

## The Effect of Implementing Tax Extensification, Tax Intensification, Tax Audit on Tax Revenue at the Tax Office East Medan Pratama Services in 2023

Juliandi Sahputra<sup>1</sup>, Latersia Br Gurusinga<sup>2</sup>, Sydney Holly<sup>3</sup>

Sekolah Tinggi Manajemen Bisnis Multi Sarana Manajemen Administrasi dan Rekayasa Teknologi, Medan, Indonesia

correspondence author: [sahputra.juliandi@gmail.com](mailto:sahputra.juliandi@gmail.com), [latersiagurusinga76@gmail.com](mailto:latersiagurusinga76@gmail.com)  
[sydneyholy10@gmail.com](mailto:sydneyholy10@gmail.com)

**Abstract.** This research aims to determine the level of tax extensification, tax intensification, tax inspection of the East Medan Pratama KPP during the period January – December 2023. The population in this research is tax employees who work at KPP Pratama Medan Timur. The research method used is a non-probability sampling method, namely census sampling. The respondents of this research were Tax Employees who worked at KPP Pratama East Medan, totaling 43 people. The instrument used is the distribution of questionnaires to collect data from the variables Tax Extensification, Tax Intensification and Tax Audit. The data analysis techniques used are validity test, reliability test, descriptive analysis, normality test, multiple linear regression analysis, partial hypothesis test or t test and calculation of the coefficient of determination.

**Keywords:** Tax Extensification, Tax Intensification, Tax Audit

### 1. INTRODUCTION

Tax is a taxpayer's contribution to the State that is owed by an individual or entity that is coercive based on the law, without receiving direct compensation and is used for State needs for the greatest prosperity of the people. (Wikipedia, 2024) Because of its coercive nature, it is It is not surprising that if someone does not comply with paying taxes, they will be subject to appropriate fines or sanctions for taking care of something that is hampered administratively.

Extensification is a supervisory activity carried out by the Directorate General of Taxes (DJP) on taxpayers who have met objective and subjective requirements, but have not been able to register themselves to be given a NPWP (Taxpayer Identification Number) in accordance with tax legislation. (Pajakku, 2022) This extensification activity targets various types of taxpayers including bodies, individuals, undivided inheritance, and treasurers appointed as tax withholding or collectors. Extensification is carried out based on data and information held by the Directorate General of Taxes (DJP), both through external, internal data and the results of Field Data Collection Activities (KPD). Next, the data or information is processed into a List of Extensification Targets (DSE).

Intensification is the activity of optimizing the extraction of tax revenues from existing tax subjects recorded or registered in the administration of the Directorate General of Taxes (DJP) as well as the results of the implementation of tax extensification. (Sharia & Science, nd) This intensification activity can be carried out with various strategies. For example, based on the 2020 Annual Report of the Directorate General of Taxes (DJP), intensification efforts in 2020 include accelerating the completion of regional-based supervision preparations. Tax audit is a series of activities for collecting and processing data, information and evidence which is carried out objectively and professionally based on inspection criteria to verify compliance with tax obligations or to verify compliance with applicable regulations. (My Taxes, 2023)

## **2. THEORITICAL REVIEW**

According to Law Number 28 of 2007 concerning General Provisions and Tax Procedures (KUP), tax is a mandatory contribution to the State owed by business entities and individuals which is of a coercive nature based on applicable legislation and will not receive direct compensation but will used to meet the interests of the State for the prosperity of the people.

### **Tax Extensification**

In accordance with the Circular Letter of the Directorate General of Taxes (DJP) Number SE-14/PJ/2019 "Extensification is supervision carried out by the Directorate General of Taxes for taxpayers who have fulfilled subjective and objective requirements but do not yet have a Taxpayer Identification Number in accordance with statutory regulations. invitation" . (Tax, 2019)

### **Tax Intensification**

In accordance with the Circular Letter of the Directorate General of Taxes (DJP) Number SE-06/PJ.9/2001, tax intensification is the activity of optimizing the extraction of tax revenues from tax objects and tax subjects that have been recorded or registered with the tax authorities, from the results of the implementation of taxpayer extensification. (Tax, nd-a)

### **Tax audits**

According to Law Number 6 of 1983, General Provisions and Tax Procedures which have been amended several times by Law Number 16 of 2009, Article 29 paragraph (1) states that the Directorate. The tax general has the authority to conduct audits to test taxpayer compliance and for other purposes in order to implement the provisions of tax laws.

### **Framework of thinking**

A conceptual framework or model is used to explain the relationship between the independent variables, namely Tax Extensification, Tax Intensification, and Tax Audit, to the dependent variable, namely Tax Revenue.

## **3. RESEARCH METHODS**

This research uses a quantitative type of research. Quantitative research is a research method based on positivist philosophy that is used on certain populations or samples and the data analysis is quantitative or statistical in nature which aims to test predetermined hypotheses (Sugiyono, 2017)

### **Research sites**

The subject of this research is at the East Medan Pratama Tax Service Office (KPP) which is located at the North Sumatra Regional Office of DJP Building I Lt. IV, Jl. Suka Mulia No. 17A, AUR, District. Medan Maimun, Medan City.

### **Types and Sources of Research**

The type of data in this research uses quantitative data. Quantitative methods are research methods based on the philosophy of positivism, which are used to research certain populations or samples, where samples are generally taken randomly, and data is collected using research instruments, then analyzed quantitatively/statistically with the aim of testing predetermined hypotheses.

### **Population and Sample**

The population in this study were all tax or tax employees who worked at KPP Pratama Medan Timur. Tax employees were chosen as the subjects of this research because they are directly involved in the implementation of tax extensification, tax intensification and tax audits. The population that the author studied was employees at

KPP Pratama East Medan with a total of approximately 43 employees. In this research, sampling was carried out with the requirement that all tax employees carry out tax extension, intensification and audit activities.

#### 4. RESULTS AND DISCUSSIONS

##### **Normality test**

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. If this normality test is violated, the statistical test will be invalid for small sample sizes. The normality test is tested using graphic analysis and statistical analysis. The following are the results of the normality test using histogram graphic analysis and P Plot Based on the histogram graph in Figure 4.1, it shows that the real data forms a curve line that tends to be symmetrical (U) and does not deviate to the left or right, so it can be said that the data is normally distributed

In the PP Plot Normality Graph in Figure 4.2 above, you can see that the data is spread around the diagonal line, the distribution is mostly close to the diagonal line. Multicollinearity Test Results show *valuetolerance* Tax Extensification variable  $0.958 > 0.10$  while the VIF value of the Tax Extensification variable  $1.044 < 10$ , *valuetolerance* Tax Intensification variable  $0.990 > 0.10$  while the VIF value of the Tax Extensification variable is  $1.010 < 10$ , *valuetolerance* the Tax Audit variable is  $0.959 > 0.10$  while the VIF value of the Tax Extensification variable is  $1.043 < 10$ . Thus, in the multicollinearity test, there is no correlation between the independent variables.

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It can be described as follows:

- a. It is known that the regression coefficient value of the Tax Extensification variable is -2.654, which is negative. This means that Tax Extensification has a negative effect on Tax Revenue. It is known that the T statistic or calculated T from Tax Extensification is -2.654 and the Sig value. is 0.011, namely  $< 0.05$  significance level, then Tax

- Extensification has a significant effect on Tax Revenue. So it can be concluded that Tax Extensification has a negative and significant effect on Tax Revenue.
- b. It is known that the regression coefficient value of the Tax Intensification variable is 2,249, which is positive. This means that Tax Intensification has a positive effect on Tax Revenue. It is known that the T statistic or calculated T from Tax Intensification is 2,249 and the Sig value. is 0.030, namely  $<0.05$  significance level, then Tax Intensification has a significant effect on Tax Revenue. So it can be concluded that Tax Intensification has a positive and significant effect on Tax Revenue.
  - c. It is known that the regression coefficient value of the Tax Audit variable is -0.802, which is positive. This means that Tax Audit has a positive effect on Tax Revenue. It is known that the T statistic or calculated T from the Tax Audit is 0.802 and the Sig value. is 0.428, namely  $<0.05$  significance level, then Tax Audit has no significant effect on Tax Revenue. So it can be concluded that Tax Extensification has a positive and insignificant effect on Tax Revenue

#### **The Effect of Tax Extensification on Tax Revenue**

The research results of Tax Extensification on Tax Revenue have  $T \text{ count} > T \text{ table}$  or  $-2.654 > -2.04227$ , thus the results of testing the data show that Tax Extensification affects Tax Revenue negatively and significantly, which means that if Tax Extensification increases, Tax Revenue will decrease. The results of this research are in line with research (Suyanto, 2016), (Soeparyono, 2016), (Ngadiman, and Felicia, 2017), in contrast to research (Fauziah, 2019) which states that the partial tax extension variable has no significant effect on tax revenue. PPh 25 and PPh 29 are corporate taxpayers at KPP Pratama Cilanda Jakarta. Related to this research, the implementation of tax extensions in the form of education and outreach can influence individual attitudes and mindsets to be able to comply with their tax obligations. So, increasing the number of taxpayers each year should increase the amount of tax revenue. (Dekhas Saras Santika Sari, 2021)

#### **The Effect of Tax Intensification on Tax Revenue**

The research results of Tax Intensification on Tax Revenue have  $T \text{ count} > T \text{ table}$  or  $2,249 > 2.04227$ , thus the results of testing the data show that Tax Intensification affects Tax Revenue positively and significantly, which means that Tax Intensification increases, so Tax Revenue will increase. The results of this research are in line with

research by (Soeparyono, 2016), Ngadiman, and Felicia, 2017), (Fauziah, 2019). However, in research (Dechan, 2020) tax intensification did not have a significant effect on tax revenue at KPP Pratama Makasar Selatan. Related to this research, the implementation of intensification can influence an individual to comply with applicable laws because it is considered a necessity, so tax intensification is very important to carry out. (Dekhas Saras Santika Sari, 2021)

### **The Effect of Tax Audits on Tax Revenue**

The research results of the Tax Audit on Tax Revenue have  $T_{count} > T_{table}$  or  $0.082 > 2.04227$ , thus the results of testing the data show that the Tax Audit results influence tax revenue positively and significantly, which means that if the Tax Audit increases, the Tax Revenue will increase. The results are the same as research (Sutrisno et al, 2016), (Indira et al, 2017), different from research that has been carried out (Nurmlasari, 2019) whose results show that tax audits do not have a significant effect on tax revenues at KPP Pratama Soerang.

Related to the implementation of tax audits at the East Medan Pratama KPP which was carried out with intensive action on taxpayers who are indicated to report their SPT dishonestly or incorrectly according to the existing reality will produce a legal product, namely SKP. This legal product is a policy taken in order to prevent state leakage, especially in terms of tax revenues. If this incident can be carried out well and the various factors that become obstacles in audit activities can find solutions then efforts to increase state revenues from the tax sector can be achieved, it can be concluded that the tax audits carried out by KPP Pratama East Medan tax officers are getting better from time to time. time will have an impact on increasing Tax Revenue. (Dekhas Saras Santika Sari, 2021)

### **The Effect of Tax Extensification, Tax Intensification, Tax Audit on Tax Revenue**

Based on the simultaneous test results using the F test, the calculated F result =  $3,842 > F_{table} 2.557179$  and significant  $0.017 > 0.05$  so that  $H_a$  is accepted or simultaneously Tax Extensification, Tax Intensification, Tax Audit of Tax Revenue at KPP Pratama Medan Timur. The results of this research are the same as research by (Soeparyono, 2016), (Sutrisno et al., 2016), (Ngadiman and Felicia, 2017), (Indira et al., 2017), which states that tax extension, tax intensification and tax audit have a significant effect on revenue tax. In relation to this research, the influence of Tax Extensification,

Tax Intensification and Tax Audit can be applied to make an individual comply with applicable laws because it is considered a necessity so that it can make it easier for tax officials to meet the tax revenue targets set by the government. This also makes taxpayers aware of tax regulations, so that taxpayers will respect the applicable tax system, as a result they are more obedient in paying taxes rather than avoiding them. (Dekhas Saras Santika Sari, 2021)

## **5. CONCLUSIONS AND SUGGESTIONS**

### **a. Conclusions**

1. The tax extensification carried out by the East Medan Pratama KPP has a negative and significant effect on state revenues from the tax sector. It can be interpreted that tax extension activities are very important because the increasing number of registered taxpayers will affect tax revenues.
2. Tax intensification also has a positive and significant influence on state revenues from the tax sector at KPP Pratama Medan Timur, which means that the better the tax intensification, the more tax revenues will increase.
3. Tax audits also have a positive and significant influence on tax revenue at the East Medan KPP, which means that the better the tax audit is carried out, the more impact it will have on increasing tax revenue.
4. The implementation of tax extensification, tax intensification and tax audits simultaneously has a significant effect on tax revenues at KPP Pratama Timur, meaning that the extensification, intensification and audit policies carried out by the government can encourage increased tax revenues

### **b. Suggestions**

1. The research that will be carried out after this research is expected to be able to add and expand the sample so that the results obtained are maximum.
2. It is hoped that further research can add the independent variable tax compliance or tax collection which can influence tax revenues at KPP Pratama Batu.
3. Future research is expected to expand the research object. This means that the research does not only focus on the four independent variables as was done in this research

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