Determinants of Tax Arrears Revenue at the Surabaya Mulyorejo Primary Tax Service Office: Deterrent Effect of Taxpayers on Auction Announcement

Alif Faruqi Febri Yanto[1]*, Tomy Rizqy Izzalqurny[2], Mochammad Ilhamy[3]
Universitas Negeri Malang
**Corresponding Author:** Alif Faruqi Febri Yanto aliffaruqi.feb@um.ac.id

A B S T R A C T

This study aims to analyze the determinants of tax arrears revenue at the Surabaya Mulyorejo Primary Tax Service Office, with a focus on the deterrent effect of taxpayers on auction announcements. This study uses a quantitative approach by examining variables such as warning letters, forced letters, and confiscation warrants. Data were obtained from the annual report of KPP Pratama Surabaya Mulyorejo, with the observation period from 2019 to 2023. The results showed that warning letters, Billing with Forced Letters, warrant to carry out confiscation and auction announcements have a significant effect on the receipt of tax arrears. The implication of this study shows that stricter law enforcement can increase taxpayer compliance and reduce tax arrears. This study aims to analyze the determinants of tax arrears revenue at the Surabaya Mulyorejo Primary Tax Service Office, with a focus on the deterrent effect of taxpayers on auction announcements. This study uses a quantitative approach by examining variables such as warning letters, forced letters, and confiscation warrants. Data were obtained from the annual report of KPP Pratama Surabaya Mulyorejo, with the observation period from 2019 to 2023. The results showed that forced letter, confiscation order, and auction announcement letter have a significant effect on the receipt of tax arrears. Stricter law enforcement can increase taxpayer compliance and reduce tax arrears.

INTRODUCTION

Development in Indonesia comes from state revenue funds. In Law number 17 of 2003 concerning state finances, it is stated that the source of state revenue is divided into three sectors, namely taxes, non-taxes and grants. Among the three sectors, the largest source of state revenue is revenue from tax collection, so it is not a mere issue if it is said that taxes have the largest contribution in financing development in Indonesia (Yanto, 2023). The amount of state revenue from tax revenue from year to year is increasing, while state revenue through the other two sectors, namely non-tax revenue and grants, is still fluctuating. This can be seen in the realisation of state revenue contained in diagram 1.1.

Diagram 1.1
Target dan Realisasi penerimaan negara Tahun 2019-2023
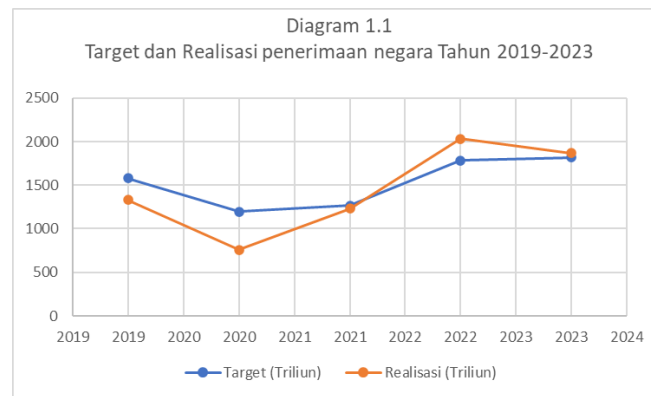
Source: Indonesian Ministry of Finance (Kemenkeu.go.id)

Based on the data in the table above, it can be seen that the realisation of state revenue from taxes from 2019 to 2023 continues to increase. Meanwhile, revenues from non-tax and grant funds experience unstable increases and decreases from year to year. In 2019, 82% of state revenue came from tax revenue, the remaining 17.1% came from non-tax and 0.9% came from grant funds. The highest state revenue over the last 5 years occurred in 2022, reaching 2,035.8 trillion rupiah, the revenue came from 97.77% of tax revenue, 1.3% from non-tax revenue and only 0.3% from grant funds. The above illustrates that from 2019 to 2023 state revenues depend on taxes. Therefore, the Indonesian government continues to maximise efforts to optimise tax revenue.

Although it is well known that tax is a mandatory contribution to the state for the welfare of the people and various steps have been taken by the finance ministry to optimise state revenue through tax collection, there are still taxpayers who delay paying their tax debts (Hadijah, 2023). Therefore, the government needs to take more decisive action to deal with such taxpayers. According to deterrence theory, a person will try to avoid all forms of potential losses as a result of breaking the rules (Kadish, 1983).

The Directorate General of Taxes on the basis of the Law on Tax Collection with Forced Letters (UU PPSP) is expected to be able to secure potential state revenue from overdue taxes (Wahyu, 2023). The PPSP Law regulates the provisions on billing procedures. Tax collection actions consist of two types, namely active collection and passive collection. According to Awaloedin (2023) active billing is the activity of implementing billing from the due date of payment until the submission of a request for determination of the

date and place of auction covering a period of 58 days. Meanwhile, passive billing is carried out starting from the issuance of the Tax Underpayment Letter (SKPKB) until the due date with a period of 1 (one) month. The stages in active billing begin with the issuance of a warning letter by the tax authorities, then if the taxpayer still has not paid off the tax arrears, the tax authorities will issue a forced letter followed by confiscation (Safinatunnayah, 2023). And if until the confiscation stage the taxpayer concerned has not paid off the tax arrears within the predetermined time period, the tax authorities or tax authorities immediately announce the auction (Hadijah, 2023). The collection action is an action of the tax authorities that is firm and legally enforceable.

The problem faced by the KPP Pratama Surabaya Mulyorejo in terms of tax collection or settlement of tax arrears from taxpayers is because based on the list of tax arrears, the amount of tax arrears from the last 5 years only in 2019 the value of arrears reached the lowest point of Rp47,037,923,255, - while the other 4 years, namely 2020, 2021, 2022 and 2023 the value of tax arrears at KPP Pratama Surabaya Mulyorejo reached above one hundred billion rupiah.
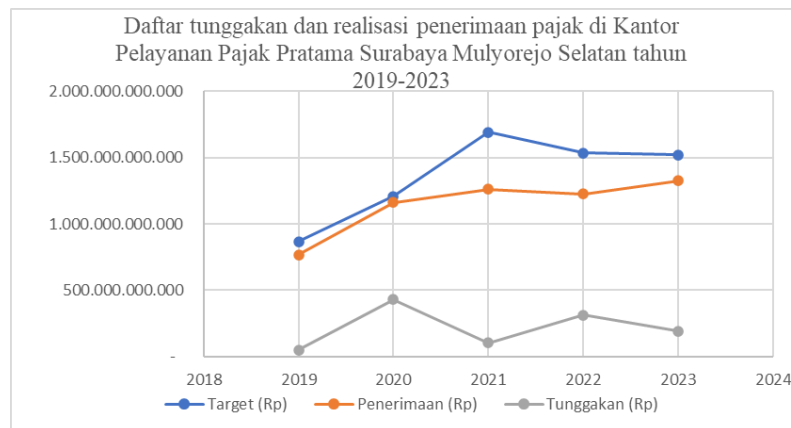
Source: Tax Office Pratama Surabaya Mulyorejo (2024)

Research related to the effect of tax collection on tax revenue has been conducted by several previous researchers. One of them is research conducted by Melinia & Sari (2022) and Ambo & Warongan (2022) the results showed that tax collection with a warning letter was effective and made a positive and significant contribution to tax revenue. Maisyaroh's research (2020) the results showed that tax collection with warning letters and forced letters was ineffective and contributed very little to tax revenue. Sumaryani (2017) and Ambo & Warongan (2022) the results showed that forced letters and warrants to carry out confiscation had a significant effect on the disbursement of tax arrears while warning letters had no significant effect. Research by Ariani (2017) and Lestari & Burhan (2021), the results show that the warrant to carry out confiscation has an effect on the realisation of tax arrears revenue, but warning letters and forced letters have no effect on the realisation of tax arrears revenue.

Research conducted by Dhyta (2017), the results of his research indicate that the overall level of effectiveness of active tax collection is not sufficiently

said to be effective, besides that the contribution of active tax collection to the disbursement of overall arrears of tax is still very lacking. Research by Rani (2017) and Melinia & Sari (2022) the results showed that partially tax audits and tax collections have a significant effect on tax revenue and simultaneously tax audits and collections have a significant effect on tax revenue.

The importance of this research is because it can be seen from previous studies that tax collection is only carried out in three ways, namely a warning letter, a letter of force, and a warrant to carry out confiscation and the results have not really affected the receipt of tax arrears or in other words tax arrears are still high. The difference between this research and previous research lies in the addition of independent variables and the object of research, research conducted by Maisyaroh (2020) on the effect of issuance of warning letters, forced letters and warrants for confiscation on the disbursement of tax arrears at KPP Pratama Surakarta. Based on Maisyaroh's research (2020), through three ways of collecting tax arrears it has not been effective, therefore the researcher is interested in conducting research by adding one method of collection, namely the announcement of an auction in the hope that tax arrears will feel afraid and immediately pay off the overdue tax so that tax arrears can decrease and the realisation of State revenue from tax collection will increase. Given that from year to year the realisation of state revenue from tax collection increases, it is not yet known whether active collection has an effect on this increase. Regulation of the Minister of Finance No. 27/PMK.06/2016 concerning guidelines for the implementation of auctions explains the definition of an auction. The definition stipulates several elements of the auction, one of which is the announcement of the auction. Furthermore, by article 53 of the same PMK, the auction announcement is translated as a daily newspaper (www.djkn.kemenkeu.go.id). The announcement of the auction is carried out no later than 14 (fourteen) days after the confiscation. It is also explained in Deterrence theory that the auction action is a fair thing if the taxpayer has not yet made a good faith effort to immediately pay off his tax arrears, because the taxpayer has been deemed not to report his tax liability so that the State represented by the tax apparatus has the right to auction confiscated goods to pay off the tax owed. Based on the above background, the researcher is interested in examining the "Determinants of Tax Arrears Revenue at the Surabaya Mulyorejo Primary Tax Service Office: The Deterrent Effect of Taxpayers on Auction Announcements"

LITERATURE REVIEW
Theoretical Foundations
a. Deterrence Theory

This theory was first coined by Becker (1968) based on human rational action. In his research Becker states that criminal acts can be prevented by increasing the possibility of the perpetrator to be arrested and given punishment. Deterrence theory states that a person will act rationally and will indirectly choose the path that will provide the best benefit for him. Deterrence theory can relate to taxpayer compliance. This theory describes a model that takes into account the potential costs and benefits that will be obtained from a

chosen action. The attitude of taxpayers who are basically not willing to pay taxes voluntarily (voluntary compliance) can be prevented by imposing sanctions. Deterrence theory is very suitable in this study, this can be explained in the variables of forced letters, warning letters, confiscation letters and auction announcements as a form of sanction that can increase taxpayer compliance to prevent tax arrears.

b. Letter of Reprimand

According to Law Number 19 Year 2000, after a period of one month from the date of issuance of the tax assessment letter, the taxpayer still does not pay it, then an active collection action is carried out under the name of a warning letter or warning letter or other similar letter intended to reprimand or warn the taxpayer to pay off the tax debt. The issuance of a warning letter or warning letter or other similar letter is the initial action of the implementation of tax collection and its implementation must be carried out before proceeding with the issuance of Surat Paksa. If the taxpayer has never been given a warning letter or warning letter or other similar letter but is immediately issued and given a Forced Letter (SP), then juridically the SP is considered non-existent because it is not preceded by the issuance of a warning letter or warning letter or other similar letter.

c. Writ of Mandate

Writ of Mandate according to Mardiasmo (2019: 143) is a warrant to pay tax debts and tax collection costs. The forced letter has the same executorial power and legal position as a court decision that has permanent legal force.

d. Warrant of Seizure

Confiscation is the action of tax bailiffs to control the goods of the Taxpayer, to be used as collateral to pay off tax debts according to statutory regulations. If the tax debt is not paid by the Taxpayer within 2x24 hours after the Forced Notice is notified, the official issues an Order to Carry Out Confiscation. Every time he carries out confiscation, the Tax Bailiff makes a Minutes of the Implementation of Confiscation signed by the Tax Bailiff, the Taxpayer, and witnesses (Mardiasmo 2019: 144).

e. Auction Announcement Letter

Mardiasmo (2019: 146-147) explains that an auction is any sale of goods in public by means of oral and / or written price offers through efforts to gather enthusiasts or prospective buyers. If the tax debt and / or tax collection costs are not paid after the confiscation, the authorized official conducts an auction sale of the confiscated goods through the Auction Office. The sale by auction of the seized goods shall be conducted at least 14 (fourteen) days after the announcement of the auction through the mass media. The announcement of the auction is carried out at least 14 (fourteen) days after the confiscation. If the proceeds of the auction have reached an amount sufficient to settle the cost of tax collection and tax debt, the auction is stopped by the official even though

the goods to be auctioned are still available. The remaining goods and excess money are returned by the official to the taxpayer immediately after the auction.

Hypothesis
a. Collection with a Letter of Reprimand on the Receipt of Tax Arrears

The effect of warning letters on tax arrears revenue can be explained in this study. Collection with a warning letter is one of the effective efforts in increasing tax arrears revenue, because it puts serious pressure and warnings on taxpayers to immediately pay off their obligations. In accordance with *Deterrence Theory* proposed by Becker (1986), strict law enforcement and clear sanctions can prevent non-compliant behavior, including in the context of tax payment. A warning letter serves as a deterrence instrument that reminds taxpayers that if they do not comply with payment obligations, more severe legal consequences will be applied. Thus, warning letters increase the effectiveness of tax collection by creating awareness and fear of negative consequences, which in turn can increase tax arrears revenue. Melinia & Sari (2022) and Ambo & Warongan (2022) in their research entitled the effectiveness of tax collection with warning letters and forced letters on the disbursement of tax arrears at the annual Primary Tax Service Office said that the contribution of tax disbursements using warning letters and forced letters from 2019 to 2021 seen from the effectiveness level indicator is still classified as effective, which is around 87%. Research from Irmayana (2020) in her research entitled The effectiveness of tax collection with warning letters and forced letters on the disbursement of tax arrears at the South Makasar Primary Tax Service Office says that the percentage of tax revenue using warning letters has an effect on tax revenue. Through *persuasive* warnings with this warning letter, it is hoped that the taxpayer will immediately pay it off. Based on this explanation, the hypothesis formed is:

H1   : the issuance of warning letters has a positive and significant effect on the disbursement of tax arrears.

b. Billing with Forced Letters on Receipt of Tax Arrears

If within 21 days from the issuance of the warning letter the tax debt has still not been paid, a forced letter will be issued, which is a more forceful order to pay tax debts and tax collection costs. If the persuasive method does not work, a stricter method is used. Based on deterrence theory (Becker, 1986) a taxpayer will realize that the State needs taxes as revenue and as a taxpayer must be fair to pay outstanding tax debts. collection by a letter of force can be seen as an effective deterrent tool, because this theory states that individuals tend to avoid illegal or undesirable behavior if they are faced with a clear and severe threat of punishment. The application of a letter of force adds to the weight of the threat, so that taxpayers are more motivated to pay tax arrears to avoid more serious sanctions.

Melinia & Sari (2022) in their research at the Kediri Primary Tax Service Office showed that the collection of tax arrears using forced letters in 2022 seen

from the number of sheets has a significant percentage of effectiveness. Thus, tax revenue at the Kediri Pratama Tax Service Office in terms of payment of tax arrears by forced letters can be categorized as effective because the receipt of tax arrears from 2021 to 2022 has increased. Similar to the findings of Ambo & Warongan (2022) at KPP Pratama Karanganyar that the forced letter contributed 85.22% to the disbursement of tax arrears. By taking more assertive action through a forced letter, it is expected that taxpayers will be more compliant to pay off their tax arrears. Based on this explanation, the hypothesis formed is:

H2: the issuance of forced letters has a positive and significant effect on the disbursement of tax arrears.

c. Issuance of Warrant to Carry Out Confiscation (SPMP) Towards Tax Arrears Revenue

If the tax debt is not paid by the taxpayer within 2x24 hours after the letter of force is notified, the official issues a warrant to carry out the confiscation. The relationship between warrants to carry out confiscation on tax arrears is that the goods / collateral collected by tax bailiffs can be used as a form of repayment of tax debts which will affect tax arrears (Ambo & Warongan, 2022). Deterrence Theory proposed by Becker (1986), which states that individuals tend to avoid harmful behavior if they perceive a significant risk of punishment. In other words, the issuance of SPMP increases the perception of risk for delinquent taxpayers, so they are more encouraged to pay off their tax arrears immediately. Deterrence Theory explains that the effectiveness of law enforcement, in this case SPMP, can increase tax compliance and ultimately increase state revenue from tax arrears.

With the warrant to carry out confiscation, the tax bailiff takes direct action to collect in terms of confiscating the taxpayer's assets to pay off the tax debt so that the amount of tax arrears can be reduced in accordance with the provisions stated in the approval decision in the minutes owned by the taxpayer and the tax apparatus (Ambo & Warongan, 2022). The warrant to carry out confiscation is issued at the same time as the confiscation action is carried out until the value of the confiscated goods is estimated to be sufficient to pay off the tax debt and tax collection costs. Other things that can be confiscated are also regulated in government regulations. According to Lestari & Burhan (2021) With the confiscation, taxpayers will be pressured to pay off their tax debts as soon as possible. Based on this explanation, the hypothesis formed is:

H3 : the issuance of a warrant to carry out confiscation (SPMP) has a positive and significant effect on the disbursement of tax arrears.

d. Auction Announcement on Tax Arrears Revenue

Announcement of auction is as referred to in article 1 number 17 of the Law on tax collection, any sale of goods in public by means of oral and / or

written price offers through efforts to gather enthusiasts or prospective buyers . Mardiasmo (2018 - 146), the sale by auction of confiscated goods is carried out at least 14 (fourteen) days after the announcement of the auction through the mass media. The announcement of the auction is carried out at least 14 days after the seizure. Announcement of auction for movable goods is done once and for immovable goods is done twice. If the auction proceeds have reached an amount sufficient to pay off the tax collection costs and tax debts, the auction is stopped by the official even though the goods to be auctioned are still there. The remaining goods and the excess money from the auction are returned by the official to the taxpayer after the auction (Santoso, 2021).

According to Deterrence Theory developed by Becker (1986), individuals or entities tend to avoid illegal or non-compliant behavior if they realize significant negative consequences, such as financial sanctions or loss of assets. In this context, the auction announcement creates a real threat of asset loss, which serves as an effective deterrent against delaying or ignoring tax arrears payments. The application of the auction announcement is in accordance with the principles of Deterrence Theory, which argues that increasing the likelihood and severity of penalties will encourage taxpayer compliance and increase tax arrears revenue.

H4   : auction announcements have a positive and significant effect on the receipt of tax arrears

METHODOLOGY
The type of research used in this study is quantitative with secondary data sources. This research was conducted at the Pratama Surabaya Mulyorejo Tax Service Office which is located at Jl. Jagir Wonokromo No.100, Jagir, Kec. Wonokromo, Surabaya, East Java 60244. The population in this study were individual taxpayers registered at KPP Pratama Surabaya Mulyorejo. While the number of samples used in this study used the Slovin formula (Umar, 2019). Through the Slovin formula, it can be seen that the sample in this study was 100 taxpayers. Collecting data in this research, researchers used documentation techniques with the 2019-2024 period. The variable of warning letters can be measured by the number of warning letters issued by the Tax Office after 7 (seven) days from the due date of payment of tax debts, forced letters are measured by the number of forced letters issued by the Tax Office after 21 days after the date the warning letter was issued. The confiscation letter is measured by the number of SPMPs issued by the Tax Office within 2 x 24 hours after the confiscation letter is issued. Auction announcements are measured by the number of auction announcements in rupiah issued by the Tax Office. This study uses the PLS (Partial Least Squares) data analysis method using SmartPLS 3.0 software which is run with computer assistance. According to Abdillah and Jogiyanto (2015: 161), PLS is a multivariate statistical technique that compares multiple dependent variables and multiple independent variables which include outer model and inner model measurements.

RESEARCH RESULT
Results
a. Validity Test
The validity test is carried out to ensure that the instruments used in this study actually measure what should be measured. Validity in this study was tested using the Average Variance Extracted (AVE) and Outer Loading values of each indicator.

Table 1: Outer Loading and AVE values

Variables	Indicator	Outer Loading	AVE
Letter of Reprimand	ST1	1,00	1,00
Writ of Mandate	SP1	1,00	1,00
Seizure warrant (SPMP)	SPMP1	1,00	1,00
Auction Announcement Letter	SPL1	1,00	1,00
Receipt of Tax Arrears	PTP1	1,00	1,00

Source: Smart PLS 3.0 Output

All indicators have an Outer Loading value above 0.70, which indicates that each indicator is valid in measuring the variable in question. In addition, the AVE value for each variable is also above 0.50, which means convergent validity is achieved.

b. Reliability Test
The reliability test was carried out to ensure that the instruments used in this study were consistent in their measurements. Reliability is measured using Composite Reliability (CR) and Cronbach's Alpha.

Table 2: Composite Reliability (CR) and Cronbach's Alpha values

Variables	Composite Reliability	Cronbach's Alpha
Letter of Reprimand	1,00	1,00
Writ of Mandate	1,00	1,00
Seizure warrant (SPMP)	1,00	1,00
Auction Announcement Letter	1,00	1,00
Receipt of Tax Arrears	1,00	1,00

Source: Smart PLS 3.0 output

The Composite Reliability and Cronbach's Alpha values for each variable are more than 0.70, which indicates that the instruments used in this study are reliable and consistent.

c. Determination Coefficient Test
The coefficient of determination (R^2) test is carried out to determine how much variability in the dependent variable can be explained by the independent variable.

Table 3: R² Values

Variables	R²
Receipt of Tax Arrears	0,487

Source: Smart PLS 3.0 Output

The R² value of 0.487 indicates that 48.7% of the variability in tax arrears revenue can be explained by the independent variables in the model, namely warning letters, forced letters, confiscation orders, and auction announcement letters. The remaining 51.3% is explained by other variables not explained in this study.

d. Partial (Path Coefficients and P-Values)

Partial tests were conducted to determine the effect of each independent variable on the dependent variable partially. This test is done by looking at the Path Coefficients and P-Values values.

Table 4: Path Coefficients and P-Values

Variables	Indicator	Outer Loading
Letter of Reprimand → Receipt of Tax Arrears	0.295	0.023*
Writ of Mandate → Tax Arrears Revenue	0.312	0.018*
SPMP → Receipt of Tax Arrears	0.278	0.032*
Auction Announcement Letter → Receipt of Tax Arrears	0.311	0.020*

Source: Smart PLS 3.0 Output

The partial test results show that all independent variables (i.e., warning letters, forced letters, SPMP, and auction announcement letters) have a significant influence on the receipt of tax arrears. This can be seen from the P-values that are smaller than 0.05 for each relationship, indicating that the effect of each independent variable on the dependent variable is significant at the 5% significance level.

DISCUSSION
The effect of warning letters on the receipt of tax arrears

The test results show that the warning letter has a positive and significant effect on the receipt of tax arrears with a P-Value of 0.023 which is smaller than the significance level of 0.05. The Path Coefficient of 0.295 indicates that any increase in the effectiveness of the warning letter will increase the receipt of tax arrears by 29.5%. The effect of warning letters on the receipt of tax arrears shows a significant relationship. In data analysis, the results showed that the warning letter issued by the authority of the Surabaya Mulyorejo Pratama Tax Service Office had a positive effect on tax arrears collection efforts. According to Deterrence Theory proposed by Becker (1986), this action creates fear of more severe consequences if tax obligations are not immediately fulfilled. A warning letter is an initial step that provides an opportunity for

taxpayers to settle their obligations before harsher action is taken. Research conducted by Melinia & Sari (2022), Ambo & Warongan (2022) and Irmayana (2020) also found that the provision of warning letters significantly increased taxpayer compliance in paying off their arrears, which ultimately had a positive impact on tax revenue.

The Effect of Forced Letters on Tax Arrears Revenue

Forced letters are also proven to have a positive and significant effect on tax arrears revenue, with a Path Coefficient of 0.312 and a P-Value of 0.018. This value indicates that the effectiveness of forced letters can increase tax arrears revenue by 31.2%. The forced letter issued by the Surabaya Mulyorejo Pratama Tax Service Office is a more assertive administrative action and shows that the tax authority is ready to take further legal steps if the arrears are not immediately repaid. Based on Deterrence Theory, forced letters increase the level of threat felt by taxpayers, who tend to accelerate payment of arrears to avoid further consequences. Research from Siregar (2021), Melinia & Sari (2022) and Ambo & Warongan (2022) found that forced letters have a significant impact in increasing the level of tax revenue, mainly because taxpayers are more likely to immediately pay off their obligations after receiving this letter.

Effect of Warrant to Carry Out Seizure on Tax Arrears Revenue

The warrant to carry out confiscation (SPMP) also has a positive and significant effect on tax arrears revenue, with a Path Coefficient of 0.278 and a P-Value of 0.032. These results indicate that SPMP increases tax arrears revenue by 27.8%. A warrant of seizure is a further step from a letter of force, in which the tax authority begins to carry out confiscation actions against the assets of delinquent taxpayers. In accordance with Deterrence Theory, a warrant of seizure creates an immediate tangible threat to asset ownership, which motivates taxpayers to settle their arrears immediately before the assets are seized. The effectiveness of SPMP in this study reinforces the view that the threat of confiscation of delinquent taxpayer assets will increase the fear of sanctions and encourage tax payments. Studies by Wijaya (2020), (Ambo & Warongan, 2022) and Lestari & Burhan (2021) support this finding, where confiscation warrants proved effective in increasing tax arrears revenue, especially as taxpayers realized that asset confiscation would have a direct and significant impact on their financial circumstances.

Effect of Auction Announcement Letter on Tax Arrears Revenue

The test results also show that the auction announcement letter has a positive and significant effect on the receipt of tax arrears, with a Path Coefficient of 0.311 and a P-Value of 0.020. This shows that the auction announcement letter can increase the receipt of tax arrears by 31.1%. The auction announcement issued by the Surabaya Mulyorejo Pratama Tax Service Office indicates that the confiscation process has reached the stage where assets will be sold publicly, which poses a threat of permanent loss of assets for taxpayers. Based on Deterrence Theory, this threat of loss acts as a strong

deterrent, encouraging taxpayers to pay off arrears before their assets are auctioned, so the announcement of the auction as the final step in the collection process involving the sale of the delinquent taxpayer's assets, creates a very strong deterrent effect. Research by Santoso (2021) shows that auction announcements significantly increase tax arrears revenue, as taxpayers often try to settle their arrears at the last moment to avoid losing their assets.

CONCLUSIONS AND RECOMMENDATIONS

This study shows that all types of letters used by the Tax Office Pratama Surabaya Mulyorejo - namely warning letters, forced letters, confiscation orders, and auction announcement letters - have a positive influence on the receipt of tax arrears. The warning letter increases taxpayer compliance by providing an initial threat, while the forced letter, confiscation order, and auction announcement letter show a greater impact due to a more severe and more concrete threat. This finding is consistent with Becker's (1986) deterrence theory, which states that the threat of greater punishment can encourage individuals to fulfil their obligations more quickly. Previous research also supports these results, demonstrating the effectiveness of various forms of threats in increasing tax compliance.

ADVANCED RESEARCH
Suggestions
a. Increased Use of Letter of Reprimand
   To further maximise the revenue of tax arrears, it is recommended that the Tax Office continue to use warning letters regularly as a first step, by paying attention to and optimising the format and content of the letter to increase its impact.
b. Optimisation of Force and Confiscation Letters
   The Tax Office needs to ensure that the process of sending forced and confiscation letters is carried out effectively and according to procedures to ensure maximum impact. Training for officers in the handling of coercive and confiscation letters is also recommended.
c. Transparency in the Auction Process
   To further improve compliance, it is recommended that the auction announcement process be conducted with high transparency and clearly communicated to taxpayers. This can increase the deterrent effect and encourage faster payment.

Research Implications
a. Tax Policy
   This research provides important insights for policy making in the field of tax administration. The implementation of a more structured and systematic letter-based strategy can increase the effectiveness in handling tax arrears.
b. Tax Enforcement Strategy
   The findings show the importance of combining different types of letters in tax enforcement strategies. Multi-layered enforcement, from initial warnings to auction announcements, can improve overall taxpayer compliance.

c. Further Research

This study opens up opportunities for further research into other factors affecting the effectiveness of letters in tax collection, including more in-depth analyses of taxpayer characteristics and the long-term impact of different forms of letters.

ACKNOWLEDGMENT

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