have been made by the KPP Madya within the West Java I Regional Office of the Directorate General of Taxes to overcome obstacles that occur during the implementation of tax collection actions?
4. How do Taxpayers respond to tax collection actions with Warning Letters, Compulsion Letters, and Confiscation Orders carried out by the Medium Tax Service Office within the West Java I Regional Tax Office from the perception of experts in the field of taxation?

## **REVIEW OF LITERATURE**

### **Tax Compliance Theory**

According to the Big Indonesian Dictionary (KBBI), obedience is defined as the nature of being obedient, compliant, disciplined or subject to a teaching and rule. According to Hasanudin et al., (2020) Taxpayer (WP) compliance is a condition where WP fulfills all tax obligations and exercises tax rights. This compliance is the obligation of WP in re-submitting SPT and compliance in calculating tax arrears that must be paid in accordance with the tax provisions stated in the laws related to taxation.

Minister of Finance Regulation No. 544/KMK.04/2022 explains that there are three criteria for compliant Taxpayers, namely:

- a. Taxpayers are punctual in reporting their tax obligations with a Tax Return (SPT) for all types of taxes in the last 2 (two) years;
- b. Have no outstanding payments or tax arrears;

c. Never committed a crime or been sentenced in the taxation sector within the last 10 years.

Kirchler et al., (2008) There are two types of tax compliance, namely voluntary compliance and enforced compliance.

1. Voluntary compliance is a situation where Taxpayers fulfill their tax obligations based on their own will.
2. Forced compliance is a situation where Taxpayers fulfill their tax obligations due to possible consequences that are coercive.

Taxpayer compliance indicators according to Puspanita et al., (2021) divided into five, namely:

- a. Compliance in registering as an Individual Taxpayer;
- b. Compliant in paying taxes owed;
- c. Compliant in reporting taxes that have been paid;
- d. Compliant in calculating the tax owed;
- e. Be precise in calculating taxes owed.

### **Effectiveness**

Effectiveness is a measuring tool to assess how far the quality, quantity and time achievements have been achieved by management with the targets set at the beginning. (Winarsih, 2019). In this study, the effectiveness of tax collection is a measure of how successful the tax authorities are in maximizing tax collection which can be seen from the realization of tax disbursement whether it reaches the set target.

### **Contribution**

Contribution is supporting, assisting, or donating to a particular activity. In this study, activities that contribute to the disbursement of tax debts are tax collection with a Warning Letter, a Compulsion Letter, and a Confiscation Order.

### **Tax**

Mardiasmo (2016), defines tax as a contribution from the people to the state treasury which is regulated by law and is mandatory without providing direct benefits and is used to fund general state expenditure.

## **Tax Debt**

In Article 1 paragraph (8) of the Republic of Indonesia Law No. 19 of 2000 concerning Tax Collection by Distress Warrant, "Tax Debt is tax that still has to be paid including administrative sanctions in the form of fines, interest or increases stated in the Tax Assessment Letter or similar letter based on tax laws and regulations."

## **Tax Collection**

Collection is an action taken by the Directorate General of Taxes (DGT) regarding non-compliance of Taxpayers (WP) in paying all or part of their tax obligations, namely tax arrears and tax collection costs following applicable tax laws.(Hadi, 2013). The action can be in the form of issuing a Warning Letter (ST) or warning, carrying out immediate collection, issuing a Compulsion Letter (SP), proposing prevention, hostage-taking, and issuing a Confiscation Order (SPMP) to carry out the confiscation, block, or sell the confiscated goods.

## **Reprimand Letter**

Law Number 19 of 2000 Article 1 Paragraph (10) explains that "A Warning Letter, Warning Letter or other similar letter is a letter issued by an official to reprimand or warn Taxpayers to pay their tax debts". Collection of tax arrears with this Warning Letter will be issued if 7 (seven) days from the due date the Taxpayer or Taxpayer does not or has not yet paid their tax arrears.

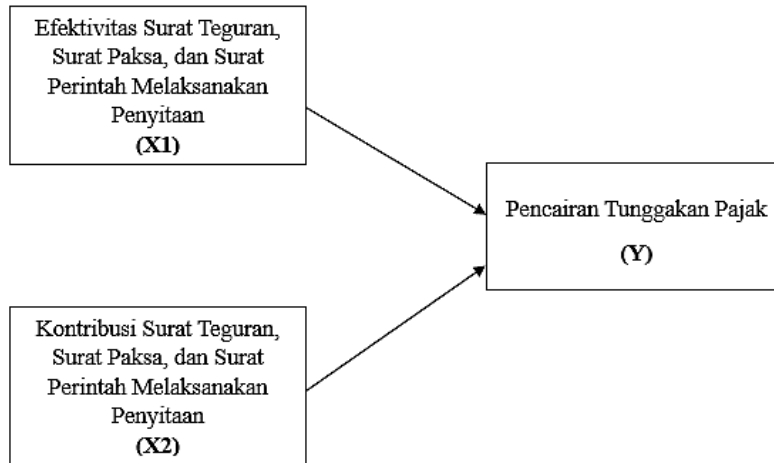
## **Letter of Injunction**

A Letter of Compulsion is a letter of instruction for Taxpayers or Taxpayers to immediately pay their tax arrears. Officials have the authority to immediately issue a Letter of Compulsion if after 21 days since the issuance of the Warning Letter, the Taxpayer or Taxpayer still has not or does not pay off their tax arrears.

## **Warrant to Execute Confiscation**

According to Law Number 19 of 2000, the action taken by the Tax Bailiff in the form of confiscation of goods as collateral for payment of tax debts is arranged as part of the collection procedure. The Tax Collection Letter (STP) must be paid in full no later than one month after the Taxpayer receives the PBB STP, which will be due one month later. If within seven days after the due date the Taxpayer has not paid his/her obligations, a Warning Letter

can be issued, which if within 21 days the Taxpayer has not paid off his/her arrears, a Distress Letter will be issued. If the Taxpayer or Taxpayer within 2x24 hours after the Distress Letter is issued has not paid off his/her tax debts, then confiscation action can be taken against the Taxpayer's assets.



**Figure 1.**  
**Conceptual Framework**

## RESEARCH METHOD

This study uses a descriptive research type with a qualitative descriptive approach where the data needed in this study includes primary and secondary data. Primary data comes from answers to direct interviews conducted by the author with Tax Bailiffs, the Guidance and Collection Section of the West Java I Regional Office of the Directorate General of Taxes, tax academics, and tax consultants. Secondary data consists of tax collection and receipt data with a Warning Letter (ST), Compulsion Letter (SP), and a Confiscation Order (SPMP) as well as other supporting data from collection documents.

However, in active tax collection actions, there are collections by auction, prevention, and hostage-taking. This study only focuses on active tax collection with ST, SP, and SPMP. This is because the majority of research locations only reach the collection stage with SPMP, so they do not meet the required requirements.

In conducting an analysis related to the effectiveness and contribution of active tax collection with ST, SP, and SPMP, the researcher used the following calculations:

1. Effectiveness of active tax collection in 2019-2023

$$Effectiveness = \frac{Paid\ realization}{Paid\ targets} \times 100\%$$

From the calculations produced from the formula above, the level of effectiveness can be measured using the following classification standards:

Very effective: More than 100%

Effective : 90% - 100%

Quite effective : 80% - 90%

Less effective : 60% - 80%

Ineffective : Less than 60%

(Ministry of Home Affairs Decree No. 690,900,327 of 1996)

2. Contribution of active tax collection in 2019-2023 using the Main Performance Indicators (IKU) of KPP Madya in the West Java I Regional Office of the Directorate General of Taxes

$$Contribution = \frac{Disbursement\ of\ Tax\ Arrears}{Total\ Tax\ Revenue} \times 100\%$$

To assess the contribution of tax collection through ST, SP, and SPMP to the disbursement of tax arrears at KPP Madya Bandung and KPP Maya Dua Bandung, the following contribution criteria indicators can be adopted:

More than 50% : Very good

40.10% - 50% : Good

30.10% - 40% :Pretty good

20.10% - 30% : Currently

10% - 30% : Not enough

Less than 10% : Very less

(Ministry of Home Affairs Decree No. 690,900,327 of 1996)

## RESULTS AND DISCUSSION

### Effectiveness of Tax Collection with Warning Letters, Compulsion Letters, and Confiscation at the Bandung Madya Tax Office in 2019-2023

#### Effectiveness of Tax Collection through Warning Letters

The effectiveness of tax collection through Warning Letters (ST) can be analyzed using a comparison formula between issuance and the realization of disbursement of tax arrears through ST.

**Table 3.**  
**Effectiveness of Tax Collection through Warning Letters**

Year	Publishing (Sheet)	Disbursement (Sheet)	Effectiveness	Criteria	Disbursement (Rp)
2019	444	213	48%	Ineffective	22,925,664,582
2020	343	164	48%	Ineffective	7,412,439,336
2021	1524	472	31%	Ineffective	31,853,858,244
2022	2633	1948	74%	Less Effective	37,659,538,718
2023	3096	1331	43%	Ineffective	35,923,481,246

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on Table 3, it can be seen that the level of effectiveness of tax collection from 2019-2023 through ST tends to fluctuate and is classified as ineffective. Only the percentage of tax collection with ST in 2022 reached a tax collection effectiveness value of 70% and is classified as less effective. This shows that the implementation of these tax collection actions has not been running effectively.

Based on the explanation given by the Tax Bailiff of KPP Madya Bandung, Mr. Irvan Sofwan, this was caused by the ST not being delivered because the postal officer did not find the address of the Taxpayer (WP) concerned. Another reason is the lack of awareness of the WP in paying tax arrears through a Warning Letter and the WP cannot pay off its tax debt due to difficulty in obtaining profit, if after 21 days the ST is issued, then the next action will be taken to collect it with a Letter of Compulsion.

#### Effectiveness of Tax Collection through Distress Letters

The effectiveness of tax collection through Distress Letters (SP) is analyzed using a comparison formula between issuance and the realization of disbursement of tax arrears through Distress Letters.

**Table 4.**  
**Effectiveness of Tax Collection with Distress Letters**

Year	Publishing (Sheet)	Disbursement (Sheet)	Effectiveness	Criteria	Disbursement (Rp)
2019	1193	349	29%	Ineffective	23,496,040,413
2020	550	472	86%	Quite Effective	24,946,604,513
2021	817	559	68%	Less Effective	7,262,407,757
2022	635	523	82%	Quite Effective	2,891,848,298
2023	741	687	93%	Effective	7,993,386,549

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on Table 4, it can be seen that the results of the calculation of the level of effectiveness of tax collection with Distress Letters from 2019-2023 tend to increase with the highest percentage of tax collection with Distress Letters being achieved in 2023, which is 90% and is included in the effective criteria with the realization of disbursement of IDR 7,993,386,549.

Based on the explanation given by Mr. Irvan Sofwan, this is because Taxpayers have a higher awareness of paying off their tax arrears after tax collection actions are carried out with a Letter of Distress, this is because Taxpayers know the risks or consequences that will occur if they do not immediately pay off their tax arrears, namely that more extreme tax collection actions can be carried out in the form of confiscation.

#### **Effectiveness of Tax Collection with a Letter of Order to Execute Confiscation**

Calculation of the effectiveness of tax collection with a Letter of Order to Execute Confiscation (SPMP) based on a comparison of issuance with the realization of disbursement of tax arrears through SPMP.

**Table 5.**  
**Effectiveness of Tax Collection with a Letter of Order to Execute Confiscation**

Year	Publishing (Sheet)	Disbursement (Sheet)	Effectiveness	Criteria	Disbursement (Rp)
2019	108	26	24%	Ineffective	4,362,139,494
2020	170	34	20%	Ineffective	2,079,240,257
2021	107	40	37%	Ineffective	1,610,256,569
2022	51	25	49%	Ineffective	343,530,157
2023	220	57	26%	Ineffective	4,050,527,495

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on the analysis in Table 4.5, it can be seen that the number of SPMPs issued in 2019-2023 tends to fluctuate. In 2020, the percentage of tax arrears disbursement with SPMP decreased by 4% compared to the previous year. Meanwhile, in 2021, the percentage of tax arrears disbursement with SPMP increased again with the percentage of tax arrears disbursement with SPMP of 37% but still included in the ineffective criteria.

The highest percentage of tax collection with SPMP was in 2022, where the percentage of tax collection effectiveness with SPMP in 2022 was 49%, but its effectiveness was still below 60%, which was still included in the ineffective criteria. Meanwhile, in 2023, the percentage of tax collection effectiveness with SPMP again experienced a fairly drastic decline when compared to 2022, namely a decrease of 23%, which was included in the ineffective criteria.

Based on the results of the interview with Mr. Irvan Sofwan, this condition is caused by various factors, namely the lack of awareness of taxpayers in paying tax obligations, the view of tax as a burden that reduces business income, and limited human resources (HR) which affect the intensity of collection through SPMP by tax officers.

**Effectiveness of Tax Collection with Warning Letters, Compulsion Letters, and Confiscation at KPP Madya Dua Bandung 2019-2023**

**Effectiveness of Tax Collection through Warning Letters**

The following are the results of the calculation of the effectiveness of tax collection by the Bandung Madya Dua Tax Office through a Warning Letter (ST):

**Table 6.**  
**Effectiveness of Tax Collection through Warning Letters**

Year	Publishing (Sheet)	Disbursement (Sheet)	Effectiveness	Criteria	Disbursement (Rp)
2019	1866	687	37%	Ineffective	37.058.198.081
2020	1723	575	33%	Ineffective	30,847,428,944
2021	1544	616	40%	Ineffective	14,445,731,970
2022	3125	928	30%	Ineffective	10,371,714,273
2023	3354	1243	37%	Ineffective	23,477,895,147

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

As seen in Table 6 above, the number of Warning Letters (ST) and the amount of revenue fluctuated from year to year and had a percentage below 60% with effectiveness criteria that were still classified as ineffective. The lowest percentage of tax collection effectiveness with ST was in 2022 with a percentage of 30% and was classified as ineffective. Meanwhile, the highest percentage of tax collection effectiveness with ST was in 2021 with a percentage of tax collection effectiveness of 40% with a disbursement of IDR 14,445,731,970. However, the percentage of tax collection effectiveness with ST which was only 40% is still far from effective.

Based on the results of the interview with Mr. Sudaryono, this was caused by low compliance of Taxpayers (WP) during the implementation of the collection procedure, the delivery of ST that did not reach the WP, and there were still WP who sought justice in the context of the truth regarding the SKP or STP material by filing an appeal or other legal efforts.

**Effectiveness of Tax Collection through Distress Letters**

The following are the results of the calculation of the effectiveness of tax collection by the Bandung Madya Dua Tax Office through a Compulsory Letter (SP):

**Table 7.**  
**Effectiveness of Tax Collection with Distress Letters**

Year	Publishing (Sheet)	Disbursement (Sheet)	Effectiveness	Criteria	Disbursement (Rp)
2019	1245	549	44%	Ineffective	17,714,253,462
2020	1261	525	42%	Ineffective	22,973,901,954
2021	1666	891	53%	Ineffective	19,452,883,541
2022	2605	1605	62%	Less Effective	24.222.114.554
2023	1107	580	52%	Ineffective	19,501,018,873

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

It can be seen in Table 7 above that the number of issuance and disbursement sheets fluctuated in 2019-2023 and the majority had a percentage below 60% which was categorized as ineffective. The lowest percentage of tax collection effectiveness with SP was in 2020 with a percentage of tax collection effectiveness with SP of 42% and was categorized as

ineffective. In the 2019-2023 period, only the percentage of tax collection with SP in 2022 reached an effectiveness value (>60%) with a percentage of tax collection effectiveness of 62% which was included in the less effective category.

According to Mr. Sudaryono, this is due to the rejection from Taxpayers (WP) due to the failure to receive a Warning Letter to the WP so that Taxpayers feel unaware of the collection action in the form of a Distress Letter and other general reasons such as unavailability of funds.

### **Effectiveness of Tax Collection with a Letter of Order to Execute Confiscation**

The following are the results of the calculation of the effectiveness of tax collection by the Bandung Madya Dua Tax Office through the Confiscation Implementation Order (SPMP):

**Table 8.**  
**Effectiveness of Tax Collection with a Letter of Order to Execute Confiscation**

<b>Year</b>	<b>Publishing (Sheet)</b>	<b>Disbursement (Sheet)</b>	<b>Effectiveness</b>	<b>Criteria</b>	<b>Disbursement (Rp)</b>
2019	181	113	62%	Less Effective	15,811,751,525
2020	84	56	67%	Less Effective	11,605,490,397
2021	70	39	56%	Ineffective	3,057,363,728
2022	126	72	57%	Ineffective	6,057,213,208
2023	102	71	70%	Less Effective	4,405,215,803

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

As seen in Table 8 above, the number of issuances and disbursements of tax arrears before confiscation tends to fluctuate. In 2020, the effectiveness of disbursement of tax arrears by confiscation increased compared to 2019 with a percentage of 62%. In contrast to 2020, in 2021 the percentage of effectiveness of tax collection by confiscation decreased by 56% and was included in the ineffective category. Then in 2022 to 2023, the percentage of effectiveness of tax collection by confiscation continued to increase with the highest percentage of effectiveness of confiscation in 2023, namely 70% tax with a level of effectiveness that was classified as less effective.

According to Mr. Sudaryono, several factors that cause not all confiscation letters issued to be paid off by taxpayers include the low ability to pay of taxpayers due to the

absence of assets and the decline in the liquidity of taxpayers' businesses due to the COVID-19 pandemic.

### **Contribution of Active Tax Collection to Tax Revenue of Bandung Medium Tax Office in 2019-2023**

#### **Active Tax Collection Contribution via Warning Letter**

The contribution of tax collection with a Warning Letter (ST) to the disbursement of tax arrears at the Bandung Madya Tax Office is calculated by comparing the realization of arrears disbursement through a Warning Letter and the total amount of tax revenue.

**Table 9.**  
**Active Tax Collection Contribution via Tax Return Letter**

<b>Year</b>	<b>ST Realization (Rp)</b>	<b>Realization of Arrears (Rp)</b>	<b>Contribution</b>	<b>Criteria</b>
2019	22,925,664,582	64,859,113,131	35.35%	Pretty good
2020	7,412,439,336	81,403,319,475	9.11%	Very less
2021	31,853,858,244	75,402,859,456	42.24%	Good
2022	37,659,538,718	84,827,122,066	44.40%	Good
2023	35,923,481,246	79,898,087,371	44.96%	Good
Average			35.21%	Pretty good

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on Table 9, it can be seen that the percentage of active tax collection contributions through Warning Letters (ST) to the disbursement of tax arrears at KPP Madya Bandung in 2019-2023 tends to increase. In 2019, the contribution to the disbursement of tax arrears was 35.35% which is included in the fairly good criteria. Meanwhile, in 2020, the contribution to the disbursement of tax arrears with ST experienced a significant decrease of 26.24% from 2019 with the percentage of tax collection contribution through Warning Letters of 9.11% which is included in the very low category. Then in 2021 it increased again by 33.13% with the percentage of active tax collection contribution through ST to the disbursement of tax arrears of 42.24% and continued to increase in the following year with the highest percentage of active tax collection contribution through ST to the disbursement of taxes at KPP Madya Bandung in 2023 of 44.96% which is included in the good category.

### Active Tax Collection Contribution through Distress Letter

The contribution of tax collection with a Distress Letter (SP) to the disbursement of tax arrears at the Bandung Medium Tax Office is calculated by comparing the realization of the disbursement of arrears through SP and the total amount of tax revenue.

**Table 10.**  
**Active Tax Collection Contribution through Distress Letter**

Year	ST Realization (Rp)	Realization of Arrears (Rp)	Contribution	Criteria
2019	23,496,040,413	64.859.113.131	36.23%	Pretty good
2020	24,946,604,513	81,403,319,475	30.65%	Pretty good
2021	7,262,407,757	75,402,859,456	9.63%	Very less
2022	2,891,848,298	84,827,122,066	3.41%	Very less
2023	7,993,386,549	79,898,087,371	10%	Very less
Average			17.98%	Not enough

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on Table 10, it can be seen that the percentage of active collection contribution through SP to the disbursement of tax arrears at KPP Madya Bandung in 2019-2023 tends to decrease. In 2019, the contribution of tax arrears disbursement with the issuance of SP was 36.23% and was classified as quite good. Then in the following years, the percentage of tax collection contribution with SP continued to decline with the percentage of tax collection contribution with SP to the disbursement of the lowest tax arrears reaching 3.41% which is classified as very lacking. In 2023, the percentage of tax collection contribution with SP increased again with the percentage of tax collection contribution with SP to the disbursement of tax arrears of 10% which is classified as very lacking.

### Active Tax Collection Contribution through Seizure Order

The contribution of tax collection with the Letter of Order to Execute Confiscation (SPMP) towards the disbursement of tax arrears at the Bandung Medium Tax Office is calculated by comparing the realization of disbursement of arrears through the SPMP and the total amount of tax revenue.

**Table 11.**  
**Active Tax Collection Contribution through Seizure Order**

<b>Year</b>	<b>ST Realization (Rp)</b>	<b>Realization of Arrears (Rp)</b>	<b>Contribution</b>	<b>Criteria</b>
2019	4,362,139,494	64.859.113.131	6.73%	Very less
2020	2,079,240,257	81,403,319,475	2.55%	Very less
2021	1,610,256,569	75,402,859,456	2.14%	Very less
2022	343,530,157	84,827,122,066	0.40%	Very less
2023	4,050,527,495	79,898,087,371	5.07%	Very less
Average			3.38%	Very less

(Source: Inspection, Assessment and Collection Section, Bandung Medium Tax Office)

Based on Table 11 above, it can be seen that the percentage of active collection contributions through Confiscation Execution Orders (SPMP) towards the disbursement of tax arrears at KPP Madya Bandung in 2019-2023 tends to decrease. In 2019, the highest tax revenue contribution was obtained through the issuance of SPMP, amounting to 6.73%, but it was still included in the very low category. From 2020 to 2022, the percentage contribution of tax revenues to the disbursement of tax arrears continues to decline until it reaches 0.40% in 2020, which is categorized as very low. Then in 2023, the percentage contribution for disbursement of tax arrears using SPMP will again increase with the percentage contribution for tax collection using Confiscation Execution Orders (SPMP) of 5.08% and is classified as very poor.

According to Mr. Irvan, Tax Bailiff of KPP Madya Bandung, the low contribution of tax arrears receipt through the Seizure Order is considered reasonable because the collection actions are sequential starting from the Warning Letter (ST), Compulsion Letter (SP), Seizure Order (SPMP), Blocking, and finally Prevention. Therefore, the realization of collection actions in the form of SPMP which is not too significant is not a problem when the realization of the overall collection disbursement still meets the target, which means that most Taxpayers have paid their arrears without first carrying out a seizure. However, it cannot be denied that the lack of human resources in the Bailiff, which only numbers one person, is also a contributing factor to the low tax arrears receipt through the Seizure Order. The number of human resources for bailiffs from 2020 to 2023 has continued to decline, namely three people in 2020, two people in 2021 and 2022, and one person in 2023. In facing this condition, the

Bandung Madya Tax Office is trying to optimize the achievement of tax arrears collection with a Compulsion Letter, so that it is not necessary to proceed to the next action, namely confiscation.

### **Contribution of Active Tax Collection to Tax Revenue of KPP Madya Dua Bandung 2021-2023**

#### **Active Tax Collection Contribution via Warning Letter**

The following are the results of the calculation of tax collection contributions from the Bandung Madya Dua Tax Office through a Warning Letter (ST):

**Table 12.**  
**Active Tax Collection Contribution via Warning Letter**

<b>Year</b>	<b>ST Realization (Rp)</b>	<b>Realization of Arrears (Rp)</b>	<b>Contribution</b>	<b>Criteria</b>
2021	14,445,731,970	88,719,685,192	16.28%	Not enough
2022	10,371,714,273	116,779,718,639	8.88%	Very less
2023	23,477,895,147	72,663,817,665	32.31%	Pretty good
Average			19.16%	Not enough

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

Based on Table 12, it can be seen that the percentage of active tax collection contribution with Warning Letters (ST) to the disbursement of tax arrears at KPP Madya Dua Bandung in 2021-2023 tends to fluctuate. In 2021, the contribution of tax revenue through the issuance of ST was 16.28% and was classified as lacking. Then in 2022, the contribution of collection through Warning Letters experienced a significant decrease to reach the lowest percentage of 8.88% and was classified as very lacking. However, in 2023, the contribution of collection through Warning Letters increased and reached the highest percentage of 32.31% and was classified as quite good.

#### **Active Tax Collection Contribution through Distress Letter**

The following are the results of the calculation of the tax collection contribution of the Bandung Madya Dua Tax Office through the Compulsory Letter (SP):

**Table 13.**  
**Active Tax Collection Contribution via Distress Letter**

Year	ST Realization (Rp)	Realization of Arrears (Rp)	Contribution	Criteria
2021	19,452,883,541	88,719,685,192	21.93%	Currently
2022	24.222.114.554	116,779,718,639	20.74%	Currently
2023	19,501,018,873	72,663,817,665	26.84%	Currently
Average			23.17%	Currently

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

Based on Table 13, it can be seen that the percentage of active tax collection contribution through SP to the disbursement of tax arrears at KPP Madya Dua Bandung in 2021-2023 tends to fluctuate. In 2021, the contribution of tax revenue through the issuance of SP was 21.93% and was classified as moderate. Then in 2022, the percentage of tax collection contribution with SP decreased to a percentage of tax collection contribution of 20.74% and was classified as moderate. Furthermore, in the following year, the highest contribution was achieved in 2023, which was 26.84%, and was classified as moderate.

**Active Tax Collection Contribution through Seizure Order**

The following are the results of calculating the tax collection contribution of KPP Madya Dua Bandung through a Confiscation Order (SPMP):

**Table 14.**  
**Active Tax Collection Contribution through Seizure Order**

Year	ST Realization (Rp)	Realization of Arrears (Rp)	Contribution	Criteria
2021	3,057,363,728	88,719,685,192	3.45%	Very less
2022	6,057,213,208	116,779,718,639	5.19%	Very less
2023	4,405,215,803	72,663,817,665	6.06%	Very less
Average			4.90%	Very less

(Source: Inspection, Assessment and Collection Section, Bandung Second Middle Tax Office)

Based on Table 4.16, it can be seen that the percentage of active tax collection contribution with a Letter of Order to Execute Confiscation (SPMP) towards the disbursement of tax arrears at KPP Madya Dua Bandung in 2021-2023 tends to increase. In 2021, the contribution of collection through confiscation reached the lowest percentage,

which was 3.45%, and was categorized as very lacking. Meanwhile, in 2022, the percentage of collection contribution through a letter of confiscation increased by 5.19% and was categorized as very lacking. Then in the following year, the highest percentage of contribution was achieved in 2023, which was 6.06% and was categorized as very lacking.

### **Obstacles in the Implementation of Tax Collection Actions**

Obstacles faced by the Medium Tax Office in the West Java I Regional Tax Office in carrying out tax collection actions include, among others, the inconsistency of the Taxpayer's (WP) address and telephone number which makes it difficult for Bailiffs to carry out the tax collection process, the lack of Human Resources (HR) for Tax Bailiffs, the low ability of Taxpayers to pay, non-cooperative Taxpayers, and the ongoing legal efforts made by Taxpayers also become obstacles for Bailiffs in disbursing tax receivables through collection actions.

### **Efforts to Overcome Obstacles in the Implementation of Tax Collection Actions**

Efforts made by the KPP Madya in the West Java I Regional Office of the Directorate General of Taxes in dealing with obstacles during the implementation of tax collection include, namely, analyzing the characteristics of Taxpayers, contacting or visiting the Taxpayer's residence, tracing Taxpayer assets, conducting counseling with Taxpayers, automating tax collection actions, and collaborating with third parties such as banks, PPATK, BPN, and Customs.

### **Taxpayer's Response to Tax Collection Actions**

The taxpayer's response to tax collection actions, especially tax collection actions with Warning Letters and Compulsion Letters, generally initially refuse and are not cooperative during the implementation of tax collection procedures, which reflects low voluntary compliance. However, after tax collection actions are carried out with a Letter of Order to Execute Confiscation, the majority of Taxpayers will have more motivation to pay off their tax arrears because basically, Taxpayers know that if tax arrears are not paid off within the period stipulated in the Law related to taxation, then actions can be taken in the form of confiscation and other extreme actions such as prevention and hostage-taking. This shows the existence of forced compliance, where Taxpayers comply with the regulations because they are afraid of more serious consequences such as confiscation, prevention, and

hostage-taking. This statement is following the theory of Taxpayer compliance where the use of sanctions in the form of law enforcement actions can increase Taxpayer compliance.

## CONCLUSION

The effectiveness of active tax collection with Warning Letters (ST) and Confiscation at KPP Madya Bandung tends to be ineffective with an average percentage of tax collection in 2019-2023 with ST of 49% and confiscation of 31%. However, the average percentage of effectiveness of tax collection with Distress Letters (SP) in 2019-2023 has reached 70% but is still categorized as less effective. At KPP Madya Dua Bandung, the percentage of tax collection with ST and SP tends to be ineffective with an average percentage of tax collection in 2019-2023 of 35% for ST and 35% SP. However, the average percentage of effectiveness of tax collection with confiscation in 2019-2023 has reached 62% which is categorized as less effective. Based on the level of contribution of tax collection actions at KPP Madya Bandung, ST has a greater impact on Taxpayers when compared to SP and confiscation. Meanwhile, at KPP Madya Dua Bandung, the contribution of tax collection actions with SP has a greater impact on the disbursement of tax arrears than collection actions with ST and confiscation.

Obstacles of KPP Madya in the West Java I Regional Tax Office in implementing tax collection actions include, namely, the inconsistency of the Taxpayer's (WP) address and telephone number which makes it difficult for Bailiffs to carry out the collection process. Next, the lack of Bailiff HR is also a factor that is an obstacle to the implementation of tax collection because the number of Bailiffs affects the implementation of collection actions in the field. Low ability to pay Taxpayers, uncooperative Taxpayers, and the ongoing legal efforts made by Taxpayers also become obstacles for Bailiffs in disbursing tax receivables through collection actions.

Efforts made by the KPP Madya in the West Java I Regional Tax Office in dealing with obstacles during the implementation of tax collection include, namely, analyzing the characteristics of Taxpayers (WP), contacting or visiting the WP's residence, tracing WP assets, conducting counseling with WP, automating tax collection actions, and collaborating with third parties such as banks, PPATK, BPN, and Customs.

The taxpayer's response to tax collection actions, especially tax collection actions with a Warning Letter (ST) and a Compulsion Letter (SP), generally initially refuses and is uncooperative during the implementation of the tax collection procedure. However, after the tax collection action is carried out with a Confiscation Order (SPMP), the majority of Taxpayers (WP) will have more motivation to pay off their tax arrears because basically, WP knows that if tax arrears are not paid off within the period stipulated in the Law related to taxation, then actions can be taken in the form of confiscation and other extreme actions such as prevention and hostage-taking.

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