

ABSTRACT

Institutional change is a change in regulations or rules deliberately created aim to changing or reducing transaction costs. Tax compliance costs is transaction costs in taxation. In order to increase tax revenue, the government did tax reform. First, the government changed the system of taxation Official Assessment System (OAS) into a Self Assessment System (SAS) however, these efforts have not been optimal because SAS instead increases tax compliance costs. In the next tax reform, the government build a modern tax administration system one of which is the e-invoice. A tax invoice online application maker to lower the cost of VAT compliance.

The purpose of this study was to: 1) find changes in tax compliance costs component based on descriptions of voting procedures to reporting VAT return period before and after e-invoicing; 2) describe the role of e-invoice in changing compliance costs suffered by the taxpayer; 3) know the amount difference of VAT tax compliance costs before and after e-invoice.

Qualitative approach case study method was used to answer the objectives 1 and 2, then the objective 3 was answered by comparing and perform Wilcoxon Signed Ranks test of amount tax compliance costs. The results showed that the adoption of e-invoicing eliminates direct costs such as the costs to buy or print the invoice taxes form and lowering the cost of time to invoicing and filling the VAT return. Implementation of e-invoice first make taxpayers bear big time cost to understand and learn the e-invoice. The majority of taxpayers key persons feel that the e-invoice does not reduce the cost of compliance. Based on the results of different test-Wilcoxon Signed Ranks there is no significant difference between the cost of tax compliance in the six months before and after the e-invoice is used. However, there are significant differences between the estimated total cost of tax compliance in one year before and one year after the e-invoice. The total estimated compliance costs decreased 31% from one year without e-invoicing. This shows that e-invoice as a form of institutional change, can not directly reduce transaction costs, transaction costs will increase temporarily during the institutional actors is in the process of adapting.

Keywords : Tax compliance costs, E-invoice, VAT, corporate taxpayers