

Tax Socialization through Television Media: Implementation and Obstacles

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Abstract. Television is one of the favourite sources of entertainment and information for the people in Indonesia, in addition to the internet. Hence, television can be used as an effective instrument for the government to carry out extensive socialization program. The purpose of this study is to analyse the implementation of tax socialization by the Directorate General of Taxation (DGT) via television, includes opportunities and obstacles. Qualitative research was conducted with in depth interview and literature study as data collection technique. As the result, since there is a low level of tax knowledge amongst the community (especially the lower middle class), which affects the low level of public tax consciousness, the implementation of broad tax socialization through television media is important because the amount of human resources in DGT is limited to direct socialization. However, the biggest obstacle for DGT is the limited funds to conduct tax socialization through television

Keywords: television media, tax socialization, tax people, tax consciousness, voluntary tax compliance

1 Introduction

In the Circular Letter of the Director General of Taxation Number SE-22/PJ./2007 regarding Information of Taxation Socialization for Public, it is found out that of all of the existing media, television became one of the most recommended media to socialize taxation. In line with that, data from AGB Nielsen Indonesia (2009) highlighted that Indonesians still use television as their main media to access entertainment as compared to other media, such as radio, newspaper, magazine, and internet, with penetration rate of 90% [1]. Furthermore, television also has strong influence in the country, since Indonesians are mostly composed of lower class who have not acquired reading habit. This resonates the survey by Central Bureau of Statistics (BPS) which showed that 90.27% of Indonesian people prefer to watch television rather than reading [2].

The government is one of the institutions using television to convey its programs [3]. The government with its programs conveys messages to the public in form of a call or socialization using TV. The DGT has been conducting socialization of taxation through television by broadcasting public advertising and interactive taxation socialization. However, the television socialization seems to have not achieved the desired effect. Whereas, as explained earlier, it can be seen that tax socialization through television is a very potential means to increase tax compliance. Taxation socialization carried out by the DGT is expected to transfer sufficient knowledge on taxation that is needed by taxpayers, which in turn will increase voluntary tax

compliance. Realizing such a problem, this study aims to identify the overall implementation of tax socialization through television and the constraints it faces.

2 Literature Review

In order to ensure the proper implementation of taxation socialization, communication needs to work in sustainable manner to build public's knowledge on taxation world [4]. Tax morale is a critical component of any tax compliance decision, although both perceive enforcement as the main driver of compliance [5]. Furthermore, they also considered five potential sources in which tax morale can be created. The five sources are: 1) Intrinsic motivation, which can be seen as anything that can influence an individual to increase the amount of tax he would decide to pay (by, possibly, paying more than the determined amount); 2) Reciprocity, which can be perceived as a condition where individual pays tax depending on his relation with the state (for instance, for public goods provided by the state or perception on justice of the tax system; 3) Effect of group and social influence, which can be described as a condition where to pay tax, individual depends on another individual's perspective or behavior; 4) Long term cultural factor, which can influence the willingness to pay tax; and 5) Imperfect information and deviation from maximization of function (for instance, an individual might not know the possibility of being detected if he tried to avoid tax, or possibly showed loss of reluctance).

In order to support the effectiveness of tax counseling, mass media can be utilized to create a conducive climate that can promote and generate public awareness of its taxation obligations. The utilization may take form of informative, instructional (educational), and persuasive delivery [6]. Informative function is used to generate public's understanding on tax function; public needs to be given information regarding development results which are funded by tax and their benefit for the society. Instructional function aims to deliver instructional communication. Persuasive function aims to change the public's negative preference towards tax. By using the three communication functions, mass media can be utilized in the tax counseling program. However, the typical characteristics (strength and weakness) of each mass media must be well-observed. Selecting the right communication function and mass media will significantly help the effectiveness of counseling activities.

3 Research Method

The study applies qualitative approach to obtain comprehensive understanding and description on a social phenomenon, which is the implementation of socialization of tax through television and the obstacles faced throughout. Based on its goal, this is a descriptive study. Based on its benefits, this study is a pure study, while based on time dimension, this research is a cross-sectional research. The data collection technique utilized in this research is literature study and field study conducted using in-depth interview to the DGT and television station.

4 Result and Discussion

Socialization measures is one of the key strategic measures to be done by the government to gain public trust. As previously discussed, the fruit of public trust is voluntary compliance, which is also the key indicator of a country's success to collect its tax. The government, particularly the DGT, shall be able to show that tax plays crucial role in the country's development, by conducting socialization to the public. The mass media, particularly television, in turn needs to follow up this initiative by being the main agent to deliver the message in form of calls and socialization on tax for the general public. Television, as already shown in the DGT's Public Relations Index, is very effective as it falls into the category of 'easily understood by the public', and is declared as a sufficiently effective instrument for tax socialization. In addition, according to Nielsen Consumer Media View (CMV) survey, television remains the main media consumed by most of Indonesians, with the penetration rate of 96%, with **outdoor media** and internet follow behind, with penetration rate of 53% and 44%, respectively. Thus, it can be concluded that television has very strong potential to serve as a medium for tax socialization.

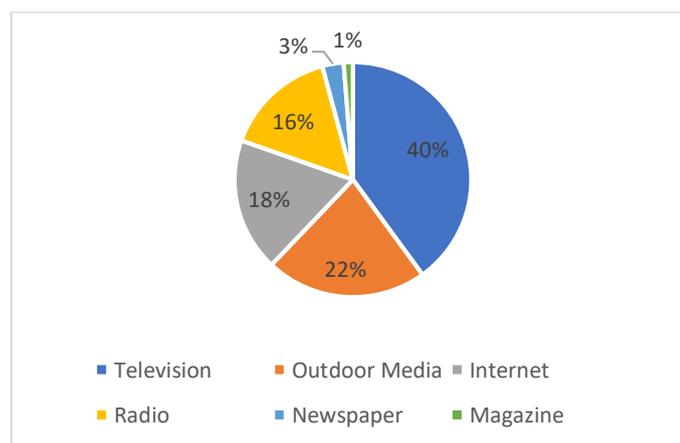


Fig. 1. Media Penetration Rate (Nielsen, 2017)

Television as a mass media has strong potential to be utilized to help the DGT in conducting tax socialization. Television can help disseminating various information related to tax to the general public to increase its tax awareness, which in turn will increase its tax compliance.

The collaboration between DGT and television in tax socialization has been actually going over the past few years. The cooperation was manifested in tax-related advertisements and talk shows. Television as a mass media is believed to have such a vital role to support effective tax socialization. In this regard, the DGT can build collaboration with television to create a climate that can promote public awareness on its tax obligations. The process of creating such a climate comprises production of TV show or advertising which format could be informative (introducing tax, taxpayer, and tax object), instructional/educative (informing about what tax obligations need to be observed as a citizen-taxpayer), and persuasive

(convincing that tax payment will bring indirect compensation in form of collective benefit for development and public service improvement, and social equity).

Tax socialization through television can be divided into two categories: pay-based and free-based. Pay-based means a spot for showing a public advertising, for which the DGT would have to allocate a specific budget to buy the advertising spot. From TV side, this cooperation would be a cooperation between DGT with the TV station's sales and marketing division. In this cooperation, there are various fees that DGT will have to pay as compensation for the tax socialization advertising on the TV station, since basically, advertising of tax socialization through TV both in form of public advertising and talk show requires production cost for the TV that broadcasts it.

In addition to paid socialization product, there is also free socialization product in form of provision of resource person (representing DGT) to attend TV talk shows that discuss taxation issue. Endang Unandar said that tax socialization through free television program can be performed upon, among others, demand by the television to DGT to send a resource person regarding certain tax issue. However, the talk show is only meant during certain policy or program issues, or even in certain public segment, and aims at amplifying the issue or program to the public. The socialization product is free, and hence DGT does not need to allocate any budget, as the program itself is also part of the television station's interest (particularly news program) as a service provider to deliver information to the viewers.

Furthermore, another free socialization product is tax counseling program for media internal team. In this regard, DGT provides explanation to the media regarding taxation, to make sure that the information that is delivered to the public is more comprehensive and accurate. This is often missed from the measures conducted, despite its critical importance, since many communication practitioners working in media sector are not really the parties who truly understand taxation sector. At best, they only know and are aware of what taxation is. 'To know' is not 'to understand', and 'to be aware of' does not mean 'to comprehend'. Therefore, it is a very fundamental thing, and DGT has to provide education on taxation routinely to mass media actors, in order to generate a unified perception and interpretation among them. On the media actor side, they can also perceive this as a good relation between DGT and mass media, in addition to providing them with comprehensive understanding on taxation.

This program does not only lead to good collaborative relation, but also produces mutual symbiosis between the DGT and television outcome, particularly news outlet. This is because news outlet has interest to provide most updated information as one of its core businesses. The benefit of this cooperation relation as a mutual symbiosis was also very much felt by media actor. When DGT should conduct socialization through such paid product, there are some procurement procedures that it needs to comply with, such as when it comes to budget proposal, appointment process, whether it should be direct appointment or open tender/beauty contest, as well as the estimated budget for the paid socialization product through the TV station. Procurement process is conducted by using the DIPA (Budget Implementation List) which is generally conducted through tender. It can also be done through direct appointment so long as the procurement value is under IDR 200 million.

Procurement process through tender certainly requires longer time than direct appointment. This is because tender procurement process has to pass through a number of steps and procedures. The DGT itself also has to prepare various administrative matters and budget proposal prior to opening the tender. And then, tender process also has to go through various steps of qualification and competence assessment of all the providers of television advertising services. In term of determining price, DGT has conducted a survey to pre-

determine the HPS (Owner's Estimate Price). The survey was conducted to television media actors to identify the amount of price required for getting a spot of commercial advertising offered for socialization product as requested by the DGT.

Furthermore, in procurement process through tender, full authority is given to ULP (Procurement Service Unit) to select the competent TV advertising provider based upon certain classification and criteria. The tender administration process is delegated to ULP in order to maintain transparency and integrity and avoid any tendency of nepotism that might occur if the procurement were conducted by the DGT internal team. In the tender process, technical matters such as air time and frequency of tax socialization has been determined by the DGT in a proposal made in accordance with the existing budget.

In the implementation, tax socialization through television faces various barriers and obstacles. The DGT as the tax authority in charge of providing tax-related information through socialization program, faces constraints and obstacles in the process. Barriers in implementation of tax socialization through TV include limited budget. To optimize the utilization of such limited budget, the DGT conducted pre-mapping of TV stations to identify which station met the best criteria set forth by the DGT to air tax socialization advertising. The criteria include: TV with high number of news air time, high number of audience, idolized by the public, and which viewers are the targets of the DGT socialization.

In addition to fund, another obstacle felt by the DJT is the HPS (Owner's Estimate Price) which can fluctuate at any time. Slow delivery of quotation is also another problem that constrains tax socialization through television. These obstacles from the DGT's internal side can actually be addressed by finding a middle way between the DGT and television to keep doing collaboration for tax socialization. One of the possible measures to take is conducting cooperation through Corporate Social Responsibilities (CSR) in form of provision of special spots to air tax socialization both in form of Public Service Advertising and talk show. However, the method has its own problems, as it will definitely face some unneglectable rules. It is also worth to bear in mind that tax socialization is an important form of information announcement for the public, with high level of urgency. Thus, television as one of the mass media is required to participate to achieve the goal by collaborating with the DGT.

5 Conclusion

Tax socialization on television can be done in form of airing of Public Service Advertising or talk shows that discuss about tax-related issues. In its process, tax socialization through television is divided into two types, namely paid socialization and free socialization. In paid socialization, DGT pays an amount of money for the spots of advertising on TV that will convey its tax socialization message. The process of airing tax socialization takes a rather long time as it has to go through procurement tender process. In free socialization, television does not charge any fee for airing tax socialization messages from the DGT.

So far, tax socialization through television is still limited, as there are still very few advertisements on tax socialization on television either in form of Public Advertising or **talk show**. This is associated with one of the obstacles faced by the DGT to implement the TV-based tax socialization, which is lack of funding. The DGT's limitation of fund makes all its efforts engaging TV stations for tax socialization not running optimally at the desired level.

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