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## E-INVOICE 3.0 EFFECTIVENESS IN IMPROVING TAXPAYER COMPLIANCE

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# E-INVOICE 3.0 EFFECTIVENESS IN IMPROVING TAXPAYER COMPLIANCE

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## ABSTRACT

This study aimed to examine the taxpayers' perception of the application of e-invoice 3.0 and its effectiveness in improving taxpayer compliance. Specifically, it focused on the benefits of Taxable Entrepreneurs of the e-invoice system 3.0 and how it minimizes the existence of fictitious invoices not based on actual transactions and linkages towards taxpayer compliance. The study was motivated by the case of imagined invoices in the tax service office of Pratama Depok Cimanggis for the tax year 2018-2019. Qualitative methods, including face-to-face interviews with 15 Taxpayers, to collect information on their perceptions. Secondary data was material for the compliance patterns of taxpayers before and after the e-invoice 3.0 implementation. Furthermore, Technology Acceptance Models (TAM) theory by Davis (1989) and references from Lee (2016) and Anzeli (2018) were used. The application of e-invoice 3.0 proved effective in improving taxpayer compliance. The e-voice 3.0 implementation provided a positive response from users, improving taxpayers' compliance with no fictitious tax invoice cases.

**Keywords:** E-invoicing; Tax Compliance, Taxable Entrepreneurs, Tax Invoice, Value Added Tax (VAT)

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## 1. INTRODUCTION

Directorate General of Taxation (DGT) modernizes taxation by providing a computerized program system called e-Invoice. This system is expected to help taxpayers, and taxable entrepreneurs report their outstanding taxes. In general, those using e-Invoice applications should have an electronic certificate that can be obtained easily. The Directorate General of Taxation (DGT) expects all registered taxpayers to create invoices electronically using the E-Invoice application. This continually improves the e-Invoice application by upgrading, including changing e-Invoice 2.2 to e-Invoice 3.0, effective since October 1, 2020. E-invoice 3.0 allows tax invoice creation, VAT reporting services, and minimization of fictitious invoices (also called tax invoices not based on actual transactions).

The realization of tax revenues increases annually, and DGT increases tax reforms. Table 1 shows the tax revenue in the tax service office of Pratama Depok Cimanggis for 5 years.

**Table 1. Number of Tax Revenue in the tax service office of Pratama Depok Cimanggis from the year 2016 to 2020**

Year	No. of Taxpayers	No. of Taxable Entrepreneurs	Total Tax Revenue (Rp)	Target	Realization (%)
2016	272,591	2,051	1,083,840,662,708	1,320,164,007,000	82,1%
2017	302,514	2,258	1,186,864,412,575	1,239,474,696,000	95,76%
2018	322,080	2,517	1,178,661,951,778	1,390,000,000,000	84,80%
2019	344,605	2,795	1,143,081,384,116	1,167,000,000,000	97,84%
2020	410,901	3,030	1,020,673,813,623	1,120,000,000,000	91,12%

Source: Tax Service Office of Pratama Depok Cimanggis, 2021

The tax receipts in 2020 decreased by 6.72% from the previous year due to the Covid-19 pandemic. The tax service office of Pratama Depok Cimanggis can achieve a realization percentage of 91.12%, which is higher than the national target of 89.42%. Value Added Tax (VAT) contributes to increasing the state cash income, shown by the development of tax revenues from 2016 to 2020. Table 2 shows the number of VAT receipts in the tax service office of Pratama Depok Cimanggis in the last 2 years.

**Table 2. The number of VAT Receipts in The Tax Service Office of Pratama Depok Cimanggis from the year 2019 to 2020.**

Year	Number of VAT Receipt	Target	Realization (%)	Realization Difference (Rp)
2019	341,418,647,462	410,505,542,000	83.17%	(69,086,894,538)

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2020	308,221,093,156	405,187,100,000	76.07%	(96,966,006,844)
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Source: Tax Service Office of Pratama Depok Cimanggis, 2021

The realization rate of VAT tax receipts from 2019 to 2020 decreased and didn't meet the specified target due to the Covid-19 pandemic, which decreased domestic consumption. The application of e-Invoices cannot prevent the occurrence of fictitious invoices from causing state losses. One case that occurred in the tax service office of Pratama Depok Cimanggis caused the state to suffer losses of IDR21.2 billion in the year 2018. Consequently, DGT arrested suspects for issuing fictitious tax invoices from August 2018 to January 2019. The state suffered losses nearing IDR57.2 billion due to the misuse of taxation. This case aims to evaluate the effectiveness of e-Invoice 3.0 in improving tax compliance and combating the use of fictitious invoices.

The purpose of this study is to analyze the perception of Taxable Entrepreneurs on the benefits and effectiveness of the e-invoice system 3.0 in minimizing the existence of fictitious invoices at the tax service office of Pratama Depok Cimanggis. Specifically, its scope focuses on the taxpayers' perception of the productiveness of the e-invoice 3.0 system in increasing their compliance.

The study was carried out in 2019-2021 to show the taxpayers' compliance pattern before and after the e-invoice 3.0 implementation and understand their perception regarding the application process at the tax service office of Pratama Depok Cimanggis, and confirm whether there is user satisfaction. The Technology Acceptance Models (TAM) theory was applied by Davis (1989) with reference referring to previous research from Lee (2016) and Anzeli (2018).

An overview of the effectiveness of e-Invoice 3.0 used by taxpayers at the service office was provided. The Directorate General of Taxes (DGT) used these results to solve problems experienced by taxpayers during the implementation as well as assess the performance of the application. Furthermore, an effective solution preventing the occurrence of Tax Invoices falsification and overcoming obstacles regarding the performance of application functions was provided. The e-Invoice 3.0 effectiveness indirectly contributed to taxpayer compliance through convenient features and facilitating DGT in supervision.

This research will provide an overview of the effectiveness of e-Invoice 3.0 used by taxpayers at the tax service office of Pratama Depok Cimanggis. The Directorate General of Taxes (DGT) can use these results to help solve the problems experienced by taxpayers during the implementation and performance of the function of the e-Invoice 3.0 application. This research can provide an

effective solution in preventing the occurrence of Tax Invoices not based on actual transactions and overcome obstacles or problems during the implementation of e-Invoices 3.0 by improving the performance of e-Invoice 3.0 application functions.

## **2. LITERATURE REVIEW**

### **2.1. VALUE ADDED TAX (VAT)**

VAT is a levy charged by the government for buying and selling goods and services carried out by private or corporate taxpayers. The VAT is regulated by Law No. 6 of 1983. Its revision resulted in harmonizing the law on tax regulation passed on October 7, 2021, where the rate was 10%.

The obliged people to collect, deposit, and report VAT are traders or sellers, while those who pay are the end consumers (Rudi, 2017). Some countries implement centralization of VAT managed by the central government. Tariffs and voting procedures are applied uniformly in each region. Specifically, the countries that implement this model include Germany, Austria, Belgium, Spain, Russia, and Australia. VAT receipts are divided into aspects with predefined methods and systems (Yesegat & Krever, 2018).

In Indonesia, VAT is levied and combined with other central government revenues. After that, it is allocated to local governments through the transfer of general funds and special general funds with specific formulas as stipulated in Law No. 33 of 2004. The mechanism is different from allocating property tax revenues categorized as Regional Income or Income Tax allocation using the DBH method (Safitra et al. 1, 2020). According to Ad van Doesum and Gert-Jan van Norden (2011), taxable entrepreneurs are obliged to credit VAT levied by other parties and collect it on goods and services used in the transaction. This relates to neutrality in the concept of VAT, where they only deposit the difference in output against input tax.

### **2.2. E-INVOICE**

E-Invoice is an electronic system in the form of an application provided by the Directorate General of Taxes to create Tax Invoices (Article 1 paragraph (1) PER-16 / PJ / 2014). Article 1 paragraph (3) PER-16/PJ/2014 describes e-Invoice as an application or electronic system specified and provided by the Directorate General of Taxes equipped with instructions for manual users. According to PER-16/PJ/2014 Article 2 paragraph (1), taxable entrepreneurs are obliged to create an e-Invoice for each (1) delivery of taxable goods as referred to in Article 4 paragraph 1A and Article 16D of the VAT (Value Added

Tax) Law and (2) Submission of taxable services as referred to in Article 4 paragraph 1C of the VAT Law.

The obligation to make e-invoices excluded from submitting taxable goods and services contained in PER-16/PJ/2014 Article 2 paragraph 2 is as follows.

1. Conducted by retail traders as contained in Article 20 PP 1 of 2012.
2. Performed by taxable entrepreneur retail store to private foreign passport holders as found in Article 16E of the VAT Law.
3. Has proof of VAT levies in the form of certain documents whose position is equated with tax invoices as evident in Article 13 paragraph (6) of the Law VAT.

The sanction was put on Taxpayers whose tax invoices do not agree with the time of their creation based on Article 13 of the VAT Law, and have no tax invoices (following Article 14 paragraph (4) of general provisions and procedures taxation). The sanctions include:

- a. The Director-General of Taxes may issue a Tax Bill if a confirmed Taxable Entrepreneurs with no tax invoices or create tax invoices but not on time
- b. Against employers or Taxable Entrepreneurs, as referred to in paragraphs 1(d), 1(e), or 1(f), in addition to the taxpayer depositing the taxes owed, administrative sanctions in the form of a fine of 2% (two percent) of the Basis of Tax Imposition.

### 2.3. Difference Between e-Invoice 2.2 and e-Invoice 3.0

The e-Invoice 3.0 system has an automatic charging feature or prepopulated data in input tax and goods import notification. The application system provides input tax data automatically when taxable entrepreneurs receive tax invoices from transaction opponents (DGT, 2020). Taxable entrepreneurs are required to identify and match the data of input and output tax invoices at the end of the period for convenience. The difference between e-Invoice 2.2 and e-Invoice 3.0 will be explained in table 3 as follows:

**Table 3. Difference Between e-Invoice 2.2 and e-Invoice 3.0**

<b>E-Invoice 2.2</b>	<b>E-Invoice 3.0</b>
<ol style="list-style-type: none"> <li>1. Not equipped with automation system and input activity of input invoice data is done manually.</li> <li>2. VAT periodic tax return reports use e-Filing with CSV upload.</li> <li>3. Does not have prepopulated data features such as input tax, goods import notice, VAT refund, and periodic tax return.</li> </ol>	<ol style="list-style-type: none"> <li>1. Equipped with automation system to prevent data input errors</li> <li>2. Web-based e-Invoice facilities are available. VAT period tax reporting can be done directly on web-based e-Invoice without filling input tax data manually using e-Filing CSV.</li> <li>3. Equipped with prepopulated data features in input tax, goods import notification, VAT refund, and periodic tax return.</li> </ol>

E-Invoice 2.2	E-Invoice 3.0
4. Does not have a tax facility stamp code synchronization system.	4. There is a Synchronization of tax facility stamp codes
5. The system is not integrated between DGT and DJBC (Directorate General of Customs) data related to export-import accommodation.	5. The system is integrated between DGT and DJBC (Directorate General of Customs) data to export-import accommodate.

Source: Directorate General of Taxation, reprocessed by researchers, 2021

## 2.4. Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) predicts and explains how users receive and use technology at work (Davis, 1986). Technology Acceptance Model (TAM) is similarly based on the Theory of Reasoned Action (TRA). It describes the reaction and perception of Information Technology (IT) users to affect the acceptance of the technology (Handayani and Harsono, 2016).

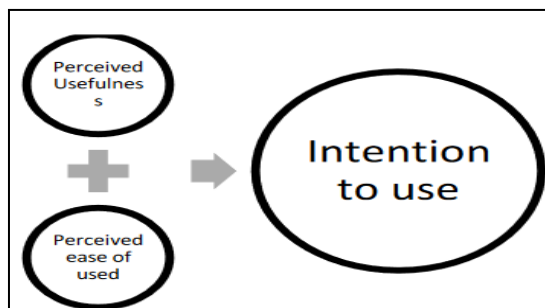


Figure 1. Technology Acceptance Model (TAM)  
Source: Davis, (1986)

Technology Acceptance Model explains whether an information system can be accepted by the users. This study relates to the Technology Acceptance Model (TAM) theory, which describes the taxpayer compliance behavior in fulfilling tax obligations affected using information technology. The positive reception of technology by taxpayers increases tax compliance and vice versa. According to Olaoye and Atilola (2018), users expect the new system to be convenient, efficient, and effective in performance.

## 2.5. Tax Compliance

The Regulation of the Ministry of Finance No. 192 / PMK.03/2007 contains tax compliance which demands the taxpayers to comply with the following requirements:

- a. Report tax returns on time.

- b. Have no tax arrears, except for those obtained with permission to make installments or delay the payment of taxes.
- c. Have audited financial statements by public accountants or government financial supervision agencies with reasonable opinions without exception for 3 consecutive years.

Tax compliance is the taxpayer's state to fulfill all the obligations and exercise his tax rights (Nurmantu and Rahayu, 2010). Cahyonowati et al. (2012) stated that tax compliance occurs when all tax obligations and rights by the taxpayer have been fulfilled under tax laws and regulations. Tax compliance uses e-invoices to issue electronic tax invoices based on actual transactions and report VAT tax returns correctly and on time. Tax compliance increases with inflation in tax returns reports on time, timely VAT receipts, and end of fictitious invoices.

Taxpayer compliance occurs when the taxpayer is aware of the tax, including understanding the rights and obligations and carrying out proper tax rights. Therefore, compliance is the behavior of taxpayers exercising their rights and obligations under the tax regulations applicable in Indonesia (Harinurdin, 2009). The level of tax compliance increases with the correctness of tax calculations, tax deposits, and timely reporting of tax returns. The quality of service provided affects the taxpayers' satisfaction and the response regarding tax compliance (Siregar et al., 2012).

### 3. RESEARCH METHODS

This study used qualitative research methods with data collected through interviews and documentation. The details of the interview activities conducted in this study are presented in table 4 as follows:

**Table 4. The details of the interview activities**

Code	Number of Respondents	Position	Duration of The Interview	Mode of Interview	Brief Interview Topics
R	15	Taxpayer	25 minutes	Face to face	Taxpayers' perception of the implementation of e-invoice 3.0

A guided free interview technique was used, while structured questions were prepared for reference to ensure the interviews was according to the context of the research topic. The interview questions consisted of three main components. They used variables contained in the Theory Acceptance Model



(TAM) (Perceived Useful and Ease of Use) and Tax Compliance (reporting of VAT tax return on time, timely payment of VAT variables, and the tax abuse level). There were 15 respondents, 13 veteran taxable entrepreneurs, and 2 new taxable entrepreneurs as the e-invoice 3.0 users at the tax services office of Pratama Depok Cimanggis.

Secondary data was obtained from the tax services office of Pratama Depok Cimanggis in the form of data and information related to the number of VAT tax returns reported on time and the number of VAT receipts. The effectiveness of e-invoice 3.0 in minimizing fictitious invoices in the tax services office of Pratama Depok Cimanggis is measured using the intensity of the occurrence of fictitious invoices during the application period of e-Invoice 2.2 and e-Invoice 3.0.

#### 4. ORGANIZATION PROFILE

The tax service office of Pratama Depok Cimanggis was formed accordance with The Ministry of Finance Regulation No. 206.2/PMK.01/2014. The tax service office is located at Pemuda street No. 40 Depok City, West Java and it has 5 working areas namely, Cimanggis, Cilodong, Cipayung, Sukmajaya, and Tapos subdistricts.

Based on the Regulation of the Ministry of Finance, the organizational structure of the tax service office of Pratama Depok Cimanggis as shown in Figure 2:

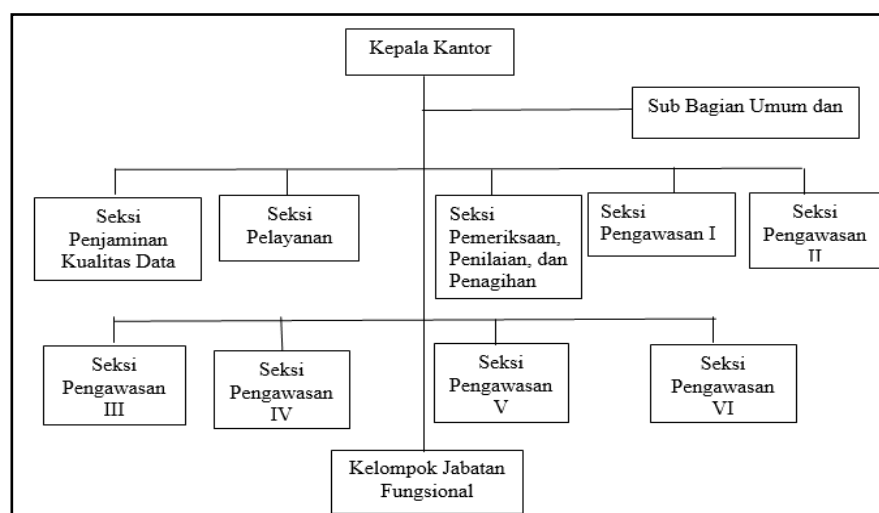


Figure 2. Organizational Structure of The Tax Service Office of Pratama Depok Cimanggis

## **5. RESULT AND DISCUSSION**

### **5.1. TAXPAYER/ TAXABLE ENTREPRENEURS PERCEPTION OF E-INVOICE 3.0 IMPLEMENTATION**

The Technology Acceptance Model (TAM) was used to assess the taxpayer perceptions of implementing e-Invoice 3.0. This model also evaluated the application of e-Invoice 3.0 regarding the taxpayer's perception of the benefits of using both IT (perceived usefulness) and the ease of IT (perceived ease of use).

#### **1. Perceived Usefulness**

From the analysis results, 3 things represent the perceived usefulness of the application of e-Invoice version 3.0, explained as follows:

##### **a. Beneficial**

The implementation of e-Invoice 3.0 benefits taxpayers or Taxable Entrepreneurs. After conducting interviews, the taxpayer's perception of the e-Invoice 3.0 application is beneficial and convenient in fulfilling tax obligations during the VAT period. Taxpayers believe DGT can provide an electronic service that offers aid and convenience compared to the previous e-Invoice 2.2. The significant benefits experienced, including prepopulated data feature on e-Invoice 3.0, can help them fill out VAT period tax returns clearly, correctly, and completely to minimize input error that results in danger. This feature interconnects both tax invoices and VAT period tax return reporting. As a Taxpayer at the Office of Tax Services Pratama Depok Cimanggis, Respondent 1 started the following:

*"It provides benefits, especially with a prepopulated data feature, although the tax reporting system was manual before. After the prepopulated data, we just need to source all the data directly from the system. Therefore, there are no longer losses for input errors to report VAT."*

Respondent 2 supported this assertion by stating that,

*"It is very useful because it is easier to make VAT tax reports."*

Respondent 3 added,

*"it is beneficial because it only need to match physical invoice with the tax input."*

The study results showed how e-Invoice 3.0 benefits taxpayers/taxable entrepreneurs. Based on the responses, it was concluded that the application was beneficial to taxpayers for easy service provision and administration process in reporting VAT period tax returns. Taxpayers using the e-invoice 3.0 application

consider the system useful and made the taxation easier. This is in line with the principle of the technology usefulness, namely minimizes the time needed to perform a job (Mlekus et al., 2020).

The use of e-Invoice 3.0 can accelerate and improve work performance by providing an automation system for taxpayers. It is evident from the data before and after implementing the e-invoice, which has a prepopulated data feature. A useful information system satisfies and increases the users' interest (Taherdoost, 2018).

b) Full Information and Accurate

All tax information is available in the e-Invoice 3.0 application, especially relating to VAT. Respondent 4 stated that:

*"All information is already available in the e-Invoice 3.0 application or on its web page."*

Respondent 5 also supported this assertion, stating that:

*"For VAT purposes, all information is available on e-invoice 3.0 application and the system is also ours to help us save time when filling out his VAT tax return."*

Additionally, e-Invoice version 3.0 can assist taxpayers in monitoring input and output tax data systematically and validly. Respondent 6 stated:

*"Since it is applied, all the data already can be missed in case of being unaware of the invoices that enter part B3."*

Similarly, Respondent 6 stated that:

*"If the input invoice could be a loophole for us invoice users, for example, our transaction opponents will sometimes not enter the tax invoice that we issued to the client. Sometimes they may forget to credit the input invoice, but now it is controllable due to the additional applications that prepopulated data related to the input tax invoice."*

Respondent 7 also added:

*"with the e-Invoice 3.0 there is no missing data."*

E-Invoice 3.0 can provide complete information and data for taxpayers from taxpayer statements. The users of the e-Invoice 3.0 perceived the easiness of the application, where taxpayers can monitor, input tax, and output tax data more systematically on time. Data monitoring is performed monthly or annually according to the tax period of reporting tax VAT. Beldad & Hegner (2018) stated that more systematic data would enable the users to easily measure the company's performance. Information systems to be selected by users can control and monitor the activities conducted.

c) Efficient

Most taxpayers stated that the e-Invoice version 3.0 is efficient and useful in work simplification. Taxpayers stated that e-Invoice 2.2 was completed manually, whereas e-Invoice 3.0 is automatic. The statement of the respondent 8 as a Taxpayer regarding this matter is as follows:

*“There is need to unload any input tax faster and more efficiently. Sometimes customers say how well the data has been pulled out, whether provided or not. In this regard, E-Invoice 3.0 application is very helpful and more efficient in executing the task.”*

Respondent 9 also stated,

*“As it was before, some input tax invoices that may take approximately one hour to enter, would take less than 10 minutes with the e-Invoice 3.0.”*

From the above statement, it can be deduced that the e-Invoice 3.0 can increase the efficient time for taxpayers when performing tax obligations. Mlekus *et al.* (2020) stated that users would assess useful technology if less time were needed to execute a job using the technology system.

## **2. Perceived Ease of Use**

Based on the analysis results, the 2 aspects that represent perceived ease of use from the e-Invoice 3.0 include ease to use and convenience and actual processes.

a) Easy to use

The interviews showed most taxpayers consider the e-Invoice 3.0 application easy to use. However, some newly inaugurated taxpayers are confused when using the application but they can ask help from the tax officer through the help desk (Kring Pajak) provided by the DGT or watch tutorials via the youtube channel. Respondent 10's statement explained this by stating the following:

*“Initially, I was confused about its operation. Although the tutorial provided on how to use the application, there are times we would forget to catch it. Whenever confused, I would contact the help desk.”*

Respondent 11 also stated that,

*“In case of confused at the beginning of operating the application, I would watch the tutorial thoroughly or contact the Kring Pajak.”*

However, Respondent 12, an already confirmed taxable entrepreneur, stated that,

*“I think it is easy because the prepopulated data and VAT period tax return reporting web-based is very simple. Furthermore, no need to enter CSV as*

*before and the data has also been directly connected. Consequently, the reporting is just a one-time click of the menu and therefore this mechanism becomes very easy to adopt."*

Respondent 12 also stated,

*"I find it easier when reporting using web-based because it is simpler, and the connection is better."*

Respondent 13 also explained,

*"I think it's easy and almost similar to the application version 2.2 though the difference is an addition of one feature item in version 3.0."*

Respondent 14 also added,

*"E-invoice 3.0 application is easy maybe because I have often used it."*

This shows that it could be easy to use e-invoice 3.0 because it is user-friendly with an easy-to-operate menu display. Some taxpayers experienced confusion when initially operating the application. However, this issue was overcome using tax help desk services, Kring Pajak, and youtube channels that discuss. According to Ratna & Mehra (2019), information systems that are simple to operate are more attractive.

b) Provides convenience and actual processes

E-invoice 3.0 provides convenience and actual process in reporting VAT-period tax. Respondent 12, as a taxable entrepreneur, stated that,

*"The e-invoice 3.0 is simpler than the previous version (e-invoice 2.2) and is also web-based so all processes when reporting tax VAT period must be actual and reliable which makes it more convenient."*

Similarly, Respondent 15's stated that,

*"E-invoice 3.0 application is very convenient because it is not complicated and is almost similar previous versions."*

Based on responses, the e-invoice application is convenient and increases users' trust. The interview results show that the e-Invoice 3.0 has been directly integrated with DGT data to increase user appreciation of the generated process. Yasa et al. (2014) stated that the clarity and ease of information systems enhance positive attitudes among users of the technology system. Therefore, the users of e-Invoice 3.0 showed a positive attitude and interest in using the application version because of its efficiency. It also fulfilled the desire and provided user satisfaction by supporting the work and activity.

## **5.2. Contribution of the Implementation of e-Invoice 3.0 to Taxpayer Compliance**

The implementation of e-Invoice 3.0 increased taxpayer compliance at the tax service office of Pratama Depok Cimanggis. This is based on the benefits and convenience provided to taxpayers, which promotes taxpayer compliance (y minimizing the occurrence of miscalculation and reducing data error reports. For example, the opposite transaction of the taxpayer will easily and fast receive tax invoices to help taxpayers in reporting Value Added Tax (VAT). The respondents' statement was as follows.

*"It is fast and the tax obligations are on time. For example, without physical tax invoice it is still convincing that the opponent of the transaction is not delaying the payment of VAT."* (Respondent 10).

*"Most people try to report VAT period tax properly, completely, and certainly on time. Moreover, this application is convenient and supports reporting and depositing VAT in a timely manner."* (Respondent 11).

The respondents' statement was supported by data comparison before and after the e-Invoice 3.0 use, as presented in the table 5:

**Table 5. The Number of Timely VAT Periodic Tax Returns was Reported Before (E-Invoice 2.2) and After The Implementation of E-Invoice 3.0**

Period	Tax return on time e-Invoice 2.2	Period	Tax return on time e-Invoice 3.0
December'19	1,318	October'20	1,161
January'20	1,266	November'20	1,227
February'20	1,127	December'20	1,275
March'20	1,181	January'21	1,220
April'20	1,165	February'21	1,299
May'20	1,248	March'21	1,343
June'20	1,221	April'21	1,307
July'20	1,248	May'21	1,307
August'20	1,259	June'21	1,293
September'20	1,127	July'21	1,275
<b>Total</b>	<b>12,160</b>	<b>Total</b>	<b>12,707</b>
<b>Average</b>	<b>1,216</b>	<b>Average</b>	<b>1,271</b>

Source: The Tax Service Office of Pratama Depok Cimanggis, 2021, reprocessed by researchers

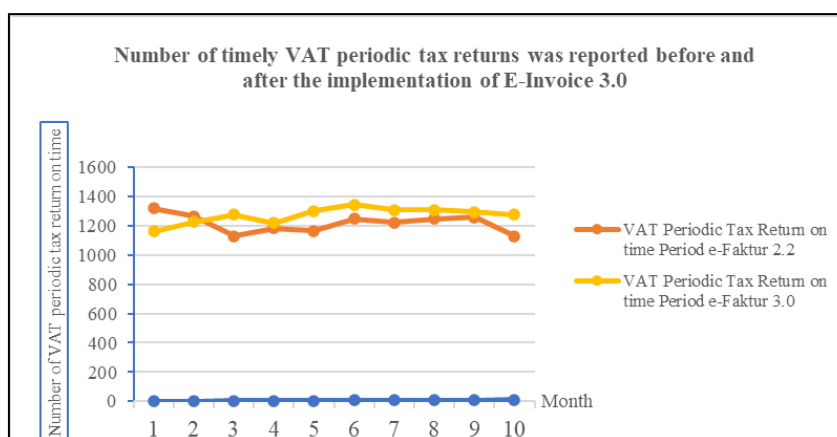


Figure 3. Comparison of The Number of Timely Periodic Tax Return Reports before and after the implementation of e-Invoice 3.0

Source: The Tax service office of Pratama Depok Cimanggis, reprocessed by researchers.

From table 5, e-Invoice 3.0 has increased tax compliance, indicated by the rise in the number of reporting VAT period tax returns on time by 4.5%. The prepopulated data feature in the application increases the number of reports made by the taxpayers' VAT period tax returns on time. The effect is attributed to the ease provided by this feature, hence taxpayers do not report their value-added tax manually or independently. During the implementation of e-Invoice 2.2, the Tax service office of Pratama Depok Cimanggis found cases of Fictitious Invoices or Tax Invoices not Based on Actual Transactions in 2018 which do not exist in the application of e-invoice 3.0.

The application of e-invoice 3.0 contributes to the realization of timely VAT receipts as presented on the following table 6:

**Table 6. Number of VAT Receipts On Time Before and After The Implementation of e-Invoice 3.0**

Month	Number of timely VAT receipts (Rp)	Month	Number of timely VAT receipts (Rp)
	Period e-Invoice 2.2		Period e-Invoice 3.0
December'19	59,519,767,395	October'20	26,393,803,408
January'20	21,556,124,628	November'20	33,358,072,958
February'20	19,197,370,945	December'20	50,083,903,385
March'20	22,391,333,617	January'21	21,107,160,863
April'20	21,654,874,649	February'21	23,421,683,568
May'20	18,188,854,480	March'21	24,912,734,861
June'20	20,339,140,777	April'21	21,083,258,932
July'20	26,568,419,841	May'21	22,544,015,646
August'20	25,917,223,214	June'21	25,415,698,725
September'20	22,571,971,254	July'21	25,963,738,753
<b>Total</b>	<b>257,905,080,800</b>	<b>Total</b>	<b>274,284,071,099</b>

<b>Average</b>	<b>25,790,508,080</b>	<b>Average</b>	<b>27,428,407,110</b>
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Source: The tax service office of Pratama Depok Cimanggis, 2021, reprocessed by researchers.

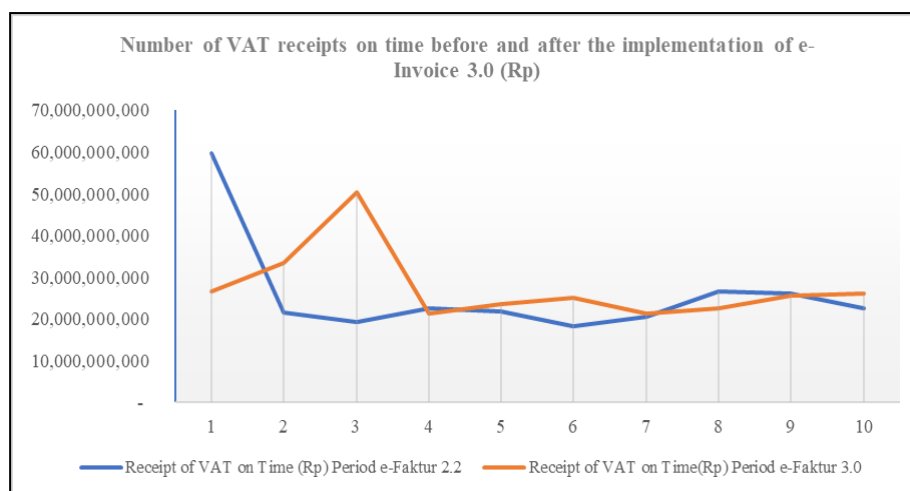


Figure 4. Comparison Number of VAT Receipts on Time Before and After The Implementation of e-Invoice 3.0

The number of VAT receipts on time increased by 6.35% during e-Invoice 3.0. At the beginning of 2021, the number of VAT receipts on time was relatively more stable than at the time of e-invoice 2.2. This is influenced by taxpayers' actions to always try to deposit VAT in a time including less paid VAT in the previous month.

The government strives to improve the quality of tax services to upgrade taxpayer compliance (Nugraheni, 2015). Its level was expected to rise with the increasing truth about calculation, the accuracy of depositing, filling out, and reporting the taxpayer's VAT period tax return to the nearest tax office (Harinurdin, 2009).

## 6. CONCLUSION AND DISCUSSION

Taxpayer perception of the implementation of e-Invoice 3.0 is to benefit, be convenient and provide satisfaction and comfort for taxpayers. Also, it is time-efficient through automation systems and prepopulated data features that the system already have. During the implementation of e-Invoice 3.0, there were no fictitious tax invoices. Instead, it contributed to taxpayer compliance through features that make it easier and can facilitate DGT in conducting supervision and proved effective by improving taxpayer compliance and providing a positive response from users.

This study had several limitations, including 1) it was conducted on only 15 (fifteen) taxpayer respondents, 2) and only within KPP Pratama Depok



Cimanggis from December 2019 - to July 2021. Consequently, DGT should improve the quality of the e-invoice application system, thereby fictitious invoices/tax invoices that are not based on actual transactions can be detected.

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