

Ease of Administration in Tax Obligations in the Industrial Era 4.0

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Abstract: At present the impact of the 4.0 industrial revolution on taxation can be seen in various forms of taxation services with online systems in fulfilling various tax obligations. Application-based taxation services that can be accessed by taxpayers include e-registration, e-filing, e-billing and e-invoicing, and Indonesia will continue to expand application-based tax services to fulfill other tax obligations. This paper discusses about the principle of ease of administration in fulfilling various tax obligations in the face of the industrial era 4.0. The research methodology used is descriptive analysis, data obtained from literature studies and documentation studies. The results of the study show that the advancement of information technology in the industrial revolution 4.0 can be used to build a better, more integrated, more efficient and accountable tax administration so that it can simplify tax administration. The things that must be considered, the industrial revolution does not change the basic principles of taxation such as equity, certainty, convenience, and economy. The practical implication of this study is that tax officers are expected to be able to take advantage of the momentum of industrial revolution 4.0 by increasing internet-based tax services so that the fulfillment of tax obligations becomes easier and more efficient

1 INTRODUCTION

At present various countries in the world are improving themselves in order to welcome the 4.0 industrial revolution, which is marked by the increasingly reduced role of humans in a number of types of work because it is replaced by mechanical technology. The Industrial Revolution 4.0 has presented a digital era in a number of aspects of human life. The emergence of various online applications for transportation, shopping, traveling and so on has changed the daily lifestyle of people in various parts of the world. Progress in technology on the one hand is proven to be able to increase the efficiency and productivity of the community, but on the other hand it must be wary of the possible implications of the increasingly dominant use of technology.

For the business world, the digital revolution will break through the traditional marketing channels by utilizing an increasingly unlimited world. On the one hand, space for expansion and efficiency is increasingly wide open. On the other hand, digital globalization provides a myriad of access to information that can be confusing or even misleading. Therefore, planning is key. By understanding the

shifts, roles, and effects created by industry 4.0, businesses can design business strategies that are in line with the dynamics that occur (Gunadi, 2018)

Changes in business patterns, business models, and transaction models using technological advancements also affect the tax provisions in a country. With the birth of the 4.0 industrial revolution, it has demanded reforms in the tax administration system in each country so that it can be adapted to technological advancements in this digital era. Taxpayers in various countries of the world certainly expect that with advances in technology, it will make it easier for taxpayers to fulfill various tax obligations. Taxpayer registration system to obtain Taxpayer Identification Number, tax payment system, tax reporting system and tax collection or deduction system must be adjusted to existing technological advances. For that various countries in the world have implemented various forms of ease of tax administration by utilizing electronic media in various forms of online applications. E-registration, e-payment, e-billing, e-filing, are some forms of electronic applications that can be used by taxpayers to fulfill their tax obligations.

However, the success of the policy transformation process in a country depends on the creation of ethical rules and norms that can increase public trust. Within the scope of taxation, the transition of systems from conventional to digital must be accompanied by the preparation of qualified regulations that can accommodate the aspirations of all parties, without prejudice to the interests of the state. Things that must be considered, the industrial revolution does not change the basic principles of taxation such as equality, certainty, comfort and economy (Hutagaol, 2018)

2 LITERATURE REVIEW

2.1 Previous Research

The use of information technology has given a new perspective to the development and integration of Malaysia's tax administration system. Tax administrators understanding of the e-filing system will improve the level of service provided and encourage the users of the system to continuously use it which will lead to the increase in revenue generation. E-filing system as a whole integrates tax preparation, tax filing and tax payment, which serves as a major advantage over traditional manual procedure (Springer, 2018)

Online tax system has received a great attention globally through the development of information technology, which affects the tax administration system. With the emergence of information technologies (IT), it is possible for the tax administrators to improve tax administration system by creating awareness about their tax structure that most of the taxpayers have limited knowledge about Information technology is making advancements and services offered to the citizen are getting unassuming. The use of information technology has given a new perspective to the development and integration of Nigeria's tax administration system. Tax administrators understanding of the online tax system (OTS) is to improve the level of the service provided and encourage the users of the system to comply which lead to the increase on revenue generation (Bojuwon, m, 2018)

The main objective of any tax administration is to collect taxes and duties payable according to the laws of the land. Strong tax administration is a requisite for ensuring high compliance and administering tax policies efficiently. A good tax administration is premised upon a well-designed tax system and strong

technical capacity. An essential objective of tax administration is to ensure the maximum possible compliance by taxpayers of all types with their tax obligations (Olaoye, C., 2017)

The findings show that the tax service quality is an important determinant for the usage of the online tax system that provides relevancy to the tax administration system. Furthermore, there is a significant positive relationship between tax service quality and online tax system. The implication of this study is by introducing a new variable perceived ease of use to mediate online tax system shows a significant effect on the online tax system. Secondly, the policy implication of this study is that by providing quality tax service to the taxpayers and the ease of use of the system have led to increase in revenue generation with clear effect on the economy (Mustapha, B, 2015)

With the development of AI technology, a new forecasting and statistical model for tax auditing has been created. In recent years, thanks to breakthroughs in AI research, tax professionals have gained new analytical and statistical tools, providing convenience and improving efficiency. To understand how AI is applied in taxation, Cas Milner and Bjarne Berg (2017) believe that AI's role in taxation is like a software that can automatically adapt to the input of different content and make judgments without specific instructions. There are many prospects for applying AI in taxation. However, at present, AI is still developing, and the AI system is not able to update itself since manual adjustments are needed. In turns of data input, integration and tax reports preparation, AI system in taxation can be still more advanced (Business, Z. H.-A. J, 2018)

In relation with government policies in taxation, the tax revenue would be enhanced by modern tax administration to improve the performance of tax administration either for individuals, groups or institutions to be more efficient, economical, and fast. The office can benefit the development of information technology so that the goal of a modern tax administration can be achieved. To organize a modern tax administration, the Directorate General of Taxation performs the application of information technology through online tax administration. Online tax administration includes e-registration, e-spt, e-filing and e-billing. From the aspect of the tax officials performance, the online system can also reduce the cost of manual entry processing, human errors, as well as reducing the time for processing income tax return (Yusup, M., Hardiyana, 2015)

New technology was introduced to improve tax and customs administrations; examples include

compulsory e-filing of tax returns and proprietary software to spot irregularities and trigger tax audits. To ease the bureaucratic burden for small businesses, simplified tax keys were introduced, e.g., based on the number of chairs at a barbershop or the number of tables at a restaurant. Specifically, the government vowed to create a transparent system of rules that would spur on both domestic entrepreneurship and foreign investment. The key was simplicity (Gilauri, N, 2017)

In an industrial world where change has always been present and where progress has since forever represented the humankind's ultimate goal that will never be entirely achieved, it is fundamental to keep up with times and stay aware of new, groundbreaking ways of performing manufacturing activities and conduct a successful business. After three page-turning industrial revolutions, the world has now found itself – according to many – at the edge of a fourth one also known as “Industry 4.0”, that will potentially break the current status quo equilibrium once again (Bragagnolo, H, 2017)

The results have important implications for tax policy and tax administration in developing countries. The first points to limitations in the adoption of softer approaches to tax administration that attempt to encourage tax compliance by leveraging tax moral factors in a context of major enforcement deficiencies - example weak legal framework and corruption. A lax enforcement framework may tend to negate the positive compliance effects of taxpayer services and other nonpecuniary factors. We argue that a strong legal enforcement framework is required if non pecuniary factors more generally, and taxpayer services in particular are to be effective in improving compliance (Small, O, 2017)

With the growth in the complexity of tax systems, trade and capital liberalisation, advances in global communication technologies and the size of taxpaying populations, tax administration has become an increasingly difficult challenge. In this environment, aggressive tax planning opportunities flourish whilst tax authorities are not sufficiently resourced to check the tax affairs of all, or even most, taxpayers. The response of some tax administrators has been to focus on maximising voluntary compliance by the bulk of taxpayers whilst applying limited enforcement resources on the recalcitrant minority (Dabner, J., & Burton, M, 2015)

Those who are friends of good tax administration might find the following course realistic without being fatalistic: (1) continue to advocate for good ideas, creating an intellectual record that can justify

change at the opportune moment; (2) when the winds of public choice opposition blow hard, energy and avoid discouragement; (3) when the gale subsides or when political circumstances direct the wind in favorable direction, seize the moment to push hard for the changes already justified intellectually; and (4) compromise but not to the point of sacrificing core principles of taxation (Johnson, S. R, 2016)

Tax systems in developing countries, like those in more developed countries, face both new challenges and new possibilities as a result of technological change. In developing countries, taxpayers and tax administrations must cope with more difficult environments with fewer resources. Some issues (such as privacy, the benefits and costs of public/private partnerships, and corruption) are common to both developing and developed countries, but differ in relative importance in particular countries. Other issues (such as how new technology may or should influence the way a country's tax system or particular taxes are designed and administered) may be more important in developing countries (Bird, R, 2008)

2.2 Theoretical Framework

2.2.1 Tax Compliance

Taxpayer compliance by Salamun A.T. (Salamun AT, n.d.) defined as the fulfillment of tax obligations (ranging from calculating, levying, cutting, depositing to report tax obligations) by taxpayers in accordance with legislation- tax invitation applicable.

There are two kinds of tax compliance:

1. Formal Compliance:

Taxpayers meet formal compliance based on tax laws and regulations. For example, the provision of the limit for submission of the Annual Tax Return (SPT) of an individual on March 31, if the individual taxpayer has reported the Annual Income Tax Return by March 31, then the taxpayer has complied with the formal requirements.

2. Material compliance:

Wider than formal compliance, because material compliance also includes formal compliance. For example, an individual taxpayer has reported the SPT on time (not late), but the material requirement is not necessarily fulfilled because the taxpayer must fill the SPT honestly, correctly and completely in accordance with the provisions

There are several factors that can affect tax compliance, namely compliance cost, tax regulation and law enforcement. The level of tax compliance

increases when all three factors are controlled adequately. Conversely, if compliance costs are high, complex and unclear tax relations or differences in interpretation, and poor law enforcement can lead to declining tax compliance rates. The three factors are as follows:

1. Compliance Cost

Compliance cost is fees other than tax payable paid or issued by the taxpayer in order to fulfill the tax obligations. Compliance cost consists of direct money cost, time cost and psychological cost.

a. Direct money cost is the real cost incurred by the taxpayer in the framework of fulfilling the tax obligation, including payment to accountant, tax consultant and travel expense to the place of deposit and tax reporting.

b. Time cost is used by the taxpayer in order to fulfill the tax obligation causing the opportunity loss, starting from the time spent to study the tax calculation until the time to report the tax and accountable for the fulfillment of tax obligation that has been done.

c. Psychological cost is anxiety, worry, and fear of the taxpayer in fulfilling the tax obligation and interact with the tax officer.

2. Tax Regulation

Clear, easy and simple tax laws and regulations and do not result in different interpretations for tax officials and taxpayers will increase tax compliance. Conversely, by complicated laws, obscure or conflicting rules of conduct have the potential to generate taxpayer apathy that will affect tax compliance levels

3. Law Enforcement

Law enforcement is the implementation of regulations implemented by the tax officer not according to the provisions. Adequate regulatory implementation by promoting justice principles (ie different treatment for different conditions or equal for the equals and different treatments for different conditions unequal for the unequals) and carried out consistently will support the achievement of an optimal tax compliance condition.

Ease of Administration

The ease in administration is a very important principle in the tax collection system (Rosdiana, Irianto, 2012). This affects the level of public awareness in carrying out each of its tax obligations. There are several indicators in the principle of ease of administration:

a) Certainty : stating that there must be certainty from taxpayers as well as tax officers regarding the tax subject, tax object, tax base, tariff and how the tax procedure is.

b) Efficiency : In terms of fiscal: The cost of supervising and administering taxpayers is relatively

low. In terms of taxpayers: Costs for implementing tax obligations are relatively low

c) Convenience of Payment : Tax is collected at the right time (Pay As You Earn)• Determination of the due date of tax payments• Payment proceduresd)

d) Simplicity : Easy to implement and not complicated

In "The Encyclopedia Americana", the principles of certainty, convenience, and economy are included in one principle, namely the administrative principles, as quoted below:

The administrative principles of taxation are those of certainty, of convenience, and of economy

"The New Encyclopedia Britannica" also includes these principles as criteria of ease of administration and compliance (criteria for ease of administration and compliance). In the book the criteria for ease of administration and compliance are expanded to become clarity, continuity, cost effectiveness and convenience, as quoted below:

In discussing these general principles one must lose sight of the fact that taxes have to be administered. This imposes certain limitations on the fiscal process. There are four general requirements for the efficient administration of tax laws: clarity, continuity, cost-effectiveness and convenience

2.2.2 The 4.0 Industrial Revolution

What is really the industrial revolution 4.0? Prof. Klaus Martin Schwab, German technician and economist, who is also the founder and Executive Chairman of the World Economic Forum, who first introduced him. In his book The Fourth Industrial Revolution (2017), he mentions that at the moment we are at the beginning of a revolution that fundamentally changes the way of life, works and relates to one another. The change is very dramatic and occurs at exponential speeds. Changes that were very influential in life were compared to the previous industrial revolution era. The 4.0 Industrial Revolution was marked by the development of the Internet of / for Things, its presence was so fast. Many things that were unthinkable before, suddenly appeared and became new innovations, and opened up a very large business area.

Expert Opinion on the Industrial Revolution 4.0. There are some expert opinions about the 4.0 industrial revolution, the first according to Jobs Lost, Jobs Gained: Workforce Transitions in Time of Automation, which was released by the McKinsey Global Institute (December 2017), in 2030 as many as 400 million to 800 million people have to find new jobs , because it was replaced by a machine. The second opinion, according to the Minister of National

Development Planning, Bambang P.S. Brodjonegoro, has the same opinion as McKinsey & Co. According to him, entering the industrial revolution 4.0 Indonesia will lose 50 million job opportunities. The third opinion, according to the Minister of Industry, Airlangga Hartarto, on the contrary. The industrial revolution 4.0 gave an opportunity for Indonesia to innovate. The revolution which focused on developing the digital economy was considered beneficial for Indonesia. Digital economy development is market and talent, and Indonesia has both. He does not agree that the industrial revolution 4.0 will reduce labor, on the contrary it increases efficiency.

3 RESEARCH QUESTION

To discuss more deeply about the ease of tax administration in fulfilling tax obligations in the industrial era 4.0, the research questions in this paper are as follows:

1. How is the ease of tax administration by using online tax system in the industrial era 4.0 in several countries?
2. What are the possible implications of the use of online tax system in tax obligation in the industrial era 4.0?

4 METHODOLOGY

This paper is descriptive analysis, data collection obtained from documentation studies and literature review. This research is a qualitative research descriptive. Qualitative research is a research that produces descriptive data in the form of written words or spoken of people and behaviors that can be observed. Descriptive is the data collected in the form of words, images, and not numbers. The type of data used is the secondary data in the form of tax laws prevailing in Indonesia, supporting documents and previous research results by analyzing several journals with the theme of the use of electronic form to fulfilling tax obligations in many countries. The literature data are collected and then analyzed by understanding how the interpretation of the authors in providing feedback on the problems of ease of administration in tax obligations in the 4.0 industrial era. Other data was obtained from presentations and material presented by the speakers at the seminar relating to the theme of taxation in the digital era.

5 RESULTS AND DISCUSSION

5.1 Ease of Tax Administration by using Online Tax System in the Industrial Era 4.0 in Several Countries

5.1.1 Malaysia

The use of information technology has given a new perspective to the development and integration of Malaysia's tax administration system. Tax administrators understanding of the e-filing system will improve the level of service provided and encourage the users of the system to continuously use it which will lead to the increase in revenue generation (Mustapha & Obid, 2015). E-filing system as a whole integrates tax preparation, tax filing and tax payment, which serves as a major advantage over traditional manual procedure (Ambali, 2009). Since its introduction in 2006, e-filing has evolved each year in order to provide better service to the taxpayers. The online tax system makes an effective impact on the economic towards improving the level of income generation and tax compliance by the tax payers. This could be due to benefits provided by e-filing system such as convenience, time saving, cost effectiveness for both the tax administrator and tax payers (Mustapha & Obid, 2015).

A local study has indicated that any technological devices provided in enhancing the service boundary between the government and its citizen must be found to be useful. Thus, e-filing system must be seen as a better alternative by the taxpayers in submitting their income tax in terms of time, cost and convenience compared to manual submission; failure on this will lead the taxpayers to abandon the system in the long run (Ambali, 2009). Moreover, based on the findings of this study, perceived usefulness partially mediates the relationship between the dimensions of correctness and response time towards e-filing continuance usage intention. This implies that correctness and response time had a direct and indirect influence on taxpayers' continuance usage intention of the e-filing system. It appears that the system that works properly and produces correct output and a short and reasonable response time is not only able to determine the usefulness of the e-filing system but also affect their intention to continuously use the system (Spinger, 2018).

From the description above, it can be seen that the use of information technology in tax administration in Malaysia has proven to provide convenience for

taxpayers to fulfill various tax obligations. With the use of electronic media, tax administration in Malaysia has become easier, more effective and efficient compared to manual systems. Taxpayers in Malaysia are interested in continuing to use the e filling system because it is more appropriate in calculating taxes and also saving more time. Online systems that are running well, accurate results, and time efficiency seem to greatly influence the continued use of e filling systems by taxpayers in Malaysia.

5.1.2 Nigeria

Online tax systems are growing in today's world as part of e-government services with the objective of achieving efficiency in tax collection and administration. In general, an online tax system represents a new method of tax payment that no longer requires taxpayers to physically go to the tax authorities to file and pay their taxes (Ozgen & Turan, 2007). . This study examined the usage of the online tax system by self-employed tax payers in Nigeria. Nigeria is one of the countries in the world, where there is a high administrative burden in its tax system (Oduola, 2006). Generally, the tax authority (Federal Inland Revenue Board) is responsible for all the activities of tax related issues in Nigeria. Therefore, the views of the tax administrators and the self-employed taxpayers in the tax administration setting on the use of online tax system would be more useful than the manual filing system.

The assessment of items measuring the construct perceive security, shows for taxpayers to effectively use and innovation like online tax system of filing return , it will first consider how secure is the innovation toward it data based on the loading these items have the highest loading on the perceived security construct. This is the reason since this is the first thing that a potential taxpayers will consider and it is a rough indication of what is expected from the tax administration. After the consideration by the taxpayers on the security of their data they further think on the level of their ability to secure the protection of their information for a very long time. Finally, the security of the information disclose about the taxpayers should be keep secure from other taxpayers interim of the security code and the password related to the use of online tax system by the self-employed taxpayers.

The discussion of this study is in a logical sequence looking at the construct perceived ease of use that measure how ease is the innovation for the taxpayer to use in filing their tax return the item with the highest loading is the one with that relate to the

easy use of the application when taxpayers trying to applied for claim of refund from the tax office through the system. The third construct is related to perceived usefulness of online tax system. It has to do with the benefit derived from the use of the system. Looking at the construct online tax system that measure the usage of the online tax system based on the service provided by the tax administration, the items with higher loading is the one that relate to how the use of online tax system save time the self-employed taxpayers used in filing in their taxes. However the reason is that why taxpayers file in their tax through the use of online tax. It is noted that the variables in used are correlated and were eventually merged as the final model of the structural model. The seven hypotheses developed based on the model were statistically significant in this study. As indicated all the path coefficients from the perceived security, perceived ease of use and perceived usefulness are statistically significant at 95 percent level of confidence interval. On the practical important, the variables are significant with ($\geq .2$) with a positive direction. The implication of this model is that the constructs of perceived security, perceived ease of use and perceived usefulness are all predictor of the usage of online tax system in the context of Nigeria tax administration system (Bojuwon, Abidoye, Agbaje, 2017).

With advances in technology, the tax administration system in Nigeria has turned to an online tax system because it is more secure, easier, and more beneficial for taxpayers in Nigeria.

5.1.3 Indonesia

The Directorate General of Taxes (DGT) Indonesia in recent years has been increasingly aggressively campaigning for the use of online system in fulfilling taxpayer duty obligations. The socialization to use online media is carried out in various ways, from advertising on television, online media, websites, radios, posters, banners, billboards, and also through delivering directly to taxpayers through extension activities.

As has been applied in other countries, Indonesia also implementing online tax administration in fulfilling various obligations of taxpayers. e-registration, e-filing, e-form, e-billing, e-faktur, and e-bupot are examples of online tax administration that has been implemented in Indonesia. E-registration is a tax registration through online system, while e-spt refers to the annual notification letter in connection with tax bills online. In addition, e-filing is a submission to deliver tax returns electronically which is easier, faster and safer, e form is a way of delivering tax returns by using electronic forms, and e-billing is

tax payment done electronically through bank perception that has been set by the government. The latest application from DGT Online that is ready to be implemented is e-bupot, which is a means of making proof of withholding taxes electronically for tax withholder integrated with the DGT online with an electronic signature feature.

E-filing and e-form is one form of modernization of the tax administration system carried out by DGT as an effort to improve tax compliance. With the application of the SPT reporting system electronically through both e-filing and e-forms, it is expected that taxpayers will be on time in reporting and paying taxes which are their obligations. In addition to the modernization of the tax administration system, enforcement of rules is also needed to encourage taxpayers to switch from manual reporting systems to electronic tax reporting. Issuance of PMK No. 9 / PMK.03 / 2018 concerning amendments to PMK No.243 / PMK.03 / 2014 concerning Notification (SPT) also play a role in encouraging taxpayers to submit Annual Tax Returns electronically. In the regulation it is stipulated that taxpayers who have reported SPT (period or annual) electronically are required to report the annual SPT electronically for the Annual Tax Return PPh 2018 and so on. So that taxpayers who are status as Taxable Entrepreneurs (PKP) certainly have to report the Annual Tax Return PPh 2018 electronically because every month they have reported VAT Periodical Tax Returns electronically.

Currently the Directorate General of Taxation is carrying out tax reforms. The aim is to become a tax institution that is strong, credible and accountable to produce optimal state revenues. Supported by five main pillars: ideal organizational structure; professional, competent, credible, human resources with integrity; IT and database that are reliable; simple, effective, efficient, accountable, IT-based and comprehensive business processes; and finally, regulations that guarantee legal certainty, in the future Indonesia will still develop electronic-based tax administration service products in one integrated single account, known as e-tax payer account (e-TPA), a single account to provide convenience to taxpayers. This e-TPA application is an answer to the challenges of disruptive technology in the industrial era 4.0. With the e-TPA all database of the taxpayers will be recorded in one application, starting from the identity of the taxpayer, the amount of tax payments that have been made, the amount of tax arrears, the number of tax bills, and administrative sanctions that must be paid by the taxpayer. Through the same e-account, the tax office can send notifications relating

to taxpayer's taxation rights and obligations. For example, appeals for tax obligations that have not been implemented, legal products as a result of inspection, tax assessment letters, and tax bills. Taxpayers can track the current status of requests submitted by taxpayer, such as restitution, objection or non objection. e-TPA is expected to build trust between the tax authorities and taxpayers by creating data transparency.

5.2 Possible Implications of the Use of Online Tax System in the Tax Obligation in the Industrial Era 4.0

The use of information technology with online systems in tax administration certainly has an impact, both positive and negative impacts. The progress of information technology in the industrial revolution 4.0 can be used to build better tax administration where business processes are more integrated, more efficient and accountable so that they can reduce administration costs. From the economic aspect, tax administration by using online system will reduce compliance costs for taxpayers.

The OECD (2017) in its research emphasized that the taxation system must be transformed and change continuously in accordance with the rapid advances in technology and digitalization, as well as the development of business patterns. The main objective is to increase the effectiveness and efficiency of taxation, or reduce costs and improve voluntary compliance of taxpayers, so as to encourage economic growth and investment. The ideal taxation system in the digital era according to the OECD is the following criteria: (1) globally connected; (2) technologically enabled; (3) collaborative and integrated (collaborative and integrated); (4) prioritizing data and insight (data and insight led); (5) better information compliance management; have qualified human resources (enabled workforce); (6) and lastly, continue the transformation and continue to change significantly following the trends in digital technology and the latest business.

Benefits to be gained if the tax payers conduct transactions via e-billing include easeness as well as fast and accurate process. Hence, tax payers can make tax payment transactions quickly and anywhere, because it is done through bank perception by entering the code of billing of tax payments based on the data they input on the e-billing. This will allow the taxpayers in charging the Tax Payment electronically and correctly according to their tax transactions, so that the payment data errors, such as the Tax Account Code and Code Type Deposit, can

be avoided and data entry errors, which were initially common, can be minimized (Yusup, M. Hardiyana, 2015)

Digitizing the tax reporting system makes taxpayers not need to linger in line at the Tax Service Office (KPP) or the Tax Consultation and Consultation Office (KP2KP) to report their Annual SPT. Electronic annual SPT reporting via e-filing or e-form allows taxpayers to report SPT anywhere and anytime.

Information technology integration in the tax administration results in a majority of taxation business process activities in the network. If it is complemented by the conventional taxation process, the goal of tax reform in 1983 is achieved, namely (a) simplification of the tax structure, and (b) administrative depersonalization. Administrative digitalization can improve the performance of tax administration in various business processes, such as service, supervision, billing, law enforcement and receipts and tax ratios, as well as straightening the application of the self assessment system with voluntary compliance in accordance with tax law (Gunadi, 2018).

The use of information technology with online systems in tax administration does not always have a positive impact. There are also negative impacts caused. The first use of an online system requires the existence of a wide range of internet networks with a stable speed. For this reason, the state must provide adequate infrastructure so that all taxpayers in any part of the region can use the internet network smoothly. Need a lot of funds for the government to be able to provide these facilities. In addition, with high internet usage, it certainly causes high electricity usage. The negative impact of this high electricity use is to further draining the source of electricity, and make the temperature of the earth increasingly hot which can ultimately increase global warming.

In the case of Indonesia, in 2018 the online DGT system had experienced problems at the deadline for reporting annual tax returns. As of March 31, 2018, which is the deadline for reporting annual tax returns for individual taxpayers, the online DGT system is down due to overload in the use of the online system. At that time there was a deadlock in reporting online tax returns that took several hours to be repaired. Thus the good faith of taxpayers to report on timely tax returns is delayed. Taxpayers are worried that they will be subject to late sanctions in reporting tax returns, even though they are not caused by their negligence. To overcome the taxpayer's concerns, the DGT finally took a decisive step by issuing a Circular Letter containing an extension of the deadline for

reporting tax returns for individual taxpayers in connection with the technical obstacles in the online DGT system.

Second, the use of online tax systems in tax administration requires that taxpayers must be able to operate information technology. Governments especially in Indonesia must realize that the characteristics of the taxpayer community in Indonesia are very diverse, with various cultural backgrounds and diverse levels of education. The government must see the fact that there are still many taxpayers who do not understand how to operate information technology, both in the form of computers, laptops, gadgets, smartphones, and other online media. This can be seen from a number of taxpayers who are still asking for help from officials in the Tax Service Office or other parties to input their tax payment data through e-billing or filling in SPT systems electronically because of their inability to operate information technology devices. For this reason, the government, especially the directorate general of taxes, must try harder to provide education, training, counseling and so on about the use of online tax system to taxpayers. This is certainly an additional burden for the tax apparatus.

Third, the use of online tax systems in tax administration will certainly reduce interactions between people, where in this case taxpayers will interact more with machines than with tax officials. The impact of this is a lack of communication and a lack of awareness between tax officials and taxpayers.

Furthermore, the general negative impact of the 4.0 industrial revolution is that it will reduce employment for the public in a number of fields of work, because human labor has been replaced by mechanical power. Thus it is feared that there will be a large number of unemployment in the industrial era 4.0. This is what the government in every country must think about and anticipate in this industrial era 4.0.

6 CONCLUSIONS

From the discussion above can be concluded as follows :With the industrial revolution 4.0, the tax administration system in a number of countries was also adjusted by changing the manual system to an online system. The online tax system has received great attention globally through the development of information technology, which affects the tax administration system. The use of information technology has given a new perspective to the

development and integration of tax administration system. With an online system, taxpayers obtain the ease of administration in fulfilling various tax obligations.

The use of information technology with online systems in tax administration certainly has an impact, both positive and negative impacts. The progress of information technology in the industrial revolution 4.0 can be used to build better tax administration where business processes are more integrated, more efficient and accountable so that they can reduce administration costs. From the economic aspect, tax administration by using online system will reduce compliance costs for taxpayers. On the other side, the use of information technology with online systems in tax administration spending a huge amount of money to provide an extensive, fast internet network infrastructure that is evenly distributed throughout the country, spend large amounts of electricity, reduce interaction between humans, the government, especially the directorate general of taxes, must try harder to provide education, training, counseling about the use of online tax system to taxpayers. This is certainly an additional burden for the tax apparatus.

However, the progress in information technology in the industrial revolution 4.0 can be used to build better tax administration, but it must be considered that technological advances in tax administration should not ignore the principles of tax collection that are generally accepted throughout the world, namely equality, certainty, convenience and efficiency

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