

# The Impact of Legal Political Development After the Issuance of the Tax Amnesty Policy

Ediyanto Arief<sup>1</sup>, Megawati Barthos<sup>2</sup>, Herman Bakir<sup>3</sup>  
ediyanto91@gmail.com<sup>1</sup>, megawati\_barthos@borobudur.ac.id<sup>2</sup>, herman\_bakir@borobudur.ac.id<sup>3</sup>

Universitas Borobudur<sup>1, 2, 3</sup>

**Abstract.** At this moment, there was an economic downshift that had a significant impact on the economy in Indonesia, one of which was the slowdown in the Chinese economy, then the unstable American economy, and the presence of geopolitical risks in the European region due to the Russia-Ukraine war. To deal with all the possibilities that may occur, the Indonesian government has issued several policies which are expected to overcome existing problems, one of which is the tax amnesty policy. This government policy is contained in Law no. 11 of 2016 concerning Tax Amnesty. Broadly speaking, the main provisions regulated in Law no. 11 of 2016 concerning Tax Amnesty, include a. arrangements regarding the subject of Tax Amnesty; b. arrangements regarding the object of Tax Amnesty; c. arrangements regarding rates and how to calculate Redemption Money; d. arrangements regarding procedures for submitting Statement Letters, issuance of Statement Letters, and amnesty of tax obligations; e. arrangements regarding investment obligations on assets disclosed and reporting; f. arrangements regarding tax treatment; g. arrangements regarding the treatment of Assets that have not been or are not disclosed; h. arrangements regarding legal remedies; i. arrangements regarding data and information management; and j. arrangements regarding criminal provisions.

**Keywords:** Impact; Policy; Tax Amnesty; Politics of law.

## 1. Introduction

In its development, there have been many definitions or definitions of legal politics given by experts in various works of literature. From various sources and definitions, by taking the substance, it turns out to be the same. Whereas legal politics is "legal policy or official policy lines regarding laws that will be enforced either by new legal actions or by replacing old laws, to reach a State." – laws that will not be enforced or repealed, all of which are intended to achieve the state's goals, as stated in the 1945 Constitution's Preamble.[1]

Law is the will of the authorities, which is what was explained by Lili Rasyidi and Ira Rasyidi quoted from Legal and Political Relations in the Indonesian Legal System), in the sense of orders from those in positions of authority or sovereignty. The field of legal science has long been at the forefront of the debate regarding the connection between politics and the law. John Austin and other legal positivists maintain that the law is nothing more than a product of power or politics. On the other hand, different points of view originate from historical legal schools. These schools hold the view that law is based not only on legal dogma but also on social reality in society. They believe that law is based on general acceptance in society and that every group makes living laws.[2]

In Legal Politics in the Law on Economics in Indonesia, Hikmahanto Juwana distinguishes between two dimensions of legal politics. First, there is legal politics, which is the main reason statutory regulation is made. Second, the motivation behind a statutory regulation's enactment is known as legal politics.[3]

Today the development of legal politics enters various government activities including regarding taxes, according to Rochmat Soemitro, From a legal perspective, self-tax refers to an agreement that arises as a result of a law and requires a person to fulfill the conditions determined by law (taatbestand) to pay a sum of money to the (cash) of the State. This agreement can be forced without receiving a reward and can be directly appointed. The money is used to finance State expenditures (routine and development) and is used as a tool (booster/inhibitor) to achieve non-f.

Based on this understanding, Rohcmat Soemitro emphasizes tax as an engagement, a relationship between the State and the people in which the people's obligation arises to hand over that amount of money to the State, upon handing over the money the State has the power to coerce but no counter-achievement from the State can be enjoyed directly by the payer, and the tax money is used by the State for administering government or for achieving a certain goal desired by the State.[4]

At this time the economic slowdown had a significant impact on the economy in Indonesia, one of which was a slowdown in the Chinese economy, then the unstable American economy and geopolitical risks due to the Russia-Ukraine war. These events certainly had a significant impact on the economy in Indonesia, starting from the slowdown in the Indonesian economy, the budget deficit, the growing budget deficit, the declining growth rate of the industrial/manufacturing sector, and the existence of a very large infrastructure gap. With this impact, of course, the Indonesian government must immediately take action to reduce the effects of the world economic slowdown caused by these conditions. Given the serious effects of Indonesia's current economic slowdown, including rising poverty, unemployment, and social disparities in wealth, this must be realized right away. To deal with all the possibilities that may occur, the Indonesian government has issued several policies which are expected to overcome existing problems, one of which is the tax amnesty policy. This government policy is contained in Law no. 11 of 2016 concerning Tax Amnesty.

The term "tax amnesty," also known as "tax amnesty," refers to the process of eliminating taxes that are owed but are not subject to tax administration sanctions or criminal sanctions in the field of taxation. This is accomplished by disclosing assets and paying redemption money in accordance with the provisions of this tax amnesty law:

- a. Transferring assets to accelerate economic growth and reorganization, which will, among other things, have an effect on domestic liquidity, the rupiah exchange rate, interest rates, and investment.
- b. expanding tax databases that are more accurate, complete, and integrated and encouraging tax reform toward a more just tax system; And
- c. increase tax revenues, which will be used to finance development among other things.

Those who become the subject of tax amnesty are every taxpayer, but exceptions are made for taxpayers who are:

1. The Attorney General's Office has concluded an investigation and declared the investigation file complete;
2. during the legal process; or
3. presently serving a prison sentence for a tax-related offense.

The term "Tax Amnesty" refers to the collection of income tax, which is tax on tax proceeds up to the end of the previous tax year but has not been paid in full by the taxpayer; and the Combined Sales and Value-Added Tax on Expensive Goods.

Broadly speaking, the main provisions regulated in Law no. 11 of 2016 concerning Tax Amnesty are as follows:

- a. arrangements regarding the subject of Tax Amnesty;
- b. arrangements regarding the object of Tax Amnesty;
- c. arrangements regarding rates and how to calculate Redemption Money;
- d. arrangements regarding procedures for submitting Statement Letters, issuance of Statement Letters, and amnesty of tax obligations;
- e. arrangements regarding investment obligations on assets disclosed and reporting;
- f. arrangements regarding tax treatment;
- g. arrangements regarding the treatment of Assets that have not been or are not disclosed;
- h. arrangements regarding legal remedies;
- i. arrangements regarding data and information management; And
- j. arrangements regarding criminal provisions.

The problem in this paper is How is the Impact of the Development of Legal Politics After the Publication of the Tax Amnesty Policy?

## **2. Method and Approach**

### **2.1 Method**

This applied paper was written using a descriptive-analytical approach, in which data that clearly describes problems directly in the field are used, followed by analysis to solve a problem. methods of observation and literature review for data collection in order to solve problems and prepare this paper.

In line with the research objectives to be achieved, the realm of this research is included in the actual qualitative research, thus a qualitative approach method will be used. According to Petrus Soerjowinoto et al., the qualitative method is a method that emphasizes the process of understanding the researcher on the formulation of the problem to construct a complex and holistic legal phenomenon.[5]

## **2.2 Approach**

The method of juridical approach used to examine issues from a legal and systematic perspective and as a guide to rules that can be used as a basis for analyzing legal phenomena that arise is known as the sociological juridical technique. The sociological approach is the method of investigating a problem in society or the community with the intention of gathering facts, then locating issues, identifying issues, and locating solutions to issues. The condition of the object under investigation is described in the study, which focuses on how the tax amnesty policy's impact on legal politics has been implemented. [6]

## **3. Discussion**

### **3.1 Government Policy Concerning Tax Amnesty Against Legal Political Developments in Indonesia.**

Law enforcement is guided by the law, although it does not always cause injustice because it can be manipulated. Law enforcement originates from the community and aims to achieve peace and tranquility in the community itself.[7] The pursuit of legal ideas and concepts that people hope will become reality is what law enforcement is all about. The process of law enforcement involves numerous components.[8]

The dynamics of development from an economic perspective in Indonesia today are many problems that arise in the economy which result in a weakening of the economy in Indonesia, so the government issued a policy through Law no. 11 of 2016 concerning Tax Amnesty in which there are principles and objectives of tax amnesty which are based on the principles of:

- a. Legal certainty.
- b. Justice.
- c. Benefits, and
- d. National interest.

The purpose of the existence of Law Number 11 of 2016 concerning tax amnesty, namely:

1. transferring assets to accelerate economic growth and reorganization, which will have an impact on domestic liquidity, the rupiah exchange rate, interest rates, and investment, among other things.
2. expanding tax databases that are more accurate, complete, and integrated and encouraging tax reform toward a more equitable tax system; And
3. Increase tax revenue, which will be used among other things for development financing.

With the existence of this law, it is hoped that it will have a good impact on progress in developments in Indonesia in solving economic problems that occur, with the existence of this tax amnesty it is hoped that it will reduce the budget balance deficit, increase the budget deficit, decrease the growth rate of the industrial / manufacturing sector and the existence of a high infrastructure gap and on the other hand results in increased unemployment, poverty, and inequality.

The government's guidelines for Tax Amnesty are a political product. Legal politics includes the process of making and enforcing laws, which can indicate the nature and direction of the law's construction and enforcement. This is seen from the basis for the enactment of the said Law as stated in the preambles and general explanation of the Tax Amnesty Law. In the considerations it is stated:

- a. that the Unitary State of the Republic of Indonesia's national development, which aims to help all people in an equitable and just way, needs a lot of money, mostly from taxes;

- b. that public awareness and compliance are required to maximize all existing potentials and resources in order to meet the ever-increasing needs of tax recipients.
- c. Despite the fact that there are assets inside and outside the country that have not been reported in full or in part in the annual income tax returns, public awareness and payijam in the performance of tax obligations still need to be increased.
- d. That a policy of amnesty for taxpayers must be implemented in order to increase state revenues, economic growth, awareness of tax obligations, and compliance with them.

Tax as a form of the levy by the authorities on the people is not a new thing but has existed on this earth for thousands of years. by the people (society).[9] So in its development, one with the other is interrelated for the sake of carrying out the goals of the State to prosper the people, which in practice requires large funds, one of which comes from taxes, nowadays there are still many people who are aware of the importance of taxes in Indonesia, therefore the government needs to issue a tax amnesty policy or tax amnesty to build the country's economy.

### **3.2 The Direction and Goals of Legal Politics with the Existence of Tax Amnesty in Indonesia.**

According to Article 14 paragraph 2 of the Republic of Indonesia's 1945 Constitution, the President of the Republic of Indonesia has the authority to implement an amnesty policy. In practice, the President makes decisions about amnesties and abolitions based on what the House of Representatives thinks. The ramifications of the acquittal being referred to are:[10]

1. The President holds the highest position or authority to grant amnesty;
2. Legal repercussions: The perpetrators of crimes or violations are released from the threat of criminal or administrative sanctions because their guilt is eliminated;
3. Amnesty must be given in accordance with the law. The 1945 Constitution of the Republic of Indonesia mandates this, requiring the President to obtain DPR consideration. Additionally, amnesty can only be granted at specific times, not constantly. The current situation is related to national interests, human rights, the national economy, and political considerations.

A legal policy that the Indonesian government will implement or has already implemented on a national level is referred to as "legal politics." first, legal development to create and update needed legal materials; second, the actualization of the laws that already exist, such as the establishment of law enforcement and the recognition of the institution's responsibilities. This means that legal politics includes the process of making and enforcing laws, which can show how the law will be made and enforced in the future. Legal politics is the process of selecting a particular social objective, as well as the requirement to select the objectives and methods necessary to achieve these objectives.[11] The fundamental policy, which determines the direction, shape, and content of the new law, has a different meaning. The policies of the state administration play a crucial role in determining the direction, shape, or content of the new law.[12]

The direction and objectives of legal politics with the existence of Law Number 11 of 2016 concerning tax amnesty or tax amnesty by the government is a political product that is made and packaged through rules that are formed and enforced in society as a whole and bind people who already has terms and conditions to carry out the obligation to comply with these rules.[1]

With the motto "law without power is wishful thinking, power without the law is tyranny, it becomes a mere utopia," the principle states that politics and law must cooperate with one another and strengthen one another. This is because, in practice, law frequently becomes a reflection of and instrument for political power holders' will. Even though in practice politics

always "takes its place" in the matter of forming statutory regulations, politics and law are supposed to coexist in the formation of statutory regulations. -invitation. many views that the law is the same as power.[2]

So with the existence of regulations regarding tax amnesty, is closely related to legal politics because legal politics itself is a strategy for determining and selecting methods, methods, goals and directions to be applied in forming laws, so with this regulation regarding tax amnesty, it is an effort from the government to develop and prosper the people in Indonesia through these legal products.

Several considerations in Tax Amnesty are as follows:

1. In the case of the abolition of general crimes, apart from tax crimes, there is no reason to wish for crimes; The reasons for the abolition of crimes so far have not been explicitly formulated in the Criminal Code, however, in the concept of the New Criminal Code, the reasons for the abolition of crimes are: ) a) a state of emergency, (b) the absence of material unlawfulness, (c) misguidance, whether in the form of error *factie nor iuris* error, there is no error at all.
2. Given the enormous state losses from violations of economic law, the purpose of sentencing and the choice of criminal sanctions must be evaluated, but the use of criminal law as a tool for preventing, controlling, and overcoming crimes in the economic field must be maintained because... *In addition to safeguarding private property from unlawful interference, criminal law safeguards the nation's fundamental economic structure.*[13]
3. If it is true that the money is the result of corruption or fraudulent acts that are detrimental to the State, then the granting of discretion in this case in the form of Tax Amnesty is something that is contrary to the values of justice and legal certainty that have been growing and developing in society and constitutes an abuse of power from the government.
4. There is no guarantee that the granting of Tax Amnesty will create a deterrent effect for the perpetrators and could have implications for repetition in the future.
5. If Tax Amnesty is given according to the government's plan, limited to investors who keep their money abroad, it will cause jealousy for investors who have never paid taxes and keep their money in the country. In addition, it will cause jealousy in taxpayers who have been obedient to carry out their obligations.
6. This policy is contradictory when faced with the 2015 Taxpayer Development Year program launched by the government. With the motto Reach the Unreachable, this program aims to achieve independence in financing national development by maximizing potential tax revenues.

#### **4. Conclusion**

Tax amnesty may gain legal status as a means of boosting state revenue. Nevertheless, some points must be emphasized. The first concerns the legal cloak. Because tax amnesty is a remarkable policy, it needs a very strong legal framework. Then, administrative aspects like fines and sanctions should not be eligible for pardons, but rather elements of criminal acts. In addition, in the pursuit of state revenue, law enforcement against criminal elements must not be neglected, particularly when some of these elements are harmful to the state. The tax amnesty policy can help Indonesia achieve national development goals, one of which is about people's prosperity. As well as to improve the taxation system in Indonesia and also to obtain legal

certainty, justice, and benefits, and also for the national interest to maintain the stability of the existing economy.

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