

THE EFFECT OF USING WEB-BASED PROFILE APPLICATION (APPROWEB) AND TAX REFORM ON ACCOUNT REPRESENTATIVE PERFORMANCE AND ITS IMPLICATIONS ON TAX REVENUE REALIZATION AT THE REGIONAL OFFICE OF DIRECTORATE GENERAL OF TAXES OF ACEH

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ABSTRACT

This research aims to examine the effect of using a web-based profile application (approweb) and tax reform on account representative performance and the implications for the Tax Revenue Realization at the regional office of the Directorate General of Taxes (Kanwil DJP) Aceh. This research used a total sample of 192 Account Representatives of all Primary Tax Service Offices (KPPP) under the Kanwil DJP Aceh. This research sample was taken using a saturated sample. Data was collected through a questionnaire. Data were processed using one sample t-test (SPSS), SEM (AMOS), and Sobel test (Sobel calculator). The results show that the use of the Approweb Application, Tax Reform, Account Representative Performance and Tax Revenue Realization of the Kanwil DJP Aceh has been going well, the use of the Approweb application affects the Kanwil DJP Aceh Account Representative Performance, Tax Reform affects the Kanwil DJP Aceh Account Representative Performance. The use of the Approweb Application affects the Tax Revenue Realization of the Kanwil DJP Aceh, Tax Reform affects the Tax Revenue Realization of the Kanwil DJP Aceh, Account Representative Performance affects the Tax Revenue Realization of the Kanwil DJP Aceh, Use of the Approweb application affects the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance, and Tax Reform influencing the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance. The results also explain that Account Representative Performance can function as a mediator in the model. Then these findings result in the model premise of increasing Tax Revenue Realization of the Kanwil DJP Aceh which is a function of maximizing the use of Approweb, the effectiveness of implementing tax reform, and increasing the performance of its Account Representative.

Keywords: Approweb, Tax Reform, Account Representative Performance, Tax Revenue Realization.

1. INTRODUCTION

State Revenue consists of Tax Revenue and Non-Tax State Revenue. The increase in tax revenues will also increase state treasury revenues which can be used for national development. However, public awareness of paying taxes is still very low. It is the duty of the government as a tax administrator to continue to socialize and increase taxpayer compliance. To maximize it, the central government established the Regional Office (Kanwil) of the Directorate General of Taxes (DJP). The same thing also applies to Aceh, which is one of the provinces in Indonesia, as stated

in the Decree of the Minister of Finance concerning the Organization and Work Procedure of DJP Vertical Agencies, namely the “Kanwil DJP Aceh” has vertical agencies, namely eight Pratama Tax Service Offices (KPP Pratama or KPPP) which oversees thirteen Tax Service Extension and Consultation Offices (KP2KP). Taxes have a dominant role for the state because taxes are the largest source of state revenue (Kastolani & Ardiyanto, 2017). Development can be carried out as planned if tax revenues can reach the target. However, facts from the last ten years prove that tax revenues have never reached the target. This is due to the awareness of taxpayers who are still very low in fulfilling their obligations as citizens. This is reflected in the tax revenue realization data for the period 2014 to 2022 at KPPP at the Kanwil DJP Aceh as illustrated in the following table.

**Table 1. Target and Tax Revenue Realization for the Period 2014 – 2022
Kanwil DJP Aceh**

No.	Year	Target	Realization (Net)	% Achievements	% Growth (yoy)
1	2014	3,480,928,534,997	3,474,738,800,016	99.82	13.46
2	2015	5,474,701,552,996	4,330,285,172,615	79.10	24.62
3	2016	6,029,162,795,997	4,414,725,125,380	73.22	1.95
4	2017	5,406,531,905,000	4,404,399,563,353	81.46	-0.23
5	2018	5,315,576,974,000	4,363,516,128,811	82.09	-0.93
6	2019	5,261,060,762,000	4,753,102,543,235	90.34	8.89
7	2020	4,520,850,300,000	4,179,274,658,911	92.44	-12.10
8	2021	4,852,856,478,000	4,652,355,256,715	95.87	11.36
9	2022	4,489,323,032,000	5,734,866,181,691	127.74	23.36

Source: DJP Portal Application Data (2023)

Seeing these facts proves that it is necessary to make overall improvements by carrying out tax reforms based on social justice and the improvements must continue. The purpose of this tax improvement is to add more taxpayers and increase tax revenue so that more services need to be made for each registered and unregistered taxpayer so that tax revenue continues to increase. The modernization of tax administration includes four aspects, namely organizational restructuring, improving business processes, improving HR management, and implementing an employee code of ethics.

One of the characteristics of the Tax Administration System is the existence of an AR (Account Representative) who carries out supervisory duties on the implementation of obligations by the Taxpayer and serves the settlement of the Taxpayer's rights. Also for consulting duties, if the taxpayer needs information or other matters related to the implementation of his tax rights and obligations. Thus, AR functions as a bridge or mediator between the taxpayer and the tax service office. In terms of support systems for supervising taxpayers, currently, the Kanwil DJP, especially the Aceh region, uses a client-server data processing method which is then called APPROWEB (web-based profile application). These things form the basis of this research conducted to measure the effectiveness of variables that are thought to be able to increase tax revenues.

2.LITERATURE**Tax Revenue Realization**

Tax Revenue Realization is the result of tax revenue originating from taxpayers (Vatavu, Lobont, Stefea, & Brindescu-Olariu, 2019). If tax revenues are high, a country is already independent in financing its development, and less dependent it is on foreign aid, such as foreign debt or grants (Lesmana, Panjaitan, & Maimunah, 2017). The increase in tax revenue from year to year shows that there is great potential in the taxation sector (Rahmawati, Santoso, & Hamidi, 2014). (Lesmana et al., 2017), explained that the missed tax revenue target for the last seven years was due to weak tax regulations in increasing tax compliance. The indicators that can be used to measure the Tax Revenue Realization in this research following the opinion of (Vatavu et al., 2019), namely the amount of tax revenue, the addition of taxpayers, the increase in the amount of tax revenue, and tax administration

Account Representative Performance

Following the Decree of the Director General of Taxes, Account Representatives are officers who are authorized to supervise and provide guidance/advice related to the obligations of taxpayers. Account Representative performance in the opinion (DeCenzo, Robbins, & Verhulst, 2020) and (Kasmir, 2016) is the result of work and work behavior that has been achieved in completing tasks and responsibilities. Account Representative performance is a behavior that supports the achievement of organizational goals which is measured according to the expertise of each individual (Landy & Conte, 2019). Furthermore (Mathis & Jackson, 2019) states that Account Representative Performance can help explain why people want to stay in the company or leave the company. Account Representative performance is how well a person does a job, (Williams, 2016) ; (DeCenzo et al., 2020) ; (Bernardin & Russell, 2013). To measure account representative performance, this research uses indicators that refer to Permenkeu No. 79/PMK.01/2015, namely the realization of extra effort tax revenue supervision, completed SPT appeals, SPT issuance, approved special inspection proposals, and visits).

Use of the Approweb Application

Based on the DJP Circular Letter, states that the web-based profile application (Approweb) is an application to facilitate the monitoring and exploration of potential taxpayers used within the DJP environment. Approweb users are generally Account Representatives. They use this information technology (Approweb) as the main tool to create taxpayer profiles and achieve revenue targets. The DJP Circular Letter also explains that the Approweb application is an application owned by the Directorate General of Taxes to match internal and external data used as a tool for supervising taxpayers. This research, to measure the variable use of the approweb application using indicators as mentioned in SE-49/PJ/2016 namely Presenting revenue data and all profiles of registered taxpayers, Documenting AR activities, Effective communication tools and becoming joint supervision, Information on progress and the results of AR sectoral extra effort activities can be presented online

Tax Reform

According to (Perry & Herrera, 1993) tax reform is a fundamental change in all aspects of taxation. Tax reform which is now a priority concerns the modernization of mid-term tax

administration (three to six years) intending to achieve it:

- a. High level of voluntary compliance
- b. Trust in administration is high
- c. High productivity apparatus

According to (Gunadi, 2005), tax reform covers two areas, namely tax policy reform and tax administration reform. As the target since 2002, comprehensive tax reform is carried out in three main areas that must directly touch the tax pillar, namely:

- a. Administrative field, through administrative modernization
- b. The field of regulations amends the law
- c. In the field of supervision, building a national data bank

This research measures tax reform using indicators as disclosed by (Perry & Herrera, 1993) namely organizational restructuring, improving business processes through the use of communication and information technology, improving HR management, and implementing good governance.

Paradigm and Hypothesis

The conceptual framework in this research is illustrated in the chart below.

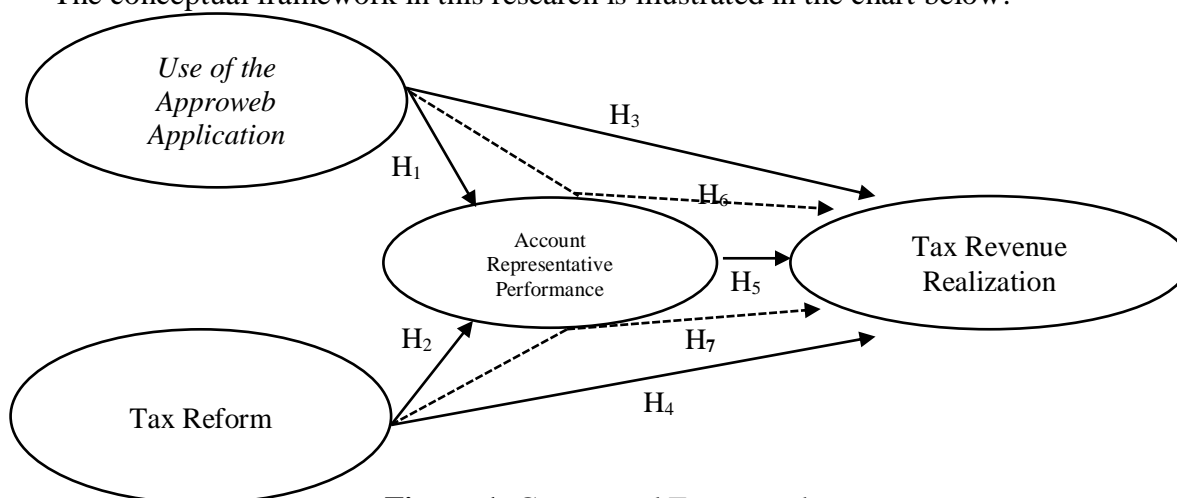


Figure 1. Conceptual Framework

- H1: The use of the Approweb Application, Tax Reform, Account Representative Performance, and Tax Revenue Realization of the Kanwil DJP Aceh have been going well.
- H2: The use of the Approweb application affects the performance of the Kanwil DJP Aceh Account Representative.
- H3: Tax Reform Affects the Performance of Account Representatives of the Kanwil DJP Aceh.
- H4: The use of the Approweb application affects the Tax Revenue Realization of the Kanwil DJP Aceh.
- H5: Tax reform affects the Tax Revenue Realization of the Kanwil DJP Aceh.
- H6: Account Representative Performance Affects Tax Revenue Realization of the Kanwil DJP Aceh.
- H7: The use of the Approweb application affects the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance.

H8: Tax reform affects the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance.

Novelty

Studies on the Use of Approweb Applications, Tax Reform, Account Representative Performance, and Tax Revenue Realization have been carried out by several researchers. However, in their studies, in general, they have not placed Account Representative Performance as an intermediary variable for the use of the Approweb application and tax reform on the Tax Revenue Realization. In general, their research places Account Representative Performance and Tax Revenue Realization as the dependent variable for Approweb Application Use and Tax Reform as independent variables. They have not placed Account Representative Performance as an intervening variable between these variables.

Unlike several previous researchers, this research seeks to analyze the effect of using the Approweb application and tax reform on Account Representative performance and its impact on the Tax Revenue Realization of the Kanwil DJP Aceh. Studies regarding the interrelationship of these variables have never been concretely disclosed by researchers. So that through this study empirical information can be disclosed regarding the direction and significance of the influence of these two variables in explaining Account Representative Performance and Tax Revenue Realization of the Kanwil DJP Aceh which has not been disclosed by researchers so far. The placement of Account Representative Performance as an intermediary variable between Tax Revenue Realization on the one hand, and Approweb Application Use and Tax Reform on the other hand is part of the novelty of this research.

3. METHOD

This research was conducted at the Kanwil DJP Aceh which is located at the State Finance Building, in Banda Aceh City. The independent variables used as objects were the use of the Approweb application (X1) and Tax Reform (X2), Account Representative Performance (Y), and Tax Revenue Realization (Z). This research used a total sample of 192 Account Representatives of all Primary Tax Service Offices (KPPP) under the Kanwil DJP Aceh. The research sample was taken using a saturated/census technique.

Table 2. Number of Research Samples

No.	Work unit	Number of Account Representatives
1.	KPPP Banda Aceh	30
2.	KPPP Aceh Besar	24
3.	KPPP Bireun	29
4.	KPPP Langsa	28
5.	KPPP Lhokseumawe	24
6.	KPPP Meulaboh	21
7.	KPPP Subulussalam	17
8.	KPPP Tapak Tuan	19
Amount		192

Source: Aceh Financial Management Agency (2022)

Data were collected by distributing questionnaires to all respondents which was done online. Research data is measured using a Likert scale. Hypotheses were tested using one sample t-test for descriptive tests, the Structural Equation Modeling (SEM) test for direct influence models, and the Sobel test for mediation models.

4. RESULT

Descriptive Hypothesis

The descriptive hypothesis was tested through a one-sample t-test with a cut-off value of 3.41, the result is provided below.

Table 3. One Sample Test

	Test Value = 3.41					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Using Approweb	7.005	191	.000	.50618	.3635	.6488
Tax Reform	5.508	191	.000	.31500	.2021	.4279
Account Representative Performance	4.314	191	.000	.33000	.1790	.4810
Tax Revenue Realization	9.092	191	.000	.63118	.4941	.7682

Based on the table above, it can be seen that the significance level with an alpha of 5% is <0.05, so it can be concluded that all the variables in this research, namely Approweb Use, Tax Reform, Account Representative Performance, and Tax Revenue Realization, have been going well. Thus rejecting Ho1 and accepting Ha1.

Direct Hypothesis

The structural model explains the direct influence between variables, which can be seen in the following diagram:

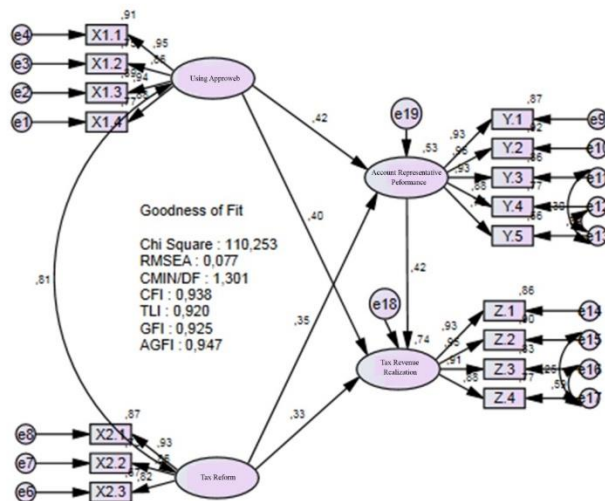


Figure 2. Structural Model

The diagram runs the test and is provided the result below.

Table 4. Structural Test Results

Influence Between Variables	Estimate		S.E.	C.R.	P
	Std.	Unstd			
Use of Approweb on Account Representative Performance	0.415	0.588	0.107	3.751	***
Tax Reform on Account Representative Performance	0.350	0.538	0.113	3.108	.002
Use of Approweb on the Tax Revenue Realization	0.397	0.443	0.101	4.381	***
Tax Reform on the Tax Revenue Realization	0.334	0.363	0.109	4.489	***
Account Representative Performance on Tax Revenue Realization	0.417	0.328	0.054	6.076	***

Table 4 forms the following equation:

$$\text{Account Representative Performance} = 0.415 \text{ Approweb Usage} + 0.350 \text{ Tax Reform}$$

$$\text{Tax Revenue Realization} = 0.397 \text{ Use of Approweb} + 0.334 \text{ Tax Reform} + 0.417 \text{ Account Representative Performance}$$

H2: Approweb Usage Affecting Account Representative Performance

The results prove that H2 is acceptable, namely the CR value is $3.751 > 1.96$, and $p < 0.05$. The magnitude of Approweb Usage's role in Account Representative Performance is 0.415; which means that if Approweb Usage increases by 1 unit, the Account Representative Performance will increase by 0.415 units. This explains that the more effective the use of Approweb, the higher the Account Representative Performance.

H3: Tax Reform Affecting Account Representative Performance

The results prove that H3 is acceptable, namely the value of CR $3.108 > 1.96$ and $p < 0.05$. The magnitude of Tax Reform's role in Account Representative Performance is 0.350; which means that if the tax reform increases by 1 unit, the Account Representative Performance variable will increase by 0.350. This explains that the better the tax reform, the higher the Account Representative Performance.

H4: Approweb Usage Affecting Tax Revenue Realization

The results prove that H4 is acceptable, namely the CR value is $4.381 > 1.96$, and $p < 0.05$. The magnitude of Approweb Usage role in the Tax Revenue Realization is 0.397; which means that if the use of Approweb increases by 1 unit, the Tax Revenue Realization will also increase by 0.397 units. This explains that the more effective the use of Approweb, the higher the Tax Revenue Realization.

H5: Tax Reform Affecting Tax Revenue Realization

The results prove that H5 is acceptable, namely the CR value is $4.489 > 1.96$, and $p < 0.05$. The

magnitude of tax reform's role in the Tax Revenue Realization is 0.334; which means that if the tax reform increases by 1 unit, the Tax Revenue Realization will also increase by 0.334 units. This explains that the better the tax reform, the higher the Tax Revenue Realization.

H6: Account Representative Performance Affecting Tax Revenue Realization

The results prove that H6 is acceptable, namely the CR value $6.076 > 1.96$ and $p < 0.05$. The magnitude of the Account Representative Performance role in the Tax Revenue Realization is 0.417; which means that if the Account Representative Performance increases by 1 unit, then the Tax Revenue Realization variable will also increase by 0.417 units. This explains that the higher the performance of the account representative, the higher the Tax Revenue Realization.

Indirect Hypothesis

H7: Account Representative Performance Mediates the Effect of Using Approweb on Tax Revenue Realization

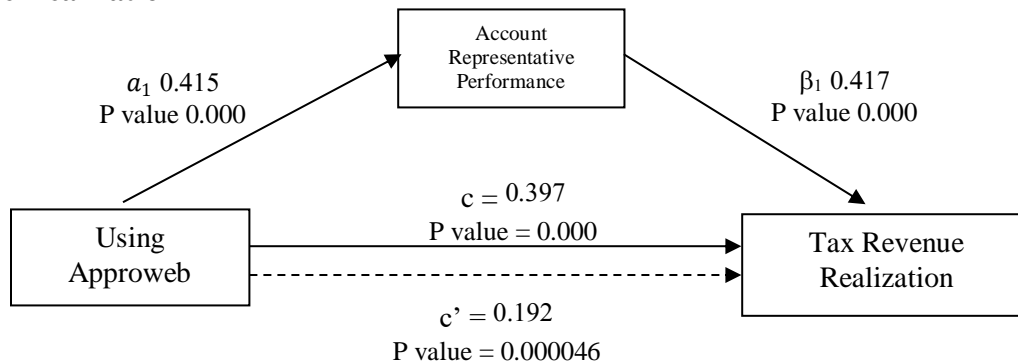


Figure 3. Testing the Mediation Effect of Account Representative Performance on the Approweb Usage Role in Tax Revenue Realization

Figure 3 is a model formed from the regression results. The z value is:

$$Z = \frac{a_1 b_1}{\sqrt{(b_1^2 SEa_1^2) + (a_1^2 SEb_1^2)}}$$

Z = 4.075

The Sobel test result for H7 is as follows:

Input:	Test statistic:	Std. Error:	p-value:
a 0.588	Sobel test: 4.07506969	0.04732778	0.000046
b 0.328	Aroian test: 4.04503619	0.04767918	0.00005232
s _a 0.107	Goodman test: 4.10578226	0.04697375	0.00004029
s _b 0.054	Reset all	Calculate	

From the calculation above, it was found that the z value was $4.075 > 1.96$. The magnitude of the indirect effect using the Sobel test is obtained by multiplying the value of the Sobel test results with the standard error. Where, $4.07506969 \times 0.04732778 = 0.192864002$. Then, on the

results of the mediation test using the Sobel test above, it was found that the p-value is 0.000046, so it is significant because it is below 5% (0.05). These results indicate that there is a direct influence between the use of Approweb on the Tax Revenue Realization which is mediated by Account Representative Performance. The type of mediation is partial, namely, the use of Approweb can affect the Tax Revenue Realization directly, or through the Account Representative Performance role.

H8: Account Representative Performance Mediates the Effect of Tax Reform on Tax Revenue Realization

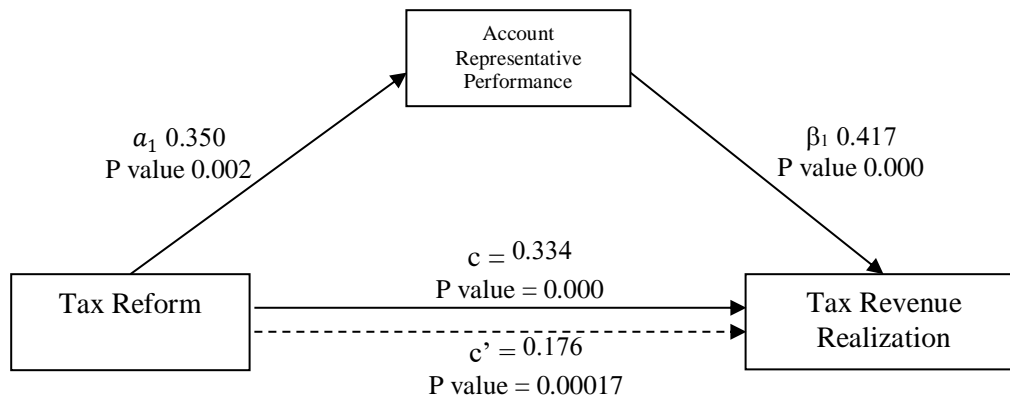


Figure 4. Testing the Mediation Effect of Account Representative Performance on the Tax Reform Role in Tax Revenue Realization

Figure 4 is a model of the regression results. The result of calculating the z value from the Sobel test is:

$$Z = \frac{a_1 b_1}{\sqrt{(b_1^2 SE_{a_1}^2) + (a_1^2 SE_{b_1}^2)}}$$

$$Z = 3.747$$

The Sobel test result for H8 is as follows:

Input:	Test statistic:	Std. Error:	p-value:
a 0.538	Sobel test: 3.74713175	0.04709309	0.00017887
b 0.328	Aroian test: 3.7160667	0.04748677	0.00020235
s _a 0.113	Goodman test: 3.77898914	0.04669609	0.00015747
s _b 0.054	Reset all	Calculate	

From the results, it was found that the z value was 3.747 > 1.96. The magnitude of the indirect effect using the Sobel test is obtained by multiplying the value of the Sobel test results with the standard error. Where, 3.74713175 x 0.04709309 = 0.176460127. Then, on the results of the mediation test using the Sobel test above, it was found that the p-value is 0.00017887, so it is significant because it is below 5% (0.05). These results indicate that there is an indirect effect between the tax reform on the Tax Revenue Realization which is mediated by the Account

Representative Performance. The type of mediation is partial, namely, Tax Reform can affect the Tax Revenue Realization directly, or through the role of Performance Account Representative.

5. CONCLUSION

The results show that the use of the Approweb Application, Tax Reform, Account Representative Performance and Tax Revenue Realization of the Kanwil DJP Aceh has been going well, the use of the Approweb application affects the Kanwil DJP Aceh Account Representative Performance, Tax Reform affects the Kanwil DJP Aceh Account Representative Performance. The use of the Approweb Application affects the Tax Revenue Realization of the Kanwil DJP Aceh, Tax Reform affects the Tax Revenue Realization of the Kanwil DJP Aceh, Account Representative Performance affects the Tax Revenue Realization of the Kanwil DJP Aceh, Use of the Approweb application affects the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance, and Tax Reform influencing the Tax Revenue Realization of the Kanwil DJP Aceh through Account Representative Performance. The results also explain that Account Representative Performance can function as a mediator in the model. Then these findings result in the model premise of increasing Tax Revenue Realization from the Aceh Regional Office of DJP which is a function of maximizing the use of Approweb, the effectiveness of implementing tax reform and increasing the performance of its Account Representatives. This premise contributes academically to the scientific findings of the variable conditions in the model, and the model can be developed for further research. Practically, this premise also contributes as a reference basis for formulating the Aceh Regional Office of DJP strategy to significantly increase its tax revenues.

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