

THE TAX IMPLEMENTATION IN E-COMMERCE IN INDONESIA

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ABSTRACT

This research attempts to identify “The Tax Implementation in E-Commerce in Indonesia”. At the same time, to know the steps taken by the Indonesia tax authorities to solve the problems arise from e-commerce. Besides, this research also tends to assess the knowledge ability of the public towards the issue of taxation in e-commerce. As most of them, despite their gender and age shows a clear understanding on what e-commerce is. Furthermore, most of the respondents agree that Indonesia can only tax the income derived from e-commerce if the parent company of the website is also established in Indonesia. The main source that should be taken into concern is the exact location where the transactions are actually carried out, which is the location where the parent company is situated finally, from the research, the researcher also found that most of the respondents are not alert or aware with the actions taken by the Indonesia government to bring out solutions for the problems cause by e-commerce. In fact, Indonesia has been participating in international forums such as the OECD, APEC and WTO to try to obtain a common platform to solve the problem arise. As a conclusion, E-commerce is a relatively new phenomenon in Indonesia and is still in its infancy. At present, there are dozens of business-to business (B2B) and business-to-consumer (B2C) websites in Indonesia.