THE EFFECT OF TERMINATION OF EMPLOYMENT ON INDONESIA'S TAX REVENUE

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Abstract

Terminations of Employment (PHK) can lead to an increasing unemployment rate, especially when Covid-19 occurs. Thus, the increased unemployment rate will lead to poverty and reduced economic buying power. This issue is potentially bringing impact the tax revenue. We examined the relationship between the increase in layoffs and unemployment rates to income tax revenue. Meanwhile, several previous studies have discussed the factors that increase the number of layoffs that cause an increase in the unemployment rate against income tax revenue. Some studies state that the unemployment variable has a negative effect on the income tax recipient variable, but others say it is positive. For this reason, this study will discuss the impact of Termination of Employment (PHK) on tax revenues. In this research, we used a longitudinal quantitative research design which also used times series data from 2012-2022 with a simple linear regression model. It also uses Eviews 12 and SPSS to process existing data. The results obtained after analyzing our data found that an increase in the unemployment rate did not affect tax revenues in Indonesia.

Keyword: Terminations of employment, increase in unemployment rate, and income tax revenue

INTRODUCTION

Taxes are one of the main revenues for a country, especially the state of Indonesia, in Law Number 28 of 2007 concerning General Provisions and Procedures for Taxation, it is stated that "taxes are mandatory contributions to the state owed by individuals or entities that are coercive under the law by not getting compensation directly and used for the needs of the state for the greatest prosperity of the people". According to PPh Article 21, the object of PPh Article 21/26 is income received by individuals with the status of permanent employees, pensioners or severance recipients, non-permanent employees, non-employees, individuals with regular activity participant status, and individuals with active activity participant status. irregular, except for insurance benefits, zakat, religious donations, and scholarships. Meanwhile, according to Income Tax Article 25, the object of Article 25 Income Tax is income earned by taxpayers, both individuals and entities, from their business activities.

Table 1: State Income and Grants (2019-2021) - Ministry of Finance of thRepublic of Indonesia

			*(In Trillion Rupiah)
Peroid	**2019**	**2020**	**2021**
PENDAPATAN NEGARA DAN HIBAH	**1959.3**	**1647.8**	**2011.3**
I. Penerimaan Dalam Negeri	1953.9	1629	2006.3
1. Penerimaan Perpajakan	**1546.1**	**1285.1**	**1547.8**
a. Pajak Dalam Negeri	1505.1	1248.4	1474.1
b. Pajak Perdagangan Internasional	41	36.7	73.7
2. Penerimaan Negara Bukan Pajak	407.8	343.8	458.5
a. Penerimaan SDA	154.2	97.2	149.5
b. Pendapatan dari Kekayaan Negara yang Dipisahkan	80.7	66.1	30.5
c. PNBP Lainnya	124	111.2	152.5
d. Pendapatan BLU	48.9	69.3	126
II. Hibah	5.4	18.8	5

Based on APBN data in Table 1, it is recorded that most state revenues come from tax revenues, and this has happened for several periods, so that it can be said that when the tax revenue figure decreases or increases, this will affect a country's economy. According to data from the Ministry of Finance of the Republic of Indonesia, Indonesia's most significant state tax revenue based on the sector that contributes the most comes from the manufacturing sector, which contributes 29.4%, followed by the trade sector, where this trade sector contributes 24.8%. Even though the contribution figures made by these sectors can be said to be quite large and coupled with the fact that most of the people's income comes from entrepreneurial activities, this cannot make Indonesia's state income high.

Many factors cause a person to be unable to pay taxes, such as the lack of tax sanctions in a country and the lack of public awareness of paying taxes. According to Ngadiman and Huslin (2015), tax sanctions affect taxpayer compliance, so if a country's tax sanctions are minimal or low, this will affect public compliance in paying taxes. Awareness of paying taxes is also directly proportional to a person's willingness to pay taxes; according to Samrotun and Kustiyah (2014), the higher the awareness of a taxpayer paying taxes, the higher his willingness to pay taxes, so when people's awareness of paying taxes is low, of course, it will affect significantly in his willingness to pay taxes. These factors make it very difficult for the government to collect taxes, and until now, many taxpayers still need to pay their taxes. This tax avoidance can cause the state to lose hundreds of billions of rupiah each year in state income in the tax sector (Kifni, 2011).

Many studies discuss what factors can make someone avoid taxes such as; research from Karsimiati (2009) concerning the effect of tax authorities, fines and tax awareness on taxpayer compliance in paying land and building taxes shows the result that the attitude of taxpayers towards tax authorities has a positive and significant effect on taxpayer compliance, the attitude of taxpayers on fines has a negative and insignificant effect on taxpayer compliance and the attitude of taxpayers towards taxpayer awareness has a positive and significant effect on taxpayer compliance. (The population is all taxpayers in the District of Gabus-Pati with a total of 16,578 taxpayers, and using a proportional stratified random sampling technique and obtaining 100 respondents).

Dwi Indah Widaningrum (2007) also conducted research on identifying the ability and willingness to pay for low-middle-income people. Ability and Willingness to Pay and the results conclude that the income variable has a positive influence or relationship to willingness to pay. The ability to pay in this case is seen based on the total family income. (Measured from: housing attributes, household income function, household characteristics function).

Meanwhile, according to Kiswanto and M.Wahyudin (2007) examined the effect of service quality on the satisfaction of motorized vehicle taxpayers in the Joint Office of Samsat UPPD Dipenda Central Java Province, Sragen regency. Reliability, assurance, responsiveness and tangible have a positive and significant effect on motor vehicle taxpayer satisfaction.

Meanwhile, empathy has no significant positive effect. Reliability, responsiveness, assurance, empathy and tangible together significantly influence the satisfaction of motorized vehicle taxpayers in Sragen Regency. Reliability has the most dominant influence on motor vehicle taxpayer satisfaction in Sragen Regency. The existence of these factors can certainly reduce the tax revenue of a country and in this research, and based on previous studies there is still very little research that discusses the factors that increase the number of layoffs to a decrease in state tax income, and in this study we will analyze this.

Based on the understanding of the tax object above, we can say that if a person does not earn or his income is below the tax collection requirements, then that person is not required to pay taxes. This of course also applies to someone who has been laid off or someone who does not have a job for some reason. The year 2019 marked the beginning of the year when the Covid-19 virus entered the world, and the beginning of 2020 became the beginning of chaos in the country of Indonesia due to the influence of the Covid-19 pandemic. Many things have changed when this virus was rampant in Indonesia, and not only in Indonesia but throughout the country. In the world feel the same way and maybe even experience things worse than what we feel in Indonesia. Changes in the economy of the Indonesian people are one of the things that may have the most big impact, and not only that, the Covid-19 pandemic has also changed the behavior of some Indonesian people, such as changing behavior in terms of paying taxes which is based on layoffs or an increase in the price of basic commodities.

2020 has been a very dark year for entrepreneurs all over the world, especially Indonesia, not only entrepreneurs of Micro, Small and Medium Enterprises (MSMEs), but several big businessmen also feel the same way. This certainly greatly affected Indonesia's state tax revenues, the large number of businesses that closed or were forced to lay off some of their employees, of course, greatly affected the existing economy, including tax revenues, because as stated above, Indonesia's largest state tax revenues came from the manufacturing sector or manufacturing as well as from the trade sector, and it's not just about closing some businesses, there's a change in behavior. Some Indonesian people who initially obeyed the rules for paying taxes have decreased because they feel that buying their basic needs during the pandemic has become far more important and enough to drain their money.

However, an increase in the number of employees affected by layoffs cannot be used as the main reason for a decrease in tax revenue, because a person's ability to pay taxes can be seen from three aspects, namely the level of income, the amount of wealth, and the amount of consumption expenditure (Matsumi, 2008) so that we can conclude that one's ability to pay taxes is largely determined by one's level of income, wealth, and consumption, or in other words the level of income is not the only reason one can pay taxes.

Termination of employment can also be another reason for the increase in the unemployment rate in Indonesia during the Covid-19 period, many Indonesian people were laid off due to the Covid 19 pandemic. The increase in the unemployment rate in Indonesia has long been in the spotlight of the government, various efforts have been made by government to tackle the problem of rising unemployment. The increase in the

unemployment rate has many negative impacts and the worst is causing poverty, and the increase in the number of layoffs is one of the main reasons for the increase in the unemployment rate. The existence of these issues can certainly be a support that there is a close relationship between an increase in layoffs and an increase in unemployment.

Several previous studies have discussed the factors that increase the number of layoffs that cause an increase in the unemployment rate to income tax revenue. Some of these studies state that the unemployment variable has a negative effect on income tax revenue variables such as research from Arrendamento (2017) but some other studies have found a positive effect on these variables. Thus our motivation in conducting this research was to examine the effect of an increase in the number of layoffs on receiving tax revenues through a series of processes which we will explain in the discussion section later.

This research will use some data and information from the Indonesian Ministry of Finance and take some news samples about Covid-19, as well as data from BPS regarding unemployment data and Indonesian state income tax revenue receipts from 2012 to 2022. This research is expected to be useful for researchers to add knowledge and provide information about what factors can affect the reduction of Indonesian state taxes.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Definition of Pandemic Virus Covid-19

According to the Big Indonesian Dictionary, "pandemic means an epidemic or infectious disease that attacks many victims, simultaneously everywhere". In the medical world, the notion of an infectious (infectious) disease or infectious disease is a disease caused by a biological agent (such as a virus, bacteria or parasite), and not caused by physical (such as burns) or chemical (such as poisoning). Meanwhile, according to the World Health Organization the Covid-19 virus is "a group of viruses that cause disease in both animals and humans", this virus originated in the city of Wuhan, China which then spread rapidly throughout the world".

The Covid-19 virus is still often a hot topic of conversation among the world community, the many injuries caused by Covid-19 make most people unable to easily forget the existence of this virus, as an example of the many community businesses that initially went well and smoothly suddenly went bankrupt because they couldn't survive in the midst of Covid-19, not only business actors, many Indonesian people lost their jobs because several companies laid off some of their employees to minimize company expenses. Even the existence of Covid-19 has also changed several government regulations, such as rules not to leave the house, mandatory wearing masks, washing hands, and maintaining distance.

Definition of Tax

Ferdinand H.M. Grapperhaus, who is a professor at Leiden University in the field of tax law and tax history, said that tax is "an individual sacrifice for a collective goal", whereas according to Ray M. Summerfield et al (1983) tax is "Any non-penal yet compulsory transfer

of resources from the private to the public sector, levied on the basis of predetermined criteria and without receipt of a specific benefit of equal value, in order to accomplish some of a nation's economic and social objectives".

While the definition of tax according to domestic experts such as Prof.Dr. Rochmat Soemitro, S.H., (Mardiasmo, 2018) argues that "taxes are people's contributions to the state treasury based on the law (which can be forced by not getting lead services (contrapretation) which can be shown directly and used to pay public expenses" The definition is then refined to become: Tax is the transfer of wealth from the people to the state treasury to finance routine expenditures and the "surplus" is used for public saving which is the main source for financing public investment. Based on this understanding it can be concluded that taxes are contributions to personal rights given to the government which is regulated by law and is coercive.

Tax Revenue before the pandemic and during the pandemic

The main source of Indonesian state revenue comes from taxes, and it is recorded that 70% of Indonesia's state revenue comes from taxes. Based on data from the Indonesian Ministry of Finance, there are significant differences between tax revenues for 2018, 2019 and 2020. The co-19 pandemic is of course the main reason for this discrepancy, many Indonesian businesses have had to close because they could not survive amid the co-pandemic 19, this certainly causes tax revenue to decrease due to the fact that the country's largest tax revenue comes from the manufacturing or manufacturing sector and the trade sector, but of course this is not the only reason for the decline in tax revenue, there are other factors that can also be a reason for this decrease in tax revenue as we will discuss in this study.

Based on data from the Central Statistics Agency, there are differences in tax revenue from 2018, 2019, 2020 and 2021 where there is a very large difference between 2019 (before the pandemic), 2020 (during the pandemic), and 2021 (after the pandemic).

Sumber Penerimaan - Keuangan	Realisasi Pendapatan Negara (Milyar Rupiah)			
	2018	2019	2020	2021
I. Penerimaan	1928110.00	1955136.20	1628950.53	2006334.00
Penerimaan Perpajakan	1518789.80	1546141.90	1285136.32	1547841.10
Pajak Dalam Negeri	1472908.00	1505088.20	1248415.11	1474145.70
Pajak Penghasilan	749977.00	772265.70	594033.33	696676.60
Pajak Pertambahan Nilai dan dan Pajak Penjualan atas Barang Mewah	537267.90	531577.30	450328.06	551900.50
Pajak Bumi dan Bangunan	19444.90	21145.90	20953.61	18924.80
Bea Perolehan Hak atas Tanah dan Bangunan	0.00	0.00	0.00	0.00
Cukai	159588.60	172421.90	176309.31	195517.80
Pajak Lainnya	6629.50	7677.30	6790.79	11126.00
Pajak Perdagangan Internasional	45881.80	41053.70	36721.21	73695.40
Bea Masuk	39116.70	37527.00	32443.50	39122.70
Pajak Ekspor	6765.10	3526.70	4277.71	34572.70
Penerimaan Bukan Pajak	409320.20	408994.30	343814.21	458493.00
Penerimaan Sumber Daya Alam	180592.60	154895.30	97225.07	149489.40
Pendapatan dari Kekayaan Negara yang Dipisahkan	45060.50	80726.10	66080.54	30496.80
Penerimaan Bukan Pajak Lainnya	128574.00	124503.60	111200.27	152504.00
Pendapatan Badan Layanan Umum	55093.10	48869.30	69308.33	126002.80
II. Hibah	15564.90	5497.30	18832.82	5013.00
Jumlah	1943674.90	1960633.60	1647783.34	2011347.10

Table 2: Sources of Indonesian state revenue for 2018-2021

Layoff figures data before the pandemic and during the pandemic

According to Sofian (1997) population is a factor that significantly influences the amount of advertisement tax revenue. Population growth is considered as one of the factors that spur economic growth. And according to Soekirno (2004) Population growth that is not in line with the development of employment opportunities will result in an increase in unemployment.

As we have quoted above that one of the aspects of someone being able to pay taxes is the level of income (Matsumi, 2008), so that when someone no longer has income which may be due to layoffs it can reduce a country's tax revenue.

Based on data from the Ministry of Manpower, the number of layoffs in Indonesia has continued to decline since 2014. In 2018, the number of layoffs was reduced to 3,400 workers, down 95.67 percent from 2014. However, in 2019, this figure rose again to 45,000 layoffs. During the pandemic, the number of layoffs rose again. According to several statements from the Minister of Manpower Ida Fauziyah, quoted by several media, the number of layoffs until August 2020 reached 3.6 million people.

Angka PHK di Indonesia, 2014-2020
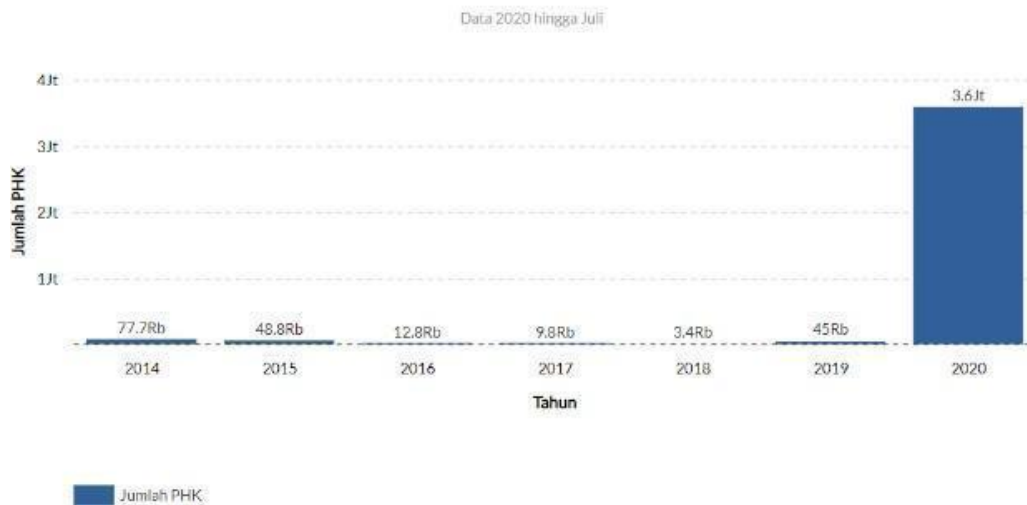
Data 2020 hingga Juli

Figure 1: Number of layoffs in Indonesia in 2014-2020

In fact, according to data on the Indonesian Employment Situation as of August 2020 from the Central Bureau of Statistics (see figure 1), there has been a significant change in numbers from the 2019 (before the pandemic) and 2020 (during the pandemic) unemployment rate. This is also supported by the high number of layoffs from the Summary Data Collection of Workers Affected by the Covid-19 Pandemic for each province in Indonesia as of 30 August 2020.

Table 3: State of employment status in 2018-2020
(August)

Status Keadaan Ketenagakerjaan	Agustus 2018	Agustus 2019	Agustus 2020
	Juta Orang		
Angkatan Kerja	133.36	135.86	138.22
Bekerja	126.29	128.45	128.45
Pengangguran	7.07	7.1	9.77

Table 4: Summary of Data Collection on Termination

Provinsi	PHK
ACEH	3,942
BALI	5,324
BANGKA BELITUNG	1,275
BANTEN	18,404
BENGKULU	1,006
DKI JAKARTA	39,868
GORONTALO	512
JAMBI	3,045
JAWA BARAT	110,497
JAWA TENGAH	47,378
JAWA TIMUR	46,206
KALIMANTAN BARAT	4,231
KALIMANTAN SELATAN	3,632
KALIMANTAN TENGAH	2,595
KALIMANTAN TIMUR	22,043
KALIMANTAN UTARA	774
KEPULAUAN RIAU	6,455
LAMPUNG	10,985
MALUKU	757
MALUKU UTARA	383
NUSA TENGGARA BARAT (NTB)	2,720
NUSA TENGGARA TIMUR (NTT)	1,290
PAPUA	611
PAPUA BARAT	2,343
RIAU	6,886
SULAWESI BARAT	426
SULAWESI SELATAN	7,504
SULAWESI TENGAH	1,503
SULAWESI TENGGARA	1,114
SULAWESI UTARA	2,708
SUMATERA BARAT	4,643
SUMATERA SELATAN	7,570
SUMATERA UTARA	12,576
YOGYAKARTA	3,924
N/A	1,747
Total	**386,877**

Jenis Kelamin	PHK
Laki-Laki	249,843
Perempuan	137,034
Total	**386,877**

of Employment Affected by the Covid-19

This decrease in layoffs can certainly be one of the reasons for the increase in the unemployment rate in Indonesia, especially during the Covid-19 pandemic, namely in 2020, and in this study we want to analyze whether the influence of the factor in the increase in layoffs which led to an increase in the unemployment rate has an effect on Indonesian state income tax revenue.

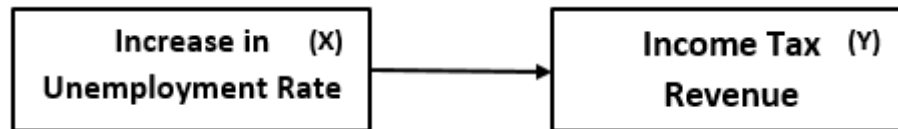Below is the conceptual framework used in this study:

Figure 2: Framework

H1. The increase in the unemployment rate to the receipt of tax revenues

Table 5: Data on the percentage increase in unemployment in each province in 2012-2022

Provinsi	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Provinsi Aceh	9.06	10.12	9.02	9.93	7.57	6.57	6.34	6.17	6.59	6.30	6.17
Provinsi Sumatera Utara	6.28	6.45	6.23	6.71	5.84	5.60	5.55	5.39	6.91	6.33	6.16
Provinsi Sumatera Barat	6.65	7.02	6.50	6.89	5.09	5.58	5.66	5.38	6.88	6.52	6.28
Provinsi Riau	4.37	5.48	6.56	7.83	7.43	6.22	5.98	5.76	6.32	4.42	4.37
Provinsi Jambi	3.20	4.76	5.08	4.34	4.00	3.87	3.73	4.06	5.13	5.09	4.59
Provinsi Sumatera Selatan	5.66	4.84	4.96	6.07	4.31	4.39	4.27	4.53	5.51	4.98	4.63
Provinsi Bengkulu	3.62	4.61	3.47	4.91	3.30	3.74	3.35	3.26	4.07	3.65	3.59
Provinsi Lampung	5.20	5.69	4.79	5.14	4.62	4.33	4.04	4.03	4.67	4.69	4.52
Provinsi Kepulauan Bangka Belitung	3.43	3.65	5.14	6.29	2.60	3.78	3.61	3.58	5.25	5.03	4.77
Provinsi Kepulauan Riau	5.08	5.63	6.69	6.20	7.69	7.16	8.04	7.50	10.34	9.91	8.23
Provinsi DKI Jakarta	9.67	8.63	8.47	7.23	6.12	7.14	6.65	6.54	10.95	8.50	7.18
Provinsi Jawa Barat	9.08	9.16	8.45	8.72	8.89	8.22	8.23	8.04	10.46	9.82	8.31
Provinsi Jawa Tengah	5.61	6.01	5.68	4.99	4.63	4.57	4.47	4.44	6.48	5.95	5.57
Provinsi DI Yogyakarta	3.90	3.24	3.33	4.07	2.72	3.02	3.37	3.18	4.57	4.56	4.06
Provinsi Jawa Timur	4.11	4.30	4.19	4.47	4.21	4.00	3.91	3.82	5.84	5.74	5.49
Provinsi Banten	9.94	9.54	9.07	9.55	8.92	9.28	8.47	8.11	10.64	8.98	8.09
Provinsi Bali	2.10	1.83	1.90	1.99	1.89	1.48	1.40	1.57	5.63	5.37	4.80
Provinsi Nusa Tenggara Barat	5.23	5.30	5.75	5.69	3.94	3.32	3.58	3.28	4.22	3.01	2.89
Provinsi Nusa Tenggara Timur	3.04	3.25	3.26	3.83	3.25	3.27	2.85	3.14	4.28	3.77	3.54
Provinsi Kalimantan Barat	3.54	3.99	4.04	5.15	4.23	4.36	4.18	4.35	5.81	5.82	5.11
Provinsi Kalimantan Tengah	3.14	3.00	3.24	4.54	4.82	4.23	3.91	4.04	4.58	4.53	4.26
Provinsi Kalimantan Selatan	5.19	3.66	3.80	4.92	5.45	4.77	4.35	4.18	4.74	4.95	4.74
Provinsi Kalimantan Timur	9.02	7.95	7.38	7.50	7.95	6.91	6.41	5.94	6.87	6.83	5.71
Provinsi Kalimantan Utara	0.00	0.00	0.00	5.68	5.23	5.54	5.11	4.49	4.97	4.58	4.33
Provinsi Sulawesi Utara	7.98	6.79	7.54	9.03	6.18	7.18	6.61	6.01	7.37	7.06	6.61
Provinsi Sulawesi Tengah	3.95	4.19	3.68	4.10	3.29	3.81	3.37	3.11	3.77	3.75	3.00
Provinsi Sulawesi Selatan	6.01	5.10	5.08	5.95	4.80	5.61	4.94	4.62	6.31	5.72	4.51
Provinsi Sulawesi Tenggara	4.14	4.38	4.43	5.55	2.72	3.30	3.19	3.52	4.58	3.92	3.36
Provinsi Gorontalo	4.47	4.15	4.18	4.65	2.76	4.28	3.70	3.76	4.28	3.01	2.58
Provinsi Sulawesi Barat	2.16	2.35	2.08	3.35	3.33	3.21	3.01	2.98	3.32	3.13	2.34
Provinsi Maluku	7.71	9.91	10.51	9.93	7.05	9.29	6.95	6.69	7.57	6.93	6.88
Provinsi Maluku Utara	4.82	3.80	5.29	6.05	4.01	5.33	4.63	4.81	5.15	4.71	3.98
Provinsi Papua Barat	5.42	4.40	5.02	8.08	7.46	6.49	6.45	6.43	6.80	5.84	5.37
Provinsi Papua	3.71	3.15	3.44	3.99	3.35	3.62	3.00	3.51	4.28	3.33	2.83

RESEARCH METHOD

This research design uses a longitudinal quantitative research design (Hassett & Paavilainen - Mäntymäki, 2013) where this research is a type of social research that compares subject changes over time and usually takes a long time because it is used for long-term

research. In this study, secondary data was used from 2012 to 2022 to find out how big the impact of Termination of Employment (PHK) was which caused an increase in the number of reactions to tax reductions in Indonesia from the Central Bureau of Statistics, Ministry of Finance of the Republic of Indonesia (https://djpb.kemenkeu.go .id), literature and literature studies related to the problem of writing, and previous studies are the data providers in this study. The data used is times series data with a simple linear regression model. a simple linear regression equation is an equation model that describes the relationship of one independent variable/ predictor (X) with one dependent variable/response (Y) (Yuliara, 2016), data processing using the help of the Eviews application version 12.

To support the results of our research tests, in our research we also conducted tests using other techniques, namely quantitative techniques using statistical analysis where this research is more dominated by the use of numbers, starting from the stages of data collection, and data interpretation, to data processing results (Arikunto, 2006), which we then process the data with computational and statistical methods that focus on statistical, mathematical or numerical analysis. The use of data in this second technique uses the same data as the use of data in the first technique, where the dependent variable used is income tax (VAT). In contrast, the independent variable is data on the percentage increase in Indonesia's unemployment rate from 2012 to 2022.

Table 6: The number and percentage of the unemployed population in Indonesia in 2012-2020

Penduduk Bekerja dan Pengangguran	Jumlah dan Persentase Penduduk Bekerja dan Pengangguran Pengangguran											
	2022 Agustus	2021 Agustus	2020 Agustus	2019 Agustus	2018 Agustus	2017 Agustus	2016 Agustus	2015 Agustus	2014 Agustus	2013 Agustus	2012 Agustus	2011 Agustus
Persentase (%)	5.86	6.49	7.07	5.23	5.3	5.5	5.61	6.18	5.94	6.17	6.13	7.48
Jumlah (Ribu orang)	8425.93	9102.05	9767.75	7104.42	7073.39	7040.32	7031.78	7560.82	7244.91	7410.93	7344.87	8681.39

Table 7: Total percentage increase in unemployment and income tax revenue (2012-2022)

Tahun	Pengangguran	PPN
2012	6.13	465.07
2013	6.17	506.44
2014	5.94	546.18
2015	6.18	602.31
2016	5.61	666.21
2017	5.50	646.79
2018	5.30	749.98
2019	5.23	772.27
2020	7.07	594.03
2021	6.49	696.68
2022	5.86	895.10

RESULTS AND DISCUSSION

4.1. Result using Eviews 12

Based on the results of data processing using Eviews 12 we obtain the following results:

Dependent Variable: PPN
Method: Least Squares
Date: 03/19/23   Time: 16:10
Sample: 2012 2022
Included observations: 11

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.24E+09	4.18E+08	2.963024	0.0159
PENGANGGURAN	-9.89E+09	6.99E+09	-1.414362	0.1909

R-squared	0.181849	Mean dependent var		6.49E+08
Adjusted R-squared	0.090944	S.D. dependent var		1.26E+08
S.E. of regression	1.20E+08	Akaike info criterion		40.20717
Sum squared resid	1.30E+17	Schwarz criterion		40.27951
Log likelihood	-219.1394	Hannan-Quinn criter.		40.16156
F-statistic	2.000420	Durbin-Watson stat		0.289135
Prob(F-statistic)	0.190905			

Based on the data processing results above, it can be seen that the probability value of UNEMPLOYMENT (X) was recorded at 0.1909, namely > 0.05, which means that an increase in the unemployment rate does not affect a decrease in income tax revenue. The processing results also recorded an Adjusted R square of 9% (0.09). Ghozali (2016) argues that a low coefficient of determination means that the ability of the independent variable to explain the dependent variable is minimal. Conversely, if the value is close to 1 (one) and away from 0 (zero), the independent variable can provide all the information needed to predict the dependent variable. In our current research, the ability of the UNEMPLOYMENT variable (X) to explain the INCOME TAX REVENUE (Y) variable is only 9%.

4.2. Result using IBM SPSS
4.2.1 Descriptive Analysis

Below is a descriptive analysis based on the data we obtained.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PENGANGGURAN	11	5.23	7.07	5.9527	.54285
PPN	11	465.07	895.10	649.1873	125.88047
Valid N (listwise)	11				

4.2.2 Classical Assumption Test
4.2.2.1 Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Predicted Value
N		11
Normal Parameters[a,b]	Mean	649.1872727
	Std. Deviation	53.68063855
Most Extreme Differences	Absolute	.156
	Positive	.092
	Negative	-.156
Test Statistic		.156
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

From the data above it can be concluded that the data we use meets the requirements for passing the normality test because the Asymp value. Sig. (2-tailed) > 0.05 so it is feasible to be used as research material.

4.2.2.2 Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.426[a]	.182	.091	120.01983	.289

a. Predictors: (Constant), PENGANGGURAN
b. Dependent Variable: PPN

The autocorrelation test aims to show the correlation of observation members sorted by time or space (Ajija, 2011). If there is a correlation, then there is called an autocorrelation problem. This problem arises because the residuals (confounding errors) are not independent from one observation to another. And in this study the D-W numbers are in a position between -2 to +2, which means there is no autocorrelation in the research model.

4.2.2.3 Heteroscedasticity Test
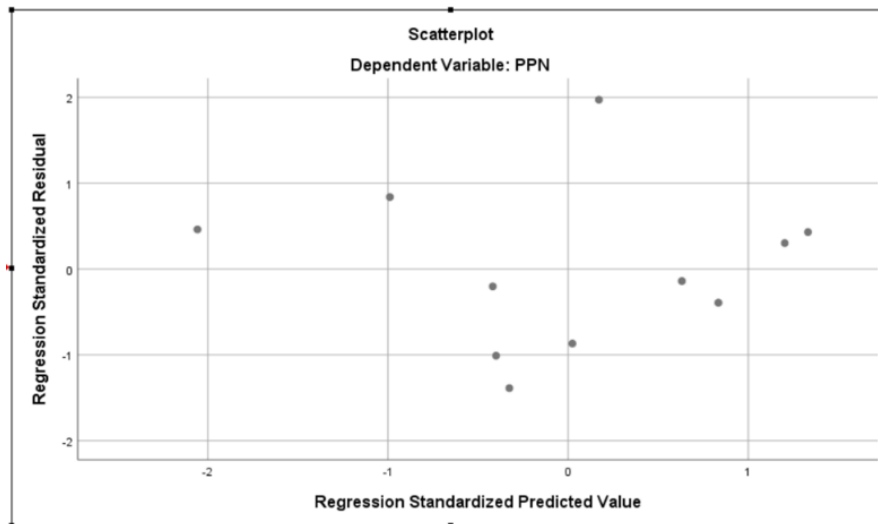
In the results of the data above, it can be seen that there is no clear pattern, and the points that do spread randomly above and below the number 0 on the y axis, it can be concluded that there is no heteroscedasticity problem.

4.2.3 Hypothesis testing

4.2.3.1 Multiple Linear Analysis Test

Coefficients[a]							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1237.837	417.761		2.963	.016		
PENGANGGURAN	-98.887	69.916	-.426	-1.414	.191	1.000	1.000
a. Dependent Variable: PPN							

Multiple linear regression analysis was carried out to find out the direction and how much influence the independent variables have on the dependent variable (Ghozali, 2018). And based on the data above, the regression coefficient value for the UNEMPLOYMENT variable (X) is -98,887. This value shows a negative effect (opposite direction) between the variables UNEMPLOYMENT (X) and VAT (Y). This means that if the UNEMPLOYMENT variable (X) increases by 1%, then the VAT variable (Y) will decrease by -98,887.

4.2.3.2 Test the Coefficient of determination

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.426[a]	.182	.091	120.01983	.289
a. Predictors: (Constant), PENGANGGURAN					
b. Dependent Variable: PPN					

Testing the coefficient of determination was carried out with the intention of measuring the model's ability to explain how the effect of the independent variables jointly (simultaneously) affects the dependent variable which can be indicated by the value of adjusted R − Squared (Ghozali, 2016). The coefficient of determination shows the extent to which the contribution of the independent variables in the regression model is able to explain the variation of the dependent variable. Based on the results of the test for the coefficient of determination above, we obtained an adjusted R-square value of 0.091 (9.1%). This means that the ability of the independent variables in this study affects the dependent variable by 9.1%.

4.2.3.3 Stimulant Test (Test F)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28816.110	1	28816.110	2.000	.191^b
	Residual	129642.826	9	14404.758		
	Total	158458.936	10			

a. Dependent Variable: PPN
b. Predictors: (Constant), PENGANGGURAN

The F test aims to find out whether the independent variables simultaneously (simultaneously) affect the dependent variable. Decision making seen from this test is done by looking at the F value contained in the ANOVA table, the significance level used is 0.05. From the results of the data above, it can be concluded that the independent/independent variable has no significant effect on the dependent/dependent variable, because the significant value of F > 0.05 is 0.191.

4.2.3.4 Partial Test (Test T)

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	1237.837	417.761		2.963	.016		
	PENGANGGURAN	-98.887	69.916	-.426	-1.414	.191	1.000	1.000

a. Dependent Variable: PPN

The t test was conducted to test the research hypothesis regarding the effect of each independent variable partially on the dependent variable. Decision making is done by looking at the significance value in the Coefficients table. Usually the basis for testing the regression results is carried out with a confidence level of 95% or with a significance level of 5% (α = 0.05). The results of hypothesis testing (T test) in the table above show that the significance value of the UNEMPLOYMENT variable (X) is 0.191 which is greater than 0.05. This shows that the inventory intensity variable has no effect on tax revenue receipts.

The results of a series of tests that we have conducted show that an increase in the unemployment rate does not significantly affect income tax revenue; this occurs because the increase in the number of unemployed is not the only factor affecting tax revenue, especially in Indonesia. According to research conducted by Matsumi (2008), a person's ability to pay taxes can be seen from three aspects, namely the level of income, the amount of wealth, and the amount of consumption expenditure. This study's results align with previous research conducted by Arrendamento (2017), which stated that the unemployment variable has a negative and significant effect on the income tax revenue variable Article 21. This research is supported by further research conducted by Ranatarisza & Arredamento (2019), which still states the same.

CONCLUSION

In this study, we examine whether the increase in the number of layoffs has an effect on tax revenue. Based on the issue that is widely discussed in the mass media about the economic disease that has the most influence on the rate of economic growth for the Indonesian nation is the increase in the unemployment rate. In 2020 the unemployment rate in Indonesia has risen drastically and one of the reasons is due to a surge in layoffs. There are many negative impacts that can be caused by an increase in layoffs, ranging from an increase in unemployment to poverty, to changes in government policy. With these issues in mind, we found a close relationship between layoffs and unemployment, and in this study we wanted to examine whether an increase in layoffs which causes an increase in unemployment has an effect on income tax revenue in Indonesia.

In this study, we used data on Indonesian state tax revenues and the percentage of unemployed people in Indonesia from 2012 to 2022, in which 2020 was the first year the Covid-19 pandemic entered Indonesia. The results of the data processing that we have carried out as a whole through a series of processes starting from data processing using the Eviews 12 application and then continuing with the same data processing as the previous data processing but using a different application, namely IBM SPSS, we found results that an increase in the unemployment rate (X) does not affect income tax revenue in Indonesia (Y).

Furthermore, while we only focus on a few times, it may actually take a longer time. In addition, the variables in this study are very limited so that future research can add other variables that have an important influence on tax revenue. Likewise, we do not include data that strengthens the relationship between layoffs and unemployment so that future research can add data that can strengthen or explain the relationship between the two variables.

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