

CORRELATION BETWEEN TAX POLICY AND CORRUPTION IN THE LEGAL PERSPECTIVE FOR COUNTRY'S ECONOMIC GROWTH

Gideon J., Edgar H., Ivan, Nabil, Aptina, Nadia P., Dewi R.*

Abstract

People Tax is the main source of state income. The better the tax policy of a country, the better the development of a country. One of the factors that influence the level of public awareness in paying taxes is corruption. Study shows that tax collection is one of them influenced by corruption. In the data of Corruption Perceptions Index 2016 reported by Transparency International, Indonesia is ranked 90 out of 176 countries. Tax evasion is a serious problem for many countries. Every year, the government loses revenue potential as many residents evade taxes in various ways. For this reason, the government implements tax amnesty. Tax amnesty is designed to permanently reduce the amount of underground economy activity, thereby increasing tax revenues in the future and developing countries can grow well.

Keywords

corruption, country's growth, tax policy

* Faculty of Law, Surabaya University, Surabaya, East Java, Indonesia

Correspondence: Gideon Johanes, Faculty of Law, Surabaya University, Surabaya, East Java, Indonesia

Introduction

Economic development aimed at improving material and welfare. To achieve that goal, enough to access the device. Seeking a necessary national income tax sector that can be done through public policy. Tax intensity can be an increase in the number of taxpayers or increase the amount of tax revenue itself (Huda, 2018) . The attempted intensification can be an unwritten tax object. In fact, taxes can be in the form of a lesson or object to find the money that there is from tax. Tax is one source of income for the national budget. In the national budget policy by 2016, the government sets national revenue targets, Rp 1822.5 trillion and 75% of those with Rp 1546.7 trillion taxes (www.kemenkeu.go.id). The target of revenues and tax sector is relatively higher than the target of national fund in 2015 which amounted to Rp 1489.3 trillion, with 83% of them, Rp 1235.8 trillion taxes. However, recent national economic growth is necessary for economic growth in Indonesia. On the other hand, the amount of Indonesian capital and assets held abroad will be beneficial to increase domestic liquidity to boost national economic growth. Document of Divulgence known as "Panama paper" the names of 800 Indonesian Entrepreneurs and politics as clients of Mossack Fonseca.

This shows the modalities of transferring assets to avoid taxes. Indonesian assets and capital with higher taxes. The most profitable countries to transfer the capital and assets of the Virgin Islands, England, Cook Islands, Delaware (Texas), and Singapore. This is approximately 2,040 Indonesians 2,580 people who keep their capital in a tax haven country. The money that reaches the state tax state reaches Rp 11,500 trillion, or more than Indonesia's gross domestic product in 2015 which reached Rp 11,400 trillion. In fact, the capital of Indonesia to Singapore is about Rp3.000 trillion. (Huda, 2017). It is necessary to encourage the transfer of capital and assets to Indonesia and to provide protection for Indonesians to transfer or report their capital and assets in the case of tax forgiveness. Break through tax forgiveness policies with transfer of capital and assets driven by declining assets and capital to other countries and global financial union. The tax forgiveness policy is implemented in the form of the abolition of the state to collect taxes to be paid, even finger and administrative penalties. Therefore, provide a mandatory tax for your taxes.

Analitic of Tax Amnesty

Tax amnesty is a time-limited opportunity groups of certain taxpayers to pay a certain amount and within a certain time in the form of forgiveness of tax liability

(including interest and penalties) relating to the previous tax period or certain period without fear of criminal punishment. It usually ends when the authority that initiated the tax investigation of the past tax. In some cases, amnesty laws that extend also impose a heavier penalty on those who qualify for amnesty but did not take it (Huda, 2016).

Tax amnesty has been conducted in various parts of the world since early 2000. Australia, Europe, America to Africa. Australia used tax amnesty in 2007 and 2009. Belgium adopted this through parliamentary approval in 2004. Germany granted tax amnesty in connection with tax evasion in 2004. Greece used tax amnesty in 2010, although the European Commission later requested that they modify its tax legislation because it is considered discriminatory and incompatible with the European Union Treaties. Italy introduced the Scudo Fiscale or tax shield in 2001, which was later extended in 2003. Portugal also introduced similar things in 2005 and 2010. While Spain uses tax amnesty in 2012. Russia is also not left behind. In 2007, the tax amnesty program in the former communist country generated \$ 130 million in the first six months of its implementation. In South Africa, in 2003 imposed a policy similar to the Exchange Control Amnesty And Amendment of Taxation Laws Act. As for the United States, in 2009, federal government tax pardons have been granted to more than 14,700 taxpayers in the country. Many states there have also run a tax amnesty.

The history of Amnesty Tax in Indonesia began in 1964 or 20 years after Indonesian Independence. The Government of Indonesia's policy of tax amnesty aims to revive the revolutionary fund, through the Presidential Decree of the Republic of Indonesia (Keppres). The history of Amnesty Tax of 1964 ended on August 17, 1965. At that time, Explanation by the Head of Jakarta Financial Inspection Hussein Kartasasmita, until July 1965, the amount of funds received from Tax Amnesty was only IDR 12 billion. This is considered very strange because it should be receipt of funds from Tax Amnesty larger. History of Tax Amnesty notes that the low income from the Amnesty Tax proceeds resulted from the many other levies. This resulted in reduced taxpayers' taxpayer power.

In essence the implementation of tax amnesty is psychologically very impartial to taxpayers who have been obedient to pay taxes. Even if the policy is applied in a country, there should be an in-depth study of the characteristics of taxpayers in a country because the characteristics of taxpayers of course vary (Alm, 1998). The question that arises then is, whether the characteristics of many taxpayers are not

obedient, so tax amnesty will not offend taxpayers who are obedient to pay taxes. In addition, tax amnesty patterns can only be applied once in the lifetime of the taxpayer. The tax amnesty policy should not be just that remove tax collecting rights but more importantly is to improve taxpayer compliance, so that in the long term can be increase tax revenue.

Research on the impact of corruption on taxes

Corruption reduces the ability of governments to make improvements in the form of regulations and controls due to market failures. When policies are carried out under the influence of strong corruption, the imposition of regulations and policies, for example, on banking, education, food distribution and so on, will lead to inefficiency. Corruption distorts one's incentives, and should engage in productive activities into a desire to realize corruption opportunities and ultimately contribute negative value added. Corruption becomes part of the welfare cost of enlarging production costs, and further increasing the costs to consumers and society, thereby resulting in a downward welfare of society. Ultimately this will have a negative effect on the economic growth achieved. Corruption also reduces the income potential that the poor may accept. Corruption has enormous destructive effects on the various sides of life of the nation and state, especially in the economic side as the main driver of the welfare of society. Mauro explained the relationship between corruption and the economy. According to him corruption has a negative correlation with the level of investment, economic growth, and with government spending for social programs and welfare (Dian, 2017). This is part of the core of macroeconomics. The fact that corruption has a direct relationship with this encourages the government to try to tackle corruption, both preventively, repressively and curatively. On the other hand increased corruption results in the rising cost of goods and services, which can then soar state debt. In these circumstances, inefficiency occurs when the government issues more policies but is accompanied by widespread corruption practices, rather than providing positive values such as improving conditions that are more organized, but instead providing negative value added for the economy in general. For example, corporate budgets that should be screened in the economic cycle are instead allocated to bureaucracies that are ultimately wasted into private pockets of officials. Various other economic problems will arise naturally if corruption is rampant, among others, Decreasing State Revenue From Tax Sector. Most countries in the world have a tax system that is an important tool to finance government spending in providing public goods and services, so it can be argued that taxes are important to the state. In Indonesia, there are known taxes

such as Income Tax (PPh), Value Added Tax (VAT), Land and Building Tax (PBB), Customs Duty (BM), and Acquisition Rights of Land and / or Buildings (BPHTB). Taxes serve as price stabilization so that it can be used to control inflation, on the other hand taxes also have a redistributive income function, where the taxes levied by the state will then be used for development, and the opening of employment opportunities that will ultimately prosper the community. Taxes are vital to the sustainability of the country's development and the welfare of the people as well in the end. The reduced income from the tax sector is exacerbated by the fact that so many employees and tax officials play for personal gain and enrich themselves. We can not imagine if the people's distrust of this tax lasts longer, it will certainly also result in the acceleration of development, the loss is also the community itself, this is where the injustice.

In addition, world economic conditions that are in recession and almost hit all countries including the United States and European countries, forcing these countries to do the debt to encourage its economy is slowing down because of the recession and cover the budget cost of the deficit, or to build critical infrastructure . What about Indonesia's debt? Corruption that occurred in Indonesia will increase the foreign debt is getting bigger. From the data taken from the Directorate General of Debt Management, Ministry of Finance of Indonesia, stated that the total government debt as of May 31, 2011 reached US \$ 201.07 billion or equivalent to Rp. 1,716,56 trillions, a fantastic figure. The debt is divided into two sources, namely loans of US \$ 69.03 billion (foreign loans US \$ 68.97 billion) and Government Securities (SBN) of US \$ 132.05 billion. Based on the type of currency, the debt of US \$ 201.1 billion is divided into Rp956 trillion, US \$ 42.4 billion, 2,679.5 billion yen and 5.3 billion euros. The position of government debt continues to increase from year to year. In 2009, the amount of government debt was recorded at US \$ 169.22 billion (Rp1,590.66 trillion). In 2010, the number increased again to reach US \$ 186.50 billion (Rp1,676.85 trillion). The current government debt position also rose from the position as of April 2011 which amounted to US \$ 197.97 billion. If using Indonesia's GDP of Rp6,422.9 trillion, then Indonesia's debt ratio was 26%. While for private sector debt, Bank Indonesia (BI) data show that the amount of private debt value increased rapidly from US \$ 73.606 billion in 2009 to US \$ 84.722 billion in the first quarter of 2011, equivalent to 15.1%. On year-on-year (yoy) alone, private foreign loans have increased 12.6% or up from US \$ 75.207 in the first quarter of 2010. Of the total debt in the first three months of this year, the private sector's foreign debt was mostly contributed by non-bank amounting to US \$ 71.667 billion and the bank amounted to US \$ 13.055 billion (www.metronews.com/ read /

news / 2011,14 June 2011). When looking at the conditions in general, debt is a common thing, as long as it is used for productive activities the debt can be restored. If the debt is used to cover the deficit, it will make the situation worse. We can not imagine in the future what happens when the increasingly swollen state debt is used for something that is totally unproductive and corrupted on a large scale.

Tax Avoidance

Tax avoidance is a practice that is generally agreed upon as unacceptable and should be prevented and resisted. However, the fact that tax avoidance is done by exploiting loopholes in tax laws so literally does not violate the law to make the issue an issue of unfinished discussion.

In the fight against tax avoidance, there are currently two main approaches:

1. Judicial General Anti Avoidance Doctrine

Judicial doctrine is developed primarily from court decisions related to tax avoidance. Various jurisdictions develop their own judicial doctrine, and in the following paragraphs will be explained some of the most commonly used judicial doctrine.

- Economic Substance Doctrine

The essence of the economic substance doctrine is that a transaction scheme that has the effect of reducing the tax burden can only be recognized if the transaction has economic substance, and contains consideration other than taxes and is not solely for tax avoidance. (Arnold, 2008)

- Substance over Form Doctrine

The principle of substance over form basically explains that rights and obligations arising formally as a result of transactions made by the Taxpayer will still be recognized, but the characterization of transactions conducted for tax purposes will be determined on the basis of how substantially tax laws characterize the outcome of the transactions (Arnold, 2008), so that by virtue of this principle, the facts and consequences of taxation of a transaction are determined on the basis of commercial substance arising, and not merely seen from its formal form. (Lampreave, 2012)

The doctrine of substance over form is one of the most recognized doctrines in Indonesia, but its application in practice has not been very common except in addition

to the argument amplifier for the basis of corrections in the examination, as in the determination of the beneficial owner, the hidden dividends and so on.

2. Statutory General Anti Avoidance Rule

Some countries choose a different approach to prevent tax avoidance, by making a statutory general anti-avoidance rule in the form of special provisions contained in the tax regulations that aims to oppose tax avoidance.

Although in its formulation using different approaches, there are generally two main features implicit in various GAAR statutory adopted by various countries, such features are (1) the purpose of the transaction or series of related transactions, (2) What is the outcome of the transaction is in line with what is the purpose of the relevant taxation regulations.

Learning from practice in other countries, in the case of Indonesia these two approaches can be considered, but the first approach through judicial doctrine in Indonesian legal culture may be more difficult to apply because the interpretation of legislation in Indonesia still tends to be literal, as has been shown in some tax court rulings which is on the basis of inspection corrections using the doctrine of substance over form. Taking into account the literal interpretive culture of the rules, to combat tax avoidance requires a legal basis explicitly stated in the Taxation Act. However, it is not impossible for Indonesian tax authorities to try to use judicial doctrine already known in other countries as a test case in order to encourage tax courts to apply these doctrines in the face of tax evasion. At present, to minimize tax avoidance practices in taxation laws it is well known that the specific anti-avoidance rule rule in Article 18 of the Income Tax Law, but as the tax avoidance schemes are used more and more, the provisions of Article 18 are unlikely can cover all types of tax avoidance transactions. Therefore, preventing and resisting tax avoidance practices, policymakers need to consider establishing and introducing a statutory general anti-avoidance rule in Indonesian tax laws, taking lessons from other countries that have applied the provisions in their regulations. Keep in mind that in preparing a statutory general anti-avoidance rule needs to be considered the balance between law enforcement with legal certainty for the Taxpayer. The statutory general anti-avoidance rule provides a very wide discretion for tax authorities to conduct in-depth research on a transaction scheme and make corrections if the scheme is concluded as a tax avoidance transaction. The widespread discretion given by a general anti-voidance rule is also prone to abuse by tax authorities to make inaccurate corrections, so often attempts to introduce a

statutory general anti-avoidance rule face resistance from the business world. This is demonstrated by experience in India, where the application of statutory general anti-avoidance rule introduced in 2012 in the country was forced to postpone its implementation until 2016 due to rejection from the business world.

Panama Papers Relationship with Amnesty Tax

Panama Papers is a collection of confidential documents created by Panama's corporate services provider, Mossack Fonseca. This document contains detailed information of overseas companies, including the identity of shareholders and their directors. The timeframe of this document can be traced back to the 1970s. This document is about 2.6 terabytes. The documents include the names of leaders of five countries, such as Argentina, Iceland, Saudi Arabia, Ukraine and the United Arab Emirates, as well as government officials, close relatives and close friends of heads of governments around 40 other countries, including Brazil, China, France, India, Malaysia, Mexico, Malta, Pakistan, Russia, South Africa, Spain, Syria and the United Kingdom. While the United States does not exist because the United States itself has several states that have been considered a tax haven like Delaware, Nevada, and the Virgin Islands. Mossack Fonseca is a legal entity and service provider company of Panama originated in 1977 by Jürgen Mossack and Ramón Fonseca. The company provides the services of establishing companies in other countries, overseas company management, and asset management. The company has more than 500 employees in 40 countries. The agency operates on behalf of more than 300,000 companies mostly registered in Britain or Britain's tax haven. Mossack Fonseca works with the world's largest financial institutions such as Deutsche Bank, HSBC, Société Générale, Credit Suisse, UBS, and Commerzbank. The agency sometimes helps bank customers to build complex structures so that tax collectors and investigators find it difficult to track the flow of money from one place to another. A shell company is a name for an active company but looks like it does not appear to have any business or asset activity, these firms generally operate as investment firms, takeover companies or act as Offshore Financial Centers. They can act as tax evasion for a legitimate business. This tax avoidance function is what makes the shell company used as a vehicle to perform financial 'maneuvers'. Therefore, there are firms that act as shell-making companies. Its presence is usually located in tax-haven countries such as Panama and the British Virgin Islands (BVI). One of them is Mossack Fonseca. According to the Indonesian Tax Consultant Association, shell companies are often equated with the Conduit Company or Special Purpose Vehicle (SPV). Recently the world's media was surprised by the

biggest financial data leaked in this century or perhaps the greatest in history. German newspapers began receiving large amounts of document material, and within a year they received 2,6 terabytes of data containing Mossack Fonseca documents on 214,488 overseas companies belonging to government officials. This leak consists of 11.5 million documents created between the 1970s and the end of 2015 by Mossack Fonseca. This document was later disseminated and analyzed by approximately 400 journalists in 107 media organizations in more than 80 countries. On April 3, 2016, these documents began to be publicly disclosed by the International Consortium of Investigative Journalists (ICIJ), a global journalist organization based in Washington, USA. ICIJ releases and publishes an investigative report on the leakage of extraordinary financial documents, revealing companies in offshore areas of wealthy people around the world. The report is titled "The Panama Papers". And in the Indonesian edition, this report is entitled "Global Corruption Trail from Panama" published by Tempo.

Documents leaked by the International Consortium of Investigative Journalists (ICIJ) include:

- a. The secret financial transactions of world political leaders
- b. Global scandal
- c. Details of financial dealings are hidden by moneylenders, drug dealers, billionaires, celebrities, sports stars / athletes, and others.

Such data include emails, financial statements, passports, corporate secrets that display the secret accounts of bank owners and companies in 21 offshore areas or jurisdictions, including Nevada, Hong Kong and the British Virgin Islands.

The leaking of this document allowed the public to see how the offshore world works, ranging from dark money that flows in secret, leading to the birth of a crime mode and robbing state money from unpaid taxes. Indeed, not all services offered by offshore companies violate the law, if used by law-abiding citizens. But in reality, this panama document shows the downside of offshore companies, this can be seen from banks, law firms and business people often do not follow the applicable legal procedures to ensure their clients are not involved in corruption, tax breaks or other criminal activities. The establishment of offshore companies is often misappropriated.

This panama document reveals many of the findings of illegal practices that harm the state and crime in companies that are deliberately established in offshore jurisdictions, for example:

1. The Panama Papers document reveals the existence of an offshore company controlled by prime ministers from Iceland and Pakistan, the King of Saudi Arabia, and the children of the President of Azerbaijan.
2. There is a dark company controlled by at least 33 people and blacklisted companies of the United States government because of their relationship with Mexican drug cartels, terrorist organizations like Hezbollah or connected with internationally sanctioned countries such as North Korea and Iran.
3. One of the illegal companies even provided fuel for jets used by the Syrian government to bomb and kill thousands of its own citizens.
4. The Panama Paper document reveals how banks, companies and a number of people (relatives) associated with Russian President Vladimir Putin, maneuvered in private to move large sums of money. In one transaction, money driven reaches US \$ 200 million. The relatives of Putin are trying to disguise payments, backing up documents to backdated. This led to the cultivation of power and influence within the media and automotive industry in Russia.
5. The Panama Paper document reveals that Prime Minister Sigmundur David Gunnlaugsson and his wife have secretly owned an offshore firm that holds a bill of a multi-billion dollar bank in this country when Iceland is hit by an economic crisis.
6. Mossack Foncesa also plays a role in the diamond trade in Africa, the market of paintings and other international art goods, and other businesses that often move in the dark.
7. Mossack Foncesa also serves many royal families and emirs in the Middle East. They helped two kings: King Mohammed VI of Morocco and King Salman from Saudi Arabia.
8. The Panama Paper document discloses information about a money launderer who claims to contribute US \$ 50 thousand used to pay robbers in the Watergate scandal. There is also the name of 29 billionaires who include the

list of 500 richest people of the world by Forbes magazine. Not to mention there is also the name of Jackie Chan, a famous Chinese movie star, who has at least six companies under the management of Mossack Fonseca.

9. In Indonesia there are about 800 people recorded in panama paper. They make offshore companies for their business. One of them is a prominent businessman who is currently nominating himself as a candidate for Jakarta Governor, Sandiaga Uno.

The Panama Paper Paper also shows how Mossack regularly offers their clients to create documents with backdated documents to help their clients benefit from their business agreements. Such services are very commonly offered by Mossack Fonseca for US \$ 8.75.

Based on the leaked Papers Papers document, there are 800 Indonesians who have offshore companies in tax-free paradise country. This offshore company is commonly used to avoid taxes in the country. As mentioned earlier that the establishment of offshore companies does not mean illegal and unlawful, but these offshore companies are often misappropriated by certain parties for their personal interests. Such as for illegal secret transactions, concealment of assets for tax evasion, and to launder or clean up the origins of acquisition of a person's property from a criminal act so that the property changes status, becomes a legal means of payment (money laundering practice).

Why do many Indonesians prefer to invest their assets in a tax-exempt country, rather than in their own country?

1. By saving money abroad, then the owner does not need to pay taxes to his country. They will choose to keep their assets abroad that offer very low tax rates or perhaps even tax free (zero percent).
2. By saving money abroad, taxpayers will feel secure by protecting their funds. Because generally the funds are stored in the form of family portfolio or just a shadow company. In addition, foreign financial services companies also provide a fairly large compensation, this makes the taxpayers interested in storing money abroad in a very large amount.
3. In the country of Indonesia, there is no comprehensive regulation on whether or not to save money abroad so that this opportunity can be used by taxpayers to save money abroad. However, the action is clearly very unethical. Because,

the results of their funds actually derived mostly from their income in the country. So, they should pay taxes in Indonesia, not even avoid or pay low taxes in the country people.

4. It is easy to use the services of offshore establishments, to make anyone (individuals / companies) very interested in setting up offshore companies to run their business, helping to avoid taxes, asset hiding or money laundering.

Because of these things Indonesia became disadvantaged. The loss could reach up to billions of US dollars. And it is legally clear that this tax evasion act is unlawful, since individuals / companies that hold their funds abroad should be required to report their transactions to the Financial Transaction Reports and Analysis Center (PPATK).

With the disclosure of documents to the public panama paper, this makes the Minister of Finance of Indonesia (Bambang Brodjonegoro) spoke. He appealed to the Indonesian people whose names are listed in the panama paper documents to be able to repatriate their existing funds abroad. Such persons should voluntarily repatriate assets planted abroad back to Indonesia. The government will delve into the assets of Indonesians that have not been reported in the Annual Tax Return.

However, on the other hand, when the government will receive a splash of funds withdrawn from abroad, the Indonesian government must also make various efforts to keep the withdrawn money from having a negative impact on Indonesia. The government must consider various aspects. For example:

1. The economy will be in a dangerous state if a lot of money goes home at once to Indonesia.
2. Under these circumstances, Indonesian banks should make adjustments to interest rates, such as by lowering interest rates, because if interest rates drop too quickly it will be very dangerous and banks can collapse.
3. Because the number of foreign exchange will return to Indonesia, the rupiah will be very strong sharply. This is feared will weaken the competitiveness of Indonesian export products.
4. If the company / individual is willing to establish a new company in Indonesia, the process is still complicated and long.

5. If they want to buy shares in the capital market or buy risk bonds will be very large, this is because not all individuals / companies that have a lot of money that understand about the rules of investment.

Therefore, the government should prepare policies related to the impact of the return of money to Indonesia. Because Indonesia can not accommodate a lot of money at once.

Although the government says it is ready to accommodate the funds again, and will flow them to a number of financial instruments such as Government Securities (SUN), red plate company bonds, one-year deposits, and so forth. But it should not be separated from the evaluation and observation of the government, so that the Indonesian economy is not disturbed in the future. And when the government has succeeded in withdrawing its funds back, then of course the country where the money is withdrawn will certainly not stay silent, because if the fund is withdrawn it will disrupt the country's economy. So they may make a policy that keeps their investors but stays there.

This should also be noted. With the funds back to Indonesia will certainly have a good future impact but should be gradually can not be instant and certainly not separated from the government supervision. With the repatriation of funds to Indonesia, then in the future:

1. Indonesia's tax revenues are increasing, so infrastructure development, ongoing will be even better.
2. Indonesia will be flooded with 'foreign funds' which is actually owned by Indonesian own people, where some of them must come into the stock market, and that will encourage the rise of Composite Stock Price Index (IHSG).
3. The process of establishing a company and investing will continue to be simplified to accommodate the entry of funds from abroad, and the establishment of the business will certainly attract labor, so the economy will spin as a whole, and ultimately drive the growth of the economy itself.

The case of panama paper is related to Tax Amnesty. Ordering the government to apply this tax amnesty to withdraw money belonging to Indonesian citizens who are kept abroad. In addition, it is expected that entrepreneurs who keep their funds abroad will transfer their funds in Indonesia and become the new Indonesian taxpayers who

obediently so as to increase the tax revenue of Indonesia. In Indonesia, many companies that in their financial statements claim that the company is losing money, this will certainly make the company is not taxed by the government. However, why are companies that are in fact losers but still able to operate normally? This proves that the company is actually not a loss, but some of its assets / opinions transferred to Special Purpose Vehicle (SPV) abroad. So, this SPV is like a bank account opened abroad, even if the funds are located far from the country of origin but the money in SPV will still be used and disbursed anytime using the ATM card it has. This incident is not only happening in Indonesia alone, but around the world. The application of tax amnesty is actually long planned by the government, but its implementation is still obstacles and must be supported by clear legal basis. Well, in conjunction with the revealed case of panama paper, the government proposes to impose a tax amnesty. This proposal is under analysis by the House of Representatives (DPR), whether approved or not. If the tax amnesty is approved, a company with certain criteria may report and pay its tax arrears without interest or penalty. This hindrance is seen to encourage tax revenue in Indonesia. However, on the one hand the Amnesty Tax Bill is seen to legalize crime. The government should undertake law enforcement efforts against tax actors who place their funds outside. Not forgiving the taxpayers.

Conclusion

Regional There are findings that note that corruption has an impact on the occurrence of tax violations and the avoidance of tax obligations which in turn will increase poverty and income inequality. The high rate of corruption brings the consequences of increasing poverty, and because of the high rate of poverty, it can be concluded that corruption has negative implications for the country's economic growth. As well as the ownership of a centralized asset that is believed to be able to influence public policy, thus potentially harming the public. All economic growth is always associated with taxes, the greater and faster the economic growth of a country, of course the tax revenue of a country is also growth, especially if the implementation of tax policies can be implemented by all entrepreneurs. Then, the other problem is corruption by ruler with money laundering and transfer money abroad, so as not detected by the fiscal of Indonesia.

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