

EDUCATION FINANCING AND TAXATION SYSTEM

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Abstract: *In the current era of globalization, Indonesians are required to be educated, meaning they are required to master various things and abilities. To be able to provide and improve abilities is to go to school or enter an educational institution. But unfortunately not all Indonesians can enjoy this education due to limited financial capacity. This is a serious problem in the development of the world of education in Indonesia. In order to fulfill the citizens' rights as mentioned above, the Central Government and Regional Governments are obliged to provide services and facilities and ensure the implementation of this education without any discrimination. The Central Government and Regional Governments are obliged to guarantee the availability of funds to provide education for every citizen, at least for citizens aged seven to fifteen years.*

One of the goals of the government of the Republic of Indonesia which is stated in the fourth paragraph of the Preamble of the 1945 Constitution, namely protecting the entire Indonesian nation and all Indonesian blood, advancing public welfare, educating the nation's life and participating in implementing world order based on independence, eternal peace and social justice (in bold and underlined by the author). The consequence that must be borne by the state by including the word "the intellectual life of the nation" is that the state, in this case the government, must have a high commitment in the provision and implementation of proper and quality education in order to produce quality and moral Indonesian human resources. The nine-year compulsory education program has turned out to be only good on paper, but has problems in its implementation. Although the government has provided school operational assistance (BOS) for basic education, in practice there are still schools that collect various fees which of course are burdensome for parents, especially for poor families.

Keyword: *Education Financing, Taxation System, Education Taxation*

Introduction

Every citizen who already has income is obliged to pay taxes plus if he has a business entity both in the social and commercial fields, thus every Indonesian citizen must have a NPWP (Taxpayer Identification Number).

Taxes have a very important role in state life, especially in development in all fields including education, because taxes are a source of state income to finance all development expenditures. In this case, what is meant by development expenditure is expenditure for National Development to fully develop Indonesian people and the development of Indonesian society to become a society that is just and prosperous materially and spiritually based on Pancasila. We too have seen and know that at this time education has an important role in improving the quality of human resources. Education fully affects the economic growth of a nation. This is not only because education will affect productivity, but will also affect the fertility of the community. Education makes human resources more quickly understand and

ready to face changes in the work environment. Therefore, it is not surprising that a country with a population with a high level of education will have a fast rate of economic growth.

In improving the quality of Indonesian people, the government is a system with the private sector and the community. The relationship between government, society and the private sector is an inseparable relationship in its role in increasing the equity of education and the quality of education. Meanwhile, our national education is faced with several problems, including quality improvement, equal opportunities, limited available budgets and unfulfilled public resources in a professional manner in accordance with the principle of education as a shared responsibility between government, society and parents.

The government recently enacted Law Number 9 of 2009 concerning Legal Education Entities (hereinafter referred to as the BHP Law) which generated various comments. Various parties consider that with the enactment of the BHP Law, the cost of education has become increasingly expensive and increasingly out of reach for the community. The state is accused of avoiding constitutional obligations in the field of education as stated in Article 31 of the 1945 Constitution. Public concerns and accusations against the state arise because the state has invited education providers to fund their activities independently through the establishment of an Education Legal Body.

However, we also need to pay attention that the educational legal entity in question is an educational legal entity that is non-profit in principle, that is, it is not based on the motivation to seek profit for the owner of the capital. Profits earned must be reinvested in these educational legal entities to improve education quality services, as stated in Article 4 paragraph (1) of the BHP Law which contains:

"The management of funds independently by educational legal entities is based on the principle of non-profit, namely the principle of activities whose main purpose is not for profit, so that all the remaining proceeds from the activities of educational legal entities must be reinvested in educational legal entities to increase capacity and / or services. education".

In the end, the BHP Law, which raised many comments, was declared invalid through the Constitutional Court's decision. Apart from the repeal of the BHP Law, in this paper the author will try to discuss the relationship between taxes and the development of the world of education in terms of the role of the tax itself. The world of education that the author will specifically discuss is education that is financed by the government, because the government has funds to finance education, one of which is paid for from taxes. Then how is the flow of tax funds in the world of education in Indonesia, as well as the existing problems and trying to find solutions.

Discussion

Overview of Taxation

Every citizen is obliged to pay taxes, be it income tax, PBB or vehicle tax, in order to achieve the target of state revenue, therefore every citizen, especially those who already have income, is required to have an NPWP (Taxpayer Identification Number) registered with the Ministry of Finance of the Republic of Indonesia which is under under the auspices of the director general of tax.

Taxes are compulsory levies paid by the people for the state and will be used for the benefit of the government and the general public. People who pay taxes will not benefit from taxes directly, because taxes are used for public interest, not for personal gain. Taxes are a source of government funds for development, both the central and local governments.

Each taxpayer is only given one NPWP, in which the NPWP consists of 15 digits. The first 9 digits are the taxpayer code and the next 6 digits are the administration code. The Directorate General of Taxes, Ministry of Finance appealed to all levels of society to register

as taxpayers and benefit from these efforts. This appeal is intended for people who have met subjective and objective requirements in accordance with the provisions of taxation laws and regulations based on a self-assessment system in order to avoid tax sanctions.

The tax collection system is a mechanism used to calculate the amount of tax that must be paid by taxpayers to the state.

In Indonesia, 3 types of tax collection systems apply, namely:

- Self Assessment System

It is a tax collection system that imposes the determination of the amount of tax that must be paid by the taxpayer concerned. In other words, the taxpayer is the party who plays an active role in calculating, paying, and report the amount of tax to the Tax Office (KPP) or through an online administration system that has been created by the government. Self assessment system is applied to the type of central tax.

- Official Assessment System

Is a tax collection system that imposes the authority to determine the amount of tax owed to the tax authorities or tax officials as tax collectors. In the Official Assessment tax collection system, taxpayers are passive and the tax payable only exists after a tax assessment is issued by the tax authorities. This tax collection system can be applied in the settlement of Land and Building Tax (PBB) or other types of local taxes.

- Withholding System

The amount of tax is calculated by third parties who are neither taxpayers nor tax officials / tax authorities. An example of a Withholding System is a deduction of employee income by the treasurer of the related agency. So, employees no longer need to go to the tax office to pay these taxes. The types of taxes that use the withholding system in Indonesia are PPh Article 21, PPh Article 22, PPh Article 23, Final Income Tax Article 4 paragraph (2) and VAT.

NPWP benefits The benefits of someone who has an NPWP are Administrative Requirements. By having a NPWP, we will find it easier to take care of administrative requirements such as in a bank.

Several banking institutions currently require entering an NPWP number as one of the main requirements or supporting document requirements for administering administration. For example, bank credit, making Trading Business Permits (SIUP), making passports, and others. Another benefit of having an NPWP is of course making it easier in Taxation Affairs.

NPWP active period

Taxpayer Identification Number (NPWP) has no expiration date and is valid for life. Even so, it does not mean that the tax rights and obligations of NPWP card holders cannot be eliminated. Personal NPWP can be ineffective, even deleted.

Personal NPWP that is ineffective will make the rights and obligations of the taxpayer temporarily suspended until the NPWP is reactivated. This is different from the NPWP which was deleted. The deleted Personal NPWP will eliminate the taxation rights and obligations of the taxpayer for good.

Get to know taxation in Indonesia

Taxation in Indonesia is regulated through article 23A of the 1945 Constitution and other regulations such as Law no. 28 of 2007 concerning General Provisions and Tax Procedures. Taxes are mandatory contributions provided by taxpayers to the state. When paying taxes, the state provides no direct compensation. Taxes are also in nature to force and the proceeds from these levies must be used for the needs of the state for the greatest prosperity of the people.

Taxation System

Overview of Education Funding in Indonesia

One of the goals of the government of the Republic of Indonesia which is stated in the fourth paragraph of the Preamble of the 1945 Constitution, namely protecting the entire

Indonesian nation and all Indonesian blood, advancing public welfare, educating the nation's life and participating in implementing world order based on independence, eternal peace and social justice (in bold and underlined by the author). The consequence that must be borne by the state by including the word "the intellectual life of the nation" is that the state, in this case the government, must have a high commitment in the provision and implementation of proper and quality education in order to produce quality and moral Indonesian human resources.

Article 28C paragraph (1) of the 1945 Constitution which contains: "Everyone has the right to develop himself through the fulfillment of his basic needs, has the right to receive education and benefit from science and technology, art and culture, in order to improve his quality of life and for the welfare of mankind". Mandating the need for proper education for Indonesian citizens. In this article, it appears that the obligation to provide education for all Indonesian people is not only the obligation of the government, but also the obligation of all components of the Indonesian nation. However, if we look back at Article 31 of the 1945 Constitution, the government still plays a major role in providing proper and fair education for all Indonesian citizens.

In 1989, Indonesia had a law regulating the National Education System, namely Law Number 2 of 1989 concerning the National Education System. Along with the enactment of this law, Indonesia experienced a reform movement that had a significant impact in almost all fields, including education. On the other hand, the regional autonomy reform movement emerged. This inevitably makes Law Number 2 of 1989 undergo adjustment and renewal. Therefore, on July 8, 2003, Law Number 2 of 1989 was declared invalid and replaced by Law Number 20 of 2003 concerning the National Education System (hereinafter referred to as the National Education System Law). Thus, with the current National Education System Law there has been an adjustment to the education system at every level of the education unit.

Based on Article 13 of the National Education System Law, the education pathway consists of formal, non-formal and informal education which can complement and enrich each other. Formal and non-formal education can be held in an open system through face-to-face and /or distance. Furthermore, in meeting people's needs for education, especially formal education, apart from the government establishing state schools, the private sector is also given the opportunity to organize education to assist the government in educating the nation's life.

In Law Number 20 of 2003 concerning the National Education System, Article 5 states that every citizen has the same right to obtain quality education, even citizens who have physical, emotional, mental, intellectual, and / or social disabilities have the right to special education. Likewise, citizens in remote or underdeveloped areas as well as remote indigenous people are also entitled to receive special education.

For the existence of education funds, the 1945 Constitution in Article 31 paragraph (4) and also in the National Education System Law, in Article 49 paragraph (1) mandates that education funds other than teacher salaries and official education costs are allocated a minimum of 20% of the Revenue Budget. and State Expenditure (APBN) in the education sector and at least 20% of the Regional Revenue and Expenditure Budget (APBD).

According to the Minister of Finance, "State spending that increased from Rp.1047.7 trillion to 1104 trillion resulted in an increase in the education budget. The additional education budget allocation will be allocated through central government spending, transfers to regions and financing. For priority programs in the education sector, the Minister Finance emphasizes that the program will be provided for the BOS program (School Operational Assistance), additional meals for kindergarten / RA and SD / MI school children, education for neglected children through integrated Islamic boarding schools, quality assurance for higher education and vocational high schools, accelerated completion of teaching hospitals , and the acceleration of the Millennium Development Goals (MDGs) program.

The issue of funding education includes two things. The first is the difference between funding in public schools and private schools. The fact shows that the allocation of government funds for public schools is greater than that for private schools. The second thing is the change in authority of the central government compared to local governments.

Funding sources for both public and private schools are actually still very dependent on the government budget. However, the role of the government in state schools is bigger than in private schools, because the government has a target of achieving Compulsory Basic Education. This is in line with the reality in society that most students at the SD and SLTP level go to public schools, while at the high school level some students attend private schools.

It can be said that before the Regional Autonomy era, almost all allocations of education funds were regulated by the Central Government. With the enactment of Law Number 22 of 1999 which was later replaced by Law Number 32 of 2004, it was very influential in education funding, especially in the allocation of funds for the education sector.

In the context of the decentralization of the national education system in Indonesia, this pattern of increasing the budget for education costs can also be carried out in stages by reallocating budgets from other sectors. The budget must also be managed in an open manner, especially in large projects funded from abroad and accounted for substantively, meaning not only administratively.

The decentralization of the national education system also has a very significant correlation to upholding the democratization of education which turns out to be increasingly relevant in responding to demands for decentralization and regional autonomy. Most of the authority for administering education has also shifted from the Central to the Regions.

Government Obligations for the Implementation of Decent Education

In fact, our world of education still cannot answer the challenges of the times. Indonesia's education conditions are also far behind those of its fellow ASEAN neighbors. According to the UNDP report, the 2007 Human Development Index (HDI) put Indonesia in 108th place out of 177 countries. The assessment conducted by the World Population Organization (UNDP) places Indonesia in a much lower position than Malaysia, the Philippines, Vietnam, Cambodia, and even Laos. This condition is inversely proportional to the very large population of Indonesia.

The nine-year compulsory education program has turned out to be only good on paper, but has problems in its implementation. Although the government has provided school operational assistance (BOS) for basic education, in practice there are still schools that collect various fees which of course are burdensome for parents, especially for poor families.

School Operational Assistance (BOS) is a financial assistance that comes from the reallocation of a reduction in fuel subsidies in the education sector as one of the educational services provided by the government to elementary and junior high schools, both public and private schools throughout Indonesia. The BOS program aims to free education fees for students who cannot afford it and make it easier for other students. With BOS, it is hoped that students can get better quality basic education services until graduation in the context of completing the nine-year compulsory education.

The implementation of the distribution and management of BOS funds must be guided by the BOS Implementation Guidelines, which are published annually by the Ministry of National Education and the Ministry of Religion as the technical departments that are responsible for implementing and managing this program.

Another step that the government can take in order to increase funds to finance education is that the government provides tax incentives for investors who contribute to the national education system. Apart from that, the Government, especially the Minister of Education, needs to pay attention to the education system, so that the education system does

not change every year which has an impact on the use of textbooks that can only be used once. This is of course a waste and a burden for society (parents of students).

Conclusion

The taxes collected by the government should be able to be used to finance development in all fields, especially the education sector, which in the constitution mandates that the education budget is at least 20% of the APBN value.

Currently, the community may not have directly felt the benefits of tax collection for the education sector, because the government has only waived school fees at the primary and junior high school levels. At the tertiary level, it even seems that the government is willing to let go of its obligations.

It is hoped that in the future the government can seek to increase the budget by making efforts to increase efficiency in the education system, budget structuring, and prioritizing budget allocations that spur student learning achievement, so that in the end it can be achieved by increasing Indonesia's human resources through education.

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