

ARTICLE

("Enhancing Hotel Tax Compliance: A Review of Tapping Box Implementation on Revenue Collection")

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Abstract:

Hotel tax is one of the important sources of revenue for the government to improve economic development. However, there are often difficulties in collecting taxes from hotels due to violations or non-compliance. Tapping box is a technology used to monitor transactions in hotels and can help improve compliance with taxes. This study aims to review the use of tapping box on hotel tax revenue. The method used is literature review from articles, journals, and books related to the topic as well as collecting data through questionnaires given to hotel taxpayers. The results show that the use of tapping box can significantly increase compliance and hotel tax revenue. With the tapping box, supervision of hotel transactions becomes easier and more effective, thus preventing tax violations. However, the use of tapping box also has challenges such as procurement and maintenance costs as well as data privacy issues. In addition, some respondents also complained about technical weaknesses in the tapping box and a lack of trust in the system. Nevertheless, tapping box has the potential to help improve hotel tax revenue and provide benefits for the government and society as a whole. Efforts need to be made to address technical weaknesses and strengthen trust in the system so that tapping box can be more widely accepted by the public.

KEYWORDS: tapping box, hotel tax, compliance, supervision

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1. Introduction

Hotel tax is one of the important types of taxes for local governments in increasing their regional revenue. Hotel tax is levied on the use of accommodation services such as hotels, motels, or other lodgings. However, difficulties are often encountered in collecting taxes from hotels due to violations or non-compliance. Hotel tax violations can occur due to various factors such as minimal supervision, lack of socialization about tax obligations, or difficulties in collecting transaction data. Therefore, efforts are needed to increase compliance and revenue from hotel taxes.

One technology that can be used to improve compliance and revenue from hotel taxes is tapping box. Tapping box is a device installed in hotels to monitor transactions that occur. Tapping box can record all transactions that occur in hotels such as room payments, food, and beverages. With tapping box, supervision over hotel transactions becomes easier and more effective, thereby preventing tax violations.

In using tapping box as an effort to increase tax revenue and reduce tax evasion among hotel taxpayers, its implementation still requires extra effort due to many hotel taxpayers who are not fully satisfied or trust the system. Therefore, there is a need to further improve the effectiveness of using tapping box.

2. Experimental

2.1 Hotel tax in the law

Regional tax is one form of levy by the state on the people, therefore Article 23A of the 1945 Constitution of the Republic of Indonesia regulates that "Taxes and other forced levies for the needs of the state are regulated by law". Based on this provision, every forced levy is regulated by law. The authority to impose levies is not only as a source of income, but also reflects the freedom to determine oneself in arranging and managing the affairs of the relevant region (Bagir Manan, 2001: 204). Based on Law No. 34 of 2000 on Local Taxes and Retributions, which has been declared no longer in effect with Law No. 28 of 2009, the types of district/city taxes are as follows: Hotel tax, Restaurant tax, Entertainment tax, Advertisement tax, Street lighting tax, Extraction of Group C Minerals tax, Parking tax, Urban and Rural Land and Building Tax, Land and Building Acquisition Duty, Swallow's Nest tax, Groundwater Extraction and Utilization tax. Based on Article 1 Number 20 of Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions, Hotel Tax refers to the tax on services provided by hotels. The authority to collect hotel tax lies with the regency/city government, therefore, the collection of hotel tax must be based on local regulations.

Based on Law No. 28 of 2009 concerning Regional Taxes and Regional Levies A hotel is a facility that provides accommodation/resting services with associated services for a fee, which includes motels, guest houses, tourist huts, tourism lodges, lodging houses, guesthouses, and similar places, as well as boarding houses with more than 10 (ten) rooms. The object of Hotel Tax is the services provided by hotels in exchange for payment, including supporting services as complementary facilities that provide convenience and comfort, such as sports and entertainment facilities. Supporting services refer to facilities such as telephone, fax, telex, internet, photocopying, laundry, ironing, transportation, and similar facilities provided or managed by the hotel. The following are not subject to Hotel Tax: a. dormitory services provided by the Government or Local Government; b. apartment,

condominium, and similar rental services; c. residential services in education centers or religious activities; d. residential services in hospitals, nurse dormitories, nursing homes, orphanages, and other similar social institutions; and e. travel agencies or tour packages provided by hotels that can be used by the public. The Hotel Tax subject is an individual or entity who makes payment to the individual or entity who operates the hotel and The Hotel Tax Obligator is an individual or entity who operates the hotel. In Indonesia, according to the prevailing laws and regulations, it is stipulated that the Hotel Tax Rate is set at a maximum of 10% (ten percent).

2.2 Characteristic hotel tax

Hotel tax has several characteristics, including:

a. Indirect tax

Hotel tax is an indirect tax because the taxpayer bears the tax but can pass on the tax burden to users or hotel guests through room rates or prices of the products offered.

b. Proportional tax

Hotel tax is usually imposed at a proportional rate, which is a fixed tax rate in the form of a percentage of room rates or total purchases. This tax rate is usually determined by the local government.

c. Volume-based tax

Hotel tax is a volume-based tax because the amount of tax to be paid depends on the volume of sales or use of hotel accommodation services or similar services. The more hotel accommodation services used by guests, the greater the tax to be paid by the taxpayer

2.3 Tapping Box



Figure 1. tapping box

source :

https://www.google.com/url?sa=i&url=https%3A%2F%2Fjateng.tribunnews.com%2F2019%2F08%2F23%2Fhotel-dan-restoran-di-kudus-akan-dipasang-alat-tapping-box&psig=AOvVaw2Tslxv9e622SyAupeR85qJ&ust=1680679781829000&source=images&cd=vfe&ved=0CBAQjRxqFwoTCOiI0KDaj_4CFQAAAAAdAAAAABAQ

Various studies have been conducted to review the use of tapping boxes on hotel tax revenue. A study by Suryaningtyas et al. (2019) showed that the use of tapping boxes can significantly improve compliance and hotel tax revenue. Another study by Widiyanto et al. (2020) also showed similar results, where the use of tapping boxes can help increase hotel tax revenue by reducing errors and fraud in tax reporting.

However, the use of tapping boxes also presents challenges such as procurement and maintenance costs as well as data privacy issues. Several studies identify that the lack of socialization and training for hotel taxpayers on the use of tapping boxes is also a hindering factor (Misbah et al., 2019; Budiono et al., 2021). Therefore, efforts are needed to address challenges and strengthen trust in the system so that tapping boxes can be more widely accepted by the public. In addition, studies also show that factors such as tax rates, supervision effectiveness, and hotel accommodation service quality can also influence

compliance and hotel tax revenue (Prasetyo et al., 2021; Kurniawan et al., 2020; Haris et al., 2019). Therefore, integrated and comprehensive efforts are needed to improve compliance and hotel tax revenue.

According to Nurhasan (2017), tapping box is a technology used to facilitate and accelerate the process of collecting transaction data and minimize the potential for tax violations. Tapping box can automatically and accurately record all transactions that occur in hotels, thus helping to ensure that all transactions have been properly recorded and taxes have been paid correctly. This is also in line with the opinion of Kusuma (2020), who stated that tapping box can monitor and record transactions that occur in real-time, so that monitoring of tax violations can be done more effectively.

The use of tapping box can help increase compliance of hotel taxpayers with their tax obligations. According to Gunawan and Nugraha (2021), the use of tapping box can strengthen the monitoring system and motivate taxpayers to pay their taxes on time and in full. In their study, Gunawan and Nugraha found that the use of tapping box in hotels can significantly increase tax revenue.

However, the use of tapping box also has several challenges such as procurement and maintenance costs, as well as data privacy issues. According to a study conducted by Jannah, Nugraha, and Mutiah (2020), the procurement and maintenance costs of tapping box are one of the main obstacles in its implementation. In addition, data privacy issues are also a concern, especially regarding the security of transaction data recorded by tapping box

2.4 Sample and Type of Research

In this research, a quantitative method with a descriptive research design is used. As stated by Sugiyono (2017), "Descriptive quantitative research is a positivist research approach that aims to examine specific populations or samples."

2.5 Types, Sources and Techniques of Data Collection

This research is based on primary data obtained from interviews with hotel that using tapping box, while secondary data is obtained from journal literature and other supporting documents. Therefore, the "Types, Sources and Techniques of Data Collection" in this study includes the interview technique as the primary data source and journal literature and other supporting documents as the secondary data sources.

3. Results

In this study, by giving questionnaires to hotel taxpayers, it was found that the use of tapping box is very helpful in fulfilling tax obligations, but 35% of respondents stated that they were slightly hindered in using tapping box due to errors in usage or lack of trust in the system. In addition, the effectiveness of the use of tapping box is still lacking because during tax officer's reporting period, they still asked for the number of transactions recorded in the hotel's financial records, whereas it was actually already recorded in the tapping box, causing discomfort. On the other hand, the literature review conducted by the author shows that the use of tapping box is very helpful in increasing tax revenue because every transaction can be monitored well and can prevent fraud. Another obstacle felt in using tapping box is the cost needed, as tapping box is a machine that requires maintenance and procurement costs

4. Conclusion

After conducting the research, it can be concluded that the use of Tapping box for the purpose of increasing hotel tax revenue has been implemented, but there are still some obstacles both from the government and complaints from taxpayers. This requires increased efforts to improve the effectiveness of using tapping box by implementing monthly evaluations and updating technology to gain public trust as a whole.

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