

Socialization of MSME Taxation through Booklet Media: Increasing Tax Compliance among MSMEs with Aspikmas

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ABSTRACT

Most people, as business owners, run businesses in the Micro, Small, and Medium Enterprises (MSMEs) sector and strive to continue to increase their income and business profits without understanding the tax burden that will arise. Therefore, understanding taxes is very important for students and entrepreneurs, individuals, and all levels of society. This study aims to explore the understanding and tax compliance among Micro, Small, and Medium Enterprises (MSMEs) in Banyumas Regency, who are members of the Aspikmas Association. Using a descriptive qualitative approach, data was collected through in-depth interviews, field observations, and documentation. The results indicate that while MSME tax compliance is generally good, more socialization is needed to enhance their understanding of tax regulations, particularly in terms of annual tax return reporting.

INTRODUCTION

Most people, as business owners, run businesses in the Small, Micro, and Medium Enterprises (MSMEs) sector and strive to continue to increase their income and business profits without understanding the tax burden that will arise. Therefore, understanding taxes is very important for students and entrepreneurs, individuals, and all levels of society. The Dutch research institute, KIT Royal Tropical Institute, found that only 2 million MSMEs entered the digital or e-commerce market out of 200 million Indonesians connected to the Internet. It turns out that taxation is still a concern for MSMEs entering the digital market. Many people think that if they run a business online, their business becomes formal and is subject to tax (CNBC Indonesia, 2024).

According to the Directorate General of Taxes (DJP), tax is a mandatory contribution to the state owed by individuals or entities that is mandatory based on law, without receiving direct compensation, and is used for state needs for the greatest prosperity of the people (Dewan Perwakilan Rakyat Republik Indonesia, 2007). So, when taxpayers pay taxes obediently, the Indonesian people can benefit from various benefits. Taxpayers' understanding of tax regulations is that a taxpayer knows and understands taxes, and it can be concluded that taxpayers will tend to comply if they understand tax regulations. The importance of this tax knowledge will later affect taxpayers' attitudes towards a fair taxation system. The quality of increasingly good knowledge will determine the attitude of taxpayers who comply with a country's taxation system. Taxpayer awareness will increase if a positive tax perspective arises (Hanafi, Firman, & Maulidha, 2022).

One of the districts with relatively rapid growth of MSMEs is Banyumas Regency. MSME growth in Banyumas reaches 25% per year. Micro, Small, and Medium Enterprises in Banyumas have the potential to develop because several factors drive the progress of MSMEs. These factors come from within and outside, including the willingness of MSMEs to develop, the willingness to learn, and the desire to excel. To increase the growth of MSMEs in Banyumas, a forum was formed for MSME entrepreneurs under the auspices of the Cooperatives and MSMEs Service. This forum aims to make MSMEs in Banyumas Regency have national competitiveness through networks, superior products, and programs run through Aspikmas.

Aspikmas is an MSME-based organization located in Banyumas Regency and was inaugurated by the Regent of Banyumas, Mr. Achmad Husein, on July 28, 2020. The initiator of the establishment of Aspikmas was the Cooperative and MSME Service. This association was formed as a forum that would later have a role as a partner for related services. Aspikmas helps maximize programs or empowerment carried out by the government, which is full of limited human resources, so support is needed to assist all MSMEs in the Banyumas Regency.

Some problems faced by small and medium enterprises in Banyumas Regency, especially those incorporated in Aspikmas, include lack of knowledge about taxation, lack of business capital, lack of understanding about digital marketing, lack of innovation, and difficulty accessing business permits. Therefore, a forum was formed for MSME entrepreneurs under the auspices of the Cooperatives and MSMEs Service to make MSMEs in the Banyumas Regency have national competitiveness through networks, superior products, and programs run through Aspikmas.

Aspikmas Banyumas Regency is led by the General Chairperson, assisted by the Secretary and General Treasurer. Six fields assist Aspikmas operations: OKK Field, Cooperation Field, Legality Field, Digital Marketing and Media Field, Event Field, and Social Field. Aspikmas covers 27 sub-districts in Banyumas Regency, with management at the sub-district level called Sub-district Coordination (Korcama) and at the village level called Village Coordination (Kordes). Korcam is a channel of information between Aspikmas Regency, Aspikmas District, and Kordes. The organizational structure of Aspikmas Banyumas Regency for the 2023-2026 period can be seen in Figure 1.

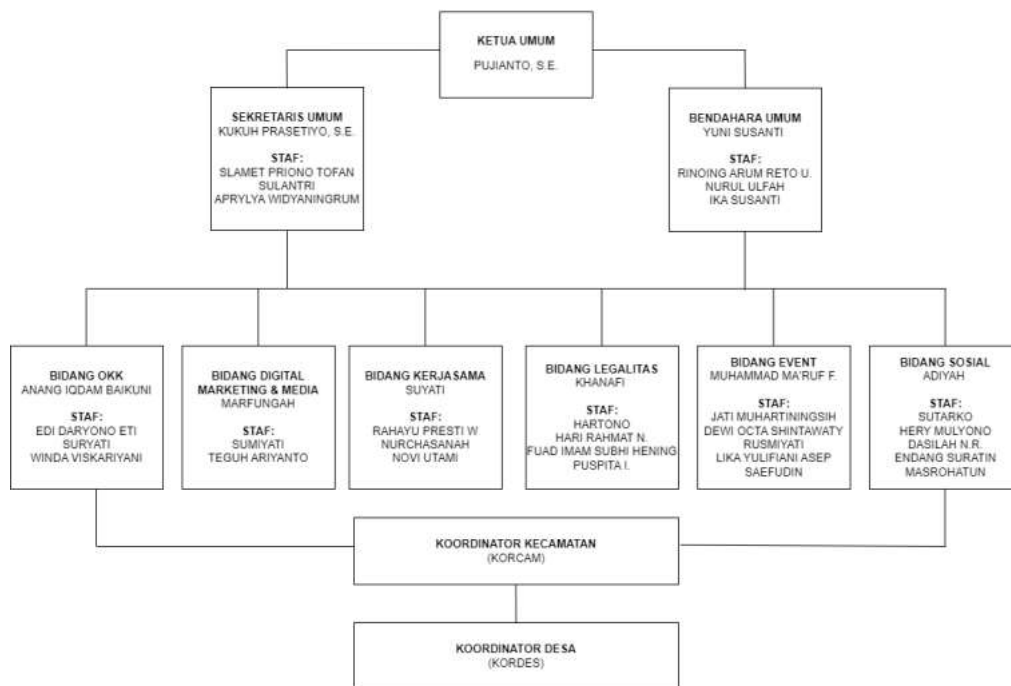


Figure 1. Aspikmas Organizational Structure

In addition to being a forum or facilitator for MSME owners in Banyumas, Aspikmas also has run business units, such as Aspikmart, drone-renting for agricultural purposes, and the Banyumas Raya UKM Gallery. This gallery is located in the Hetero Space area, Jl. Jend. Gatot Subroto no. 67, Purwokerto Timur District, Banyumas Regency, sells various crafts from Aspikmas members. Based on the description above, our group decided to carry out PKM with a taxation theme entitled: "Socialization of UMKM Taxation Through Booklet Media: Increasing Tax Compliance among MSMEs with Aspikmas."

IMPLEMENTATION AND METHODS

This study uses a descriptive qualitative approach to explore tax understanding and compliance among MSMEs in the Banyumas Regency. This method was chosen to obtain an in-depth picture of MSMEs' obstacles in understanding and implementing their tax obligations. The subjects of this study were MSMEs registered as members of Aspikmas in Banyumas Regency. This study also involved Aspikmas administrators and other related parties with knowledge and experience in taxation and MSME development. Data were collected through several techniques, namely in-depth interviews, field observations, and documentation. Interviews were conducted with Aspikmas administrators, MSMEs, and other related parties to obtain information on tax understanding and compliance. Observations were conducted on the business activities of the MSMEs that were visited to observe the tax practices carried out by MSMEs directly. Data was collected by collecting related documents such as financial reports, proof of tax payments, and other tax documents.

The procedure for implementing this research consists of several stages. First, the formation of groups and determination of PKM themes are carried out to determine the theme and title of the PKM to be implemented. Due to the long distance between group members, discussions are conducted through chat groups or call groups on the WhatsApp application. Second, making a booklet begins by collecting sub-chapters to be included in the booklet. The booklet material is compiled based on the tax constraints faced by MSME owners contained in the research journal. The taxation material included in the booklet comes from the Directorate General of Taxes, research journals, and trusted tax sites. The sub-chapters included in the booklet are: Why should taxes be paid, why MSMEs should have a Tax Identification Number or Nomor Pokok Wajib Pajak (NPWP), procedures for making NPWP, MSME tax rates, procedures for paying MSME taxes, and procedures for reporting Surat Pemberitahuan Tahunan (SPT).

Third, socialization and discussion with Aspikmas were conducted to request permission to cooperate in implementing the community service program (PKM). After receiving a good response, the first stage of PKM was implemented on June 28, 2024, where our group met with three Aspikmas administrators in the legal field and discussed the booklet material. We were also visited two MSMEs selected by Aspikmas directly. Fourth, the second stage of PKM implementation was to visit two MSME owners on Sunday, June 30, 2024. We visited a t-shirt manufacturing industry called Baloeng Gedhe and a herbal medicine entrepreneur in the Kembaran area. We explained the booklet material directly, accompanied by a question and answer session with MSME owners who still needed to understand taxation in depth.

Data obtained from interviews, observations, and documentation were analyzed qualitatively. The analysis was carried out with the following steps: data reduction to select relevant and essential data related to tax understanding and compliance, data presentation in narrative, table, or graphic form to facilitate understanding, and drawing conclusions to answer research questions regarding the obstacles faced by MSMEs in understanding and implementing their tax obligations.

RESULTS AND DISCUSSION

The theme of tax compliance in this PKM is very much in line with the legality sector work program. This sector bridges MSMEs that still need legality, NPWP, and even how to report their taxes. This makes our booklet usable as basic knowledge about MSME taxes because it contains initial information that needs to be understood in MSME tax matters. Our booklet also aligns with the legality sector's work program regarding tax reporting. This program has been running in collaboration with the Purwokerto Pratama Tax Service Office (Kantor Pajak Pratama Purwokerto) through Bimtek (Technical Guidance) training activities.

Based on the results of discussions with the Legality Sector of Aspikmas, several things can be taken as follows: MSME owners under the auspices of Aspikmas mostly already have NPWP. The contents of our booklet explain that one of the essential benefits of having an NPWP is being able to participate in training held by the government. The NPWP, which the MSME owns, comprises individual and corporate taxpayers. Several MSMEs have even started preparing the documents needed to apply as Taxable Entrepreneurs (PKP). There is fear among MSMEs about taxes after knowing the obligations that must be carried out, especially in reporting SPT. MSMEs do not yet understand the rights of Taxpayers. This phenomenon has begun to be minimized through the implementation of Bimtek.

During the lecture in Pendidikan Profesi Akuntansi (PPAk), our team as the students received material in the Tax Management course. Tax management lectures play a crucial role in bridging the gap between theoretical knowledge and practical application, especially when it comes to small business taxation. These lectures equip students with a deep understanding of the various tax regulations, compliance requirements, and strategies for optimizing tax obligations. For small businesses, which often operate with limited resources and face complex tax regulations, this knowledge is invaluable. Through tax management education, individuals learn how to navigate the intricacies of tax laws, ensuring that their businesses remain compliant while minimizing tax liabilities legally.

The concepts taught in these lectures, such as tax planning, deductions, credits, and record-keeping, directly influence how small businesses manage their tax responsibilities. By applying the principles learned in these lectures, small business owners can avoid common pitfalls, such as late filings or underpayment of taxes, which can lead to penalties and interest charges. Furthermore, effective tax management can help small businesses allocate resources more efficiently, leading to better cash flow management and overall financial stability. In essence, the connection between tax management lectures and the implementation of small business tax practices lies in the transformation of theoretical knowledge into actionable strategies that support the financial health and compliance of small enterprises. This course helps the students understand the material on MSME taxation discussed in the PKM booklet. The material in the PKM booklet is still a fundamental part of taxation, just as the Tax Management course has been previously received. This understanding can support in answering questions from MSME owners during socialization.

The booklet "Serba-Serbi Pajak UMKM" published by the PPAK team from the Faculty of Economics and Business, Jenderal Soedirman University, comprehensively discusses the importance of taxes for Micro, Small, and Medium Enterprises (MSMEs). Tax, according to the Directorate General of Taxes (DJP), is a mandatory contribution that must be given to the state by individuals or business entities based on the law. This tax is mandatory and does not provide direct compensation to those who pay, but is used for the prosperity of the people as a whole. Paying taxes is an obligation for every Indonesian citizen, proving devotion to the state and helping smooth the business process. In addition, taxes play an important role in equalizing public welfare and are a real contribution to the development and progress of the country.

The benefits of paying taxes are significant, including improving education facilities, providing more adequate health facilities, and developing comfortable and efficient public transportation. The government utilizes taxes paid by the public and business owners, including MSMEs, to strengthen infrastructure and public facilities, improving the community's quality of life. Thus, this booklet provides an understanding of MSMEs' tax obligations and emphasizes how tax contributions can support national welfare and development (Lathifa, 2023).



Figure 2. All About UMKM Booklet

The "Serba-Serbi Pajak UMKM" booklet This booklet contains several points, such as:

- Why should MSMEs pay taxes, contains an explanation of taxes and what benefits citizens can get from taxes. This is so important to understand in the first place because when a taxpayer knows this briefly, it will help them understand the next step of MSME taxation.
- Why should MSMEs have a Taxpayer Identification Number (NPWP), contains an explanation that by having an NPWP, MSMEs will get many conveniences in running their businesses. These days, NPWP is a document that is needed especially to facilitate access to financial services such as applying for credit.
- Procedure for making NPWP, this section contains the procedure for making NPWP which can be done offline at the tax office or online. Making NPWP with online procedures is way much more convenient than coming directly to the office. Taxpayers only need to answer some questions and prepare their identification cards. If their data is verified, the card will be shipped directly according to the address submitted.
- MSME tax rates, this section provides information on the tax rates imposed, namely the final rate of 0.5%. In addition, it also explains the objects and subjects of tax. The MSME owners need to understand this briefly, this is related to what they are worried about which is the amount of tax they need to pay. Not every MSME owner that has NPWP needs to pay taxes, it depends on their income.
- Procedures for paying taxes, which contain how to pay taxes, namely by creating a billing code from the KlikPajak Online eBilling system. A clear understanding of tax payment procedures promotes transparency and accountability in personal and business finances. It helps taxpayers maintain accurate records, which are crucial not only for filing taxes correctly but also for future financial planning

- f. Reporting procedures, which discuss how to report annual taxes through SPT which can be carried out directly through the tax office or online with E-filing. This section also provides examples of simple financial reports that MSME owners need to attach when reporting their Annual Tax Returns. Simple financial reports will clearly show the total income earned by the MSMEs in one year. This income is the basis for calculating income tax (PPH). Indonesian tax laws require all taxpayers, including MSMEs, to submit annual tax returns along with attached financial statements.

Some of the booklets are given to AspiKmas, not only the printouts but also the digital copies. Our teams also implemented a direct visit to two MSMEs, a t-shirt manufacturing industry called Baloeng Gedhe in Purwokerto Timur and a herbal medicine entrepreneur in Kembaran. During the visit, a brief presentation is done to explain the booklet material and the demonstration of annual tax reporting procedures.

The first MSME visited, namely Baloeng Gedhe, explained that the owner already had a NPWP as an Individual and a Corporate NPWP for the business. Ownership of this NPWP clearly makes it easier for Baloeng Gedhe to run their business, for example taxation when having business dealings with other parties. The problem faced was the difficulty in accessing DJP Online because the owner forgot his EFIN. According to the Directorate General of Taxes, EFIN (Electronic Filing Identification Number) is an identity number used by taxpayers in Indonesia to report taxes electronically through the DJP Online system. Every taxpayer who wants to report taxes online must have an EFIN. This EFIN can only be processed by DJP employees by visiting the tax office in person, so only input was given to process it as soon as possible at the nearest tax office.

The second MSME visited was a herbal medicine entrepreneur in the Kembaran. This business owner has an NPWP as Individual Taxpayer who owns a business. Previously, this business owner was familiar with reporting annual SPT as an office employee but had forgotten because now she is not working as an employee but has a business. The problem faced was the same as the previous business owner, they forgot the EFIN to access DJP online. Because of this obstacle, our team cannot help much. So our team suggest that they should immediately take care of it at the nearest tax office.



Figure 3. Group Photo

Figure 3 shows the group photo right after Booklet Socialization with Herbal Medicine Entrepreneurs, showing enthusiasm and promising cooperation in improving tax understanding among MSMEs.

CONCLUSIONS AND RECOMMENDATIONS

Based on the implementation of this community service program, analysis, and discussion, the following conclusions can be drawn: Tax compliance of MSME owners under the auspices of Aspiemas is quite good, but more socialization is needed to improve the understanding of these MSME owners. Aspiemas Banyumas Regency already has a work program that supports the resolution of obstacles for MSME owners through Bimtek and in collaboration with KPP Pratama Purwokerto. The development of the following program material should focus on reporting annual SPT, which is the main obstacle for MSME owners. In addition, material in the booklet can be added regarding Corporate Taxpayers because the existing booklet only contains about Individual Taxpayers. To support the program of Aspiemas Banyumas Regency, Bimtek should start with the most essential material. The material can cover the rights and obligations of Taxpayers and all fundamental aspects, not only focusing on technical matters such as SPT reporting.

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