 p-ISSN 2827-8585
e-ISSN 2827-8062

International Journal of Multidisciplinary Research and Literature
IJOMRAL
Vol. 2, No. 5, September 2023 pp. 481-600
Journal Page is available at http://ijomral.esc-id.org/index.php/home

THE EFFECT OF INCREASING VALUE ADDED TAX (VAT) AND INCOME ON CONSUMER PURCHASING POWER IN SMARTPHONE PURCHASE (CASE STUDY: ITC ROXY MAS)

Muhammad Fakhri[1*], Saparuddin Mukhtar[2], Harya Kuncara Wiralaga[3]
[1,2,3]Faculty of Economic, State University of Jakarta, Indonesia
Email: *muhammadfakhriunj@gmail.com[1*], saparuddin@unj.ac.id[2], harya_kuncara@unj.ac.id[3]*

Abstract

This study aims to determine the relationship of value added tax and income to people's purchasing power, either simultaneously or partially. The method used in this study is the method of determining the probability sample which uses the area sampling method. Data analysis used in this research is descriptive statistics, data quality test, classical assumption test, multiple linear regression analysis, and hypothesis testing. For analysis method, SPSS Version 25 is used.

The results of the hypothesis test concluded: there is a relationship between value added tax and income on consumer purchasing power. In this study, The contribution of X_1 and X_2 to Y is 84.2%, meaning that 84.2% of the variable value added tax and income contributes to consumer purchasing power, while the remaining 15 .8% is influenced by other variables.

Keywords: *Value Added Tax, Income, Consumer Purchasing Power*

INTRODUCTION

The human beings who live their lives will always meet their needs. In fulfilling human needs, it results in the growing variety of needs. In today's farming era as the 4.0 revolution, technology grows so rapidly, where the fulfillment of human needs becomes more practical and modern. Technology was created to help facilitate human work in activities, and to enhance productivity in the digital world very rapidly.

As technology progresses, the demand for electronic items is growing. This has led to the economic activity of selling and buying. The greater the need for things - electronic things, the higher the demand for them. With such economic activity, it would have made progress in a country. Such progress can be seen from various aspects, as an example of national acceptance. Taxes are the largest source of revenue to the state from any other source of revenue. As for one type of tax that exists in Indonesia, namely Value Added Tax or what we usually know as VAT. The value added tax is one of the few that contribute significantly to the acceptance of countries (Claudya, 2015). Value added tax is an objective tax, means the object that causes the obligation to pay taxes (Sinaga, 2021).

Source of Financial Acceptance	Realises of state acquisition (billions)		
	2020	2021	2022

Tax Revenue	1.285.136,32	1.547.841,10	2.016.923,70
Value Added Tax and Fancy Added Tax	450.328,06	551.900,50	740.053,60
Tax Revenues not Taxes	343.814,21	458.493,00	426.259,10

Source: Badan Pusat Statistik

Based on data obtained from BPS (Badan Pusat Statistik, 2023), we can see that the state revenue from taxes reached 2,016,923 billion, and the value added tax added 740,053 billion, which makes it approximately 36% of tax revenues from the tax sector.

According to the PPN's objective nature, it will be able to generate enough consumer purchase power to be known that the PPN will not see who consumed it but what was consumed (Farina, 2021). The value added tax, which originally included 10%, increased by April 1, 2022, to 11%, a 1% increase from this tax would, in a sense, lead to a number of increases in prices. Furthermore, this increase in value tax is preceded by the most dramatic world economy of the corona virus known to us as the covid-19. The situation has left many companies and small middle-class micro businesses at a loss, even to a close and So many societies lose their jobs.

Based on research done by dyah ayuningtyas tria hapsari (Hapsari, 2010), her research shows that variables affect consumer comsumption. As well as research results from fandy prasetiyo Wibowo (Wibowo, 2014), which states that a partial value added tax variable (VAT) has a positive and significant impact on consumer consumption.

LITERATURE REVIEW

Value Added Tax

Value Added Tax is also known as multiple stage levies because it is imposed several times. This tax based on the value added of goods in each chain of production and distribution lines. The pattern of public consumption and the dynamic development of business transactions are very influential in the imposition of VAT (Wulan, 2019)

Based on the explanation of Sukardji (2010), VAT is an indirect tax because the bearer of the tax burden and the person in charge of paying the tax are different parties. So it’s not just a transfer of the tax burden from the seller to the buyer. VAT is payable at the time of submission of taxable goods and/or services.

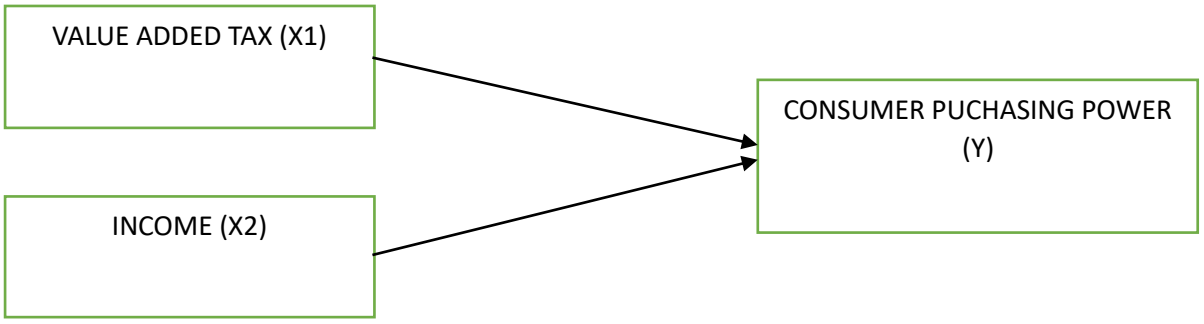
Income

Yuliana Sudermi Says that "income represents all a person's acceptance in return for his production. Such recompense may consist of wages, interest, rent, or profit depending on the production factors involved in the production process (Sudermi, 2007). Income is all the receipts of either money or other goods and of the products assessed on the basis of the current amount of money (Marhaeni, 2016).

Consumer Purchasing Power

The purchasing power consumer is consumer abilities in this regard consumer to implement the purchase of both goods and services he recieves needs. Increase and decrease people are a sign of power buy, whics is experiencing purchasing power increased increments than last period while power buy experiencing deducations can know from the sign is to makin high consumer in terms it's purchasing power over period that happened before. Another understanding about the purchasing power of ability consumer when it comes to performing purchasing with the demand for amount of goods so much at a market, with price rates, at income levels, and in the general period those components are particular. A person's ability within do an intake against a product is the definition of purcashing power in general. Between individuals' ones with other individuals in purchasing power certainly has its differences. Can known through individual status that, his job, his income, and other (Maryani, 2021).

Framework



METHOD

Population and Samples of the Research

The population of the study consisted of customer in a shopping store that sold smartphone items in ITC Roxy Mas Jakarta. Area Sampling, a method for selecting the sample based on certain criteria, was the sampling methodology used (Sugiyono, 2006)

Data Source

The method used to extort data in this study is primary data. According to Istijanto (2009), the primary data is the original data collected directly from the source by researchers to express the specific research problem. In the study, the collection and processing of data are using questionnaires or entices. "Questionnaire" is a list of statements used by researchers to copy data from their source directly through the communication process or by asking a few questions. This questionnaire or angketone is used to learn more about how tax increases and revenues affect consumer spending on smartphones. The kuisin the itc Roxy area.

Data Analysis Technique

The data analysis methods applied in this study were the normality test and hypothesis testing. This normality test was performed to ascertain whether the data had a normal distribution. The purpose of the normal test to find out whether in the regression model dependents and independently has a contribution or not. Research that USES more reliable methods for testing data has normal or non-specific distribution, which is by looking at normal subplots. There are two ways to detect whether a residual distribution is normal or not with graphic and statistical analysis (kolmogorov-tester test).. The Kolmogorov-Smirnov test's hypothesis, which had a significance level (α) of 5%, was as follows: (1) The sample is normally distributed if the Kolmogorov-Smirnov probability is > α; (2) otherwise, the sample is not normally distributed if the probability is < α (Ghozali, 2011).

In this study using a significant two-way test or two tailed test, which is a two-way test of the hedges' denial area at right end and left. In two-way testing, usually used for signs equals (=) at a zero hypothesis and signs are not the same as (equals) on an alternate hypothesis. The sign (=) and (≠)doesn't indicate a direction, so testing is done in both directions (Purwanto, 2009). The criteria in the partial test (t test) according to riduwan (2010), Can be seen as follows, if $t_{table} \leq t_{count} \leq t_{table}$, Thus ho is accepted and ha is rejected, meaning partial independent variables have no significant influence on the dependent variables. Hypothesis test based on calcification

A. if sig. > 0.05 then ho is accepted

B. if sig. < 0.05 then ho is rejected

RESULT AND DISCUSSION

Normality Test

One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual

N		120
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.78666478
Most Extreme Differences	Absolute	.066
	Positive	.054
	Negative	-.066
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Based on the results of the above significance indicates a recipient of 0.200, where 0.200 > 0.05. Then it could be said that this result indicates that research has been given normal distribution. Normality test results using version 22 of SPSS program with the following model p-plot.

Partial Test (T – Test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.646	2.249		4.734	.000
	VALUE ADDED TAX	-.148	.053	-.153	-2.809	.006
	INCOME	.858	.052	.894	16.364	.000

a. Dependent Variable: CONSUMER PURCHASING POWER

Based on the above table, partial test suggests that the relationship between the tax increase in value and consumer consumption in a significant relationship is reflected in the significance of 0.006, which is smaller than 0.05, which means that ha has been accepted. Activities in consuming goods or services would indirectly add tax imposed on individual communities. So that communities without established conditions would have suppressed consumption and reduced purchasing power.

For an income variable also has a significant 10,000 that can be said to be a significant link to the purchasing power because its significance is smaller than 0.05, it means that it is widely accepted. The income generated by the public will demand for goods or services to be consumed by the public. In this case those that have more income will consume more than those with smaller income. So the amount of revenues is directly proportional to the purchasing power that people have.

Simultaneous tests

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	928.798	2	464.399	143.036	.000[b]
	Residual	379.868	117	3.247		
	Total	1308.667	119			

a. Dependent Variable: CONSUMER PURCHASING POWER

b. Predictors: (Constant), INCOME, VALUE ADDED TAX

Seeing the anova table above, the value of an f count of 143,036 with a degree of significance of 0,000. Because the value of 0,000 probabilities is smaller than 0.05, it can be used to predict consumer purchase. The results of the f test can be seen from the table above the value of f obtained at 143,036 with a degree of 0,000 significance. Because its significance level was smaller than 0.05, then the ha hypothesis was adopted, and it could be said that a value added tax and income on consumer spending power affected simultaneously.

Linier Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.646	2.249		4.734	.000
	VALUE ADDED TAX	-.148	.053	-.153	-2.809	.006
	INCOME	.858	.052	.894	16.364	.000

a. Dependent Variable: CONSUMER PURCHASING POWER

Based on what has been obtained from the regression coefficient above aka can be made a regression equation as follows:

$$Y = 10,646\text{-}0148x_1 + 0,858x_2$$

To the regression equation above shows that the value of constants of 10,646. This notes that if a value added tax and income are perceived to be constant, then consumer spending will be a constant of 10,646 units.Coefficient regression in value-increase taxes by -0.148, this means that if a tax variable in value increases by one unit, consumer consumption will be reduced by 0.148 units.

Regression coefficient in revenue at 0.858, which means that if the revenue variable increases by one unit then consumer purchasing power increases by 0858. This finding is consistent with the theory according to Liberti Pandiangan, that value added tax is a type of indirect tax which is included as a consumption tax and this VAT is a tax imposed on the added value of a transacted goods or service.

DISCUSSION

Value added tax on Consumer Purchasing Power

The results show the impact of the increase in value tax on consumer spending has a value of 0.006, which is less than 0.05, so it can be concluded that a value added tax affects consumer consumption so that the H1 is received. This results in conjunction with studies by salma (Faizah, 2022) on the impact of value-added taxes on consumer consumption, indicating that value added taxes have a significant impact on consumer consumption.

Revenue on Consumer Purchasing Power

The results show that the impact of revenue on consumer spending power is of 0,000 significance which is less than 0.05, and therefore it can be said that income affects the buying power of the consumer so that H2 is accepted. The results coincide with research conducted by Fery (Hernaningsih, 2018) as to how income affects consumer spending power, indicating that income has a significant impact on consumer consumption.

Value added tax and income on consumer spending

The results of the coefficiencies that have been done, suggests that independent variable connections on a dependent variable have considerable impact can be seen from an increase in compact correlation (r) that shows 0.842 or can also be defined by 84.2% in which the figure suggests that variations of consumer purchasing power can be explained by independent variables. Whereas, the remaining 15.8% is explained by other variables beyond those of value and income tax variables.

CONCLUSION

Based on data that have been collected and testing results that have been done before, they can be drawn as follows:

1. Simultaneous and partial increase value added tax affect consumer consumption
2. Simultaneous and partial incomes affect consumer consumption
3. And mutual value added tax and income taxes-together have a simultaneous and partial impact on consumer consumption.

REFERENCES

Badan Pusat Statistik. (2023). Realisasi Pendapatan Negara (Milyar). Retrieved from https://www.bps.go.id/indicator/13/1070/1/realisasi-pendapatan-negara.html

BN, M. (2003). Kamus Manajemen.

Claudya, N. (2015). Analisis Pengaruh Pajak Pertambahan Nilai (PPN) dan Pajak Penjulan Atas Barang Mewah (PPnBM) Terhadap Daya Beli Konsumen Pada Kendaraan Bermotor. *Jurnal Berkala Ilmiah Efisiensi*.

Faizah, A. S. (2022). Pengaruh Pajak Pertambahan Nilai, dan Pajak Kendaraan Bermotor Tarif Progresif terhadap Daya Beli Konsumen. *Jurnal Akuntansi dan Manajemen*.

Farina, D. (2021). Pengaruh Pengenaan Pajak Pertambahan Nilai (PPN) Terhadap Daya Beli Konsumen Barang Elektronik Di Pasar Batusangkar.

Ghozali, I. (2011). Aplikasi Analisis Multivariate Dengan Program SPSS.

Hapsari, D. A. (2010). ANALISIS PENGARUH PENGENAAN PAJAK PERTAMBAHAN NILAI (PPN) DAN PAJAK PENJUALAN ATAS BARANG MEWAH (PPNBM) TERHADAP DAYA BELI KONSUMEN PADA BARANG ELEKTRONIKA.

Hernaningsih, F. (2018). Pengaruh Kestabilan Inflasi dan Ketimpangan Pendapatan terhadap Daya Beli Masyarakat. *Jurnal M - Progress* .

Istijanto. (2009). Aplikasi Praktis Riset Pemasaran.

Marhaeni, D. (2016). Pengaruh Faktor Ekonomi Sosial dan Demografi terhadap Kontribusi Perempuan pada Pendapatan Keluarga di Sektor Informal Kecamatan Melaya. *Jurnal Kependudukan dan Pengembangan Sumber Daya Manusia*, *12*(1).

Maryani, R. A. (2021). Analisa Perilaku Konsumtif dan Daya Beli Konsumen terhadap penjualan online selama masa pandemi covid 19. *Jurnal Terapan Ilmu Manajemen dan Bisnis (JTIMB)*, *4*(2), 93.

Purwanto, S. d. (2009). Statistika untuk ekonomi dan keuangan modern edisi 2 buku 2.

Resmi, S. (2016). Perpajakan : Teori dan Kasus Edisi Revisi.

Riduwan. (2010). Skala Pengukuran Variabel - Variabel Penelitian.

Sinaga, S. W. (2021). Value Added Tax on Consignment post - omnibus law. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *5*(4).

Sudermi, Y. (2007). *Pengetahuan sosial ekonomi kelas X*. Jakarta: Bumi Aksara.

Sugiyono. (2006). Metode Penelitian Kuantitatif, Kualitatif, dan R&D.

Sukardji, U. (2010). Pokok - Pokok PPN: Pajak Pertambahan Nilai Indonesia.

Wibowo, F. P. (2014). PENGARUH PENERAPAN PMK NO-121/PMK.011/2013 ATAS PAJAK PERTAMBAHAN NILAI (PPN) DAN PAJAK PENJUALAN BARANG MEWAH (PPNBM) TERHADAP DAYA BELI KONSUMEN PADA BARANG ELEKTRONIKA.

Wulan, T. A. (2019). Sengketa pemungutan pajak pertambahan nilai sebagai dampak perbedaan persepsi dalam interpretasi kriteria pengusaha kena pajak tertentu. *Jurnal Vokasi*.