

The Implementation of Bureaucratic Reform Pillars in Increasing Taxpayer Compliance at Semarang Tax Service Office

Suwandoko, Rodiyah

Suwandoko

Postgraduate Program, Faculty of Law, Universitas Negeri Semarang
✉ suwandoko91@gmail.com

Rodiyah

Department of Constitutional and Administrative Law, Faculty of Law
Universitas Negeri Semarang, Indonesia

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Article Info**Abstract**

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Semarang City Tax Office which has the main task to collect the tax revenue in the context of national development, then the Semarang Tax Office Associate implemented bureaucratic reform pillars in improving tax compliance. This paper examined the compliance of taxpayer in the theory of bureaucratic reform. The paper emphasized that the urgency of the implementation of bureaucratic reform pillars at the Semarang Tax Office, which consists of philosophical, sociological and juridical aspects. The implementation of bureaucratic reform pillars in improving taxpayer compliance at Semarang Tax Office was examined by the implementation model of bureaucratic which influences the bureaucratic reform pillars, which indicates that taxpayer compliance level is less than optimal. The obstacles were employees who are less than optimal in the field of taxation and taxpayers who are less obedient in payment and tax reporting. The efforts did through the socialization of the bureaucratic reform pillars implementation to employees and taxpayers to improve taxpayer compliance and tax revenue.

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INTRODUCTION

A STATE is the highest organization in the life of society in a region. As an organization, the state has a purpose contained in the state constitution that is in accordance with the fourth paragraph of the 1945 Constitution Preamble of Indonesian Republic State. It needs a gradual, planned, and sustainable development. The people's desire to enjoy the efficient, responsive and accountable public services in the political, economic, legal and social sectors is far from expectations. State apparatuses as state organizers, between legislative, judicial, and executive are also unable to create meaningful changes in government performance. The check and balances in general the concept and principle of *trias politica* with state power derived from the people

and should be used for the welfare and prosperity of the people (Rodiyah 2016).

The culmination of the demand for change is the economic crisis experienced by the Indonesian Nation in 1997 and in 1998 has developed into a multidimensional crisis. These conditions resulted in strong demands from all walks of life to the government for immediate an organizational reform of nation and state life. Since then, there have been important changes become the cornerstone of the reform era in politics, law, economics, and bureaucratic, known as reform (Chapter I Introduction of Presidential Regulation Number 81 of 2010 on the Grand Design of Bureaucratic Reform 2010-2025).

Bureaucracy itself, according to Cope (1997), historically was proposed and implemented as a reform of the undemocratic, elitist, and often corrupt political and governmental systems that preceded it—systems complete with patronage, special interest influences, inefficiency, and high taxes. Bureaucracy now is associated often with similarly pejorative concepts such as inefficiency, rule-bound action, low productivity, lack of responsiveness, and high taxes. Bureaucratic reform often is cited as the way to ameliorate if not eliminate these ills, to increase government's responsiveness to the public's needs, and to improve the political accountability of government agencies and bureaucrats. But, in Indonesia, bureaucratic reform is a public hope for the government to be able to combat corruption and establish a clean government and efficient, responsive and accountable public services.

Therefore, Law No. 28 of 1999 on the Implementation of a Clean and Free State of Corruption, Collusion and Nepotism was formed. The changes are made to carry out the roles and functions of bureaucratic in a timely manner, quickly and consistently, in order to produce the benefits as mandated by the constitution. It has become a demand in realizing good governance. Muhtada (2017) stated that the reform will result in more efficient decision-making and services. Moreover, Hoadley (2014) emphasized that the main characteristics of administration or bureaucracy are continuity, longevity, and conservatism. Translated into policy, continuity refers to the senatorial function contributing to social/ governmental stability at the price of flexibility, longevity to the predominance of seniority over performance in determining civil servants' position and rewards, and conservatism to the application of rules or accepted ways of doing things derived external to the administration in question.

Recently, almost all government agencies, especially ministries and agencies, have been preoccupied with efforts to reform the Bureaucratic. This is done because of the bad state of Indonesia bureaucratic before and in the 1998 reform period, it is necessary to reform bureaucratic in every bureaucratic institution in Indonesia, and it is very important for Indonesia because the reform—bureaucratic reform—become one of the indicator for World Bank to assess the development of certain country (Cruz and Keefer 2015). Therefore, law writing will bring the theme of bureaucratic reform in

Indonesia so that the general public knows what is bureaucratic reform, and also the public can find out how effective bureaucratic reform that has been running in bureaucratic institutions of Indonesia nowadays.

One of the bureaucratic institutions that conduct bureaucratic reform is the Ministry of Finance. This law writing takes the example of the Ministry of finance because it one of the bureaucratic reform pilots which enacted since 2006 (Inspectorate General of Tax the Ministry of Finance 2012: 5). Through the Decree of the Minister of Finance No. 185/KMK.01/2012 on Amendment to the Minister of Finance Decree No. 345/KMK.01/2011 on the Road Map of Bureaucratic Reform of the Ministry of Finance of 2010-2014, has launched a bureaucratic reform that covers various priority programs. The program includes organizational structuring, business process improvement, and refinement of human resource management (HR).

Along with the steps of the Ministry of Finance and in order to realize its vision, mission and objectives, the Directorate General of Taxes which is one of the institutions under the Ministry of Finance has also conducted bureaucratic reforms. Semarang Tax Service Office was formed as one of the realization of bureaucratic reform program in Directorate General of Taxation, based on Minister of Finance Regulation No. 132/PMK.01/2006 about Organization and Working Procedure of Vertical Institution of Directorate General of Taxation. As already revoked and declared invalid by the Minister of Finance Regulation No. 206.2/PMK.01/2014 on the Organization and Administration of Vertical Institutions of the Directorate General of Taxation. Semarang Tax Service Office has the main duty in collecting tax revenue that has been targeted, because one of the most important source of state revenue is derived from the tax sector. As already known that the following is the data on the number of Taxpayers in the Office of Tax Service Semarang City:

Table 1 Number of Taxpayers

Year	Number of Taxpayers	Target of Tax Receipts
2014	1.265	9.117.423.669.000
2015	1.271	16.263.966.928.000
2016	1.457	18.618.437.504.000

Source: Tax Office Semarang (2017)

The tax target achievement, it needs to continually grow the awareness and compliance of Taxpayers to meet tax obligations under an applicable regulation. Considering Taxpayer's awareness and compliance is an important factor for tax revenues. Thus the Semarang Tax Service Office implements the pillars of bureaucratic reform improving the compliance of Taxpayers.

Based on the description that has been put forward in the background above, it can be taken several issues to be discussed, including:

1. Why do urgent implementation of bureaucratic reform pillar implemented at Semarang Tax Office?
2. How is the implementation of the bureaucratic reform pillars in improving the compliance of Taxpayers at the Semarang Tax Service Office?

Based on the description above, the research method used is a qualitative research approach that gives a detailed, systematic and comprehensive description of the implementation of the bureaucratic reform pillars in improving taxpayer compliance at the Office of Tax Service Semarang City. A socio juridical research is a juridical related to Legislation. Sociologically, it focused on the implementation of legal effectiveness, legal rules or rules of law itself, employees, facilities at the Tax Office Madya Semarang, Taxpayer Compliance.

THE URGENCY IMPLEMENTATION OF BUREAUCRATIC REFORM PILLARS IN THE SEMARANG TAX SERVICE OFFICE

BUREAUCRATIC reform is one way to build people's trust. Bureaucratic reform itself is an attempt to change the principal in a system whose purpose is to change the structure, behavior, and the existence or habit that has long. Bureaucratic reform is not only limited to processes and procedures, but also links changes in the level of structure, attitude, and behavior. Furthermore, Foster and Jones (1978) explained concerning to Weber's model of bureaucracy, that heavily emphasized rules, hierarchical authority, and obedience. Two of the primary principles in his "Essay on Bureaucracy" are the existence of "fixed and official jurisdictional areas which are generally ordered by rules," and the creation of an "office hierarchy and of graded levels of authority".

Sedarmayanti (2009) stated that bureaucratic reform is a government effort to improve performance through various means with effectiveness, efficiency and accountability. Further, Azizi (2007) stressed that the main buffer of reform is good governance one of the main basic is a good bureaucratic. With a good governance and supported by bureaucratic in accordance with demands can be realized sustainable government to carry out the mandate of the people. Another scholar, Kasim (2013) emphasized that Government of Indonesia has launched bureaucratic reform that aims to develop clean, efficient, effective and productive bureaucracies. The reform is designed to create transparent bureaucracy which serves the people and accountable to the public. The purpose of bureaucratic reform is to increase government's bureaucracy performance. Tachjan (2006) pointed out that the components in the public policy implementation system consist of:

1. Program (policy) implemented.
2. Target groups, it is a community groups that are targeted, and are expected to receive benefits from the program, changes or upgrades.

3. The implementing elements, whether organizations or individuals, are responsible for the management, implementation and supervision of the implementation process.

4. Environmental factors (physical, social, cultural and political).

Wihantoro, *et.al.* (2015) stated that the bureaucratic reform initiatives at the Tax Office are appraised due to its direct impact and significance of its services to the public. According to Transparency International, these initiatives are significant and observable. In a study of tax or finance managers, who are responsible for dealing with the Indonesian tax office, calculating tax and/or deciding overall tax payment processes, it was reported that current tax administration has improved.

The tax compliance itself, this concern about the deterioration in voluntary tax compliance has produced a myriad of research (for review, see Schadewald, 1989; Nam *et al.*, 2002; Hite and Hasseldine, 2003; Bobek and Hatfield, 2003). Previous researchers have examined how individual compliance is affected by age (Tittle, 1980; Grasmick *et al.*, 1984), Sex (Minor, 1978; Grasmick and Scott, 1980), income source (Madeo *et al.*, 1985), occupation (Mason and Calvin, 1978; Westat, 1980), fairness (Yankelovich *et al.* 1984; Etzioni, 1986), complexity (Sanders and Wyndelts, 1989; Magro, 1999; Spilker *et al.*, 1999), tax rates (Mason and Calvin, 1984; Keller, 1998), tax compliance costs (Nam *et.al.*, 2002), audit adjustments (Chan and Mo, 2002) and moral obligation (Bobek and Hatfield, 2003). However, on this study—on Semarang Tax Office—there are several aspects of the urgency of the implementation of the bureaucratic pillars reform in the Semarang Tax Office, such as:

1. Philosophical aspect related to the implementation of the bureaucratic pillars reform in the Semarang Tax Office in line with the philosophy of the Indonesian nation that is Pancasila.

2. Sociological Aspect

a. Semarang Tax Service Office applying the basic principles of Good Corporate Governance that is needed to encourage the creation of an efficient, transparent and consistent bureaucratic.

b. Semarang Tax Service Office prevents the existence of corruption level of tax administration in public sector organizations.

c. Semarang Tax Service Office prevents the incidence of corruption of tax administration in public sector organizations (Training Module of Modern Administration System of Change by Taxes Management Directorate General Regional Office of Central Java I).

3. Juridical Aspect

The juridical aspect related to the implementation of the bureaucratic pillars reform at the Semarang Tax Office, are:

a. 1945 Constitution

b. Law Number 28 of 1999 on the Implementation of a Clean and Free State of Corruption, Collusion and Nepotism

c. Law Number 17 Year 2003 regarding State Finances

- d. Law Number 11 Year 2016 on Tax Amnesty
- e. Presidential Regulation No. 81/2010 on the Grand Design of Bureaucratic Reform 2010-2025
- f. Minister of Finance Republic Indonesia Regulation Number 161/PMK. 01/2012 on the Second Amendment of the Minister of Finance Regulation No. 29/PMK.01/2007 on Guidelines for Improving Discipline of Civil Servants in the Ministry of Finance
- g. Minister of Finance Regulation No. 206.2/PMK.01/2014 on the Organization and Working Procedures of Vertical Institutions of the Directorate General of Taxation
- h. Minister of Finance Decree No. 185/KMK.01/2012 on Amendment to the Minister of Finance Decree No. 345/KMK.01/2011 concerning Road Map of Bureaucratic Reform of the Ministry of Finance Year 2010-2014

THE IMPLEMENTATION OF BUREAUCRATIC REFORM PILLARS IN IMPROVEMENT OF THE TAXPAYER COMPLIANCE IN THE SEMARANG TAX SERVICE OFFICE

INTERNAL and external demands have made the Semarang Tax Service Office a step to increase high taxpayer compliance, increase trust to high tax administration, increase tax revenue, increase integrity and high employee productivity. In this case, the implementation model used to analyze the pillars of bureaucratic reform at the Semarang Tax Service Office is a model of Van Meter and Van Horn, which is influenced by several independent variables that are related, the variables are:

1. Standard and Policy Objectives of Bureaucratic Reform Pillar at Semarang Tax Office
 - a. Pillar of Organizational Structuring

Implementation of bureaucratic reform pillar at Semarang Tax Office related to organizational structuring standard is done to anticipate environmental changes both internal and external in order to create an organizational structure and culture that is able to reflect and transform tasks and functions carried by the organization. The organizational structure is a framework in a fixed pattern of relationships among functions, units, or positions, as well as persons who show different positions, duties, powers and responsibilities within an organization. The organizational chart is a picture of an organizational structure that shows the composition of functions, units or positions and shows how relationships between them. Separate organizational units are usually depicted in boxes,

connected to each other with lines indicating the chain of commands and lines of communication.

The implementation of bureaucratic reform pillars in Semarang Tax Service Office related organizational structuring goals, are:

- 1). To provide direction and reference for Semarang Tax Office Semarang in organizational structuring accordance with organizational principles, procedures and regulations apply.
- 2). To ensure that any organizational structuring does not prioritize the interests of individual organizational units, but prioritizes the interests of the organization of the Semarang Tax Office as a whole.
- 3). To realize a more effective and efficient organization in carrying out tax administration and in accordance with the development and demands of society, and technological advances in all units of the organization within the Semarang Tax Office in order to realize good governance.

b. Pillar of Business Process Improvement

The implementation of bureaucratic reform pillars at Semarang Tax Office related to pillar standard of business process improvement to information and communication technology is formed by referring to applicable law instrument, industry standard, and internal requirement at Semarang Tax Office refers to Director General of Tax Regulation Number PER-37 / PJ / 2010 on the Information Technology and Communication Governance Policy of the Directorate General of Taxation. Implementation of the bureaucratic reform pillars in the Semarang Tax Service Office related to the policy objectives of business process improvement in the field of information and communication technology, namely:

- 1). Provide clear reference to the establishment of information and communication technology.
- 2). Organize and manage the entire planning process, realization, daily operations, security, service continuity, and internal evaluation of information and communication technology through a firm and transparent leadership path.
- 3). Support in modernization in the field of information and communication technology.

Implementation of pillars of bureaucratic reform at Semarang Tax Office related to standard of business process improvement in the field of facilities and infrastructure, namely:

- 1). Facilities and infrastructure are conducted on the basis of orderly, fair, transparent, efficient and effective principles, benefits, safety, prosperity, decency and accountability.
- 2). Facilities and infrastructure are prepared in accordance with the needs and by type of undertaken work.

Implementation of bureaucratic reform pillar at Semarang Tax Office related to policy objectives of business process improvement in the field of facilities and infrastructure, are:

- 1). Facilities and infrastructure to support the implementation of an apparatus work process in improving performance in accordance with the duties and responsibilities.
- 2). Facilities and services aim to a fluent work process, fluent internal and external work relations among officials, facilitate communication, fluent supervision and security tasks and facilitate the safeguarding of archives and documentation
- 3). Facilities and infrastructure aims to provide an excellent service to Taxpayers.

Implementation of bureaucratic reformation pillar at Semarang Tax Office related to standard of business process improvement in Taxpayer service field referring to Director General of Tax Regulation Number PER-27/PJ/2016 on Service Standard in Integrated Service Area of Tax Service Office, as amended Director General of Tax Regulation No. PER-02/PJ/ 2017 on Amendment to the Director General of Tax Regulation No. PER-27/PJ/2016 on Service Standards in Integrated Service Place of Tax Service Office. Implementation of the bureaucratic reform pillars at Semarang Tax Office related to the policy objectives of business process improvement in the field of Taxpayer services, are:

- 1). Service standard is a benchmark that is used as guideline of service delivery and service quality assessment.
 - 2). Service standard aims to provide certainty, improve the quality and service performance in accordance with the needs of Taxpayers and aligned with the ability of employees at the Semarang Tax Office to gain the trust of Taxpayers.
 - 3). Creating the spirit of excellent service by Employees at the Semarang Tax Office to improve taxpayer compliance.
- c. Pillar of Discipline Improvement and Human Resources (HR)

The implementation of bureaucratic reform pillars at Semarang Tax Office related to pillar of discipline improvement activities and Human Resources (HR), are:

- 1). Employees at the Semarang Tax Office maintain and uphold high moral and ethical standards.
- 2). Employees at the Semarang Tax Office apply the rights and obligations professionally and without any intervention from any party.
- 3). Employees at the Semarang Tax Office implement the provisions of legislation related to employee discipline.
- 4). Employees at the Semarang Tax Office show integrity and exemplary attitude and behavior.

The implementation of bureaucratic reform pillars at Semarang Tax Office related to the goals of disciplinary and human resource improvement policies, are:

- 1). Supporting effective, efficient and open state governance, and free from corrupt, collusion and nepotism practices.
- 2). Realizing Employees at the Semarang Tax Office that is dynamic and cultured in achieving performance.
- 3). Ensure the formation of Employees at the Semarang Tax Office that is respected by the society to improve the compliance of Taxpayers.

2. Resources of Bureaucratic Reform Pillar at Semarang Tax Office

a. Pillar of Organizational Structuring

The implementation of bureaucratic reform pillars at Semarang Tax Office related to resources of organizational structuring refers to the Minister of Finance Regulation No. 206.2/PMK.01/2014 on the Organization and Working Procedures of Vertical Institutions of the Directorate General of Taxation and in accordance with the Director General of Tax Decree No. KEP-134/PJ/2015 concerning Amendment to the Director General of Taxes Decree Number KEP-31/PJ/2015 concerning Implementation of Organization, Work Procedure and Operation Time of Vertical Institution of Directorate General of Taxation as regulated in the Minister of Finance Regulation No. 206.2/PMK.01/2014 on Organization and Working Procedures of Vertical Institution of Directorate General of Taxation.

b. Pillar of Business Process Improvement

The implementation of bureaucratic reform pillars at Semarang Tax Office related to resources business process improvement in the field of information technology and communication, are:

- 1). The ability of employees in utilizing information and communication technology to serve Taxpayers more effectively and efficiently.
- 2). The development of data processing and taxation duties that are tasked to process taxation data and documents to be accessed quickly and accurately by employees at the Semarang Tax Service Office.

The implementation of bureaucratic reform pillars at Semarang Tax Office related to resources business process improvement in the field of facilities and infrastructure, are:

- 1). Professional facilities and infrastructure that direct Employees at the Semarang Tax Office in completing the work easier and get maximum efficiency and effectiveness in the service to the Taxpayer.

- 2). Increase work productivity by Employees at the Semarang Tax Service Office.

The implementation of bureaucratic reform pillars at Semarang Tax Office related to resources business process improvement in the field service to the Taxpayers are the realization of the purpose of improving the service, has been made efforts to improve and/ or improve services, including transparency of business processes, establish and/ or shorten the norm of service completion time, cost certainty information and service administration requirements, and improve the quality of service results.

- c. Pillar of Discipline Improvement and Human Resources (HR)

The implementation of bureaucratic reform pillars at Semarang Tax Office related to the resources of discipline improvement and human resources (HR), are:

- 1). Improving the ability of employees at the Semarang Tax Office optimally, qualified and ideal.
- 2). Semarang Tax Service Office having professional and responsible human resources that will improve the efficiency and effectiveness of services to the community.

3. Characteristics of Organizers Executing Bureaucratic Reform Pillar at Semarang Tax Office

- a. Pillars of Organizational Structuring

The implementation of bureaucratic reform pillars at Semarang Tax Office related to characteristic of execution organizer are the separation and sharpening of organizational functions that can create an organizational structure that produces quality policies and can provide the best service to the community. The orientation of public aspirations have been made the Semarang Tax Office as a bureaucratic organization sensitive to the demands of public services, produce policies, and a fair and a rational services.

- b. Pillars of Business Process Improvement

The implementation of bureaucratic reform pillars at Semarang Tax Office related to character of organization of business process improvement in the field of information and communication technology, which is very confidential, confidential, limited and public. The policies and rules for the use of information assets are established and apply to all employees and the third parties.

The implementation of bureaucratic reform pillars at Semarang Tax Office related to character of organization of business process improvement in the field of facilities and infrastructure, are:

- 1). Facilities and infrastructure to support the performance process of Employees at the Semarang Tax Office more effective and efficient.

- 2). Facilities and infrastructure to facilitate working relationships and in accordance with the needs and meet the requirements that have been set.

The implementation of bureaucratic reform pillars at Semarang Tax Office related to characteristics the organization of business process improvement in the field of the service to the Taxpayers that is simple, sure, open, fair, timely. The services provided by the Semarang Tax Office prioritize the general welfare in an aspiration, accommodative, and selective manner, with the intention of requiring the Semarang Tax Service Office to prioritize service interests.

- c. Pillars of Discipline Improvement and Human Resources (HR)

The implementation of bureaucratic reform pillars at Semarang Tax Office related to characteristics the organization of discipline improvement and Human Resources (HR), that is the Employees at the Semarang Tax Office act consistently in accordance with the values and policies of the organization and professional code ethics.

4. Communication between related organizations and activities of the implementation of Bureaucratic Reform Pillar at Semarang Tax Service Office

- a. Pillar of Organizational Structuring

The implementation of bureaucratic reform pillars at Semarang Tax Office related to communication between related organizations and activities, are:

- 1). Communication within the organization has the functions to implement policies or regulations, provide guidance or instruction on work procedures, submit directives or doctrine, evaluate, reprimand, provide information about organizational goals, incentive organizational policies and provide explanations.
- 2). Communication within the organization to improve coordination of tasks, problem-solving efforts, information sharing, conflict resolution efforts and fostering family relationships among members of the organization for better intertwining.
- 3). Communication within the organization that unites each Employee at the Semarang Tax Office to have the same vision and mission.

- b. Pillar of Business Process Improvement

Implementation of bureaucratic reform pillar at Semarang Tax Office to communication between related organization and implementation activities of business process improvement in information and communication technology, that is through electronic media that can give well information that will result to employees to get more information , better effective and efficient.

Information obtained will make the Employees at the Semarang Tax Office understand about what to do.

Implementation of bureaucratic reform pillar at Semarang Tax Office to communication between related organizations and activities of business process improvement in the field of facilities and infrastructure are to support the communication process and provide information in an efficient and efficient manner.

Implementation of bureaucratic reform pillars at Semarang Tax Office to communication between related organizations and implementation activities of business process improvement in the field of service to Taxpayers, which is communication between employees of Semarang Tax Office that can realize the effective and efficient and efficient service.

c. Pillar of Discipline Improvement and Human Resources (HR)

Implementation of bureaucratic reform pillar at Semarang Tax Office to communication between related organizations and discipline improvement activities and Human Resources (HR) are communication that aims to control the behavior of members of the organization and keep the members of the organization to comply with rules and orders that have been set together.

5. Attitude of the Pillars of Bureaucratic Reformers at the Semarang Tax Service Offices

a. Pillar of Organizational Structuring

The implementation of bureaucratic reform pillar at Semarang Tax Office related attitude of organizational managers, namely:

- 1). Semarang Tax Service Office has a broad and far-reaching perspective on good governance.
- 2). Semarang Tax Service Office committed to the vision and mission that has been determined.
- 3). Semarang Tax Service Office prioritizes the basis of legislation, compliance, justice and ethics.

b. Pillar of Business Process Improvement

The implementation of bureaucratic reform pillar at Semarang Tax Office Semarang related attitude of perfection of business process executor in information and communication technology, that is::

- 1). Semarang Tax Service Office maintains the credibility so that the information submitted is accurate, balanced.
- 2). The existence of synergy and harmonization of data, information, and fact conveyed really beneficial to the Taxpayer.
- 3). Semarang Tax Service Office provides and delivers information based on the applicable Legislation.

The implementation of the bureaucratic reform pillar in Semarang Tax Office related to the attitude of the implementers of

business process improvement in the field of facilities and infrastructure are the Semarang Tax Service Office develop facilities and infrastructure that can be utilized for long term in supporting employee performance, therefore utilization and maintenance are needed. The purpose of maintenance activities is to maintain facilities and infrastructure on an ongoing basis, the guarantee of the quality of facilities and infrastructure as well as the sustainable advantage of the utilization of facilities and infrastructure.

Implementation of the bureaucratic reform pillars at the Semarang Tax Office related to the attitude of the implementers of business process improvement in the field of service to the Taxpayer, are:

- 1). Services provided by Employees at the Semarang Tax Office to the Taxpayer have certainty and clarity in accordance with applicable provisions.
- 2). Services provided by Employees at the Semarang Tax Office are effective and efficient also provide satisfaction to the Taxpayer.
- 3). Services provided by Employees at the Semarang Tax Service Office showed an excellent service that is more humanist and friendly with Taxpayers.

c. Pillar of Discipline Improvement and Human Resources (HR)

Implementation of the bureaucratic reform pillars at the Semarang Tax Office related to the attitude of the implementers to improve the discipline and Human Resources (HR), namely:

- 1). Discipline is not only in the form of obedience but also the responsibility given by the organization, based on it, the effectiveness of employees increase and they get discipline behavior.
- 2). Employees at the Semarang Tax Office work honestly, orderly, meticulous, and eager.
- 3). Employees at the Semarang Tax Office work professionally and morally as a government organizers who apply the principles of good governance.

6. Social, Economic, and Political Environment of Bureaucratic Reform Pillars in Semarang Tax Service Office

a. Pilar of Organizational Structuring

Implementation of the bureaucratic reform pillars at the Semarang Tax Office related social environment, economic and political organizational structuring, namely:

- 1). Social environment on organizational structuring that influenced by the organizational structure which is still based on the type of tax that is less effective and efficient in service to the Taxpayer. So that the separation and sharpening of organizational functions that can affect the effectiveness of services to the community.

- 2). The economic environment in organizational structure is influenced by the assumption that taxes play a vital role for state revenues to support sustainable national development.
- 3). The political environment on organizational structuring is influenced by the Laws and Regulations such as Presidential Regulation No. 81/2010 on the Grand Design of Bureaucratic Reform 2010-2025, Minister of Finance Regulation No. 206.2/PMK.01/2014 on the Organization and Working Procedures of Vertical Institutions of the Taxation Directorate General and of Minister of Finance Decree No. 185/KMK.01/2012 Amendment to Minister of Finance Decree Number 345/KMK/01/2011 on Road Map of Bureaucratic Reform of Ministry of Finance of 2010-2014 which in that case can accommodate organizational arrangement at Semarang Tax Office that reflecting better governance.

b. Pillar of Business Process Improvement

Implementation of the bureaucratic reform pillars at Semarang Tax Office related social environment, economic and political improvement of business process in information and communication technology, that is::

- 1). The social environment in the improvement of business processes in the field of information and communication technology that is influenced by the aim of delivery service and supervision that is less than the maximum and complaints by internal employees is the inaccuracy of data in addition to the lack of data and information available on the database. Taxpayer difficulties in obtaining information related to taxation. So the development of Information Systems Directorate General of Tax (SI DJP) is a national tax system based website
- 2). The economic environment in the improvement of business processes in the field of information and communication technology is influenced by the assumption that taxes play an important role for state revenue to support sustainable national development.
- 3). The political environment on the improvement of business processes in the field of information and communication technology influenced by the Laws and Regulations such as Minister of Finance Decree No. 185/KMK.01/2012 on Amendment to Minister of Finance Decree Number 345/KMK/01/2011 on Road Map Bureaucratic Reform Ministry Finance Year 2010-2014 and Director General of Tax Regulation No. PER-37/PJ/2010 on Information and Communication Technology Governance Policy of the Taxation Directorate General which in this case may accommodate the effectiveness and efficiency improvement of the provincial

planning, realization, daily operations, service continuity, and internal evaluation of information and communication technology implementation at Semarang Tax Office.

Implementation of the bureaucratic reform pillars at the Semarang Tax Office related to social environment, economic and political improvement of business processes in the field of facilities and infrastructure, namely:

- 1). Social environment on the improvement of business processes in the field of facilities and infrastructure influenced by the increased comfort of the work environment that gives satisfaction to the convenience of taxpayers and comfort of Employees carry out their work and improvement of services to Taxpayers.
- 2). The economic environment in the improvement of business processes in the field of facilities and infrastructure is influenced by the assumption that taxes play an important role for state revenues to support sustainable national development.
- 3). The political environment in the improvement of business processes in the field of facilities and infrastructure influenced by the Laws and Regulations such as Minister of Finance Decree No. 185/KMK.01/2012 on Amendment to Minister of Finance Decree Number 345/KMK/01/2011 on Road Map Bureaucratic Reform of the Ministry of Finance Year 2010-2014 which in that case can accommodate improvement of work environment comfort and improvement of service.

Implementation of the pillars of bureaucratic reform at Semarang Tax Office related to social environment, economic and politics improvement of business processes in the field of services to Taxpayers, namely:

- 1). Social environment on the improvement of business processes in the field of services to the Taxpayers affected by the improvement of the excellent service spirit can provide a sense of satisfaction and comfort in Taxpayers.
- 2). The economic environment in the improvement of business processes in the field of service to taxpayers who influenced the assumption that taxes play an important role for the acceptance of the state to support sustainable national development.
- 3). The political environment in the improvement of business processes in the field of services to the Taxpayers affected by the Laws and Regulations such as Minister of Finance Decree No. 185/KMK.01/ 2012 on Amendment to Minister of Finance Decree Number 345/KMK/ 01/2011 on Road Map Bureaucratic Reform Ministry Finance Year 2010-2014 and Directorate General of Tax Regulation No. PER-27/PJ/ 2016 on Service Standards in Integrated Service Areas Tax Service Office in

which case can accommodate the improvement of excellent service and justice in providing services to Taxpayers.

c. Pillar of Discipline Improvement and Human Resources (HR)

Implementation of bureaucratic reform pillar at Semarang Tax Office related social environment, economics and politics improvement of discipline and Human Resources (HR), that is:

- 1). Social environment on the improvement of business processes in the field of services to Taxpayers who are influenced by professional performance improvement, full of ethics and moral.
- 2). The economic environment in the improvement of business processes in the field of service to taxpayers who influenced the assumption that taxes play an important role for the acceptance of the state to support sustainable national development.
- 3). Political environment on the improvement of business processes in the field of services to Taxpayers affected by the Law and Regulations including Minister of Finance Regulation of the Republic of Indonesia Number 161/PMK. 01/2012 on the Second Amendment of the Minister of Finance Regulation No.29/PMK.01/2007 on Guidelines for Improving Discipline of Civil Servants within the Ministry of Finance and Minister of Finance Decree No. 185/KMK.01/2012 on Amendment to Minister of Finance Decree Number 345/KMK/01/2011 on the Road Map of Bureaucratic Reform Ministry of Finance Year 2010-2014 which in this case can accommodate the improvement of ethics and morality which is implemented in synergy and professional.

7. Policy Performance of Bureaucratic Reform Pillar at Semarang Tax Office

a. Pillar of Organizational Structuring

Implementation of the pillars of bureaucratic reform in the Semarang Tax Service Office related to the performance of organizational structuring policy, namely the organization arrangement in accordance with the vision and mission of the Semarang Tax Office. In the context of organizational structuring management, an evaluation process is needed for performance within the organization. The evaluation process of organizational performance is important, because without evaluation, it will not be known to what extent the organization has effectively made changes to the vision and mission of its. From the evaluation results, it can be known what deficiencies in realizing a sustainable organization and then remedial measures to improve the existing conditions can be done.

b. Pillar of Business Process Improvement

Implementation of the bureaucratic reformation pillars at Semarang Tax Office related to the performance of business process

improvement policy in information and communication technology, information and communication technology governance at Semarang Tax Office is a framework that manages the whole process of planning, realization, daily operation, security, service continuity, and internal evaluations of the operations through a firm and transparent leadership path.

Implementation of bureaucratic reform pillar at Semarang Tax Office related performance of performance policy implementer of business process improvement in field of facility and infrastructure, that is in Semarang Tax Office in a process of work and or service in an organization involving coordination between parts and arranged with operational procedure and supported by adequate facilities and infrastructure. In the replacement of existing facilities and infrastructure in the form of replacement office furniture such as work tables, work chairs, taxpayer waiting seats, service reshuffle to Taxpayers, replacement of Computers and Printers and the existence of queuing machines to provide clarity in the queue of services. Also create a fluent job process and maximize service to Taxpayers. Service room is neatly arranged, waiting room equipped with air conditioning, Mobilephone charger and free internet service and provided brochure or leaflet about taxation service procedure, so that service process more comfortable and effective.

Implementation of the bureaucratic reformation pillars at the Semarang Tax Office related to performance performance policy implementers perfection of business processes in the field of service to the Taxpayer is making a superior service program to the community. The excellent service is as follows:

- 1). The Excellent service can improve transparency..
- 2). The Excellent Service simplifies business processes within the Semarang Tax Service Office.
- 3). The Excellent services can avoid abuse of power from the authorities.
- 4). The Excellent services provide services supported by more professional and competent apparatus.
- 5). Excellent services can avoid practices of corrupt, collusion and nepotism.

c. Pillar of Discipline Improvement and Human Resources (HR)

Implementation of the bureaucratic reform pillars at Semarang Tax Service Office related to the policy performance of improving the quality of Human Resources (HR). Therefore, to obtain adequate human resources (HR) is needed structuring and personnel recruitment system, payroll system, training implementation, and improvement of welfare. Moreover, it also by doing soft-skill mapping, improving the remuneration, improving career ladder, competence and education, improving the education

and training system, improving the positioning determination side, and internalizing the new value of the organization through the application of the ethic codes. With the aim to create a healthier organizational culture that is able to motivate human resources to work more diligently in providing the best service to the wider community, especially to the Taxpayer.

Reforms on human resources are also applied to the enforcement of civil servant discipline which is a bureaucratic reform that implemented refer to the following legislation, Minister of Finance Regulation of the Republic of Indonesia Number 161/PMK.01/2012 on the Second Amendment of Minister of Finance Regulation No. 29/PMK.01/2007 on Guidelines for Improving Discipline of Civil Servants in Ministry of Finance Environment. So the result of an increase in discipline and Human Resources at the Semarang Tax Office is that it has a professional and responsible human resources that will improve the efficiency and effectiveness of services to the community.

Tax collection is a manifestation of the obligations and the role of the Taxpayer directly and performing the tax obligations required for state financing and national development. Tax is the state's acceptance of a prosperous society. Related to this Semarang Tax Office implement the implementation of the bureaucratic reform pillars to improve taxpayer compliance. Results of taxpayer compliance with the implementation of bureaucratic reform pillars, as follows:

Table 2 Taxpayers Compliance

Year	Number of Taxpayers	Tax Acceptance Target	Taxpayer Pay	Tax Acceptance
2014	1.265	9.117.423.669.000	1.225	8.990.775.878.178
2015	1.271	16.263.966.928.000	1.226	11.984.150.575.100
2016	1.457	18.618.437.504.000	1.252	13.717.172.651.629

Source: Semarang Tax Service Office (2017)

Based on the above table, it can be seen that the taxpayers compliance rate in Semarang Tax Office is less than optimal as it is known that in 2014 the tax compliance rate is 96%, 2015 of tax compliance rate 96%, 2016 taxpayer compliance 85%. As well as the level of tax revenue is less than optimal as it is known that in 2014 98% tax revenue rate, by 2015 the rate of tax revenue 73%, in 2016 the rate of tax receipts 73%.

There is a certain that Implementation of bureaucratic reform faced certain obstacles, as well as in the implementation of the bureaucratic reform pillars in improving taxpayer compliance at the Semarang Tax Service Office, based on interviews with Dwi Pratomo Putra as an employee in the General Sub-Division and Internal Compliance of Semarang, Semarang, September 2017, as follows:

1. There are still less optimal employees in the field of taxation and mastery of information technology operations..
2. There are still non-compliant taxpayers in the payment and tax reporting.

Based on interviews with Dwi Pratomo Putra as an employee in the General Sub Division and Internal Compliance of Semarang Tax Office, September 08th, 2017, the efforts undertaken to overcome obstacles in the implementation of the bureaucratic reform pillars in improving taxpayer compliance at the Semarang Tax Office, as follows:

1. The implementation socialization of bureaucratic reform pillar in the Semarang Tax Service Office addressed to Taxpayers and Employees. Socialization to Employees at the Semarang Tax Office is done by training, Workshop, and Corporate Value Internalization (ICV).
2. While Socialization to Taxpayers at the Semarang Tax Office is done through counseling, discussions with taxpayers and public figures, electronic media, print media, On-line. Improve taxpayer compliance in carrying out its tax obligations, by providing an appeal and counseling, as well as law enforcement consisting of examination, investigation and billing.

CONCLUSION

URGENT implementation of the bureaucratic reformation pillar at the Semarang Tax Office consists of philosophical, sociological and juridical aspects. Implementation of bureaucratic reform pillars in improving taxpayer compliance at Semarang Tax Office. In this case using the implementation model of Van Meter and Van Horn, which is influenced by several interrelated independent variables such as standards and policy targets, resources, organizational characteristics of implementers, communication between related organizations and implementation activities, attitudes of the implementers, the environment social, economic, and political, policy performance on three bureaucratic reform pillars that is organizational structuring, business process improvement, improvement of discipline and Human Resource (HR). Shows that taxpayer compliance level is less than optimal and the level of tax revenue is less than optimal. This case due to the obstacles experienced are still the existence of employees who are less than optimal in the field of taxation and control of the operation of information technology and still the existence of taxpayers who are less obedient in payment and tax reporting. Efforts are made to improve the ability of employees in the field of taxation and information technology through socialization with the form of training, workshops, Corporate Value Internalization (ICV). To improve taxpayer compliance through socialization with the form of counseling, discussions with taxpayers and public figures,

socialization on electronic media, socialization on print media, on-line socialization. And carry out its tax obligations by providing counseling and counseling, as well as law enforcement.

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Law Adagium

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GOOD IS THE
HIGHEST LAW**

Cicero

Roman Politician and Lawyer