

IMPLICATION OF A 12 PERCENT VALUE ADDED TAX INCREASE ON FARMERS' WELFARE IN INDONESIA

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Abstract

This study is a qualitative study with a descriptive approach, namely an approach that describes the main problem, namely around the twelve percent value added tax increase policy on farmer welfare. The data used in this article is secondary data that researchers obtain from various credible sources such as books, scientific journals, scientific magazines, credible websites, and various other sources that are commonly used in each study. The existing data is analyzed by the stages of data collection, data selection, data reduction, and drawing conclusions with a more comprehensive explanation below.

Keywords: 12 Percent, Value Added Tax, Farmer's Welfare

INTRODUCTION

According to (BKKBN, 2014) a prosperous family is a family that is formed based on a legal marriage, is able to fulfill decent spiritual and material life needs, is devoted to God Almighty, has a harmonious, harmonious, and balanced relationship between members and between families with society and the environment. Welfare is a condition where a person can fulfill basic needs, be it the need for food, clothing, shelter, clean drinking water and the opportunity to continue their education and have adequate work that can support their quality of life so that their life is free from poverty, ignorance, fear, or worry so that their life is safe and peaceful, both physically and mentally (Fahrudin 2012).

In the concept of welfare according to (Nasikun 1996) it can be formulated as an equivalent meaning of the concept of human dignity which can be seen from four indicators, namely: Security, welfare, freedom, and identity. These indicators are things that are used to see the level of welfare which creates a sense of security, welfare, freedom and identity of a person in meeting their needs.

According to Koller in (Bintarto 1989), welfare can be measured from several aspects of life: 1) By looking at the quality of life in terms of material, such as the quality of the house, pagan materials and so on 2) By looking at the quality of life in terms of physical, such as physical health, natural environment, and so on; 3) By looking at the quality of life in terms of mental, such as educational facilities, cultural environment, and so on; 4) By looking at the quality of life in terms of spiritual, such as morals, ethics, harmony of adjustment, and so on.

The welfare indicators above explain that to measure welfare is seen from the material, physical, mental and spiritual aspects. Thus, welfare is not only seen from the overall needs without disturbing other needs. (Rosni 2017) Nationally, there are two versions of family welfare measurement, namely welfare measurement carried out by the Central Statistics Agency (BPS) and the National Family Planning Coordinating Agency (BKKBN). According to the Central Statistics Agency (BPS), to measure the level of welfare can be seen from 6 indicators including: population, health, education, employment, fertility, housing and expenditure (Anggun 2019).

The concept of welfare according to BKKBN, is formulated more broadly than just the definition of prosperity or happiness. There are three groups of needs that must be met, namely: basic needs, social needs, and development needs. If only one need can be met by a family, for example basic needs, then the family cannot be said to be prosperous according to this concept, therefore to strengthen the indicators that affect welfare, BKKBN has its own indicators, namely 1) Amount of Income The greater the income obtained, the greater the ability to finance all expenses and activities that will be carried out. The higher the income obtained, the more it will increase the standard of living of the household 2) Higher and quality education Education also has a very positive effect on the promotion of economic growth because it will produce a workforce that is tenacious, skilled and educated so that it is useful for economic development because it has human resources that are not in doubt. In this education there are three types of indicators used for education which include, the level of education of household members, the availability of educational services, and the use of these educational services. 3) Better health quality. In order to improve household health and living standards, there are four types of indicators used, which include nutritional status, disease status, availability of poverty services, and use of these health services (Suradi 2017).

In the book released by the Central Statistics Agency (BPS) there are 3 levels of community welfare, namely Pre-Prosperous Families, Prosperous Families I, and Prosperous Families II. Pre-Prosperous Families are families that have not been able to meet their basic needs or can be said to be pre-prosperous families, namely families that are not yet prosperous. Prosperous Families I are families that have met their basic needs at a minimum, but have not been able to meet their entire social psychological needs, such as eating animal protein, clothing and worship needs (Ramdhani 2016). Prosperous Families II are families that in addition to being able to meet their basic needs, can also meet their social psychological needs. In the data released by BPS, it can be seen that the highest pre-prosperous families are in Grobogan Regency, which is 266,617 and then followed by Blora Regency with a pre-prosperous figure of 168,202, so that the high pre-prosperous families indicate that in that area it is not yet said to be prosperous and special attention is needed (Ndakularak 2018).

Currently, MDGs are an important reference for development in Indonesia, starting from the planning stage, implementation, to monitoring and evaluation. MDGs are a formulation of development indicators. MDGs are an effort to expand development by placing humans as the center. The point is that this program seeks to free humans from poverty and hunger, healthy, intelligent and independent so that they have self-confidence and dignity (National Team for the Acceleration of Poverty Reduction, 2011). The welfare referred to in this article is the Welfare of Farmers when the value added tax is increased to 12 percent. Researchers will comprehensively analyze the impact of this policy on the welfare of farmers in Indonesia (Kakisina 2011).

METHODS

Based on the explanation above, it can be concluded comprehensively that this study aims to analyze the impact of the 12 percent value added tax increase policy on farmer welfare, whether it has a good impact on farmer welfare or vice versa, namely a bad impact on farmer welfare. This study is a qualitative study with a descriptive approach, namely an approach that describes the main problem, namely around the twelve percent value added tax increase policy on farmer welfare. The data used in this article is secondary data that researchers obtain from various credible sources such as books, scientific journals, scientific magazines, credible websites, and various other sources that are commonly used in each study. The existing data is analyzed by the stages of data collection, data selection, data reduction, and drawing conclusions with a more comprehensive explanation below.

RESULT AND DISCUSSION

Farmer Welfare and Welfare

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Implication Of A 12 Percent Value Added Tax Increase On Farmers' Welfare In Indonesia

The Indonesian government has set an increase in the Value Added Tax (VAT) rate from 11 percent to 12 percent which will take effect on January 1, 2025. Finance Minister Sri Mulyani stated that this policy is part of an effort to increase state revenues to support national economic stability. The increase in the VAT rate to 12 percent is carried out in accordance with the mandate of the Law on Harmonization of Tax Regulations (UU HPP). This step aims to maintain fiscal balance amidst global economic challenges. The following is a list of goods and services that will be subject to 12 percent VAT, quoted from Antara: 1. Hospital services and premium health facilities, including VIP services. 2. International educational institutions or premium education services with high costs. 3. Household electricity consumption with a capacity of 3,600–6,600 VA. 4. Premium rice. 5. Premium fruits. 6. High-quality fish such as salmon and tuna. 7. Luxury shrimp and crustaceans, such as king crab. 8. Premium meat such as wagyu and kobe which are priced in the millions of rupiah (Aprillia Ika 2024).

Based on the above explanation, it can be concluded that the increase in value added tax of twelve percent does not have a significant impact either in a good or bad direction. This is because the object of the increase in value added tax of twelve percent is only aimed at premium goods. Farmers in Indonesia who are in the lower middle class do not have too many problems with the policy.

CONCLUSION

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Regulations (UU HPP). This step aims to maintain fiscal balance amidst global economic challenges. The following is a list of goods and services that will be subject to 12 percent VAT, quoted from Antara: 1. Hospital services and premium health facilities, including VIP services. 2. International educational institutions or premium education services with high costs. 3. Household electricity consumption with a capacity of 3,600–6,600 VA. 4. Premium rice. 5. Premium fruits. 6. High-quality fish such as salmon and tuna. 7. Luxury shrimp and crustaceans, such as king crab. 8. Premium meat such as wagyu and kobe which are priced in the millions of rupiah (Aprillia Ika 2024).

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