


The Role Of Social Media On Tax Awareness Income In Micro Small To Medium Enterprises (SME's) In Surabaya

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Article Info	ABSTRACT
<p>Keywords: Tax Awareness, Income Tax, Social Media.</p>	<p>The general public's understanding of taxation is critical. Taxation is one of the most important sources of state revenue for infrastructure development and social welfare. There are numerous reasons why citizens refuse to pay their taxes. Educating people on the need for paying taxes can help. This study takes the problem formulation, namely, what is the role of social media in optimizing awareness of paying taxes for Small to Medium Enterprises (SME's) or MSMEs, and while the goal is to discover what the role of education is in educating about optimizing awareness of paying taxes and knowing how social media plays a role in educating taxation for MSMEs to increase tax awareness. It is believed that this research would provide educational understanding. A qualitative technique is used in this investigation. Secondary data was obtained through interviews and direct observation of MSMEs, as well as indirect and literature studies through books, journals, DJP websites, and various other sources. Because the number of social media users increases year after year, tax education is performed through social media. As a result, if it is supported in the future, it will be quite effective. This will have a significant impact on the increase in tax awareness among MSMEs.</p>
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INTRODUCTION

In the current era, Micro, Small and Medium Enterprises (SME'Ss) have developed rapidly and play an important role in the economy. According to data from the Ministry of Cooperatives and Small and Medium Enterprises, there are 65.4 million SME'Ss in Indonesia which employ 114.7 million people in Indonesia. Currently, SME'Ss also contribute more than 60% to the country's GDP. However, the increasing development of SME'Ss is not accompanied by tax revenues from the SME'S sector. According to the 2019 Directorate General of Taxes of the Ministry of Finance, the contribution of SME'Ss to tax revenue is still low, the contribution of Final PPh for SME'Ss is only 1.1% of overall revenue if nominally IDR 7.5 trillion.

At the beginning of July, to be precise, July 1 2018, the government officially issued a tax policy for SME'Ss in the form of Government Regulation No. 23 of 2018 with a rate of 0.5% of the total gross circulation or turnover. Even though the regulation is not written clearly, the mention of taxpayers who have a turnover not exceeding IDR 4,800,000,000 per tax year has indirectly offended SME'Ss. By collecting a tax of 0.5%, it is felt that the

government is taking sides with SME'Ss because it encourages SME'Ss to carry out good bookkeeping which will be used as a basis for tax imposition.

Based on a report from the British media company We Care Social in collaboration with Hootsuite, the average Indonesian person in 2023 will spend 55 minutes a day playing on the internet. Of the total population in Indonesia of 212.9 million, around 78 percent or 167 million are active social media users. This indicates that social media has become part of people's lives, so using social media for MSME tax education is a good idea. With tax education, it is hoped that SME'Ss will participate in contributing to taxes with the various problems above, the enactment of Government Regulation No. 23 of 2018 will be an issue that is worth researching until now because implementation has been carried out by SME'S actors or not. The implementation in question is the awareness of MSME actors regarding their compliance in calculating and paying taxes according to regulations, so this research uses an awareness approach. With the development of social media, it is now a good idea to provide tax education, especially for MSMEs.. In this research, the scope of research is in the Surabaya area where the number of MSMEs in the Surabaya area reaches 62,000 SME'S actors but not many are obedient and willing to pay taxes. So a problem formulation can be made as follows: What is the awareness of MSME actors in paying taxes in the Surabaya area? This research aims to find out how social media influences MSME taxpayers' awareness of their obligation to pay taxes according to Government Regulation No. 23 of 2018 in the Surabaya region.

This research is centered on understanding the significance of income tax awareness and its impact on Micro, Small, and Medium Enterprises (MSMEs) in Surabaya. The study is designed to explore the relationship between the awareness of income tax obligations and the behavior of MSME owners in Surabaya, particularly in how this awareness influences their compliance with tax regulations. By delving into this relationship, the research aims to provide valuable insights into how effectively tax awareness can shape the decision-making processes of these business owners, potentially guiding them toward greater compliance and, consequently, benefiting the broader economic environment.

In addition to examining the direct impact of tax awareness on MSMEs, the research seeks to identify the factors that contribute to public awareness regarding the importance of paying taxes. Understanding these factors is critical, as they play a significant role in shaping public attitudes toward tax obligations. The study aims to uncover the underlying reasons that affect the level of awareness among the public, which in turn influences their compliance with tax laws. By gaining a deeper understanding of these factors, the research hopes to provide the government and related institutions with the knowledge needed to design more effective policies and strategies that can enhance public awareness and, consequently, tax compliance.

Furthermore, the research aspires to propose actionable strategies that can be implemented to increase tax awareness among the public, thereby promoting a higher level of tax compliance in Surabaya. These strategies may include the development of more effective tax education programs, the initiation of social campaigns to raise awareness, and the simplification of tax procedures to make them more accessible to the general public. By recommending these approaches, the research aims to offer practical solutions that can be

adopted by the government and other relevant institutions to improve the overall level of tax compliance among the residents of Surabaya.

Overall, this study aims to contribute to the ongoing efforts to enhance tax awareness and compliance, particularly within the MSME sector in Surabaya. Through a comprehensive analysis of the impact of tax awareness, the factors influencing it, and the potential strategies for improvement, the research seeks to provide meaningful insights and recommendations that can support the development of a more compliant and aware tax-paying community.

METHODS

Data and Information Collection

Data and information that support this research were collected by conducting library searches, searching for relevant sources and searching for data via the internet. The data and information used are data from previous research reports, electronic media, and several relevant library sources. The data collection technique used is to carry out a literature study which is a source of reference data and as consideration for the writer regarding the concepts included in research writing to be able to make observations so that a conclusion can be obtained.

Data and Information Processing

Some data and information were obtained at the data collection stage, then the data was processed using a qualitative descriptive analysis method based on secondary data. Where processing is carried out in accordance with the facts in the field. The analysis used in this research was obtained from interviews with various SME'S owners in Surabaya. In conducting research, the information obtained can be truly understood and the results are in accordance with the expected results and obtain quality scientific work results, for this reason data processing uses qualitative methods.

Data and Information Analysis

The process of processing data and information from the research topic The Role of Social Media to increase awareness of SME'S Income Tax in Surabaya using interviews. Fact content includes descriptions of who, what, when, where and how. In detail, this section contains:

1. Self-image: Physical appearance, how to dress, how to act, even speaking style.
2. Dialogue reconstruction: Detailed recording of respondents' questions and answers. If their expressions are too long then a proper summary can be made. Their expressions are also worth noting.
3. Description of the physical setting: In the form of a description, image, or context map (sketch, diagram, photo).
4. Records of special events: who attended, what was done, how the event unfolded.
5. Description of activities: A detailed description of the respondent's activities so that an idea of the pattern of action is obtained.

be taken to conduct an interview are as follows:

1. Determining the sampling method based on respondents.

2. Determine the type of interview to be conducted and the relevant information in answering the research questions.
3. Prepare appropriate recording equipment, for example a mike for respondents and interviewers.
4. Check the condition of the recording device, for example the battery and buttons when starting and finishing.
5. Prepare an interview protocol, approximately two to three pages long with approximately five open-ended questions and provide sufficient space between questions to record responses to the respondent's comments.
6. Determine the place to conduct the interview. If possible, the room is quiet enough, there are no distractions and it is comfortable for the respondent.
7. Provide informed consent to potential respondents.
8. During the interview you must adapt to the questions
9. Respect respondents and always be polite.

This research uses tools in the form of laptop and cellphone hardware. While the software uses Microsoft Word.

Framework of thinking

The supporting system for the Role of Social Media to Increase Awareness of SME'S Income Tax in Surabaya which will be researched is as follows:

1. Identify data needs that will be used as secondary data that can be used for research needs.
2. Compile narrative text in the form of field notes.
3. Combining information that is arranged in a form that is coherent and easy to achieve, making it easier to see what is happening, whether the conclusions are correct or vice versa to carry out the analysis again.

For more clarity, the sequence of steps that will be taken in designing a support system. The Role of Social Media to Increase Income Tax Awareness of SME's in Surabaya using qualitative methods, starting with collecting the required data, creating a script or dialogue for interviews, preparing the tools needed, determining the location. to conduct interviews, followed by interviews with respondents. Then the answers from the respondents will be extracted into a research manuscript which will be adapted to secondary data. Next, conclusions will be drawn from the discussion which will provide information regarding Income Tax Awareness for SME'S in Surabaya via Social Media.

RESULTS AND DISCUSSION

Income tax (PPh) is a tax imposed on individuals or entities on income received or earned in a tax year. One of the income that will be deposited is profits from a business, such as Micro and Medium Enterprises. Paying taxes is one of the rights and obligations of Indonesian citizens. By looking at the timeliness of tax payments, this can have an impact on the welfare of the people in Indonesia. In general, the problem that SME's experience in paying income tax is awareness of the obligation to pay tax.

SME's Awareness of Income Tax

Starting from the problems often experienced by businesses, micro and medium enterprises (SME's), namely related to the lack of public awareness regarding the payment of their business income tax. The aim of the research conducted by Ratih, Nadia, Poppy and Lidya (2023) was to determine the influence of tax knowledge, tax understanding, and taxpayer awareness on SME's taxpayer compliance. The subject of this research is the Barokah Chicken Noodle Shop. Based on research conducted, the results showed that: 1) The Barokah Chicken Noodle Shop business has been running since 2017 and is always busy with visitors. 2) The average monthly income earned by the Barokah Chicken Noodle Shop is IDR 5,000,000,- IDR 6,000,000,-. So the turnover obtained in a year is less than IDR 500,000,000. 3) Sales turnover in 2020 fell due to Covid-19 but in 2021 sales turnover increased rapidly. 4) Tax awareness among Barokah Chicken Noodle Shop owners is still very minimal. 5) The tax awareness variable for SME's is still minimal. 6) Service quality factors have no effect on SME's taxpayer compliance. Tax compliance refers to the conditions in which taxpayers fulfill their tax obligations. It is evident from the results of research using interview data that even though the number of SME's increases every year, the level of SME's taxpayer compliance remains low.

The Role of Social Media in Increasing MSME Awareness of Income Tax

The government continues to carry out tax reform through the creation and implementation of legal regulations and improving tax administration. This aims to facilitate important tax services. This low level of taxpayer compliance is due to, among other things; by the lack of socialization from the tax authorities regarding the obligations and ease of paying taxes. One of the factors that can cause a lack of knowledge about taxpayers is the lack of financial bookkeeping management that occurs in SME's. The results of this research show that the variable "Tax Socialization" has a significant influence on tax knowledge among SME's.

The role of social media in increasing MSME awareness of income tax is very important. Social media is a broad platform and can be accessed by many people, including SME's, such as:

1. **Information Dissemination:** Through social media, information regarding income tax can be quickly and easily disseminated to SME's. Various content such as articles, infographics, videos and tax outreach can be shared and accessed by social media users, thus increasing understanding of tax obligations and procedures for paying taxes.
2. **Education and Consultation:** Social media can also be used as a platform to provide education and consultation regarding income tax to SME's.
3. **Compliance Promotion:** Creating content that encourages awareness of the benefits and importance of paying taxes correctly.
4. **Collaboration and Sharing Best Practice:** Social media allows MSME players to collaborate and share experiences related to taxation. MSME groups or communities on social media can be a forum for discussing tax issues, sharing tips, and inviting fellow SME's to comply with tax obligations.

5. Monitoring and policy developments: Through social media, SME's can follow tax policy updates and changes in regulations related to income tax. By following official accounts or following tax-related hashtags, SME's can stay informed about the latest policies and take appropriate steps.

Overall, the role of social media is very important and can be an effective tool in increasing SME's' awareness of income tax. By utilizing social media optimally, SME's can better understand their tax obligations and comply with applicable tax regulations.

CONCLUSION

The conclusion that can be drawn from this scientific paper is that tax awareness is still very minimal among SME's. Most of them don't understand what Income Tax is and how to pay it. Even though paying Income Tax is the obligation of Taxpayers to pay it, provided that their income reaches the minimum tax limit. This means that the government's role in providing education about the importance of taxes still does not reach SME's. One factor is the lack of socialization from the tax authorities regarding the obligations and ease of paying taxes. Then the lack of knowledge regarding taxpayers is the lack of financial bookkeeping management that occurs in SME's. In this digital era, SME's have developed their business by selling via social media such as Instagram and online platforms such as Grab or Gojek. This does not rule out the possibility that MSME actors also use social media as a means of increasing information. Therefore, it is hoped that the role of social media can help increase taxpayer awareness of income tax. Tax awareness should be applied from now on to SME's because currently SME's continue to grow but are not accompanied by tax payments. Social media plays a very important role in increasing tax awareness in society. Through social media-based education, it is hoped that the public will be more compliant with the tax system. Therefore, good cooperation between SME's and the government is very necessary. With cooperation between SME's and the government, taxation in Indonesia will continue to operate.

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