

A Historical Overview of the Most Successful Tax Amnesty Policies in Indonesia

Arief Budi Wardana
Politeknik Keuangan Negara STAN
wardana.arief@pknstan.ac.id

Abstract

The 2016 tax amnesty program may be Indonesia's most successful one. However, the debate on introducing the Voluntary Disclosure Program in 2022 raises questions. This research examines informants' experiences discussing and drafting the 2016 Tax Amnesty, focusing on aspects such as background, timing, design, and accompanying strategies. A narrative qualitative approach using interview instruments is suitable for achieving the research objectives. According to Law No. 11/2016, the objectives of the 2016 tax amnesty are increasing economic growth and tax compliance. However, based on the informants' experiences, the 2016 Tax Amnesty emerged from the need to increase tax revenues and repatriate the assets of Indonesian citizens abroad, which needed to be aligned with the DGT's planned blueprint. Some essential aspects, such as time and design, were considered when discussing the 2016 Tax Amnesty. However, we should have regarded as another crucial factor: the types of taxes and the accompanying strategy of tax amnesty. Therefore, a clear roadmap will guide preparing a strategic program like tax amnesty, ensuring optimal benefits in the long run.

Keywords: *tax amnesty, tax compliance, voluntary disclosure program.*

INTRODUCTION

Taxes are the primary source of Indonesia's state revenue in the State Budget (APBN); as much as 75.76% of the total APBN comes from taxes (Kemenkeu.go.id, 2021). The Directorate General of Taxes (DGT) is responsible for meeting the tax revenue target. The Directorate General of Taxes (DGT) has continuously supervised and inspected to achieve the revenue target (Nurebo, Lekaw, & Mariam, 2019). The Indonesian tax system that adheres to the self-assessment system trusts taxpayers to calculate, pay, and report the taxes owed themselves. The rationality that refers to applying the self-assessment system will not guarantee that taxpayers honestly report their tax obligations (Riahi-Belkaoui, 2004; Saad, 2012, 2014). Recognizing the self-assessment system's tendency to encourage tax avoidance behavior is crucial (Palil & Mustapha, 2011; Permita, Yulistia, & Fauziati, 2014). Therefore, taxpayers must comply with the state's mandate (James & Alley, 2002).

To enhance tax compliance, the government frequently implements tax amnesty programs. In principle, tax amnesty eliminates unpaid taxes, exempting them from tax administrative and criminal sanctions, by requiring asset disclosure and a ransom payment at a specific percentage (E. W. Said, 2017a). Countries that have implemented this policy often use it to collect state revenue from the tax sector quickly in a relatively short period (Saraçoğlu & Çaşkurly, 2011). Reflecting on its history, Indonesia has implemented tax amnesty policies four times, each with its unique scheme. The Presidential Decree of the Republic of Indonesia Number 5 of 1964 carried out the first amnesty, followed by Presidential Decree Number 26 of 1984 in 1984. In 2008, Article 37A of Law Number 28 of 2007 regulated the provision of tax facilities, known as the sunset policy. 2016 Law Number 11 of 2016 concerning Tax Amnesty regulated its implementation (Sari, 2017).

Like any other government policy, the implementation of tax amnesty has simultaneously yielded positive and negative consequences. One of the negative impacts often

observed after tax amnesty is a decline in tax compliance (Alm, McKee, & Beck, 1990). If the government frequently implements tax amnesty policies, the condition of tax compliance will further decline. Therefore, the government must be cautious in formulating policies to maintain or increase tax compliance after the tax amnesty ends. Time-related aspects are essential in planning tax amnesty policies. Alm & Rath (1998) underline that tax amnesty should be rare. Other studies, such as those by (Ibrahim, Myrna, Irawati, & Kristiadi, 2017; Mehmet, 2015) concur that implementing tax amnesty should only occur occasionally. This implies that the government must control the implementation of tax amnesty to prevent the community's memory of the previous program from fading before introducing a new one. Mehmet (2015) suspects emotional hazards or psychological anomalies will raise questions about fairness and equality in tax collection. According to (Nar, 2015), implementing the policy within a short timeframe may lead to moral hazard among taxpayers who have complied and fulfilled their tax obligations. There is a tendency for compliant taxpayers not to appreciate special treatment for tax evaders, primarily if this policy is not implemented only once (Alm, Martinez-Vazquez, & Wallace, 2009). Additionally, the government should consider the duration of the rolling tax amnesty. A comparison of several countries shows that a relatively short duration produces more effective program outputs (Ibrahim et al., 2017).

In addition to the timing issue, the design aspect of the tax amnesty program must also be considered. The government must wisely determine several crucial points before implementing the tax amnesty. First, the government must select the criteria for taxpayers eligible to participate in tax amnesty (Alm & Rath, 1998). Furthermore, the tax amnesty program must clearly explain the taxes covered (Alm & Rath, 1998). The forgiveness amount for the tax amnesty program is equally essential (Alm & Rath, 1998). With a good design for the tax amnesty program, Mehmet (2015) believes it will likely have a positive impact. The tax amnesty program will likely increase tax revenue in the short term. Mehmet (2015)

stated that the tax amnesty program is driven by the government's urgent need to collect tax revenue. However, Alm & Rath (1998) highlighted that tax amnesty will generate only a little additional tax revenue. Sanchez Villalba (2017) autioned that the government should not use tax amnesty as a platform to collect state revenue from taxes.

In addition to focusing on formulating a tax amnesty policy, the government should complement it with a companion strategy. Alm & Rath (1998) found that a significant overhaul of the tax system following the tax amnesty will attract many taxpayers to participate. Leonard & Zeckhauser (1987) emphasized the need to maintain enforcement efforts during and after the tax amnesty. Even Alm et al. (1990) emphasized the need for increased enforcement efforts following tax amnesty. Strategies related to treating compliant taxpayers must also be considered to maintain their compliance level. Mehmet (2015) provides an example of positive discrimination in the form of exceptional rewards for compliant taxpayers.

Based on the experience of implementing tax amnesty policies in Indonesia and other countries, implementing this policy only sometimes has positive impacts. Implementing the tax amnesty in Indonesia in 2016, considered a short-term success (Hajawiyah, Suryarini, & Tarmudji, 2021), still raises criticism. We take a statement from Said (2017b), who thought that the 2016 tax amnesty hindered law enforcement and whistleblowing culture because the source of funds included in the program could not be traced. The relatively short interval between the 2016 tax amnesty and the 2022 voluntary disclosure program also has the potential to hurt efforts to increase tax compliance, as suggested by the previous research described earlier.

Formulating a comprehensive program like tax amnesty, which has the potential to become a contentious issue, involves several essential elements. It also necessitates meticulous and quantifiable deliberations in light of scientific evidence, emphasizing that tax amnesty should only be a one-time opportunity for delinquent taxpayers. The literature indicates that several factors need to be considered when implementing tax amnesty,

such as ensuring that the frequency of implementation is not excessive to prevent moral hazard among taxpayers. Alm et al., (2009); Ibrahim et al., (2017); Mehmet, (2015); Nar, (2015) are some examples of this literature. Furthermore, the literature (Alm & Rath, 1998; Sanchez, 2017) does not suggest that tax amnesty aims to generate tax revenue despite the potential for short-term tax revenue (Mehmet, 2015). The effectiveness of tax amnesty in increasing taxpayer compliance remains to be determined, as some studies have yielded negative results (Alm et al., 1990).

However, researchers have studied these crucial elements separately. We still need to complete research that integrates the background of tax amnesty with timing, design, and accompanying strategies. Based on these problems, the authors will formulate the following research questions:

1. What is the background of the tax amnesty program implemented in Indonesia?
2. How are the dimensions of timing, design, and accompanying strategies considered in formulating the tax amnesty program in Indonesia?

The scope of this research is the implementation of several tax amnesty programs from 2016 to 2017. The theme of tax amnesty was chosen because the Indonesian government re-issued a tax amnesty program in the form of a voluntary disclosure program in 2022. In addition, this study limits the excavation of information sources to agencies under the Ministry of Finance of the Republic of Indonesia.

METHOD

Narrative research in a qualitative corridor is considered an appropriate tool for exploring the experiences of the parties involved in preparing the 2016 Tax Amnesty policy. Referring to Creswell & Poth (2018), the narrative approach tries to capture a person's experience, expressed and told, and explores social, cultural, family, language, and institutional narratives. The choice of informants is vital to keeping the observation process aligned with the research topic. All the resource persons selected in this re-

search are historical actors in the discussion of Law Number 11 Year 2016 on Tax Amnesty. Informant 1 followed the dynamics of the law discussion, starting from the technical level at the Directorate General of Taxes, then continuing to the Ministry of Finance level to the Working Committee at the House of Representatives. Although they were in different agencies, Informant 2 participated and claimed to have had meetings with Informant 1. Meanwhile, Informant 3 primarily focuses on drafting and implementing the Tax Amnesty Law regulations.

We use the investigative genre (Langley & Meziani, 2020) to get valuable information from the source about what they did in the past. Ideally, the time gap between the event and the interview is close. In this case, we are interviewing an event over four years ago. To maintain the validity and reliability of the interview process, we can adopt some techniques, such as event tracking, courtroom questioning, and non-directive questioning (Langley & Meziani, 2020). We interviewed the informant step-by-step through the event to fulfill the event tracking technique. Furthermore, our questions focused on factual information rather than interpretation, akin to a courtroom questioning technique. In addition, we employed the non-directive questioning technique to prevent the informant from considering the true nature of the study.

We used in-person and online interviews to gather data from the interviewees. Interviews, including online, are one form of data in qualitative research, in addition to observations, documents, and audio-visual materials (Creswell & Poth, 2018). The interviews conducted in this study used unstructured and generally open-ended questions to elicit the views and opinions of the informants. We asked all interviewees questions based on their context and expertise. To meet the ethical requirements for online data collection, the author adhered to the guidelines outlined by Creswell & Poth (2018), which include safeguarding privacy, ensuring authenticity, and fostering trust in the collected data. Creswell & Poth (2018) suggest using at least one validity procedure, which includes member checking, triangulating data sources, or using peer or external

auditors. To maintain accuracy, this study applied a validation procedure in the form of data source triangulation and member checking.

The COVID-19 pandemic still affects data collection through source interviews, making interviewing only one source directly possible. We conducted interviews with the other two sources using the Ms. Teams application. Although there were differences in the data collection media, the interaction process went smoothly without any significant obstacles. We interviewed each interviewee separately from the others. The duration of each interview ranged from 1 to 2 hours. As a form of respect for the interviewees' privacy, we asked for permission before recording the interview. Informant 1 was the only interviewee we were willing to meet directly. We held the meeting in a closed room, encouraging the interviewee to answer our questions more candidly. We interviewed with Informant 1 in the morning, from 09.00 to 11.00 am

We interviewed Informant 2 on a different day than Informant 1. Although initially unfamiliar with the Ms. Teams application, Informant 2 was able to capture the intent of the questions asked. Despite the online format, the conversation flowed smoothly. We interviewed with Informant 2 between 1.30 and 3.00 pm. Due to his busy schedule, we interviewed the last resource person, Informant 3, in the evening. The interview process at 8:30 pm encouraged Informant 3 to share his experiences when dealing with tax amnesty regulations. Once the author was satisfied with Informant 3's responses, the interview concluded at 22.00 WIB. Despite conducting the interview separately, we returned the data, analysis, and interpretation to all informants. They can evaluate the accuracy of the analysis by themselves and another informant.

FINDINGS AND DISCUSSION

Policy Background

The initial section of Law No. 11/2016 states that tax amnesty was born to increase tax revenue, stimulate economic growth, and improve tax compliance. Interviews with

informants directly involved in drafting the regulation revealed various perspectives. Informant 1 suspects that the primary motive for issuing the tax amnesty policy is the pragmatic need for liquidity. For DGT itself, the presence of tax amnesty has the potential to become a new database builder and a milestone in changing taxpayer behavior for the better, according to Informant 1.

However, Informant 1 felt that drafting the 2016 tax amnesty bill coincided with news about the substantial assets of Indonesian citizens abroad, with some media sources even mentioning as much as Rp1,000 trillion. For this reason, the government wants to increase taxes and withdraw Indonesian assets from the country. The government likely offers tax amnesty as a convenience measure to encourage the return of Indonesian citizens' offshore assets. Informant 1 posits that a change in the behavior of forgiven taxpayers should theoretically lead to increased tax compliance. He compared the government's amnesty to the loyalty of the Free Aceh Movement (GAM) to the Republic of Indonesia. However, Informant 1 still sees a wide gap between theory and practice, so he expects DGT to maintain this area consistently.

Another story comes from Informant 2, who argued that unrest over Indonesia's suboptimal taxpayer compliance conditions led to the 2016 tax amnesty. The tax revenue performance still needs to catch up to the target. Before strict law enforcement, the government provides taxpayer opportunities through amnesty. As a policy analyst, Informant 2 illustrated a simple formula for tax revenue: the multiplication of a tax base, rate, and tax compliance factor. In a global trend of declining tax rates, the government is unlikely to raise taxes to boost revenue, leading to the expectation that tax amnesty will enhance the compliance variable. Improving tax compliance through tax amnesty only serves as a gateway to a reliable system that prevents taxpayers from making mistakes. Suppose tax compliance increases after tax amnesty, continued Informant 2. In that case, the tax revenue increase will not only occur in the year of implementation but also after the end of the amnesty program. Informant 3 observed that the failure to

achieve tax revenue after the sunset policy's implementation, the unfavorable global economic situation, and the need for funding for the Nawa Cita infrastructure catalyzed the emergence of tax amnesty. However, Informant 3 underlined that the primary purpose of tax amnesty is not to pursue ransom money but to repatriate assets abroad. If there is a capital inflow, it has the potential to stimulate the Indonesian economy.

Informant 3 presents an alternative perspective, arguing that tax amnesty undermines the DGT's blueprint until 2020. The focus on tax amnesty overshadowed the expected year of law enforcement in 2016. If consistent with the blueprint, tax amnesty should come after the law enforcement year and ahead of the overall tax reform. For this reason, Informant 3 argued that the primary purpose of tax amnesty appeared to be to increase tax revenue, which was trending downward at the time. Informant 3 clarified that the DGT's blueprint did not contain the idea of tax amnesty, but it was primarily a top-down directive. Instead, the plan from the outset was to establish a government regulation for a voluntary disclosure program akin to the 2022 voluntary disclosure program.

The discussion of the tax amnesty regulation is only sometimes in line with assessing the background of the emergence of the 2016 tax amnesty. Two informants saw that the motive to pursue liquidity and tax revenue was more dominant. In contrast, another informant briefly mentioned the low compliance condition, even though it led to tax revenue. The government confirmed the budgetary function of taxes as one of the solid reasons for implementing the 2016 tax amnesty policy package. Several studies agree that the need for quick state revenue is the background for tax amnesty. (Tukina, 2017) explains that the Indonesian government created a tax amnesty program to reduce the budget deficit during the implementation of Nawa Cita. Similarly, the 2016 tax amnesty program aims to boost tax revenue in the state budget, enabling the government to manage development programs effectively (Darmawan, 2017). Mehmet (2015) also mentioned that the government's need to collect tax revenue quickly is one reason behind

the tax amnesty program.

Pursuing tax revenue to finance the state budget is not without opposition. Alm & Rath (1998) had warned long before the 2016 tax amnesty that tax revenues generated from amnesty did not generate extraordinary state revenues. Hajawiyah et al. (2021) highlighted that the 2016 tax amnesty increased tax revenue only in the short term. Even Sanchez Villalba (2017) does not suggest that the tax amnesty program is a strategy to achieve high targeted state revenues. Furthermore, some parties have questioned the assumption that the goal of tax amnesty is to enhance tax compliance. Some argue that the tax amnesty program negatively impacts taxpayer compliance in Indonesia, allowing taxpayers to rely on non-compliant practices (Said, 2018). Sayidah and Assagaf (2019) argue that tax amnesty can be counterproductive to compliant taxpayer behavior. From a legal perspective, the tax amnesty program negatively impacts compliance by not verifying the source of funds used for unreported income, potentially leading to money laundering (Said, 2018). Despite the pros and cons related to this issue, the Indonesian government finally decided to roll out the 2016 tax amnesty (Tukina, 2017).

Considerations in Policy Formulation

After exploring the background of the 2016 tax amnesty program from the sources involved in the discussion process, it is interesting to know about the considerations of the regulation drafters. According to several experts, this research will identify at least three key considerations: the tax amnesty companion's timing, design, and strategy. Time considerations in formulating policies have at least two dimensions: frequency and duration. In the context of tax amnesty policy, the frequency dimension prompts policymakers to consider the date of the last similar program's implementation. Informant 1 argues that the frequency of tax amnesty is correct. He underlined that tax amnesty should be sacred. This implies that the momentum behind tax amnesty should impart knowledge to taxpayers, enabling them to make better decisions in the future. Meanwhile, Informant 2 recounted a discussion about the appropriateness of implementing a tax amnesty policy eight years after the 2008

sunset policy program, which bore similarities to the current tax amnesty. During the discussion, the meeting participants felt that the eight-year period was long enough to counter those who thought that the frequency of tax amnesty was too close together.

Furthermore, Informant 1 displayed a look of disappointment when discussing the duration of the tax amnesty program. The DGT's proposal of 6 months, akin to a "blitzkrieg" against the legislature's desire for the program to last for an entire year, resulted in a compromise agreement of 9 months. This condition differed from the discussion held within the internal DGT, or Ministry of Finance, which typically followed the direction of the leadership. Informant 2 recalls that they discussed both the duration and the tariff simultaneously. If the duration of the tax amnesty is fast, then the rate offered is lower, and vice versa. Informant 3 has learned that numerous dynamics are involved in determining the program's rate and duration, and they have even prepared a scenario for up to three waves.

Planning a tax amnesty policy requires consideration of time-related aspects. Alm & Rath (1998) underline that tax amnesty should be rare. Other studies, such as those by (Ibrahim et al., 2017; Mehmet, 2015) concur that implementing tax amnesty should only occur occasionally. This implies that the government must control the implementation of tax amnesty to ensure the community's memory of the previous program fades before a new one emerges. Mehmet (2015) suspects emotional hazards or psychological anomalies will raise questions about fairness and equality in tax collection. According to (Nar, 2015), implementing policies over a short period can lead to moral hazard among taxpayers who have been obedient and fulfilling their tax obligations. There is a tendency for compliant taxpayers not to appreciate special treatment for tax evaders, primarily if this policy is not implemented only once (Alm et al., 2009). The government must also pay attention to the duration of the rolling tax amnesty. A comparison of several countries shows that a relatively short duration produces more effective program outputs (Ibrahim et al., 2017).

In addition to the timing issue, the design

aspect of the tax amnesty program must also be considered. The government must wisely determine several crucial points before implementing the tax amnesty. Informant 1 recalled that the House of Representatives task force discussions delved deeply into the definition of forgiven assets, their origin, the method of asset valuation, the type of tax, the type of forgiven crime, and the eligibility for participation. Informant 2, who was only involved in the internal discussion of the Ministry of Finance, admitted that the dominant discussion was determining the tariff along with the staging and period. The determination of the tariff compromises the government's interest in collecting tax revenue and attracting entrepreneurs to participate in the program.

Meanwhile, Informant 3 provided a more detailed and technical explanation of the shortcomings in drafting the tax amnesty law. The excessive focus on income tax necessitated the inclusion of land and building tax in the tax amnesty program. In addition, the value-added tax also received less attention, so there was a patchwork of provisions in the regulation to regulate several problems, considering that the working principle of value-added tax is to collect from other parties.

Theoretically, tax amnesty policymakers should design the program carefully. First, the government must selectively determine taxpayers' eligibility criteria for tax amnesty (Alm & Rath, 1998). Furthermore, the tax amnesty program must clearly explain the taxes covered (Alm & Rath, 1998). The tax value the tax amnesty program can forgive holds equal importance (Alm & Rath, 1998). With a beneficial tax amnesty program design, Mehmet (2015) believes the program has a positive impact.

Planning programs after the tax amnesty ends holds equal importance as the previous two considerations. We asked the speakers if they had discussed strategies to complement the tax amnesty and ensure its smooth operation. Informant 1 emphasized that tax reform and administrative improvement should accompany the tax amnesty law. Meanwhile, Informant 2 felt that there needed to be further discussion of strategy when designing the tax amnesty program.

However, Informant 2 recognizes that, given his position within the external DGT, there needs to be more debate to imply the absence of a strategy. Informant 2 recognizes that the jargon stating that 2018 is the year of taxpayer compliance and law enforcement indicates a specific strategy from DGT. However, it needs to be communicated during the meeting. Tax amnesty should be present before implementing the new tax system. In the long run, strict law enforcement following tax amnesty can boost investment and state revenue by broadening the tax base (Said, 2018).

Although some parties consider the 2016 tax amnesty a success, it leaves gaps that need improvement. Informant 1 stated that the creation of tax amnesty resulted from a compromise with the economic and political conditions of the time, aiming to improve taxation. Ideally, the emergence of tax amnesty coincided with the readiness of the existing DGT tax system, such as the Automatic Exchange of Information implementation during that period. In addition, Informant 1 highlighted the issue of moral hazards and equality in the tax amnesty event. Informant 2 contended that the strategy following the tax amnesty implementation must be more vigorous, preventing the public from witnessing significant advancements in the DGT's law enforcement process. Informant 3 clarified that the administration of tax debt recording does not distinguish between the principal and the sanction, necessitating additional effort to remove the sanction. Regarding administration, there are instances where some law enforcement processes in the DGT are still conducted manually, which may result in the law enforcement history not being erased because it has yet to be entered into the DGT information system.

The experience of organizing a tax amnesty program is a valuable asset in creating a better scheme for tax compliance in the future. Informant 1 acknowledged the need for a strategy to enhance tax compliance following tax amnesty. Informant 1 considers the instruments in the current tax regulations qualified, noting their implementation without any permissiveness. In addition, Informant 1 mentioned that the key to maintaining

compliance is to support the database collected during the tax amnesty and to use it as well as possible to explore the potential. Informant 2 emphasized that frequent and routine tax amnesty can negatively impact compliance. Informant 2 does not question the emergence of the 2022 voluntary disclosure program, which is only four years after the end of tax amnesty, as the two programs have distinct schemes. Informant 2 demonstrated a counterproductive tax amnesty policy by eliminating motor vehicle tax sanctions in local governments, a move the public can easily predict. Furthermore, Informant 2 stated that DGT had accounted for the urgency of implementing tax amnesty in 2016, following eight years of the sunset policy program.

Informant 3 believes the 2016 tax amnesty was implemented prematurely, leading to no consideration for developing the subsequent program. Indeed, a regulation known as Law No. 1/2017 regarding AEOI was implemented following the 2016 tax amnesty. However, the AEOI regulation in Indonesia is primarily a response to Indonesia's desire to avoid international ostracism. Furthermore, Informant 3 believes that the implementation period of the 2016 tax amnesty from the previous amnesty program is long enough, especially since the last program had a different scheme.

Decision-makers need to prepare tax amnesty policies well. Like tax regulations, tax amnesty must also consider its impact on tax compliance. According to the slippery slope theory, trust and power determine tax compliance (Kirchler, Hoelzl, & Wahl, 2008). If we look at Haning et al. (2019) research, it is evident that the combination of power and trust is vital to maintaining tax compliance in Indonesia. The 2016 tax amnesty is unlikely to increase trust in the government to the maximum level. Sources revealed that the government's funding needs necessitated the 2016 tax amnesty, but taxpayers may interpret this differently. Furthermore, taxpayers still need to perceive the need for direct budget distribution. In addition, the implementation appeared abrupt and needed to be aligned with the DJP roadmap, which hindered the public's trust from reaching its peak. Failure to achieve

maximum trust results in the inability to create voluntary tax compliance (Kirchler et al., 2008).

High power can create tax compliance if voluntary compliance has not materialized (Kirchler et al., 2008). Haning et al. (2019) report that taxpayers in Indonesia believe that power influences the level of tax compliance. The information from the source above indicates that the implementation of the 2016 tax amnesty differs significantly from the previous tax amnesty program. However, the source added that the 2016 tax amnesty interrupted the schedule for implementing tax law enforcement. Meanwhile, efforts to demonstrate the government's ability to enforce tax compliance closely align with law enforcement. Therefore, from the perspective of enforced compliance, tax amnesty alone cannot guarantee optimal tax compliance.

Whether voluntary or enforced, tax compliance will yield more significant benefits if its impact is consistent. Sitepu (2021) found that the preparation of tax policy in Indonesia needs to apply three approaches. The three approaches that are believed to have a sustainable impact include enforcement, facilitation, and trust (Sitepu, 2021). When looking at the information from the informants who called the emergence of the 2016 tax amnesty a premature policy rather than based on the Indonesian tax road map, the author is pessimistic if this policy has considered the three approaches mentioned above. The 2016 tax amnesty policy primarily focuses on providing facilities to taxpayers. However, a law enforcement policy must accompany the provision of this facility, making it challenging for taxpayers to evade tax obligations. We have yet to see the trust dimension in the previous section reach optimal. Therefore, the Indonesian government cannot expect too much from the 2016 tax amnesty to establish sustainable tax compliance.

CONCLUSION

According to Law No. 11/2016, the purpose of the 2016 tax amnesty is not solely to increase tax revenue. Other objectives of the 2016 tax amnesty are increasing eco-

conomic growth and tax compliance. However, based on the informants' experiences, the emergence of tax amnesty in 2016 closely aligns with the government's aim to boost state revenue from the tax sector. Undoubtedly, the 2016 tax amnesty serves as a tool to repatriate the assets of Indonesian citizens abroad, thereby bolstering the country's economy. In addition, the 2016 tax amnesty emerged amidst the not-so-encouraging tax compliance condition. The discussion with the informants revealed that the timing of the 2016 tax amnesty was not in line with the DGT's planned blueprint, hence the assumption that this policy was top-down.

Regardless of the pros and cons of the 2016 tax amnesty, the drafters have tried hard to develop a policy package that considers the appropriate timing and design factors. The informants believed the timing of the 2016 tax amnesty was just a short distance from the 2008 sunset policy program. We could have further shortened the nine-month duration of the 2016 tax amnesty program. Furthermore, the informants acknowledge that the design of the 2016 tax amnesty resulted from a lengthy discussion that considered all relevant interests. However, the debate still needs to narrow its focus to income tax, thereby overlooking other types of taxes. Despite the two considerations above, the speakers felt that the strategy in the field of taxation after the 2016 tax amnesty should have received more attention in the discussion.

The formulation and discussion of tax amnesty policy in a relatively short period has been deemed lacking in the planning aspect. Furthermore, the informants viewed the implementation timeline of tax amnesty as detrimental to the DGT's recently launched blueprint. Therefore, we anticipate a clear roadmap for preparing a strategic program like tax amnesty, yielding optimal long-term benefits. In addition, it is necessary to pay attention to the interval between tax amnesty programs so that it becomes a sacred moment and a one-in-a-lifetime chance for taxpayers.

REFERENCES

Alm, J., Martinez-Vazquez, J., & Wallace, S. (2009). Do tax amnesties work? The revenue effects of tax amnesties dur-

ing the transition in the Russian federation.

- Alm, J., McKee, M., & Beck, W. (1990). Amazing grace: Tax amnesties and compliance. *National Tax Journal*, 43 (1), 23–37.
- Alm, J., & Rath, D. M. (1998). Tax policy analysis: The introduction of a Russian tax amnesty. GSU Andrew Young School of Policy Studies Working Paper, (98–6).
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (Fourth Edition). Sage Publications.
- Darmawan, A. (2017). Indonesia's Tax Amnesty Law Based on the Perspective of the Law as An Allocative System. *Yustisia Jurnal Hukum*, 5(3), 509–527.
- Hajawiyah, A., Suryarini, T., & Tarmudji, T. (2021). Analysis of a tax amnesty's effectiveness in Indonesia. *Journal of International Accounting, Auditing and Taxation*, 44, 100415.
- Haning, M. T., Hamzah, H., & Tahili, M. H. (2019). The Strategy, Developing Public Trust of Taxpayers' Compliance in South Sulawesi Province. *JKAP (Jurnal Kebijakan Dan Administrasi Publik)*, 23(2), 135–143.
- Ibrahim, M. A., Myrna, R., Irawati, I., & Kristiadi, J. B. (2017). A systematic literature review on tax amnesty in 9 Asian countries. *International Journal of Economics and Financial Issues*, 7 (3), 220–225.
- James, S., & Alley, C. (2002). Tax compliance, self-assessment and tax administration.
- Kemenkeu.go.id. (2021). Data APBN. Retrieved from <https://www.kemenkeu.go.id/single-page/data-apbn/>
- Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The “slippery slope” framework. *Journal of Economic Psychology*, 29 (2), 210–225.
- Langley, A., & Meziani, N. (2020). Making interviews meaningful. *The Journal of Applied Behavioral Science*, 56(3), 370–391.

- Leonard, H. B., & Zeckhauser, R. J. (1987). Amnesty, enforcement, and tax policy. *Tax Policy and the Economy*, 1, 55–85.
- Mehmet, N. A. R. (2015). The effects of behavioral economics on tax amnesty. *International Journal of Economics and Financial Issues*, 5(2), 580–589.
- Nar, M. (2015). The effects of behavioral economics on tax amnesty. *International Journal of Economics and Financial Issues*, 5(2).
- Nurebo, B. Y., Lekaw, D. M. L., & Mariam, M. W. (2019). Effectiveness of Tax Audit: A Study in Kembata Tembaro Zone, Southern Ethiopia. *International Journal of Commerce and Finance*, 5 (1), 34–50.
- Palil, M. R., & Mustapha, A. F. (2011). The evolution and concept of tax compliance in Asia and Europe. *Australian Journal of Basic and Applied Sciences*, 5(11), 557–563.
- Permita, A. C., Yulistia, R., & Fauziati, P. (2014). Pengaruh Persepsi Wajib Pajak Orang Pribadi atas Pelaksanaan Self Assessment System Terhadap Tindakan Tax Evasion di Kota Padang. *Abstract of Undergraduate Research, Faculty of Economics, Bung Hatta University*, 4(1).
- Riahi-Belkaoui, A. (2004). Relationship between tax compliance internationally and selected determinants of tax morale. *Journal of International Accounting, Auditing and Taxation*, 13(2), 135–143.
- Saad, N. (2012). Tax non-compliance behaviour: Taxpayers view. *Procedia-Social and Behavioral Sciences*, 65, 344–351.
- Saad, N. (2014). Tax knowledge, tax complexity and tax compliance: Taxpayers' view. *Procedia-Social and Behavioral Sciences*, 109, 1069–1075.
- Said, E. W. (2017a). Tax policy in action: 2016 tax amnesty experience of the Republic of Indonesia. *Laws*, 6(4), 16.
- Said, E. W. (2017b). Tax policy in action: 2016 tax amnesty experience of the Republic of Indonesia. *Laws*, 6(4), 16.
- Said, L. (2018). Implementation of tax amnesty and its impact on Indonesia economics. *Reports on Economics and Finance*, 4(1), 45–56.
- Sanchez Villalba, M. A. (2017). On the effects of repeated tax amnesties.
- Saraçoğlu, O. F., & Çaşkurlu, E. (2011). Tax amnesty with effects and effecting aspects: Tax compliance, tax audits and enforcements around; the Turkish case. *International Journal of Business and Social Science*, 2(7), 95–103.
- Sari, S. (2017). Amnesti Pajak: Sejarah dan Efektivitas di Berbagai Negara. *JABE (Journal of Applied Business and Economics)*, 3(3), 139–147.
- Sayidah, N., & Assagaf, A. (2019). Tax amnesty from the perspective of tax official. *Cogent Business & Management*, 6(1), 1659909.
- Sitepu, E. M. P. (2021). Building A Foundation for Tax Compliance in The Time of The COVID-19 Pandemic. *JKAP (Jurnal Kebijakan Dan Administrasi Publik)*, 25(2), 167–184.
- Tukina, T. (2017). Tax Amnesty Role in Developing National Public Welfare. *Humaniora*, 8(3), 271–277.