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Research paper

Sunset Policy and its Effect on Tax Compliance: Case Study Indonesia

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Abstract

Indonesia has several times conducted Tax Amnesty as an effort to pursue the target of increasing tax revenue. One of the Tax Amnesty ever conducted by Indonesia is Sunset Policy which is giving the elimination of administrative sanction. It cannot be denied that Sunset Policy will result in an increase in tax compliance in the short term. This research will look at the long-term impact of Sunset Policy in Indonesia by using Seasonal Autoregressive Integrated Moving Average (SARIMA). The approach used by the authors in this study is a quantitative approach that is a descriptive analysis. The data obtained is secondary data in the form of monthly data receipt of Personal Income Tax from 2004 to 2012 which can be used as a review and researcher base to analyze the effect of Sunset Policy on tax compliance level in Indonesia. Based on the data processing, the results obtained that Sunset Policy affected tax compliance in the year of the issuance of Sunset Policy. However, in the following years after the Sunset Policy is no longer valid, the policy still has a significant effect on tax compliance. Post-Sunset Policy the government does not issue a special policy in order to enforce the law.

Keywords: *Tax Amnesty; Sunset Policy; Tax Compliance; Law Enforcement*

1. Introduction

1.1 Background

Two terms namely Sunset Policy and Tax Amnesty lately are more often appear in the news in various media both print and electronics in connection with the policy to be taken by the government in this case the Directorate General Tax (DGT) Ministry of Finance of Indonesia in an effort to pursue the target tax revenue which is increasing every year. Sunset Policy is not commonly used in international taxation terminology. In the dictionary of the law (Black's Law Dictionary), there is the term Sunset Law which means in the form of statutory provisions, in which the program of a government institution by itself ends at the end of a certain period unless it is formally extended the period of validity. Sunset Policy seems to be a typical term for taxation policies that have been enacted in Indonesia even though this term itself is not found in the terms of the tax laws that govern it.

In general Tax Amnesty is translated as tax forgiveness. Forgiveness given includes the aspect of the amnesty of tax principal in the form of tax relief tariffs much lower than the general tariffs on taxes that are not / less paid before and the taxpayer's release from tax criminal charges. From various literature, Tax Amnesty is an effective short-term strategy to pursue tax revenues in order to cover the budget deficit (shortfall). With the Tax Amnesty, underground economic transactions that have not been reached by the tax authorities will be included in the tax system, thus increasing the tax base which ultimately increases tax revenue after Tax Amnesty.

Indonesia has several times conducted Tax Amnesty as an effort to pursue the target of increasing tax revenue. The first Tax Amnesty was done in 1964 during the Soekarno era. That is 20 years after Indonesian Independence. The Government of Indonesia's policy on Tax Amnesty aims is to restore revolutionary funds, through the Presidential Decree of the Republic of Indonesia.

The second Tax Amnesty was made in 1984 in the Soeharto era. The history of Amnesty Tax is conducted to change the Indonesia taxation system from the official assessment (the tax rate determined by the government) to self assessment (the tax rate is determined by the taxpayers themselves).

The third Tax Amnesty was known as Sunset Policy in 2008 is based on Article 37 A of the General Provisions and Taxation Procedures Act (KUP Law). Under these provisions, it is stipulated that:

1. Taxpayers submitting the Annual Income Tax Return (SPT) before Tax Year 2007, which resulted in the accrued tax becomes greater and shall be done within a period of 1 (one) year after the coming into effect of the Law this may be deducted or abolished by the administrative sanction in the form of interest on the delay in settling the underpayment of taxes whose provisions are regulated by or based on the Regulation of the Minister of Finance.
2. An individual taxpayer who voluntarily enrolls to obtain a Taxpayer Identity Number (NPWP) no later than 1 (one) year after the coming into effect of this Law is granted an administrative sanction abolition of taxes not or less paid for the tax year prior to the acquisition of Number Taxpayer Subjects and no tax audit, unless there is data or information stating that the Notice Submission submitted by the Taxpayer is incorrect or stated overpayment.

Then in 2015 the Indonesian government to campaign for the Year of Taxpayer Development (TPWP) 2015 with the motto Reach the Unreachable, Touch the Untouchable, which was inaugurated by President Joko Widodo at the State Palace, Wednesday, April 29, 2015 ago. In this case, TPWP 2015 based on the spirit to provide guidance to Taxpayers who do not understand the tax regulations. Due to its openly regulated nature through the KUP Law, a more detailed regulation is required to regulate the policy, namely through Regulation of the Minister of Finance No. 91 / PMK.03 / 2015 and Regulation of the Minister of Finance No. 29 / PMK.03 / 2015.

The final amnesty is the Tax Amnesty based on Law Number 11 Year 2016 on Tax Amnesty. The tax amnesty is a pardon program granted by the Government to the Taxpayer comprising the abolition of taxes owed, the abolition of tax administration sanctions, and the elimination of criminal sanctions in the field of taxation of assets acquired in 2015 and earlier which have not been reported in the SPT by payment of all tax arrears and pay ransom.

One way to increase tax revenues without adding new tax burdens to the people, the world business, and workers is through a tax amnesty program. With tax amnesty, it is expected to begin a new relationship or beginning. It is also expected to generate unpaid or underpaid tax revenues and increase tax compliance as a more effective oversight.

However, according to James and William (J Alm & Beck, 1993) post tax amnesty shows a decrease in taxpayer compliance rates. This is because honest taxpayers view the amnesty as an unfair tax break for tax Taxpayer will expect a sixth amnesty will be given in the near future.

On that basis, the Researcher will analyze the implementation of Sunset Policy, to see whether Sunset Policy has been able to restore Taxpayer compliance level and what legal efforts are done after Sunset Policy. The authors conducting research by analyzing whether Sunset Policy can recover the taxpayer compliance level using Automated Autoregressive Integrated Moving Average (SARIMA) from year 2004 to 2014.

1.2 Limitations

With consideration of the scope of coverage associated with this study, the researcher focuses on this limited research on the level of taxpayer compliance, judging by the amount of payment personal income tax year 2004 to 2014.

1.3 Research Purposes

The Research Purposes are :

1. Explain the effect of Sunset Policy on tax compliance level in Indonesia
2. Explain the law enforcement efforts conducted after Sunset Policy

2. Literature Review

2.1 Tax Concept

Tax according to Prof. Dr. P.J.A. Andriani as quoted by Brotodihardjo (Brotodihardjo, 2000) namely:

"Taxes are dues to the (indestructible) state owned by those obliged to pay them according to regulations with no immediate return, which may be directly appointed, and whose use is to finance general expenditures relating to the duty of the state to administer government "

The conclusion that can be drawn from the definition is that Andriani incorporates taxes as a sense he considers a species to the genus of levies. In this definition the emphasis is placed on the budgetair function of the tax, while the tax still has another function that is not less important, that is the regular function. What is meant by not getting a re-achievement from the state is a special achievement that is closely related to the payment of "dues" it. The achievements of the state, such as the right to use public roads, the protection and guarding of the police and the army, are of course obtained by the taxpayers, but the acquisition is not individually and has nothing to do with the payment. While the definition of tax according to Prof. Dr. Rochmat Soemitro, S.H., in his book Fundamentals of Tax Law and Income Tax as quoted by Brotodihardjo (Brotodihardjo, 2000) namely:

"Taxes are public contributions to state coffers by law (which can be imposed) by not receiving lead services (contra), which can be directly demonstrated and used to pay public expenditures"

What is meant "can be imposed" is that if the tax debt is not paid, the debt can be billed using force, such as taxes and confiscations, and million hostages. The tax payments can not be shown certain reciprocal services as well as retribution.

From the definition, it can be concluded that the tax has the characteristics:

1. The tax is levied on the basis of the law and the rules of its implementation.
2. In the tax payment can not be indicated the existence of individual contracting by the government.
3. Taxes are collected by the state both by central and regional governments.
4. Taxes are reserved for government expenditures, which if there is a surplus of income, is used to finance public investment.
5. Taxes can also have a goal that is not budgetair, that is set.

Based on the tax groupings by category, the types of taxes are classified as direct taxes and indirect taxes. Direct tax is a tax that must be borne by the Taxpayer and can not be charged or delegated to others while indirect taxes are taxes that the tax burden can be delegated or delegated by others. Including direct taxes are Income Tax (PPh), while those that include indirect taxes are Value Added Tax (VAT), Excise, Import Duty, Customs Meterai.

Judging from its function, the tax has two functions, namely budgetair function and regulerend function. Budgetair function is also called the main function of tax, or fiscal function is a function in which tax is used as a tool to enter funds optimally to the state coffers based on applicable tax laws. This function is called primary because it is this function that historically first arose. Based on this function the government needs funds to finance various interests and collect taxes from its residents.

Regularend function or set function is also called an additional function, which is a function in which the tax is used by the government as a means to achieve a certain goal. Called as an additional function because this function is only as a complement of the main function of the tax budgetair function. In other words, taxes as a tool to regulate or implement government policies in the social and economic fields. Such a high tax imposed on liquor to reduce the consumption of liquor. Departing from this regulerend function, excise duty imposed on goods that have negative effects.

2.2 Tax compliance

Taxpayer compliance by Salamun A.T. (Salamun AT, n.d.) defined as the fulfillment of tax obligations (ranging from calculating, levying, cutting, depositing to report tax obligations) by taxpayers in accordance with legislation- tax invitation applicable.

There are two kinds of tax compliance:

1. Formal Compliance:

Taxpayers meet formal compliance based on tax laws and regulations. For example, the provision of the limit for submission of the Annual Tax Return (SPT) of an individual on March 31, if the individual taxpayer has reported the Annual Income Tax Return by March 31, then the taxpayer has complied with the formal requirements.

2. Material compliance:

Wider than formal compliance, because material compliance also includes formal compliance. For example, an individual taxpayer has reported the SPT on time (not late), but the material requirement is not necessarily fulfilled because the taxpayer must fill the SPT honestly, correctly and completely in accordance with the provisions

There are several factors that can affect tax compliance, namely compliance cost, tax regulation and law enforcement. The level of tax compliance increases when all three factors are controlled adequately. Conversely, if compliance costs are high, complex and unclear tax relations or differences in interpretation, and poor law enforcement can lead to declining tax compliance rates. The three factors are as follows:

1. Compliance Cost

Compliance cost is fees other than tax payable paid or issued by the taxpayer in order to fulfill the tax obligations. Compliance cost consists of direct money cost, time cost and psychological cost.

a. Direct money cost is the real cost incurred by the taxpayer in the framework of fulfilling the tax obligation, including payment to accountant, tax consultant and travel expense to the place of deposit and tax reporting.

b. Time cost is used by the taxpayer in order to fulfill the tax obligation causing the opportunity loss, starting from the time spent to study the tax calculation until the time to report the tax and accountable for the fulfillment of tax obligation that has been done.

c. Psychological cost is anxiety, worry, and fear of the taxpayer in fulfilling the tax obligation and interact with the tax officer.

2. Tax Regulation

Clear, easy and simple tax laws and regulations and do not result in different interpretations for tax officials and taxpayers will increase tax compliance. Conversely, by complicated laws, obscure or conflicting rules of conduct have the potential to generate taxpayer apathy that will affect tax compliance levels

3. Law Enforcement

Law enforcement is the implementation of regulations implemented by the tax officer not according to the provisions. Adequate regulatory implementation by promoting justice principles (ie different treatment for different conditions or equal for the equals and different treatments for different conditions unequal for the unequals) and carried out consistently will support the achievement of an optimal tax compliance condition.

2.3 Tax Amnesty

The Concept and Justification of Amnesty Taxes by Baer and LeBorgne, as cited by Darussalam (Darussalam, 2016), defines tax amnesties as:

“a limited-time offer by the government to a specified group of taxpayers to pay a defined amount, in exchange for forgiveness of a tax liability (including interest and penalties), relating to a previous tax period(s), as well as freedom of legal prosecution”

Meanwhile, Jacques Malherbe, as cited by Darussalam (Darussalam, 2016) defines tax amnesty as follows:

“the possibility of paying taxes in exchange for the forgiveness of the amount of the tax liability (including interest and penalties), the waiver of criminal tax prosecution, and limitations to audit tax determinations for a period of time”

In general, the provision of tax amnesty aims to (Darussalam, 2016):

1. Increase tax revenue in the short term

The problem of stagnant or declining tax revenues is often the justification for tax amnesty. This has an impact on the government's desire to provide tax amnesty with tax expectations paid by taxpayers during the tax amnesty program will increase tax revenues. However, the increase in tax revenue from the tax amnesty program may only occur during the tax amnesty program because taxpayers may return to their disobedience behavior after the tax amnesty program ends.

2. Increase tax compliance in the future

Tax compliance issues are one of the causes of tax amnesty. Proponents of tax amnesty generally argue that voluntary compliance will increase after the tax amnesty program takes place. This is based on the hope that after tax amnesty program done taxpayers who have not been part of the tax administration system will be part of the tax administration system. By becoming part of the tax administration system, the taxpayer will not be able to avoid and avoid the obligations of taxation.

3. Encourage the repatriation of capital or assets

Honesty in voluntary reporting of wealthy wealth data after tax amnesty program is one of the objectives of tax amnesty. In the context of reporting the assets data, the provision of tax amnesty also aims to restore capital parking abroad without having to pay taxes on capital in parking abroad. Providing tax amnesty on the return of capital in overseas parking to domestic banks is considered necessary because it will facilitate the tax authorities in requesting information on taxpayer wealth data to banks in the country.

4. Transition to a new tax system

Tax amnesty can be justified when tax amnesty is used as a means of transition to a new tax system. In this context, the tax amnesty becomes an instrument in order to facilitate tax reform and as compensation for tax revenue that is potentially lost from the transition to the new tax system.

2.4 The Homogeneity Test

The homogeneity test for the two groups can use the Bartlett Test as follows (Lestari & Wahyuningsih, 2012):

Hypothesis Testing

H_0 : Variety of two groups is the same

H_1 : Variety of two groups is not the same

Determining the Level of Significance α=5%

Calculating Test Statistics

$$\chi^2 = (\ln 10) \times \left[B - \left(\Sigma(db \times Log S_i^2)\right)\right]$$

with

$$B = Log\, S^2 \times \Sigma db$$

$$S^2 = \frac{\sum_i (db \times S_i^2)}{\sum_i db}$$

S_i^2 : Variety of groups

Rejection Criterion

Decline H_0 if $\chi^2 > \chi^2_{tabel}$

Decision

2.5 SARIMA Model

The assessment or estimation method is a quantitative way of estimating what happens in the future, based on relevant data in the past. One method in the assessment is Box Jenkins method. Some models in Box-Jenkins Method are:

ARIMA model (p, d, q)

The general formula of the ARIMA model (p, d, q) is as follows (Wei, 2006) :

$$\phi_p(B)(1-B)^d Z_t = \theta_q(B)a_t$$

with

$$\phi_p(B) = \left(1 - \phi_1 B - \cdots - \phi_p B^p\right), AR\ (p)$$

$$\theta_q(B) = \left(1 - \theta_1 B - \cdots - \theta_q B^q\right), MA(q)$$

$(1-B)^d$: differencing orde d

Z_t: response variable at the moment.

a_t: residual value at the time

ARIMA Model with Seasonal Factor (SARIMA)
ARIMA can be extended to the seasonal factor, the general notation is (Wei, 2006):

ARIMA $(p,d,q)(P,D,Q)^S$
with:
p, d, q: the non-seasonal part of the model
$(P,D,Q)^S$: the seasonal part of the model
S : the number of periods per season

The general formula of ARIMA $(p,d,q)(P,D,Q)^S$ as follow :

$$\Phi_p B^S \phi_p(B)(1-B)^d(1-B^S)^D Z_t = \theta_q(B)\Theta_q(B^S)a_t$$

with:

$\phi_p(B)$: AR non seasonal

$\Phi_p B^S$: AR seasonal

$(1-B)^d$: differencing non seasonal

$(1-B^S)^D$: differencing seasonal

$\theta_q(B)$: MA non seasonal

$\Theta_q(B^S)$: MA seasonal

Z_t: response variable at the moment.

2.6 Stationary Data

The stationary data can be seen from the time series plot. The time series data check can be seen by:
Seeing the trend of data in the graph
Using autocorrelation and corelogram
Unit root test
The non-stationary data can be overcome by differentiating processes (Lestari & Wahyuningsih, 2012).

2.7 Testing Two Models

Based on Sanford Weisberg (Weisberg, 2005), the equality test of two model groups can use the F test.
For example, there are two groups of data with each group consisting of n and m observations. The first group consisting of observations formed model 1 with p_1 parameters. While group two consisting of m observation formed model 2 with p_2 parameter. Combined two groups consisting of $n+m$ observations formed model 3 with p_3 parameters.
The following is given a hypothesis for testing the similarity of two models:

H_0: Two groups of models have the same model

H_1: The two groups of models do not have the same model

The test statistic used in this hypothesis is

$$\frac{\frac{A-B-C}{p_1+p_2-p_3}}{\frac{B+C}{n+m-p_1-p_2}} \sim F(p_1+p_2-p_3, n+m-p_1-p_2)$$

with

A : sum of square of model 3 with degrees of freedom $n+m-p_3$

B: sum of square of model 1 with degrees of freedom $n-p_1$

C: sum of square of model 2 with degrees of freedom $m-p_2$

2.8 Testing two sample means

Based on Walpole (R, 2006), the equality test of two sample means can use the t test.
For example, there are two groups of data with each group consisting of n and m observations. The first group consisting of observations formed model 1 with $\overline{x_1}$ and s_1. While group two consisting of m observation formed model 2 with $\overline{x_2}$ and s_2.
The following is given a hypothesis for testing the similarity of two sample means:

$H_0: \mu_1 = \mu_2$

$H_1: \mu_1 \neq \mu_2$

The test statistic used in this hypothesis is

$$t = \frac{(\overline{x_1}-\overline{x_2})}{\sqrt{\left(\frac{s_1^2}{n_1}+\left(\frac{s_2^2}{n_2}\right)\right)}}$$

3. Methodology

3.1 Data

This study uses monthly time series data from Individual Income Tax in Indonesia from year 2004 to 2014. This study classifies data into two groups, ie data before Sunset Policy (2004 to 2007) and data after Sunset Policy (2008 to 2014). This research data uses secondary data from Directorate General Tax (DGT) red book and offline cube Dashboard Acceptance. Variable of this research data is variable time period and variable of Individual Income Tax in million rupiah in period.

3.2 Research Methods

The following are the steps in analyzing the data:
Displays the plot of Individual Income Tax monthly taxes from year 2004 to 2014, year 2004 to 2007 (before Sunset Policy), and year 2008 to 2014 (after Sunset Policy).
Conducting homogeneity testing with Bartlet test for data before and after Sunset Policy. If the data variety is not homogeneous, then a natural logarithm transformation (ln) is performed on the data.
Displays the plot of the transformed data ln.
Identify the data kestasioneran with melhat plot data on Point (3)
Create the best SARIMA model with AIC and BIC criteria.
Testing the similarity of two models before and after Sunset Policy.
Testing the mean difference between the two data sets.

4. Results and Findings

4.1 Sunset Policy and Its Effect on Tax Compliance

In this section we will analyze and discussed the effect of Sunset Policy on tax compliance. The effect of Sunset Policy on tax com-

pliance level can be seen with the difference in the payment of Personal Income Tax in the year prior to Sunset Policy (year 2004 to 2007) and after Sunset Policy (year 2008 to 2014).
The first step is to show the plot of the payment of Personal Income Tax data from all year, year before and year after Sunset Policy. The following will be given a monthly Personal Income Tax Monthly data graph:

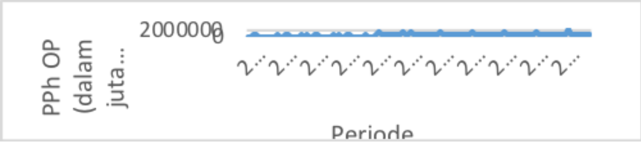

Figure 1. Monthly Personal Income Tax Month Chart Year 2004 - 2014

Figure 2. Monthly Personal Income Tax Month Chart Year 2004 – 2007

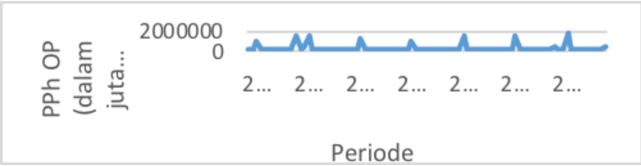

Figure 3. Monthly Personal Income Tax Month Chart Year 2008 - 2014

Based on the picture above, it appears that time series data does not occur trend and patterned seasonally. This is seen that for every month of March there is an increase in personal income tax payments. This is because the due date for Personal Income Tax is the end of March. Therefore, in this research we will use time series analysis with SARIMA model. Using R software, two data sets (Before and after Sunset Policy) have a homogeneity of data and stationary data. Thus, the data of the two groups can already be modeled in the time series.

Modeling SARIMA Data

Using Software R, we then can obtain the best model. The following is a summary of the outputs for the two group data as well as the composite of the group.

1. Data Group Before Sunset Policy (Year 2004 to 2007)
The best SARIMA model for data before Sunset Policy is ARIMA (1.0,0) (1,0,0) [12]

Group 1	
RMSE	0,180126
Db	45
SSE	1,460035
n	48
p_1	3

Source: Processed products from Software R

2. Data Group After Sunset Policy (Year 2008 to 2014)
The best SARIMA model for data after Sunset Policy is ARIMA (2.0,0) (1,1,0) [12]

Group 2	
RMSE	0,333548
Db	81
SSE	9,011612
n	84
p_2	3

Source: Processed products from Software R

3. Joint Data Group (Year 2004 to 2014)
The best SARIMA model for the overall data is ARIMA (2,1,0) (2,1,0) [12]

Group 3	
RMSE	0,317825
Db	127
SSE	12,82858
n	132
p_3	5

Source: Processed products from Software R

Furthermore, tested for two similarity models (Before Sunset Policy and After Sunset Policy) using F-Test. Based on the above table, then the obtained value of F is 80,83888 and using $\alpha = 5\%$, then obtained F table is 3,915727. So, Value $F > F$ table, it means that there is a difference in the payment of Personal Income Tax before and after Sunset Policy.
Next, there will be a mean difference test between the two data groups (Before sunset policy and after sunset policy).

Testing Two Sample Mean

In the previous, there were differences of model between before sunset policy and after sunset policy. Furthermore, will be tested to see which is the best. Below is the result of calculation for data before and after sunset policy.

Group 1	
$\overline{x_1}$	11,6393
s_1	0,511955
n_1	48

Group 2	
$\overline{x_2}$	12,33021
s_2	0,657313
n_2	84

Population	
Df	130
σ^2	0,60878

Furthermore, tested for two sample mean (Before Sunset Policy and After Sunset Policy) using t-Test. Based on the above table, then the obtained value of t is -4,89401 and using $\alpha = 5\%$, then obtained t table is 1,97838. So, Value $t < -t$ table, it means that the amount of payment of Personal Income Tax increased after Sunset Policy, therefore Sunset Policy has a significant effect on tax compliance.

4.2. Law Enforcement Efforts Conducted After the Sunset Policy

Sunset Policy is expected to have significant impacts to improve voluntary compliance. The expected taxpayer compliance in connection with the Sunset Policy is to include short-term and long-term compliance. Short-term compliance is related to the taxpayer's openness in properly reporting tax obligations. While long-term compliance indicates that the Taxpayer is obedient to the regulations without having to enforce the law. In the long run, increased taxpayer voluntary compliance will have an impact on increasing tax revenues.
Several provisions in Law Number 6 Year 1983 regarding General Provisions and Procedures of Taxation (KUP Law) which has been amended several times by Law Number 9 Year 1994, Num-

ber 16 Year 2000 and the last by Number 28 Year 2007. In the most recent KUP Law, Article 37 and Article 38 are inserted 1 (one) article, namely Article 37A. This article is then better known as "Sunset Policy".
In Minister of Finance Regulation Number 12 / PMK.03 / 2009 states that those who can utilize the 'Sunset Policy' are:

1. Individual Taxpayers and Bodies who already have a Taxpayer Identification Number prior to 2008, which submits the revision of the 2006 Annual Income Tax Return and the previous tax year to report income which has not been taken into account in the reporting of the Annual Income Tax Return that has been submitted.
2. An individual who does not have a Taxpayer Identification Number, who voluntarily enrolls a Taxpayer Identification Number within the period between 1 January 2008 to 28 February 2009 and submits the Annual Income Tax Return for the Tax Year 2007 and previous taxable years as of March 31, 2009.

There are two types of administrative sanctions abolished in Sunset Policy: first is the abolition of administrative sanctions in the form of interest on revision of the Annual Income Tax for the tax year prior to 2007. The abolition of the first type of sanction is granted to all Individual and Individual Taxpayers fixing the Annual Income Tax Return for the tax year prior to 2007 and the correction result caused the tax to be paid increased. The taxpayer shall not be subject to administrative sanction in the form of interest in Article 8 paragraph (2) of the KUP Law which is subject to administrative sanction in the form of interest of 2% (two percent) per month on the amount of unpaid taxes, calculated from the date of delivery of the Notice Letter ends payment, and part of month is calculated full 1 (one) month. Elimination of the second administrative sanction in the form of write-off of administrative sanction in the form of interest on taxes that are not or less paid on the Annual Tax Return for the fiscal year 2007 and before. The abolition of this second type of sanction is granted to an individual who has fulfilled subjective and objective requirements (who earn more than PTKP in a year) to voluntarily register for a Taxpayer Identification Number within a period of time from 1 January 2008 to 31 December 2008 but extended until 28 February 2009. To the Taxpayer The newly enrolled person is granted an administrative sanction in the form of interest on unpaid taxes for the 2007 Annual Income Tax Return and the previous year.

Sunset Policy is one form of soft tax amnesty policy. Sunset Policy grants tax pardons by removing or reducing administrative sanctions in the form of interest. Sunset Policy can be interpreted as a policy before sunset means the policy is only valid before a certain time limit given by the government. In this case Sunset Policy is valid from 1 January 2008 to 31 December 2008 extended until 28 February 2009. After February 28, 2009 or March 1, 2009 the provisions of Article 37A UU KUP no longer apply as the sun has been sunset on the day. So the policy is called "Sunset Policy". Then the next morning on March 1, 2009 the sun will rise again. Law enforcement efforts conducted after the Government's Sunset Policy did not issue a special policy. The sun rises as a sign of the entry into force of the KUP Law as a whole minus the provisions of Article 37A.

Amnesty theories suggest that the amnesty program must be combined with the tax administrative reform and legal enforcement efforts. This link maybe an important factor in achieving fiscal benefitat the aftermath of the amnesty program. The empirical evidence shows that the government of Indonesia has preceded the Sunset Policy program with the comprehensive tax reform packages including the organization reinventing, business process improvement, information technology development, and human resource development. The legal reform in Indonesia gives stricter penalties for both the taxpayers and tax officials which do not comply with the new tax regulations. The penalties for the violations of the tax law are regulated by the article 38 to article 43 the Law number 28 of 2007 concerning the Third Amendment of the Law number 6 of 1983 concerning the General Provisions and Tax Procedures. To ascertain the establishment of legal enforcement efforts, on 23rd of February 2010, a Memorandum of Understanding between the Directorate General of Taxes and the Indonesian Police Department concerning the Tax Law Enforcementhad been signed off by the respective institution (Rakhmindyarto, 2011).
In general, most tax experts argue that tax amnesty is a powerful way to improve tax compliance. However, there are also concerns that tax amnesty may weaken tax compliance, especially if people expect that tax amnesty may come again in the future (James Alm, Martinez-Vazquez, & Wallace, 2009).

For this reason, many experts do not recommend the implementation of tax amnesty repeatedly within a very close time. In addition, tax compliance may also increase over several prerequisites fulfilled, such as: the existence of strict sanctions and systems to detect tax evasion Increased supervision of tax obligations after tax amnesty program is the key to the success of the tax amnesty program. Supervision of tax obligations after the tax amnesty program can increase state revenues through examination of Taxpayers who still embezzle taxes after the tax amnesty program ends. Therefore, it is also necessary to reform the institution of Directorate General of Taxes simultaneously to be able to detect the fraud of Taxpayer after tax amnesty. In addition, to build voluntary compliance for paying taxes after tax amnesty required the existence of transparency of the use of tax money (budget) and allocation of appropriate target and fair.

5. Conclusion

After doing research analysis, the conclusion can be drawn as follows:
Based on the 2 mean test result there is a significant difference between the amount of Personal Income Tax receipts before and after Sunset Policy apply. The average difference in personal income tax receipts before and after Sunset Policy is around Rp. 690 million. However, the results are obtained only from the receipt of Personal Income Tax, while the increase in the amount of tax revenue can also influence by other factors such as the increase in the number of new registered taxpayers.
Post Sunset Policy the government does not issue a special policy in order to enforce the law. The next morning on March 1, 2009 the sun will rise again. The sun rises as a sign of the entry into force of the KUP Law as a whole minus the provisions of Article 37A.

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