

Implementation of Tapping Box Device to Improve Regional Tax Revenue from Restaurants and Cafes in Bandar Lampung City

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Abstract

This study examines the implementation of Tapping Box devices at restaurants and cafes to enhance local tax revenue (PAD) in Bandar Lampung City. The Tapping Box system records transactions in real-time, ensuring transparency and reducing tax evasion. The research highlights challenges in adoption, including resistance from business owners and insufficient awareness. Using a qualitative approach with data collected through interviews, observations, and documentation, this study identifies key factors affecting the system's success and provides recommendations to improve compliance.

Keywords: Tapping Box; Tax Revenue; Restaurants; Cafes.

Introduction

Tax revenue plays a critical role in funding regional development, including infrastructure, education, and healthcare (Anwar & Wijaya, 2023; Dhia & Alam, 2024; Nnyanzi et al., 2018; Omodero et al., 2018). In Bandar Lampung City, the restaurant and cafe industry has become a significant contributor to local taxes, yet issues like tax evasion hinder optimal revenue collection. To address this, the city implemented the Tapping Box system, a technology that monitors transactions in real time, reducing opportunities for underreporting income. Despite the potential benefits, challenges remain in ensuring full compliance from business owners (Hidayati et al., 2021; Okunogbe & Tourek, 2024; Shao & Dida, 2019).

This research investigates the implementation of Tapping Box technology in the Enggal District of Bandar Lampung. It explores how the system has been received by businesses and the factors that contribute to its effectiveness or hinder its adoption. In the studies by (Barusman, 2024; Bestari, 2018; Persada et al., 2018; Purnomo & Tsany, 2024), various aspects of local tax collection, compliance, and performance are explored.

(Rezeki & Harahap, 2022) investigated the effectiveness of tapping box technology in increasing regional revenue through restaurant taxes in Kolaka

Regency. Their research question centered on how tapping boxes contribute to regional revenue. Grounded in a conceptual framework of technological integration in tax collection, the study employed a qualitative approach, collecting data through interviews, field observations, literature review, and document analysis. Data were analyzed inductively to assess effectiveness, revealing that while tapping boxes improved tax collection accuracy and taxpayer compliance, challenges such as non-compliance and technical tampering limited their impact (Boning et al., 2018; Diebie & Diebie, 2020). The findings emphasize the need for stronger enforcement and public education to maximize tapping box efficacy in tax revenue enhancement (Barusman et al., 2024; Christian, 2017; Hidayati et al., 2021).

(Silalahi, 2023) focused on tax revenue differences in Bandar Lampung before and after tapping box implementation. Employing a mixed-methods approach, the study combined quantitative paired sample t-tests with qualitative interviews, collecting primary data from business operators and secondary data from monthly tax reports over two years (Aryadi & Ahadiat, 2020; Juniarti & Anggrahini, 2020). The analysis demonstrated significant tax revenue increases post-implementation, especially in restaurant, hotel, and parking sectors, showcasing the tapping box as an effective tool for minimizing tax leakage and enhancing revenue (Ahmad et al., 2023; Mahyuliza et al., 2021; Malik & Verawati, 2016). The study highlighted challenges in user compliance and infrastructure reliability but confirmed tapping boxes' role in improving tax collection and municipal revenue (Fachururozi et al., 2024; Kamaruddin et al., 2022).

(Agustin & Arza, 2021; Pratamawaty et al., 2019) examined the impact of the tapping box system on restaurant tax compliance and taxpayer awareness in Bandar Lampung. This research adopted a quantitative approach, using Likert-scale questionnaires to measure the influence of tapping box implementation and taxpayer awareness on compliance (Herfina, 2022; Pambudi et al., 2015). The findings, analyzed statistically, indicated a positive correlation between tapping box usage and compliance, supporting the hypothesis that technological monitoring can improve tax payment behavior (Christian, 2017; Widuri et al., 2019). The study underscores the need for continuous awareness-raising efforts to sustain compliance and ensure the tapping box system's effectiveness.

In summary, these studies collectively support the notion that tapping box technology enhances tax revenue collection, primarily by increasing compliance and monitoring accuracy. However, consistent taxpayer education and system adjustments are critical to addressing compliance issues and fully realizing the potential of this technological intervention in tax administration.

Materials and Methods

The research employed a qualitative descriptive method to explore the practical implementation and regulatory framework of the Tapping Box system. This approach allowed for an in-depth understanding of the phenomenon through detailed and contextual analysis (Elisabeth, 2023; Mapope & Wadesango, 2022). Field research was conducted in restaurants and cafes located within the Enggal District, a

region selected due to its active adoption of the Tapping Box system. By focusing on this area, the study aimed to capture a comprehensive view of how local businesses interact with the system and its impact on tax compliance and revenue monitoring (Okoth et al., 2023).

Data collection involved multiple techniques to ensure a holistic perspective (Sepasgozar & Davis, 2018; Shao & Dida, 2019). Interviews were conducted with three key stakeholder groups: business owners, who provided insights into their experiences with the system; tax officials, who explained its operational goals and challenges; and key personnel from the local tax authority, who detailed the policies driving its implementation (Tehulu, 2019). Observations were carried out on-site to directly assess the system's operation, including its integration with existing business practices and any technical or behavioral issues that arose (Makambajeki & Mjema, 2023). Additionally, relevant documents, such as local regulations, policy guidelines, and system usage reports, were reviewed to contextualize the findings within the broader framework of tax administration (Rulandari et al., 2022). These combined methods ensured a rich and nuanced understanding of the Tapping Box system's effectiveness and areas for improvement.

The key steps in data collection and analysis included:

1. Interviews with business owners and tax officials to understand the challenges and benefits of the Tapping Box system.
2. Observations of the system in use to evaluate its functionality.
3. Document review to examine local regulations, tax reports, and implementation guidelines.

Results and Discussion

The results revealed both positive impacts and significant challenges associated with the implementation of the Tapping Box system in the Enggal District of Bandar Lampung. These findings align with existing literature and further highlight the potential and limitations of technological interventions in tax administration.

Positive Impacts:

Increased Tax Transparency

Consistent with findings by (Rezeki & Harahap, 2022), the Tapping Box system provided local tax authorities with real-time transaction data, significantly enhancing transparency. This ensured more accurate reporting of sales from restaurants and cafes, thereby reducing discrepancies in declared revenues. The accuracy of tax collection was notably improved, echoing similar results observed in Kolaka Regency.

Reduction in Tax Evasion

The system also reduced opportunities for businesses to underreport their revenues, a key issue identified by (Silalahi, 2023) in Bandar Lampung. This improvement directly contributed to increased local tax revenue, as the technology acted as a deterrent to non-compliance, minimizing tax leakage as demonstrated in related studies (Ahmad et al., 2023; Mahyuliza et al., 2021).

Challenges:

Resistance from Business Owners

A recurring challenge, also noted by (Agustin & Arza, 2021; Pratamawaty et al., 2019), was resistance from business operators. Many restaurant and cafe owners expressed concerns about potential customer dissatisfaction, particularly regarding additional tax charges. This resistance hindered widespread adoption and compliance with the system.

Lack of Awareness and Training

Similar to findings by (Rezeki & Harahap, 2022), insufficient training and awareness among business owners significantly affected the system's implementation. Many operators were unfamiliar with the technical requirements of the Tapping Box and lacked the necessary skills to operate it effectively. This lack of understanding underscores the importance of taxpayer education highlighted in previous studies (Christian, 2017; Widuri et al., 2019).

Technical Issues

Occasional malfunctions in the Tapping Box devices, along with inadequate support from service providers, posed operational challenges. These findings are consistent with (Silalahi, 2023), who noted infrastructure reliability issues, and (Rezeki & Harahap, 2022), who pointed to technical tampering as a limitation to the system's success.

These challenges highlight the need for more targeted efforts to improve business owners' awareness of the system's benefits and the technical support available to them. Furthermore, ongoing collaboration between local authorities and businesses is essential to address concerns and ensure smooth operation.

Conclusion

The implementation of the Tapping Box system in Bandar Lampung's Enggal District has proven beneficial in improving tax revenue transparency and reducing evasion. However, the success of this initiative depends on addressing key challenges, including resistance from business owners and technical issues. Enhanced training programs, better technical support, and continued engagement with business owners are recommended to maximize the system's potential. By improving these aspects, the Tapping Box can play a vital role in increasing local revenue and supporting regional development in Bandar Lampung City.

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