

## ABSTRACT

Indonesian taxation act adopted the *Self Assessment System*, that is such a tax collecting system which give full trust for tax payers to assess, pay and report their own tax. The taxation authority did not intervene in the establishment of the number of the tax should pay by the tax payers. Such system has some disadvantage, because it is very easy for the taxpayer to avoid and cheat. It could be happened because the people's awareness and obedience toward the law to pay their tax is relatively low. On the other side, there are many people who think that those tax payment procedures is too complicated, so there is a need to enact / establish the withholding system / more simple system.

The exploration of taxation income conducted by the DJP ( Direktorat Jenderal Pajak ) has been conducted in many ways, which includes : the establishment of new taxes, widen those taxation object, widen those taxation subject, increasing tariff, intensivication and extensivication and simplify the reduction system / simpler collecting system through the final system. This last mentioned way is the way that is most often being adopted and implemented by the DJP for individual tax types in order to secure the taxation income.

The other considerations that led the DJP to implement such final tax system are because of its simplexes in collecting taxes, its fairness in the number of tax being collected ( it might be not ), its equality in collecting taxes, its easiness in conducting tax collecting process, and its tendency that does not increase the burden given both to tax payer and the DJP. The problem arise from the explanation cited above is whether the DJP policy to adopt and implement such final tax system is in accordance with the sense of justice for the tax payer society.

The result of this study concludes that the DJP's policy cited above is effective. It means that such policy is able to catch up those Tax Payer who tend to hide / conceal their real income, that is when they are saving, buying new home, land, gold, stock, bond, and those other things that speculative in nature. However, the policy of collecting final PPh can not be conducted continuously, because it will minimize the meaning of *self assessment* itself, and will obstruct the establishment of a fairer income tax collecting system which is based on global taxation.

The concrete effort to replace the current final income tax collecting system might be conducted in many ways, which include : conducting data back up as a means needed to establish the number of tax should be paid by the tax payer. The establishments of tax without data back up

process won't result in significant tax income. Therefore, there is a need to improve the world coordination between the DJP (Direktorat Jenderal Pajak) and both of governmental institutions and it is hoped that those governmental institutions and private sector would open up themselves to provide those data needed by the DJP.

