

# The Impact of E-Commerce Tax Reform on the Tax Revenue in Indonesia

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During the last decade the tremendous growth of digital technologies was inevitable. It has boosted economic activities more efficiently. The industry leaders have unleashed technology's power by developing new technology platforms. But more than that, it's the platform-based business models and strategies they enable that are driving the most profound global macroeconomic change since the industrial revolution.

The e-commerce business models have grown rapidly in Indonesia like Tokopedia, Bukalapak, and Go-jek that have long understood the power of digital technologies. Therefore, it is likely to be opportunity and also challenge for the tax authority Indonesia to get large portion of tax revenue from the e-commerce businesses. In the other hand, the borderless of the e-commerce business rises some specific issues on determining business location, the verification of tax objects and the identification of customers. Governments are already losing millions in tax revenue through the penetration of e-commerce within their jurisdictions, and their tax authorities are finding it increasingly difficult to stem this hemorrhage due to unclear of the laws and rule of play to determine of tax object. The tax reformation adopting ecommerce would likely be required to address this problem.

This study examined the e-commerce tax reform efforts of the country with respect to revenue generated, and reviewed the strengths and weakness of the tax system as it has evolved. The methodology used was a multiple linear regression model and a correlational study design to examined the effect of these variables by exploring the correlation between the dependent variable (tax revenue) and the independent variables (e-commerce tax policy reforms) and then finally evaluated the effect of the variables on tax revenue.