

Organizational Transformation of Indonesian Tax Administrator Authority

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Abstract

Tax administration is one element of tax system that determines success in tax collection. Directorate General of Tax (DGT) Indonesia as tax administrator needs to form the bureaucracy to make it more efficient and effective in order to increase tax compliance and revenue. (Darussalam, 2013) In the tax administration institution based on OECD, there are four variations, namely Single directorate in Ministry of Finance (MoF), Multiple directorates in MoF, Unified semi-autonomous Body, Unified semi-autonomous body with board. (OECD, 2013) According to the OECD, there are at least six authorities owned by a competent authority in implementing their duties. The sixth authority includes the lawmaking; impose tax administrative sanctions; designing the organizational structure; budget management; setting performance standards of tax administration; and personnel management. DGT currently has only two authorities, namely impose tax administrative sanctions and legal drafting in lawmaking process. Novelty of this study is applying the institutional transformation concept to prepare the institutional design of Indonesian tax administrator. Purpose of this study is to analyze the need for improvement authority of DGT.

Keywords: tax administration, institutional transformation, semi-autonomous revenue authority (SARA)

1. Introduction

The Directorate General of Taxes (DGT) is the institution in charge of collecting revenues (especially tax) under the coordination of the Ministry of Finance of the Republic of Indonesia. In the last few years, DGT have not been able to meet revenue goals. In 2014 tax revenues attained was Rp.1,143.3 trillion, or about 91.7% of the target set at Rp.1.246,1 trillion.² In 2015, DGT only attained Rp 1235.8 trillion, or about 83% of tax revenue target..³

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² Kementerian Keuangan, Januari 2015, Realisasi Pendapatan Negara Tahun 2014 Capai Rp.1.537,2 Triliun. <<http://www.kemenkeu.go.id/Berita/realisasi-pendapatan-negara-tahun-2014-capai-rp15372-triliun>>

³ DJP, September 2015, Realisasi Penerimaan Pajak Per 31 Agustus 2015 <<http://pajak.go.id/content/realisasi-penerimaan-pajak-31-agustus-2015>>

DGT as Indonesian tax administration authority in charge to collect the state revenue has a substantial responsibility. Since 2007 DGT has been assigned to modernize or reform the bureaucracy so that the tax administration can be more efficient and effective which has implications to public confidence, the level of tax compliance, and state revenues. According to Darussalam, the success of tax administration is contingent to the performance of the tax authorities which will have implications to an increase in tax revenue, thus finally achieving the target of tax revenue.⁴ To improve the effectiveness and efficiency of tax administration, institutional transformation is necessary in a form of increasing the authority of DGT.

Acknowledging the importance tax administration's role, in 2013 the Ministry of Finance started a plan of action to make changes named "*Cetak Biru Transformasi Kelembagaan 2014-2025*" (Blueprint for Institutional Transformation 2014-2025).⁵ The blueprint has produced 87 strategic initiatives in which within its implementation are grouped into three horizons, namely: short-term (2013-2014) as a period of building momentum of reform, medium-term (2015-2019) as a period for building operational excellence and service on a large scale, and long-term (2020-2025) as a period of instituting a breakthrough. It is hoped that the existence of these programs will have an impact to DGT institutional system, which is a plan that intends to give greater autonomy to the institution in charge of collecting revenues. Institutional transformation blueprint is stated in the Ministry of Finance Decree number 36 / KMK.01 / 2014 as a follow-up of KMK No. 426 and 427 in 2013 on the Establishment of Institutional Transformation Team, Ministry of Finance.⁶

The institutional framework of tax administration in terms of the degree of relationship of the tax authority or organization in charge of fiscal sector and economic policy, there are four variations of the fundamental difference regarding political structure and public administration systems in different countries. The four variations of the administrative system are:

1. Single Directorate in the Ministry of Finance (MOF) states that a function of tax management is the responsibility of a single organizational unit (directorate) under the structure of the Ministry of Finance.
2. Multiple directorates in the Ministry of Finance states that a function of tax management is the responsibility of more than one organizational units (directorate) under the structure of the Ministry of Finance.
3. Unified Semi-Autonomous Body, states that the whole function of the tax administration is the task of specific body in which the head of the agency provides regular reports to a designated Minister.
4. Unified Semi-Autonomous Body with the Board, states that the entire functions of tax administration are the task of certain entity in which the leadership of the agency is held by a council / board of directors consisting of professionals and coming from outside of the circle of the government.⁷

⁴ <http://m.merdeka.com/uang/ikuti-singapura-ditjen-pajak-lebih-baik-bercerai-dari-kemenkeu.html>.Merdeka.com

⁵ Hermawan, Herry, 2014, Reform Transform Perform. *Pusat analisis dan Harmonisasi Kebijakan Sekretariat Jenderal Kementerian Keuangan: Buletin Kinerja Mengawal Perubahan Edisi XX/2014*.

⁶ Haq, Ahmad Abdul, 2015, Keputusan Menteri Keuangan Nomor 36 Tahun 2014. <<http://www.wikiapbn.org/keputusan-menteri-keuangan-nomor-36kmk-012014/>>

⁷ OECD, 2013, *Tax Administrasi 2013: Comparative Information on OECD and Other Advanced and Emerging Economies*, Paris: OECD Publishing, p.25.

All four aforementioned variations are grouped into two (2) main types, namely the tax authority under formal structure of the Ministry of Finance with lower degree of authority, and the tax authority that is distinct from formal structure of the Ministry of Finance through the establishment of an autonomous body with with higher degree of authority.

Based upon Organization for Economic Cooperation and Development (OECD), there are at least six competencies of tax authorities of a country in carrying out their duties. All six rules comprise of the implementation of legislation, imposing administrative sanctions, designing the organizational structure, budget management, setting performance standards of tax administration, and human resource management. DGT now has only two authorities, which are the authority to impose taxation-related sanctions and the ability to make proposal to make rules of law implementation.⁸

DGT at least is able to raise three additional authorities, namely first authority to allocate the budget, starting from the proposal until the budget allocation in DGT internal unit. Second, the authority to set organizational structure design, from planning to the establishment of its organizational structure. Third, authority in the field of HR management therein, including hire and fire employees, and the authority to negotiate the salary structure and allowances of employees.

This study contributes to taxation literature in terms of providing an analysis of tax administration system in Indonesia analyzed from authority standard of the OECD.

2. Theoretical Framework

Killman and Covin stated that in the development of an organization, transformation is necessary. In order to survive and thrive in a competitive global environment, organization must change its vision and mission become more adaptive, innovative, and have a market-based system. The definition of change contains two meanings, namely the reform and transformation. In the realm of public administration known as a reformation, whereas in all other institutions it refers to a transformation.⁹ The transformation is done in order to make an organization managed to prepare the workforce to receive new radical change.¹⁰

Reforms are generally conducted through two strategies namely; (1) revitalize the status, role and functions of institutions that become the motor of administrative reform, and (2) reorganize the administrative system both in terms of structure, processes, human resources and relations between state and society.¹¹

⁸ <http://www.investor.co.id/home/memperluas-kewenangan-otoritas-perpajakan/72173>.

⁹ Ralph H. Kilmann, Teresa Joyce Covin, and Associates, 1988, *Corporate Transformation: Revitalizing Organization for the Competitive World*, San Francisco: Josey-Bass Publishing, in Lina Miftahul Jannah, 2013, *Transformasi Institusi Penelitian dan Pengembangan di Indonesia*. Disertasi Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Indonesia.

¹⁰ Edosmwan, Johnson A, 1996, *Organizational Transformation and Process Reengineering*. Florida: St. Lucie Press Delray Beach and The Quality Observer, p.11.

¹¹ Prasojo, Eko dan Teguh Kurniawan, 2008, Reformasi Birokrasi dan *Good Governance: Kasus Best Practices* dari Sejumlah Daerah di Indonesia. 5th *International Symposium of Jurnal Antropologi Indonesia*, Banjarmasin, p.15.

According to Bird, tax reform is a program that not only change the policy, but a program of complete change of how the tax administration carry out business processes to collect revenues from taxes and administering then effectively and efficiently while maintaining the level of fairness for taxpayers.¹² According to Gunadi is tax administration is under administrative law or legal administration, which means that the administration must be executed in accordance with the provisions of the law, especially the formal provisions of tax law. In this case the tax administration is an existing formal provisions instrument of taxation.¹³

Tax administration can be seen as a function, system, institution, and tax management as a whole. As a system, the quality and quantity of human resources are also one measurement of the tax administration's performance. Tax administration plays an important role because it should not only act as a law enforcement tool, but more importantly as a "service point" that provides excellent service to the community and at the same time as tax information center. The importance of tax administration makes DGT as tax authorities which role and authority need to be provisioned.¹⁴

OECD conducted a survey which provides an overview of the issue of authority / autonomy of the tax administration authorities in OECD countries and several other countries other than the OECD.¹⁵ The following are types of authorities in tax administration authority:

1. Budget Expenditure Management

The authority to allocate budgets and determining budget allocation in accordance with the priorities of work and the things that are needed by DGT by its importance. The implementation can provide tax administration authority to manage its resources optimally.

2. Organization and Planning

The authority in designing the organizational structure to carry out the tax administration role, including the size and geographic allocation of the tax office, as well as the authority to formulate and implement strategic and operational plans of the tax administration authorities. The effective implementation of the authority is expected to make the tax administration authorities to respond more quickly to the changing circumstances, and eventually become an effective and efficient as a whole.

3. Performance Standard

The authority to set standards for the performance of tax administration, for example in the standard of service to taxpayers. The effective implementation of this authority allows the tax administration authorities to set targets and more realistic in improving organizational performance.

4. Personnel Recruitment, Development, and Remuneration

The authority to set standards of academic and technical qualifications of their recruitment process including the process of personnel lay-off in accordance with policies and procedures in the public sector. Also, the authority in establishing and running training programs / employee development as well as the authority to be able to

¹² Richard M. Bird, 2004, *Administrative Dimention of Tax Reform*, Asia-Pasific Bulletin, p. 138.

¹³ Djoned Gunadi M, 2005, *Administrasi Pajak*, (Jakarta: Lembaga Pengkajian Keuangan Publik dan Akuntansi Pemerintah Badan Pendidikan dan Pelatihan Keuangan Departemen Kementrian Keuangan Republik Indonesia, p. 23.

¹⁴ Rosdiana, Haula dan Edi Slamet Irianto, 2012, *Pengantar Ilmu Pajak: Kebijakan dan Implementasi di Indonesia*. Jakarta: Rajawali Pers, p. 102-105.

¹⁵ OECD, op.cit., p. 28.

negotiate the level of remuneration in accordance with the broader policy in the public sector.

5. Tax Law Interpretation

The authority to make rules of implementation of the Law on taxation and provide interpretation of how the law can be interpreted and can only be done through the judiciary. The effective implementation of this authority is expected to help taxpayers to clarify the applicability of the law and the tax administration.

6. Penalties and Interest

The authority to impose administrative sanctions, for example on penalties and interest of the actions that are administrative or noncompliance and provide sanctions in appropriate circumstances. The effective implementation of these powers will give greater flexibility to the tax authorities in providing action against non-compliant taxpayers.

Good proposal on changes to the institutional framework of administration at least has the following characteristics:

1. Has the financial independency, meaning that the institution / the new agency can allocate an appropriate budget, in which most of the budget can be used for incentive or reparation of information technology.
2. Institution / new body is given the autonomous administrative authority and can formulate a policy and administrative purposes.

Institution / new agency should be responsible for managing human resources internally. This can be done through payroll, recruitment, training, to formulate its internal code of conduct.¹⁶

Independence of the structure out of governmental organizations, according to Crandall, within the framework of public sector administration, autonomous can be defined by to which extent a department or government agency is able to operate on their own, in terms of legal form and status, funding, budget and finance, human resources, and administrative practices.¹⁷

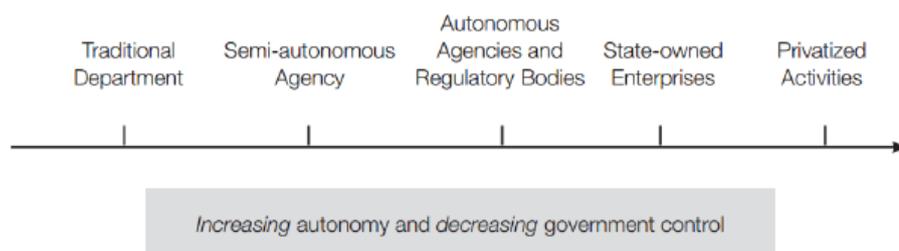


Fig. 1 Level Otonomi pada Pemerintah

Sumber: Crandall, *Technical Notes Revenue Administration: Autonomy in Tax Administration and The Revenue Authority Model*, 2010.

¹⁶ Jenkins, Glen P. 1994, *Modernization of Tax Administrations: Revenue Boards and Privatization as Instrument for Change*, Bulletin for International Taxation, p.76.

¹⁷ William Crandall, 2010, *Revenue Administration: Autonomy in tax Administration and the revenue Authority Model*, IMF-Fiscal Affairs Department, TNM/10/12, p.2.

3. Method

This study employed a qualitative approach because it is in accordance to the research objectives to explore concepts and phenomena in the institutional system of tax authorities in Indonesia. In the plan implementation of Semi Autonomous Revenue Authority (SARA) in Indonesia, it is necessary to be study the form of authority possessed by DGT. SARA is a form of semi-autonomous authority in which the position of DGT may separate or are still under coordination of the Ministry of Finance but with greater authority. This research used descriptive research to understand a phenomenon that occurs in the system of DGT when it implements institutional autonomy, SARA.

4. The authority of the Directorate General of Taxes (DGT)

This study will discuss the authority possessed by DGT over the making of tax implementation regulations, administrative sanctions, the establishment of service standards, budget management, organizational structure planning, and human resource management.

1.1 Authority

Based on the OECD, the authority on Tax Law Interpretation is the authority to make the rules of implementation from the Law on taxation as well as Penalties and Interest, which is the authority to impose administrative sanction, for example on interest, penalties, and the increase by administrative actions or non-compliance and provide sanctions in appropriate circumstances.¹⁸ The regulation is in the form of Government Regulation (PP), which was approved by President, Decree of the Minister of Finance (KMK) and the Finance Minister Regulation (PMK) endorsed by the Minister of Finance, and the Circular Letter (SE) authorized by the Directorate General of Taxes.

The composing process of the tax laws and impose administrative sanctions, are done through the Directorate of Tax Regulation I and II. Directorate of Taxes I made formal tax laws, namely Law of General Provisions and Tax Procedures (UU KUP), Tax Billing Coercion Letter (PPSP), while the Directorate of Tax Regulation II made material tax laws, ie VAT, income tax, stamp duty, UN, BPHTP, etc. Directorate of Tax Regulation I and II serves to make the concept of taxation rules, will then be discussed together with the Fiscal Policy Office (BKF). The Fiscal Policy Office provides inputs for each of the rules that will certainly intersect with other regulations. BKF's main involvement in providing inputs are regarding the material substance, something concerning rates, taxable income, the value of the DPP, and others that will affect the potential amount of taxes.

Based on the OECD, composing the rules of implementation of the Law on taxation and their interpretation of how the law can be interpreted, can only be done through the judiciary. This means the establishment of good regulation needs to have the separation of functions between the regulator and executor of lawmaking. In Indonesia, DGT has a dual function, namely as a regulator and also as the executor, it influences the evaluation of tax laws become less effective. BKF is acting as regulator, but the involvement is limited only as inputs provider. This is due to the limited human resources in BKF, so that BKF has not been able to fulfill its ideal role as the maker of tax regulations.

¹⁸ OECD, 2010, p.28.

1.2 Authority to Set Performance Standard

Ideal authority of tax administration according to the OECD is to have full authority over performance standards. Performance standards are the authority to set standards for the performance of tax administration, for example in the standard of service to taxpayers. In authority over the organization and planning, this research focuses more on the authority over standard of tax services.

The Directorate General of Taxes in the bureaucracy reform has increased the excellent service to the community. It has established DGT service standards within 16 featured services listed in the Circular number SE-79 / PJ / 2010 on Standard Operating Procedure (SOP) Featured Services in Taxation Sector, which aims to make people feel comfortable and easy to carry out tax payments obligations.

DGT also increased its service to the community on information and communication technology which is expected to create an efficient and effective business process since the administration becomes quick, easy, accurate and paperless, thus improving the service to taxpayer, both in terms of quality and time. DGT requires monitoring, through reward and punishment mechanism, as well as administrative reform, such as an improvement of data base. To improve DGT's quality of service, it needs coordination with the relevant parties and reorganize the organizational structure.

One of the things that can be done is to fix the organizational structure by considering an area that has great tax potential, improving services in order to make self-assessment system run well by being close to the consumer. To achieve that, DGT requires a flexible rule, where DGT can manage their own necessary organizational structure quickly and without lengthy bureaucratic process.

3.3 Authority in Budget Management

According to authority of tax following the OECD standards over tax authorities on Budget Expenditure Management, it is an authority to allocate the budget and determining the budget allocation in accordance with the priorities of work and the things that are needed by DGT. Finance is the most important thing of all because DGT can not act in accordance with the strategic plan in each unit including the right over organizational structure, and human resource management in the absence of an adequate budget. Finance is appertain in determining the amount of money managed by DGT to fund the implementation of the activities and work programs in collecting tax revenue. In the process of proposing budget is involving other agencies, namely the Directorate General of Budget and Bappenas. The process of allocating budget to DGT passes through multiple layers so that the level of supervision of the amount of the budget is obtained by describing in detail, clearly, relevant, and beneficial to the state on the strategic plan in the next year.

DGT wants the budget allocation to become less rigid and more flexible to suit the needs of DGT, one way to solve it is by reconstructing regulation on the budget proposal. Given that DGT has a huge contribution in state revenue, it must be supported by internal improvements and granted the authority on budget allocation for itself. Accountability report on the budget DGT is submitted to the Ministry of Finance and audited by the Supreme Audit Agency (BPK).

3.4 Authority over Organizational Structure

Based on OECD standards on the competencies of the tax authorities, one of which is the organization and planning, which is the authority in designing the organizational structure to carry out the tax administration, including the size and geographical allocation of the tax office, as well as the authority to formulate and implement strategic and operational plans of tax administration authority. In terms of increasing authority over the organizational structure, this study limits only in designing the organizational structure. The Directorate General of Taxes has undergone changes in the tax administration structure model. Model of tax administration structure itself is divided into three types, by type of tax, functions, and segmentation of the taxpayer.¹⁹

The development of tax administration system in Indonesia before 2002 tax reform divided the functions into structures that were organized based on the type of tax. Then, since the implementation of bureaucratic reform, DGT has made improvements by implementing an organizational structure following function-based organizations on the Tax Office (KPP), for instance service function, supervision function and consultation function, as well as checking function so that the task of collecting tax revenue become more effective. A more recent development is the model of tax administration structure by the segmentation of the taxpayer where the division of structure is based on the segmentation of the taxpayer, large corporate taxpayer, medium, small enterprises, and private individuals. Unit Tax Office can be distinguished based on the segmentation of administered taxpayers, such as special office to handle Large National Taxpayers, Large Regional Taxpayer, the Foreign Investment Agency and foreigners, Listed Companies, State Owned Enterprises, Mining Companies, as well as Oil and Gas company. There is also KPP Pratama which handles the taxpayer based on location.

In creating HR policies, DGT is inseparable from the policies and rules that apply to all ministries and other government institutions, namely the authority of the Ministry of Administrative Reform and Bureaucratic Reform and the National Civil Service Agency (BKN). DGT must coordinate with an internal Ministry of Finance, the Bureau of Human Resources of the Ministry of Finance, Directorate General of Treasury, and the Center for Information and Technology.

The recruitment process that requires a long bureaucratic process also makes DGT difficult to perform their jobs effectively due to the limited number of human resources. The insufficient number of tax officials compared to the number of taxpayers makes the burden of work of DGT become even higher and accompanied by high demands of the tax revenue target.

4. Organizational Transformation of Directorate General of Taxes

Transformation is an ongoing process to achieve DGT's organizational vision in order to become ideal tax administration agency. Systemic plan of change that will be made is the secession of the institution from the Ministry of Finance. The secession of the tax administration from Ministry of Finance has become a growing trend in the last two decades. Various countries have established tax authorities or institutions transform into a more autonomous institution that is known as Semi Autonomous Revenue Authority (SARA).²⁰ The main argument of the idea is derived from the will to fulfill the purpose of the continuous adequate reception, service improvement, and governance improvement in tax sector. First reform happened in developing country like Bolivia and Ghana in the late 1980s, and has

¹⁹ Sebastian, James. 2009, *A Handbook for Tax Simplification*, International Finance Corporation, hal.101-102.

²⁰ Darussalam, B. Bawono dan Hiyashinta Klise, 2013, *Desain Kelembagaan Administrasi Perpajakan: Perlukah Ditjen Pajak Terpisah Dari Kementerian Keuangan? Inside Tax*, Edisi 18, p.7.

now been adopted by more than fifteen developing countries, including Malaysia, New Zealand, Singapore, Ghana, Kenya, Malawi, Rwanda, South Africa, Tanzania, Uganda, Zambia, Bolivia, Ecuador, Guatemala, Guyana, Mexico, Peru, and Venezuela.²¹

A study conducted by Crandall and Kidd in 2006 over 17 countries that adopted SARA model explains the reasons of SARA implementation. The strongest reason underlying a country's decision to transform to SARA is because of weak tax administration effectiveness and low tax compliance. The difference between SARA and Non-SARA lies in coordination line. Model SARA is a tax authority that stands semi-autonomous, are outside the Ministry of Finance but still coordinating with the Ministry of Finance. Non-SARA system, currently implemented in Indonesia, is a system of tax authorities that are directly under the Coordination of Ministry of Finance.²²

Based on the results of a survey conducted by OECD over 47 countries in 2012, difference was found between the SARA System and Non SARA System. Differences lie in the degree of autonomy between the SARA model and the Non-SARA (directorate or department) indicates that the authority relating to the functions of the tax administration is given more to the institution if it uses SARA model rather than department or directorate under the Ministry of Finance.²³

IRAS success in transforming the tax agency can be a reference for Indonesia to do the same. However, there should be a consideration in regards to the advantages and disadvantages of implementing SARA. The following is a benefit of the establishment of SARA; 1) The use of public resources is more efficient through independence and financial and administrative autonomy; 2) The staff are more competent, disciplined, and better qualified because of their freedom in hiring, firing and granting higher wages; 3) depoliticization of tax administration; 4) Increased credibility of taxation and government in general; 5) Increased service to the taxpayer and reduce the cost of tax compliance; 6) better work ethic and administrative culture changes towards the better; 7) comprehensive calculation for all tax revenue; and 8) Integration of tax database and any taxpayer-related matters.²⁴

Nevertheless, Mann stated that some argued that SARA may have bad implications. Some of those are: 1) Make the public institution become isolated and less effective; 2) Creating an inherent conflict with the Ministry of Finance; 3) Creating a conflict with other public sector institutions and lead to competition; 4) Tend to put too much pressure on tax collection rather than a fundamental and comprehensive administrative reforms, such as public expenditure and larger financial management systems; 5) Disrupt the formulation of tax policy, which is a fundamental responsibility of the Ministry of Finance and the legislature; 6) Creating a "super entity". Without strong leadership and honest and good accountability mechanisms, then the entity is likely to be an institution that abuse their power of taxation and became one of the sources of government corruption; and 7) Establish an organization that is not necessary,

²¹ Talierco, Robert, Jr., 2004, Designing Performance: The Semi-Autonomous Revenue Authority Model in Africa and Latin America. *World Bank Policy Research Working Paper 3423*. Washington: World Bank, p. 2.

²² Saputra, Wiko, Ah Mafthuchan, 2015, Kelembagaan dan Tata Kelola Perpajakan Perlu Perubahan. *Prakarsa Policy Review*, 06, p.3.

²³ Darussalam, op.cit., p.9

²⁴ Mann, Arthur J., 2004, *Are Semi-Autonomous Revenue Authorities the Answer to Tax Administration Problems in Developing Countries? – A Practical Guide*. Washington DC, p.1.

because it can actually be improved within the existing organization under the Ministry of Finance.²⁵

By looking at the advantages and disadvantages of the application of SARA system in state revenue agency, special consideration and preparation to initiate a major change in the institutional DGT and the Ministry of Finance is required. Things that should be considered in the selection of system changes are identifying problems and shortcomings in tax management agencies as well as developing strategies for reform based on international practices in implementing SARA.²⁶

5. Conclusion

Tax administration system in Indonesia in terms of standards of tax administration authority based on the OECD, still has limited authority. First, the authority to make tax laws, penalties and administrative fines, DGT does not have full authority rather DGT is only able to propose, while the decision remained in BKF. Second, the authority for setting up service standards, DGT already has full authority over this, it is just difficult to execute, especially in the service standard objections. Third, authority over budget management, DGT has limited authority, especially in the amount of budget allocation for DGT. Fourth, the management authority over the organizational structure where DGT also still has limited authority which must involve multiple parties. Lastly, HR management, particularly in recruitment, authority of DGT is only to the extent of proposing on how many employees should be recruited based on the needs of DGT and desired criteria of the employees, however the decision remains on the Ministry of Administrative and Bureaucratic Reforms. Increased DGT's authority will create more flexibility in the programs that have been designed in the strategic plan. Increased authority can cut a very long bureaucratic process and takes a long time. However, it should be prepared carefully, especially on changes / rulemaking. Improving the quality and integrity of human resources is the most important factor in increasing the authority as the improvement of the tax administration system. The position of DGT under the coordination of the Ministry of Finance as the agency responsible for collecting taxes, still has limitations in some authorities to carry out their duties. It takes a tax administration reform to encourage increased performance and the performance of DGT. SARA implementation plan is expected to increase enrollment, service improvement, as well as the improvement of the tax administration. With the various benefits and drawbacks awaits if SARA is implemented, it is necessary to have a further study about the forms of authority in encouraging efforts to increase the performance and the performance of DGT.

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²⁵ Mann, Ibid.

²⁶ Crandall dan Maureen, op.cit., p.53

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- <http://www.investor.co.id/home/memperluas-kewenangan-otoritas-perpajakan/72173>.