

# CHAPTER I

## INTRODUCTION

### A. Research Background

Learning for a Muslim is compulsory. Since we are born until we return to Allah SWT, we are obliged to continue learning. Writing a thesis for students is a means for students to obtain the knowledge and experience. Believers who study science will undoubtedly be exalted by Allah SWT, as explained in the following surah:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا قِيلَ لَكُمْ تَفَسَّحُوا فِي الْمَجَالِسِ فَافْسَحُوا يَفْسَحِ اللَّهُ لَكُمْ وَإِذَا قِيلَ انشُرُوا فَانشُرُوا يَرْفَعِ اللَّهُ الَّذِينَ آمَنُوا مِنْكُمْ وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ

Meaning: O you who believed, when you are told, “Space yourself” in assemblies, then make space; Allah will make space for you. And when you are told, “Arise,” the arise; Allah will raise those who have believed among you and those who were given knowledge, by degrees. And Allah is Acquainted with what you do (QS. AL-Mujadalah:11).

In compiling your thesis, do not forget to always pray for help and ask Allah S.W.T.

رَبِّ اشْرَحْ لِي صَدْرِي وَيَسِّرْ لِي أَمْرِي وَاحْلُلْ عُقْدَةً مِنْ لِسَانِي يَفْقَهُوا

Meaning: O my Lord, spread out my chest for me, and make my business easy, and remove the stiffness from my tongue so that they will understand my words. (QS. At Thaha: 25-28).

Economic developments in the world have led to consequences for increased trading activity. The dependence between one country and another

in terms of meeting needs makes trading activities inseparable. Now trading is not difficult anymore, distance and time are no longer an obstacle for everyone to make buying and selling transactions. This can have a good impact on Indonesia where trade today is not only carried out between regions but also between countries. This progress can be seen from various sectors, especially state revenue.

As one of the factors of economic growth, tax is a source of domestic revenue which is the mainstay of state revenue. To further increase revenue in the taxation sector, several improvements, additions, and even changes have been made in the field of taxation.

Taxes, including value-added tax and sales tax on luxury goods, are an obligation that must be paid by the public, both individuals and entities as sources of development.

According to Prof. Dr. Rochmat Soemitro, S.H., taxes are people's contributions to the state treasury based on the law which can be enforced without receiving reciprocal services or contra-achievements that are directly shown and used to pay general expenses (Mardiasmo, 2013). The definition was later refined to tax is a transition wealth from the people to the state treasury to finance routine expenditures and the surplus is used for public saving which is the main source for financing public investment (Resmi, 2009).

According to Law Number 42 Of 2009 (Menteri Keuangan Republik Indonesia, 2009) concerning Value Added Tax (VAT) and sales tax of luxury goods or *Pajak Penjualan atas Barang Mewah* (PPnBM), it explains that VAT

is a tax on the consumption of goods and services in the customs area which is imposed stratified on each production and distribution line. The rationale for imposing this tax is basically to impose a tax on the level of people's ability to consume. In contrast to the VAT, PPnBM is only imposed on taxpayers with upper middle income who buy or own taxable luxury goods.

In the current era the world is facing a pandemic. The Corona Virus (Covid-19) pandemic has had a major impact on world conditions, including the economic sector. This of course also has an impact on the policies issued by the government. Based on the Regulation Minister of Finance of the Republic of Indonesia (2021) number 20/PMK.010/21, in order to realize the government's support for the motor vehicle industry sector and the sustainability of the motor vehicle industry sector during the Corona Virus Disease Pandemic 2019 (Covid-19), it is necessary to provide PPnBM upon delivery of Taxable Goods classified as luxury in the form of certain motorized vehicles borne by the Government.

Car PPnBM incentives are given for nine months. This tax relaxation applies to cars of types under 1,500 cc with sedan and 4x2 single axle types. With the issuance of 20/PMK.010/21, the sedan segment, which is currently priced at 30% PPnBM, will be exempt from PPnBM levies in March-May 2021, to 0%. Then, in the period June-August 2021, the PPnBM tariff will be 15%. In addition, in September-December 2021 the PPnBM collected for this type is 22.5%. Meanwhile, for the hatchback, multi-purpose vehicle (MPV) and sporty utility vehicle (SUV) segments, the PPnBM tariff currently reaches

10%. With the enactment of these incentives, for the first period, the PPnBM tariff will be charged at 0%. In the second period, the PPnBM tariff for this type is only 5%. And in the last period, PPnBM levies rise to 7.5%.

With the incentives provided by the government, it is hoped that it can help increasing the purchasing power of people who are experiencing economic difficulties in the current Covid-19 pandemic era. With the existing incentives, the government also hopes that entrepreneurs can survive in the difficult situation they face. The purpose of this intensive publication is to help the community not to be burdened with taxes so that people's purchasing power can increase, and entrepreneurs can earn their income.

The people of Cilacap City, on average, have an interest in high value goods which can be categorized as luxury goods such as cars and motorbikes which are included in motorized vehicles and are subject to sales tax on luxury goods.

Based on the results of previous research conducted by Sambur, Sondakh and Sabijono (2015) which states that there is a positive influence of PPnBM on consumer purchasing power, researchers feel that this study is important because purchasing power is one of the factors that can influence consumers in buying an item, in which case the item is subject to tax.

This study is a replication of the research conducted by Sambur, Sondakh and Sabijono (2015) which examined the effect of Value Added Tax (VAT) and sales tax of luxury goods (PPnBM) on people's purchasing power of motor vehicle. The differences between this study and the research of

Sambur, Sondakh and Sabijono (2015) include: 1) the place to conduct research. The previous research was conducted at PT. Hasjrat Abadi Manado, Jalan Jenderal Sudirman Branch Office 199-A, Komo Luar, Wenang District, Manado City, North Sulawesi, while this research will be conducted in Cilacap City, Cilacap Regency, Central Java. 2) the population. The previous study involved specifically consumers of four-wheeled motorized vehicles (Toyota) and two-wheelers (Yamaha) who bought vehicles during the last one-year period, namely 2014 at PT. Hasjrat Abadi Manado, while study recruited Cilacap City Taxpayers aged 17 years and over and owning and using a car as population. 3) types of data. The previous research employed primary data and secondary data, whereas this study focused on primary data. 4) research method. The former research did not use the classical assumption test in its research method, while this study used the classical assumption test as one of the research methods.

In this study, the author tries to discuss in detail the problem of the imposition of VAT and PPnBM on the purchasing power of car consumers by still referring to applicable regulations. Therefore, the author will formulate it in a thesis entitled "The Effect of Value Added Tax (VAT) and sales tax of luxury goods (PPnBM) on Consumer Purchasing Power. (An Empirical Study of Four-Wheeled Vehicle Consumers in Cilacap City)."

## **B. Research Questions**

Based on the background that has been stated above, the problems are formulated as follows:

1. Does Value Added Tax (VAT) affect the purchasing power of car consumers?
2. Does sales tax of luxury goods (PPnBM) affect the purchasing power of car consumers?

### **C. Research Purposes**

Based on the formulation of the problem that has been put forward, this study aims to find empirical evidence for the following:

1. To analyze the effect of Value Added Tax (VAT) on the purchasing power of car consumers.
2. To analyze the effect of sales tax of luxury goods (PPnBM) on the purchasing power of car consumers.

### **D. Research Benefits**

The benefits expected from this research include:

1. Theoretically

The results of this study are expected to be a reference for future research and the development of accounting science, especially taxation and studies for the government related to tax policy in Indonesia.

2. Practically

- a. For Academics

The results of this study are expected to be able to add insight and be used as literature to deepen knowledge on accounting, especially taxation, development, and progress in the future.

b. For Organizations

The results of this study are expected to be a contribution of thought for related organizations to determine the effect of Value Added Tax (VAT) and sales tax of luxury goods (PPnBM) on the purchasing power of consumers in organizations.

c. For Government

The results of this study can be used as a reference in analyzing and making decisions to determine the policies to be taken concerning taxes.