

# Analysis of the Application of the Ease of Administration Principle in the Property Tax Reduction Procedure in the Fourth Industrial Revolution: Case Study Personal Tax Payer

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**Abstract:** The purpose of this research is to analyse the application of the ease of administration principle in property tax reduction procedure in the fourth industrial revolution – case study personal taxpayer. This research approach is quantitative by conducting interviews with informants as well as other supporting data. The results of the study indicate that the principle of ease of certainty has not been fully fulfilled. The ease of efficiency is fully fulfilled. Moreover, the ease of simplicity is fully fulfilled. This research is expected to provide input for the government, especially Regional Tax and Retribution Agency, South Jakarta Administrative City and also for taxpayers, as study material related to the procedure for obtaining property tax reduction. This research is expected to provide information and be a reference material in reviewing procedures to obtain property tax reduction and provide an overview of the application of the principle of ease of administration.

## 1 INTRODUCTION

There has been an increase in the property tax reduction procedure. One factor is the massive changes in housing prices that have occurred over the past decade. The increase in house prices across the country in the early 2000s caused many owners to apply for a reduction to their property taxes (Doerner and Ihlanfeldt, 2014). It is because their values rose too quickly. Residents of DKI Jakarta also complained about by the increase in the price of the Sales Value of Taxable Object. According to the Head of DKI Regional Tax and Retribution Agency, Faisal Syafruddin, the Sales Value of Taxable Object increase varies and adjusts market prices. In DKI Jakarta, the Average Sales Value of Taxable Object increase is 19.54% in the 2018 period. The adjustment is regulated in Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 24 in 2018 on the Determination of Sale Value of Land and Rural and Urban Land Tax Objects in 2018.

The property tax reduction procedure gives owners who believe that their property is overvalued to make adjustments to its assessed value. Because the government's valuation system inherently

introduces some randomness in the tax burden (Doerner and Ihlanfeldt, 2014). One of the rights of the taxpayer is to get a reduction in Rural and Urban Land and Building Tax. A reduction in Rural and Urban Land and Building Tax can be given when the amount of tax received by the taxpayer on the object of the tax is appropriate, but the taxpayer feels unable to pay the tax debt. This condition means that the land and building area and the Sales Value of Taxable Object per m<sup>2</sup> of tax objects (land and building classification) are in accordance with the field conditions. However, for the amount of tax stipulated by the tax authorities, taxpayers feel that they cannot pay the amount of Rural and Urban Land and Building Tax owed. For these conditions, taxpayers can submit a reduction in the amount of Rural and Urban Land and Building Tax owed.

Reductions can be given based on the taxpayer's request. Requests can be submitted individually or collectively (collectively). The decision is to grant a reduction in the authority of the tax authorities (regional head). The amount of Rural and Urban Land and Building Tax is given is determined based on subjective considerations of the tax authorities by paying attention to the state of the tax object that has to do with the tax subject.

The complexity of the tax reduction procedure often makes representing oneself virtually impossible. (Tomes and Dvorak, 2014). A personal taxpayer, in this case, is Mr X, who is a resident of Cilandak, Lebak Bulus. Since the construction of the mass rapid transit (MRT) phase of Lebak Bulus – Hotel Indonesia Roundabout residents can feel The increase in land value. However, this resulted in an increase in Rural and Urban Land and Building Tax in this case Property Tax through Sales Value of Taxable Object adjustments.

Table 1: Mr X's Total Sales Value of Taxable Object

Year	2016 (Rp)	2017 (Rp)	2018 (Rp)
Land	5.938.317.000	5.938.317.000	7.060.077.000
Building	2.371.500.000	2.371.500.000	2.371.500.000
Total Land & Building	8.309.817.000	8.309.817.000	9.431.577.000
Acquisition Value of Non-Taxable Object	15.000.000	15.000.000	15.000.000
Sales Value of Taxable Object	8.294.817.000	8.294.817.000	9.416.577.000
Rural and Urban Land and Building Tax	16.589.634	16.589.634	18.833.154

Based on the table 1 above during 2016 and 2017, Mr X did not experience a rise in property tax. However, in 2018 there was a 13.5% increase from Rp16,589,634 to Rp18,833,154. Since 2016 Mr X has proposed a reduction in property tax. However, the reduction in property tax obtained by Mr X since 2016 is only 10%.

In this study, the goal is to analyse the application of the ease of administration in Mr X property tax reduction procedure as an input to improve the reduction procedure system and to look closely at the emerging technology that has enabled online assessment appeal (OAA) systems (Brady and Sanderson, 2017).

## 2 LITERATURE REVIEW

In the preparation of the study entitled "Analysis of the Application of the Ease of Administration Principle in Property Tax Reduction Procedure in the Fourth Industrial Revolution - Case Study Personal Tax Payer", the researcher uses four other research results that have relevance to the theme

raised by the researcher and at the same time become a reference in the preparation of research.

The first research that became a reference is an international journals title Munich Personal RePEc Archive Paper year 2015 by William Doerner and Keith Ihlanfeldt, title "An Empirical Analysis of the Property Tax Appeals Process". This paper investigates the efficiency and equity of the property tax appeals process. Regarding the efficiency of correcting assessment error, reductions are granted for a majority of appealing homeowners who are overassessed but also for homeowners who are not overassessed, leaving them under-assessed.

The secondary research that became a reference is in an international journal entitled Munich Personal RePEc Archive Paper year 2014 by William Doerner and Keith Ihlanfeldt, title "The Role of Representative Agents in the Property Tax Appeals Process". This paper describes property tax appeals to challenge their assessments and reduce their property tax bill. Appeals are frequently filed not by the homeowner but by a representative. Appeals using representatives have a more significant presence in higher-priced neighbourhoods, which makes these homeowners more likely to appeal than those in lower-priced neighbourhoods.

The third research that became a reference is in an international journal entitled Real Estate Finance year 2014 by Johnathan P. Tomes and Richard D. Dvorak, the title "Appeals Once and for All: In the Matter of the Protest of Lyerla, Kathy L". This paper describes a recent Kansas tax case for property tax appeals. The taxpayers believe that the assessment on their commercial property is too high, so they hire a tax consultant to represent them through the property tax appeal process. The complexity of the tax appeal process makes it virtually impossible to represent oneself.

The fourth research that became a reference is in an international journal entitled Journal of property tax assessment & administration year 2017 by Michael Brady and Richard L. Sanderson, AAS, title "The Current Environment of Online Assessment Appeal Systems". This paper describes the current environment of online assessment appeal (OAA) systems that identified as having been implemented by assessment jurisdictions in the United States or Canada for real property assessments or in 2015 or earlier.

These papers offer insights on factors that effects reduction adjustment. In the present study, researchers tried to analyse the application of the ease of administration principle and constraints of

property tax reduction procedure in the fourth industrial revolution - Case Study Personal Tax Payer.

### 3 RESEARCH QUESTION

To determine the application of the ease of administration in the application of property tax reduction procedure in the fourth industrial revolution case study personal taxpayer as stipulated in Law No. 28 in 2009 on local tax and regional retribution and regulation of the governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 on land tax rural and urban building reduction.

### 4 RESEARCH DESIGN

#### 4.1 Research Approaches

The author chose a quantitative approach in analysing the implementation of the ease of administration in the application of the property tax reduction procedure in the fourth industrial revolution. The research subject is the ease of administration in the Indonesian taxation system. While the object of research is the reduction of the property tax as stipulated in the Law No. 28 in 2009 on local tax and regional retribution and regulation of the governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 on land tax rural and urban building reduction.

#### 4.2 Types of Research

Types of research are differentiated by purpose, time dimensions, benefits and data collection techniques.

##### 1. Types of research by purpose

This research is descriptive research. The purpose of using descriptive research is to describe the extent to which the ease of administration is implemented in the application for property tax reduction procedure as set forth in the Law No. 28 in 2009 on local tax and regional retribution and regulation of the governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 on land tax rural and urban building reduction. This research is classified as case studies. Researchers analysed the underlying implementation of the ease of administration of Mr X's property tax reduction.

##### 2. Types of research based on the time dimension

This research included cross-sectional research because it was implemented at a specific time from 2016 to 2018 and not carried out subsequent studies to be compared.

##### 3. Types of research-based benefits

The research is based on its benefits belonging to the pure research category.

##### 4. Types of research based on Data collection techniques

Based on data collection techniques, this study uses qualitative data collection techniques. Researchers use literature studies and in-depth interviews in conducting research.

### 4.3 Data Analysis Techniques

The data analysis technique used by the authors in this research is a qualitative data analysis technique. The authors will conduct data analysis of the interviews and search for related data in the field to analyse the implementation of the ease of administration in the application of the property tax reduction procedure.

#### 4.4 Speaker/Informant

Mr X filed a property tax reduction from 2016 to 2018 in the Regional Tax and Retribution Agency of South Jakarta regional administration.

#### 4.5 Site Research

Research Site in South Jakarta Regional Tax and Retribution Agency.

#### 4.6 Research Constraints1

This research saw only the fulfilment of the ease of administration elements in the application of property tax reduction procedure Mr X from 2016 to 2018 in South Jakarta central city area.

## 5 RESULTS

### 5.1 Description of Topic

The property tax reduction can be given to taxpayers because of certain tax object conditions that have to do with the subject of tax and/or due to specific other causes; and/or the condition of the tax object is

exposed to natural disasters or other extraordinary causes.

Certain tax object conditions that have to do with the subject tax and/or due to specific other causes are given a reduction to the individual taxpayers, among others:

1. The object of tax that is an individual taxpayer of veteran independence fighters, veterans defenders of Independence, the recipient of the mark of the service of guerrilla stars, or his widow/widower;
2. The object of tax that is an individual taxpayer of the former president and the vice president and former governor and deputy governor or his widow/widower;
3. The object of tax that is an individual taxpayer of private persons whose income is solely from retirees so that the obligations of property tax are difficult to fulfil;
4. The object of tax that is an individual taxpayer who is low-income so that the property tax is difficult to fulfil; or
5. The object of tax that is an individual taxpayer who is low-income Sales Value of Taxable Object is increased due to environmental change and positive impact of development.

The property tax reduction is given to corporate taxpayer who suffered liquidity losses and difficulties in the previous tax year so that they could not fulfil routine obligations. Natural disasters are natural disasters resulting from events or a series of events caused by nature, such as earthquakes, tsunamis, volcanic eruptions, floods, droughts, cyclone angina and/or landslides. Other remarkable reasons include fire, crop outbreak and/or crop pests.

The property tax reduction can be given based on the notification of tax due and/or the property tax listed in the tax underpayment assessment letter. Reductions can be administered at the highest of 50% (fifty) percent of the property tax owed. Reductions can be provided on a taxpayer's request and may be individually or collectively filed.

The request for a reduction submitted individually must meet the formal requirements:

1. 1 (one) application for 1 (one) notification of tax due or tax underpayment assessment letter;
2. Submitted in writing in Bahasa Indonesia, stating the magnitude of the percentage of reduction requested by the apparent reason;
3. Submitted to the head of Regional Tax and Retribution Agency;

4. Photocopy of notification of tax due or tax underpayment assessment letter for reduction;

5. The taxpayer signs the application letter, and in case the application letter signed by non-taxpayer shall be attached with a unique authorisation letter;

6. Filed within the timeframe:

- a. 3 (three) months from the date of receipt of notification of tax due;
- b. 1 (one) months is not counted as from the date of receipt of the tax underpayment assessment letter;
- c. 1 (one) month from the date of receipt of the objection decision letter;
- d. 3 (three) months from the date of the occurrence of natural disasters; or
- e. 3 (three) months after the date of the occurrence extraordinary cause, except where the taxpayer may indicate that within that period cannot be fulfilled due to circumstances beyond its control.

7. Have not had the arrears of the property tax year earlier over the object of tax that is subject to reductions, except if tax objects are exposed to natural disasters or other extraordinary causes; or

8. For notification of tax due or tax underpayment assessment letter the petitioned reduction has not filed an objection, or in the event filed objection has been issued the decision letter objection and upon the decision, letter objection has not filed an appeal.

A reduction request that does not meet the formal requirements is considered not an application so that it cannot be considered. If a reduction request cannot be considered, the head of Regional Tax and Retribution Agency within 10 (ten) working days from the date of the application is received, shall provide an answer in writing by notifying the deficiency of the terms and the underlying reasons. Taxpayers can still apply for a reduction in return throughout meeting requirements.

The property tax individual reduction application in addition to fulfilling the formal requirements also meets the following requirements:

Application for individual reductions:

1. Taxpayer independence fighter veteran, independence defender veteran, recipient of the service mark of the guerrilla star or his widow/state, former president and vice president and former governor and deputy governor or his widow/widower:
  - a. Photocopy of identification card number;

Table 2: Mr. X's Notice of Land and Building Tax Payable.

Year	2016 (Rp)	2017 (Rp)	2018 (Rp)
Due of Notice	11 Jan 2016	9 Jan 2017	4 April 2018
Due Date	31 Aug 2016	31 Aug 2017	14 Sept 2018
Application Date	March 2016	23 March 2017	24 May 2018
Date of Decision	14 Juni 2016	7 Aug 2017	4 Sept 2018

Table 3: The Amount of Land and Building Tax Payable after Reduction.

Year	2016 (Rp)	2017 (Rp)	2018 (Rp)
Rural and Urban Land and Building Tax	16.589.634	16.589.634	18.833.154
Amount of reduction	1.658.963	1.658.963	1.883.315
Rural and Urban Land and Building Tax after reduction	14.930.671	14.930.671	16.949.839

- b. Photocopy of a veteran member card;
  - c. Photocopy of a decree on the acknowledgement, endorsement and award of Honorary degree of a competent officer;
  - d. Photocopy of Decree of appointment or termination as President and vice president, Governor and Deputy governor;
  - e. Photocopy of the death certificate; and
  - f. Photocopy of property tax settlement of the previous year.
2. Individual taxpayers whose income is solely from retirees so that the property tax obligations are difficult to fulfil:
    - a. Photocopy of identification card number;
    - b. Photocopy of the family card;
    - c. Photocopy of pension decree;
    - d. Photocopy of pension slip or other similar documents;
    - e. Photocopy of electricity bills, water and/or telephone; and
    - f. Photocopy of property tax payment of the previous tax year.
  3. Individual taxpayers who are low-income so that the obligations of property tax are difficult to fulfil :
    - a. Photocopy of identification card number;
    - b. Photocopy of the family card;
    - c. A taxpayer's statement letter stating that the taxpayer's income is low from the place of work, if the taxpayer is not equipped with statement letter, a certificate of RT/RW and known to the local Lurah; and
    - d. Photocopy of property tax payment of the previous tax year.
  4. The taxpayer of a low-income personal person whose Sales Value of Taxable Object per meter increases due to environmental changes and the positive impact of development:
    - a. Photocopy of identification card number;
    - b. Photocopy of the family card;
    - c. A taxpayer's statement letter stating that the taxpayer's income is low from the place of work;
    - d. Photocopy notification of tax due the year before;
    - e. Photocopy of property tax payment previous tax year;
    - f. Photocopy of electricity bills, water and/or telephone accounts; and
    - g. Letter from Lurah that explains the existence of physical development by the government of the central/regional or commercial development that has an impact on environmental change and the positive impact of development.

In case the taxpayer does not attach the document, the taxpayer's application remains processed as long as the formal requirements are met.

Based on the application equipped with the requirements, the head of Regional Tax and Retribution Agency conducts administrative research and if necessary, can be continued with field research. The head of Regional Tax and Retribution Agency within the term 6 (six) months from the date of receipt of the reduction request, shall give a decision on the application of reduction. If the term has been exceeded and the decision has not been issued, the reduction application shall be deemed granted and further issued the decision in

accordance with the taxpayer application in at least 1 (one) month since the term expires.

#### Discussion

Mr X applied for a reduction of property tax from 2016 until 2018. Mr X submitted his own application without the help of a tax consultant. Mr X applied individually for a reason for a personal taxpayer whose income was solely from retirees so that the property tax obligations are difficult to fulfil.

In connection with the property tax reduction application conducted by Mr X from 2016 to 2018, there are 3 (three) main factors used to measure the ease of administration, namely certainty (certainty) in terms of the law, the efficiency of the time and cost, and the simplicity of the taxation system and the tax laws concerned.

#### 1. Legal certainty

According to Mansury (2000, 12), The principle of legal certainty is associated with 3 (three) tax questions. It should be confident, who should be taxed, what is the basis for taxing the tax subject, and how much to pay based on the provisions on the tax rate.

##### a. Who should be taxed

The certainty in determining who has the right to apply for property tax reduction will affect justice. Details on the subject refer to the section on the application of property tax reduction, namely article 2 paragraph (1) of the Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012. Where in this article described the subject that is entitled to apply for property tax reduction is taxpayers due to certain conditions of tax objects that have to do with the subject of tax and/or due to specific other causes; and/or the condition of the tax object is exposed to natural disasters or other extraordinary causes. In article 2 paragraph (2), paragraph (3) and paragraph (4) of the Regulation of the Governor of the provincial district particular Capital Jakarta No. 211 in 2012 describe what is meant by the condition of particular tax objects that have to do with the subject of tax, natural disasters and other remarkable reasons.

##### b. What is the basis for taxing the tax subject

The certainty in the essential determination to apply for a property tax reduction refers to article 3 of the Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012. Where in

this article is described the reduction awarded on the property tax listed in the notification of tax due?

##### c. How much to pay based on the provisions on the tax rate

The certainty in the determination of the number of reductions in property tax refers to article 4 Regulation of the Governor of the provincial district special Capital Jakarta No. 211 in 2012. Where in this article explained reductions could be given as large as 50% (fifty percent) of the property tax being owed. However, for the property tax reduction governments do not provide a specific benchmark regarding the taxpayer's criteria worthy of obtaining a property tax reduction.

Here is an overview of fulfilling the fundamental fulfilment certainty of each indicator and sub-indicators:

Table 4: Basic Fulfilment of Certainty.

No.	Indicator	Fulfilment Status
1	Certainty in determining who should be taxed	Have been fulfilled
2	Certainty in determining what is the basis for taxing the tax subject	Have been fulfilled
3	Certainty in determining how much to pay	Not been fulfilled

#### 2. Efficiency in time and cost

In connection with the property tax reduction application, the implementation of the principle of efficiency will determine how much it should be incurred by the applicant's taxpayer to obtain a reduction for property tax. According to Rosdiana (2012, 177), measurement of efficiency in taxation administration can be seen from fiscal cost and time cost. The fiscal cost, associated with the property tax deductible application, is a cost that can be measured by monetary value or nominal rupiah which must be issued by the applicant taxpayer at the start of the property tax reduction application, which can be grouped as follows:

- a. Consulting services that are hired taxpayers who conduct assistance in managing the property tax reduction application.
- b. The transportation cost of application management. Of property tax reduction
- c. The printing fees and reproduction of application form for property tax reduction.

As for time cost, which is the cost of intangible, which can be the following:

- a. The time required to fill in the application forms for property tax reduction.
- b. The time required to discuss the tax management and tax exposure with the tax consultant related to property tax reduction application.
- c. The time required to wait for a decision regarding property tax reduction application.

Here is an in-depth interview was done to Mr X for fiscal cost and time cost.

#### Fiscal Cost

The fiscal fee issued by the applicant’s taxpayer has fulfilled the efficiency.

- a. A taxpayer hired tax consulting services to conduct assistance in managing the property tax reduction application. The cost required to take care of property tax reduction applications has been efficient because taxpayer applicants do not use consulting services in managing the property tax reduction application. It happened because Mr X felt that the property tax reduction application could still be handled by himself.
- b. The transportation cost of application management of property tax reduction was discussed. In the early stages of application of the property tax reduction taxpayer submits the application to Regional Tax and Retribution Agency Cilandak office. Property tax reduction in application management transportation costs has been efficient due to the distance of Mr X’s house with Cilandak Office only about 1 (one) km.
- c. Printing fees and reproduction of application forms for property tax reduction were determined. Referring to the regulation of the governor of the provincial district exclusive Capital Jakarta number 211 in 2012, eight documents must be attached by the applicant’s taxpayer so that the application document for property tax reduction can be categorised as complete. The attached documents are:
  - a. Photocopy of notification of tax due
  - b. Photocopy of identification card number;
  - c. Photocopy of the family card;
  - d. Photocopy of pension decree;
  - e. Photocopy of pension slip or other similar documents;
  - f. Photocopy of electricity bills, water and/or telephone accounts; and

- g. Photocopy of property tax payment of the previous tax year.

Taxpayers acknowledge that to fulfil and complement the above data has been streamlined because Regional Tax and Retribution Agency only requires 1 (one) Single document of attachment.

#### Time Cost

The time charge issued by the applicant taxpayer has been efficient.

- a. The time required to fill in the application forms for property tax reduction has been streamlined due to the application form consisting of only 1 (one) sheet.
- b. The time required to discuss tax management and tax exposure with the tax consultant has been efficient because the applicant’s taxpayer does not use the tax consulting services in managing the property tax reduction request. It happened because Mr X felt that the property tax subtraction application could still be handled by himself.
- c. The time required to wait for a decision regarding property tax reduction request has been efficient due to the application year 2016 is 106 days, in 2017 in 160 days and 2018 is 104 days. It is decided within less than 6 (six) months from the date of receipt of the property tax reduction.

Here is a summary of the essential fulfilment efficiency of each indicator and sub-indicators:

Table 5: Basic Fulfillment of Efficiency

No.	Indicator	Fulfilment Status
1	A taxpayer hired tax consulting service to conducts assistance in managing the property tax reduction application	Have been fulfilled
2	Application management for property tax reduction fee	Have been fulfilled
3	The cost of printing and reproduction of application forms for property tax reduction	Have been fulfilled
4	The time required to fill in the application forms for property tax reduction	Have been fulfilled
5	The time to discuss tax management and tax exposure with tax consultants relating to property tax reduction applications	Have been fulfilled
6	The time required to wait for a decision regarding property tax reduction application	Have been fulfilled

## 2. The simplicity of the taxation system

The vital issue in the arrangement of taxation regulations and legislation is simplicity. Mansury (2000, 23) argues that the simplicity in the arrangement of regulation will facilitate the understanding of the regulation and give rise to alignment and not deviate with higher regulations.

- a. The simplicity of the Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 provides an easy understanding of the regulations.

The formulation of the Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 has given the ease of understanding for taxpayer applicant to apply for property tax reduction. This rule explains clearly the condition of the object that can be granted property tax reduction. So taxpayers can know if it can or cannot apply for a property tax reduction. The regulation also explains the formal requirements and materials that must be met in filing a property tax reduction petition. With the fulfilment of formal requirements and materials explained in the regulation that the head of Regional Tax and Retribution Agency within a period of 6 (six) months must give a decision to petition the property tax reduction.

- b. Position of Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 against higher regulation.

When viewing from a hierarchy of regulations governing property tax reduction, Law No. 28 on local tax and regional retribution, Local Regulation No. 6 in 2010 on general regional tax provisions and Local Regulations No. 16 in 2011 on land tax on the rural and urban building is a legal umbrella of the Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012 on land tax rural and urban building reduction. However, as these regulations only govern widely and publicly regarding the reduction of tax-deductible taxes, the government publishes lower rules in its hierarchical structure. However, it regulates more detail and clarity on the provision of property tax reduction such as Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012.

Here is a summary of the essential fulfilment simplicity of each indicator and sub-indicators:

Table 6: Basic Fulfillment of Simplicity

No.	Indicator	Fulfilment Status
1	The simplicity of the regulation of the governor of the provincial district exclusive Capital Jakarta number 211 in 2012 in providing ease in understanding the regulation	Have been fulfilled
2	The position of regulation of the governor of the provincial district exclusive Capital Jakarta number 211 in 2012 in higher regulation	Have been fulfilled

## 6 CONCLUSIONS

Based on the research that has been conducted, the conclusion that the researcher obtained, among others: The applying principle of certainty legally in the application of the property tax reduction procedure has not been fully fulfilled. This is due to the certainty in determining how much to pay has not been fulfilled. The applying principle of efficiency is fully fulfilled by both fiscal and cost time. Moreover, the applying principle of simplicity has been fully fulfilled in terms of simplicity of regulation and position of Regulation of the Governor of the provincial district exclusive Capital Jakarta No. 211 in 2012.

## 7 ADVICE

Here are some of the things that governments can do to address the obstacles that the application of property tax reduction face:

To provide standardisation regarding taxpayer criteria for the application of property tax reduction and to apply Online Assessment Appeal Systems (OAA) to facilitate the application of property tax reduction.

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