ABSTRACT

Tax is very important for a state to meet the budget which is needed to defray the organization of Government. The availability of budget from tax revenue determines the life of a state and a nation, namely to realize the goals of the nation. The state which is represented by the Government always makes efforts to increase its income from taxes. In order to increase the income from tax revenue, the Government carries out a series of acts mainly to implement tax payers surveillance function.

Tax payers surveillance which is technically done by The Directorate General of Taxes of Indonesian Ministry of Finance is done under the authority of government based on legislation in the field of taxation. The results of this surveillance become the reference for the Government in taking several actions such as issuing tax assessments and giving sanctions.

The use of this authority to take actions in the field of taxation possibly causes different perceptions from tax payers. These misperceptions potentially cause tax disputes between tax officers and tax payers. For tax payers who have objection, legal protection is performed in two forms. They are administrative attempts by claiming objection and legal attempts through lawsuit and appeal on tax court and judicial review by Indonesian Supreme Court.

Keywords: legal protection, government authority, tax surveillance