

TAX DISPUTE SETTLEMENT MEDIATION ARRANGEMENTS IN THE FUTURE TAX COURT

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Abstract

Tax Dispute Settlement in the Tax Court has not provided a sense of justice and legal certainty and is only through litigation that is win-lose (win-lose). Settlement of tax disputes through litigation is less useful because the process is long and lengthy, besides that tax disputes continue to increase. The existing tax dispute resolution methods do not reflect the dispute resolution process that is simple, fast, low cost, and does not provide a sense of justice and legal certainty. Alternative tax dispute resolution is through a mediation process, but in this process, there is no norm that regulates it. The purpose of this study is to find out how the mediation arrangement for tax dispute settlement in the Tax Court should be in the future. The research method used is a normative legal research method with a statutory approach, a historical approach, a concept approach and a comparative approach. The legal materials used consist of primary, secondary, and tertiary legal materials with the technique of collecting legal materials, namely through library research. The technique of analysing legal materials is carried out by qualitative juridical methods. The results of the study indicate that the settlement of tax disputes through mediation can be regulated in the Tax Court Law by examining the Ordinary Procedure prior to the examination of the subject matter of the dispute, and mediation can be carried out for certain types of tax disputes, to achieve a simple, fast and low-cost dispute resolution for the taxpayers, disputing parties and can reduce the number of disputes that must be examined and decided by the Tax Court.

Keywords: Tax Dispute, Tax Court, Mediation.

1. Introduction

The philosophy of tax collection in Indonesia is stated in Article 23A of the 1945 Constitution, like the tax philosophy of developed countries, "no taxation without representation" is the tax philosophy of the British state, while in the United States they postulate "taxation without representation is robbery". Article 23A of the 1945 Constitution affirms that the state has the authority to collect taxes based on the law. The implementation of the State collecting taxes is carried out by the government as a state administrator, both the Central Government and the Regional Government. In order to improve the welfare of the community, it is necessary to have sources of state financing, one of which comes from the tax sector. Tax reform (tax reform) in 1983, has made a fundamental change towards reforms in the national tax system. The public is placed in the main position in carrying out their tax obligations (Bawazir, 2011). Since 1984, Indonesia has replaced the administrative assessment or official assessment system where the Directorate General of Taxes calculates the tax payable to the self-assessment system, namely the taxpayer who calculates the tax payable based on the law (Fidel, 2015).

Indonesia uses a self-assessment system as a tax collection system that is currently in effect. Taxpayers are given the responsibility to register, calculate, report and pay their own taxes

owed. Taxpayers must also know the amount of tax owed and the tax payment deadline. The consequences of implementing this self-assessment place a great responsibility on the Taxpayer to perform Voluntary Compliance. That the premise of self-assessment is that taxpayers clearly know the number of tax objects because they have complete data and information, namely calculating, paying and reporting taxes payable in accordance with tax laws and regulations by using SPT (Report, both monthly and annually). After being reported, if there are still underpayments, the Fiskus will urge the tax underpayment. After being advised several times but the Taxpayer does not act, it is proposed to conduct an audit (Negara, 2017).

In connection with the tax audits carried out, the tax authorities issued several legal products including the Underpaid Tax Assessment Letter (SKPKB), Additional Underpaid Tax Assessment Letter (SKPKBT), Overpaid Tax Assessment Letter (SKPLB), Zero Tax Assessment Letter (SKPN) and Tax Collection Letter (STP). Not all the legal products resulting from the audit or those that are not from the audit are approved by the Taxpayer. This disagreement led to a dispute called a tax dispute.

Tax disputes that arise between the tax authorities and taxpayers can be resolved by filing objections, appeals, and reconsideration. One form of service to the rights of taxpayers to provide compliance and fairness effects in tax payments, a Tax Court has been established through Law Number 14 of 2002 concerning the Tax Court to replace the Tax Dispute Settlement Agency. The Tax Court is authorized to examine and decide on tax disputes that arise as a result of an appeal against decisions that can be appealed, as well as lawsuits against the implementation of tax collection. The Tax Court is a special court within the State Administrative Court. In handling tax disputes, Tax Court Judges have the authority to explore the formal and material truths of the disputed issues (Sa'adah, 2019).

Table 1. List of Files Still in the Process of Handling Tax Disputes (As of December 2020)

| Year | REST OF THE PREVIOUS YEAR | New File | | | NUMBER OF FILES HANDLED | Decision | | | LEFT FILES IN PROCESS |
|------|---------------------------|----------|---------|--------|-------------------------|----------|---------|--------|-----------------------|
| | | Appeal | Lawsuit | Total | | Appeal | Lawsuit | Total | |
| 2015 | 11.190 | 1.439 | 12.629 | 25.173 | 7.855 | 1.173 | 9.028 | 16.145 | 11.190 |
| 2016 | 8.530 | 1.624 | 10.154 | 26.299 | 11.237 | 1.628 | 12.865 | 13.434 | 8.530 |
| 2017 | 8.264 | 1.315 | 9.579 | 23.013 | 9.899 | 1.332 | 11.231 | 11.782 | 8.264 |
| 2018 | 9.905 | 1.531 | 11.436 | 23.218 | 8.478 | 1.485 | 9.963 | 13.255 | 9.905 |
| 2019 | 12.940 | 2.108 | 15.048 | 28.303 | 8.512 | 1.628 | 10.140 | 18.163 | 12.940 |
| 2020 | 14.139 | 2.495 | 16.634 | 34.797 | 8.407 | 1.641 | 10.048 | 24.749 | 14.139 |

Source: <http://www.setpp.kemenkeu.go.id/>

From 2015 to 2020, the tax dispute resolution process at the Tax Court which takes a long time has resulted in the parties not getting justice and legal certainty related to tax disputes submitted to the Tax Court. The length of the dispute resolution process has also not fulfilled the principle of simple, fast, and low-cost dispute resolution. In a civil dispute case, before examining the subject matter of the dispute in court, the District Court Judge will provide an opportunity for the parties to first take the path of peace through the mediation process. Mediation is carried out by the judge in the relevant court. Meanwhile, in the case of State Administrative disputes, there is no known peace process. If the parties in a state administrative dispute want peace, then this is possible, but it is done outside the court, which

is further regulated by a Circular Letter of the Supreme Court (Wiyono, 2010).

Law Number 14 of 2002 concerning the Tax Court does not regulate mediation procedures both in court and out of court, so the Supreme Court of the Republic of Indonesia in 2008 issued Regulation of the Supreme Court (hereinafter abbreviated as PERMA) Number 1 of 2008 which became a solid legal basis for settlement of cases through mediation in the litigation process. in court so that the disputing parties get a fair and satisfactory legal settlement. Article 66 of Law Number 14 of 2002 concerning the Tax Court, regulates the process of examining tax dispute cases in court with a fast procedure. Types of disputes that can be examined with a quick procedure are described in Article 66 paragraph (1) letters a to d and paragraph (2), which are carried out by the Panel or Sole Judge as stated in Article 65. Researchers in this paper will raise a topic, namely about the mediation process as an alternative form of dispute resolution that allows it to be applied in the tax dispute resolution process through a quick examination at the Tax Court.

Mediation is basically the process of resolving a dispute by using a neutral third party to help the disputing parties find the best solution or solution to the problem at hand. If the tax dispute resolution process in the tax court takes a very long time, then the rights of the parties to the tax that is still in dispute cannot be collected by the state, and or cannot be returned to the taxpayer until the dispute gets a decision that has permanent legal force binding.

The existing tax dispute resolution method is only through litigation. One of the tax dispute resolution methods that can be done by the Taxpayer if he is not satisfied with the decision issued by the Directorate General of Taxes in the objection process, the Taxpayer can file an appeal to the Tax Court. Taxpayers can also file a lawsuit to the Tax Court against decisions issued by the Directorate General of Taxes that can be filed. However, it turns out that the dispute resolution method requires a long and long time, both in the process of court proceedings, as well as in the settlement of decisions on disputes submitted by appeals or lawsuits. The examination process can be carried out through examinations with Quick Procedures and Ordinary Procedures, with the types of disputes that are repeated or non-judicial disputes that require examination of evidence. The mediation process as an alternative form of dispute resolution can be applied in the tax dispute resolution process by the Tax Court Judge, through a Quick Procedure examination for certain disputes, thereby accelerating the tax dispute resolution process at the Tax Court.

Along with the increasing number of tax disputes in the Tax Court from year to year, resulting in a build-up of disputes, so that the settlement of tax disputes at the Tax Court takes a long time, so that various problems arise in the settlement of tax disputes at the Tax Court, including:

- The main problem for the Tax Court today is that there are more and more tax dispute cases from year to year, which results in the accumulation of tax dispute arrears that have not been decided by the Tax Court. The number of decisions and the length of decisions that have not been resolved have the potential to affect the performance of the Tax Court Judges who decide on tax disputes being handled. So that the tax dispute resolution process at the Tax Court has not fulfilled the principle of simple, fast and low-cost dispute resolution for the disputing parties.
- In addition, the settlement of decisions on the examination of tax disputes whose realization exceeds the time period as stipulated in Article 81 of Law Number 14 of 2002 concerning Tax Courts as Procedural Law in Tax Courts. In fact, there are still tax disputes that have not been decided by the Tax Court Judge which exceeds a period of 1 year to 6 years. In addition to the term of the decision, there are also disparities in the decisions of the Tax Court Judges on the same and similar tax disputes, but the decisions are different because they are examined by a different panel of judges.

- Mediation can be one of the solutions that can be applied in the process of resolving tax disputes at the Tax Court, but Law Number 14 of 2002 concerning the Tax Court as procedural law in the settlement of tax disputes at the Tax Court does not regulate the implementation of the mediation.
- It is necessary to adjust or amendments to Article 66 of Law Number 14 of 2002 concerning the Tax Court regarding the quick examination of paragraph (1) letter for certain types of disputes, which may be expanded to include types of disputes. Amendments to this law are carried out by the House of Representatives (DPR) and the President.
- There is a judicial review to the Supreme Court of the Tax Court Judge's decision on a tax dispute which was decided "unacceptable" which has the potential to prolong dispute resolution if the PK legal remedy is granted by the Supreme Court, thus creating legal uncertainty and justice for the disputing parties. in the Tax Court, where the Tax Court is the first and last level court in examining and deciding tax disputes.

Based on these problems, this study aims to find out how the mediation arrangement in the settlement of tax disputes at the Tax Court in the future.

2. Research method

This type of research uses normative legal research, where this research includes research on laws and regulations, theories, and facts regarding the application of laws and regulations to the settlement of tax disputes in the tax court. The normative legal research method is intended to examine and analyse the effectiveness of tax dispute settlement arrangements in the Tax Court, to provide a sense of justice and legal certainty for the disputing parties. The approach used is a normative juridical approach which is carried out through several approaches including the statute approach, case approach, historical approach, comparative approach, and conceptual approach. The statute approach is carried out by reviewing all laws and regulations related to the legal issues being handled. The concept approach is used to analyse problems for which there are no legal regulations (Marzuki, 2005). Where in the problem of tax dispute resolution in the Tax Court, it has not been regulated regarding the settlement through alternative dispute resolution. The historical approach is carried out by examining the background of what was studied and the development of the arrangements regarding the issues at hand (Ali, 2013). A comparative approach is used to compare the use of alternative dispute resolution methods in several countries, especially those that have implemented a mediation process in tax dispute resolution (Marzuki, 2005).

The legal materials used in this study consisted of primary, secondary and tertiary legal materials (Soekanto, 2012). Primary legal materials, including the 1945 Constitution of the Republic of Indonesia; Law Number 14 of 2002 concerning the Tax Court, State Gazette of the Republic of Indonesia of 2002 Number 27; Law Number 6 of 1983 concerning General Provisions and Tax Procedures (KUP) of the State Gazette of the Republic of Indonesia of 1983 Number 49, as amended several times, most recently by Law Number 16 of 2009; Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, State Gazette of the Republic of Indonesia of 1999 Number 138; Regulation of the Supreme Court of the Republic of Indonesia Number 1 of 2016 concerning Mediation Procedures in Courts; and other related tax regulations. Secondary legal materials are in the form of books, scientific literature and articles, while tertiary legal materials are in the form of dictionaries.

Legal materials were collected through Library Research studies. The analytical method used was qualitative juridical analysis. The legal materials obtained are analysed based on applicable laws and regulations, expert opinions, rules, and legal doctrines, then linked to one

another with the subject matter, so that they become a unified whole and then deductively described from general-to-general matters conclusion.

3. Result and discussion

3.1. Mediation Procedure Based on Applicable Laws and Regulations: In Article 2 of PERMA Number 1 of 2016 states: "The provisions regarding the Mediation Procedure apply in the litigation process in the Court, both within the general court and religious courts. However, courts outside the general courts and religious courts can apply Mediation based on this Supreme Court Regulation if the provisions of the legislation allow. The obligation to carry out dispute resolution procedures through mediation for each Judge, Mediator, Parties and/or legal counsel is regulated in Article 3 PERMA Number 1 of 2016. In this PERMA the Case Examining Judge has violated the provisions of the legislation if he does not order the Parties to take Mediation so that The Parties do not conduct Mediation. Before carrying out mediation, the Chief Justice of the Court appoints a Judge Mediator who is not a Case Examining Judge who decides.

The mediation process can be carried out if the plaintiff and the defendant are present at the trial, while the absence of the defendant does not hinder the implementation of the mediation process, because PERMA assumes that the legal subjects that are the subject of the lawsuit are the plaintiff and the defendant, while the co-defendants are not substantially the party to be burdened. punishment based on the petitem of the lawsuit, but will only be burdened with the obligation to submit and obey the decision handed down, besides that in civil procedural law the term co-defendant is never known but in practice reality requires the involvement of parties who because of their position have an indirect relationship with the matter of the disputed case, then the term co-defendant appears where in practice it is intended so that the lawsuit does not become less party (Afiyati, 2022).

Article 4 of PERMA Number 1 of 2016 regulates the types of cases that must undergo mediation, as follows: "All civil disputes submitted to the Court include cases of resistance (verzet) against verstek decisions and resistance by litigants (partij verzet) and third parties (derden verzet).) to the implementation of a decision that has permanent legal force, it is obligatory to seek a settlement through Mediation first, unless it is determined otherwise based on this Supreme Court Regulation.": a dispute whose examination in court is determined by a time limit for its resolution. However, based on the agreement of the Parties, disputes that are excluded from the obligation of Mediation can still be resolved through voluntary Mediation at the stage of case examination and at the level of legal remedies.

The obligation of the Case Examining Panel of Judges to explain the Mediation Procedure to the Parties is regulated in Article 17 paragraph (6) of PERMA Number 1 of 2016. The explanation of the Mediation Procedure to the Parties includes: "(a) the meaning and benefits of Mediation; (b) the obligation of the Parties to attend the Mediation meeting in person and the legal consequences for not acting in good faith in the Mediation process; (c) costs that may arise as a result of the use of non-judges and non-Court Officers; (d) the choice of following up the Peace Agreement through a Peace Deed or revocation of the lawsuit; and (e) the obligation of the Parties to sign the Mediation explanation form". After providing an explanation regarding the obligation to conduct Mediation, the Case Examining Judge obliges the Parties on the same day, or no later than the next 2 (two) days to negotiate to select a Mediator including costs that may arise as a result of the choice of using a non-judge and not a Court Officer, and after The parties have chosen a mediator or the chairman of the panel of judges for examining cases has appointed a mediator, the chairman of the panel of judges for examining cases has issued a decision containing an order to mediate and appoint a mediator.

The parties, both the plaintiff and the plaintiff, must have good intentions in the Mediation process, if the plaintiff does not have good intentions, the lawsuit is declared unacceptable by the Case Examining Judge and is also subject to the obligation to pay Mediation Fees. If the Parties are jointly declared not to have good faith by the Mediator, the lawsuit is declared unacceptable by the Case Examining Judge without punishment for Mediation Fees.

Regarding the time limit or length of time for resolving disputes through mediation, it is regulated in Article 24 PERMA Number 1 of 2016 which lasts a maximum of 30 (thirty) days as of the stipulation of the order to conduct Mediation, but based on the agreement of the Parties, the Mediation period can be extended at most 30 (thirty) days from the end of that period. Prior to carrying out the mediation process, within a maximum period of 5 (five) days from the date of determination, the Parties may submit the Case Resume to the other party and the Mediator.

Article 27 of PERMA Number 1 of 2016 states that if the Mediation is successful in reaching an agreement, the Parties with the assistance of the Mediator are obliged to formulate a written agreement in the Peace Agreement signed by the Parties and the Mediator. The mediator must report in writing the success of the Mediation to the Case Examining Judge by attaching the Peace Agreement. After receiving the Reconciliation Agreement, the Case Examining Judge shall immediately study and examine it within a maximum of 2 (two) days, and a maximum of 3 (three) days after receiving the Reconciliation Agreement which has complied with the provisions, the Case Examining Judge shall issue a stipulation of the trial day to read the Peace Deed. If the parties fail to reach an agreement, the Mediator is obliged to state that the Mediation failed to reach an agreement and notify it in writing to the Case Examining Judge:

- 1) The parties do not reach an agreement until a maximum period of 30 (thirty) days and its extension; or
- 2) The parties are declared not in good faith.

In Chapter VI of PERMA Number 1 of 2016 concerning Voluntary Reconciliation, Article 33 states that: "At each stage of the examination of the case, the Case Examining Judge shall continue to strive to encourage or seek peace until before the pronouncement of the decision. The parties based on an agreement may apply to the case examining judge to make reconciliation at the stage of case examination. After receiving the request of the parties to make reconciliation, the chairman of the panel of judges examining the case will immediately appoint one of the cases examining judges to carry out the function of mediator by prioritizing certified judges. The Case Examining Judge is obliged to postpone the trial no later than 14 (fourteen) days as of the stipulation." As referred to in Article 35 of PERMA Number 1 of 2016 that starting from the stipulation of the order to conduct Mediation and the appointment of a Mediator, the period of the Mediation process does not include the period of settlement of cases as determined in the Supreme Court's policy regarding the settlement of cases in the Court of first instance and the appeal level at 4 (four) court environment.

Mediation is a dispute resolution process with non-litigation approaches, the mediation process can produce several possibilities, including:

- 1) The mediation process is successful by producing points of agreement between the parties, the peace process will be followed up with the confirmation of the peace agreement into a peace deed that contains the same power as a Judge's Decision which has permanent legal force,
- 2) The mediation process hit a dead end and ended in failure.

3.2. Law of Procedure in Tax Court: The Tax Court Procedural Law is a series of rules that bind and regulate the procedure for conducting trials related to tax disputes in the Tax Court. The basis for implementing the Tax Court Procedural Law is regulated in Law Number 14 of

2002 concerning the Tax Court and the Decision of the Head of the Tax Court and the Circular Letter of the Head of the Tax Court (Saidi, 2013). In addition, it also refers to the Law on Judicial Powers, Regulations of the Chief Justice of the Supreme Court, and Circular Letters of the Chief Justice of the Supreme Court. Meanwhile, material law regarding taxation is based on statutory regulations in the field of taxation, both those that regulate taxes which are under the management of the Directorate General of Taxes, the Directorate General of Taxes, and the Directorate General of Taxes. Customs and Excise and Local Governments throughout Indonesia. The procedural law of the Tax Court is regulated in Law Number 14 of 2002 concerning Tax Courts in Chapter IV starting from Article 34 to Article 93, regulating Legal Counsel, Appeals, Lawsuits, Preparation of Trials, Examinations with Ordinary Procedures, Examinations with Quick Procedures, Evidence, Decisions, Execution of Decisions, and Judicial Review.

According to Article 1 point 5 of Law Number 14 of 2002, a Tax Dispute is a dispute that arises in the field of taxation between a Taxpayer or Tax Insurer and an authorized official as a result of the issuance of a decision that can be appealed or sued to the Tax Court based on statutory regulations. taxation, including the Lawsuit on the implementation of Tax Collection by Forced Letter. Based on the article, there are 2 (two) disputing parties, namely the Taxpayer or the Tax Insurer as the Appeal Applicant or the Plaintiff against the official who has the authority to make decisions in the field of taxation as the Appellant or Defendant. The authorized official according to the law is the Director General of Taxes, the Director General of Customs and Excise, the Governor, the Regent or the Mayor, or the official appointed to implement the tax laws and regulations.

Tax Court attorneys are individuals who have obtained legal counsel from the Chairperson and obtained a special power of attorney from one of the disputing parties to be able to accompany or represent them in litigation in the tax court. The disputing parties may be accompanied or represented by one or more attorneys with special powers of attorney. The power of attorney can be given before or during the settlement of tax disputes. The grant of power of attorney made prior to the settlement of tax disputes must be in writing in the form of a special power of attorney. According to Article 34 of Law Number 14 of 2002 it is stated that: "To become a legal representative, the following conditions must be met: a. Indonesian citizens; b. have extensive knowledge and expertise on tax laws and regulations; c. other requirements determined by the Minister." The Requirements and Procedures for Application for a Legal Counsel are regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 61/PMK.01/2012 concerning Requirements to Become a Lawyer.

Legal remedies that can be taken by taxpayers in resolving tax disputes are filing appeals and lawsuits. Filing an appeal/lawsuit as a legal remedy must meet the specified requirements, both formal and material requirements (Gotama, et al. 2020). This is very important because the legal process of Appeal/Lawsuit is carried out using the principle of judicial power in the Tax Court. The requirements that must be met by the Appeals Petitioner/Plaintiff in the formal requirements and material requirements have been determined so that they can be prepared properly.

The application for appeal/lawsuit is submitted through a letter of appeal/lawsuit signed by the applicant for appeal/plaintiff and addressed to the head of the tax court. If the Letter of Appeal/Claim is made and signed by a Legal Counsel, the Letter of Appeal/Claim must be accompanied by a valid Special Power of Attorney. To the Application for Appeal/Lawsuit, a statement of revocation by the Appellant/Plaintiff may be submitted to the Tax Court. An appeal/lawsuit that has been revoked through a decision or decision, cannot be resubmitted.

At the stage of trial preparation, Article 44 and Article 45 of Law Number 14 of 2002 provide the stages of preparation for the trial and the timeframe. At the examination stage, the Assembly/Single Judge begins to convene within 6 (six) months from the date of receipt of

the Letter of Appeal, and in the case of a lawsuit, the trial begins within 3 (three) months from the date of receipt of the Letter of Appeal. There are 2 (two) types of Tax Dispute examinations conducted at the Tax Court, namely: (1) examination by the Ordinary Procedure, and (2) examination by the Quick Procedure. The Assembly/Single Judge is based on the principles of fast, cheap, and simple in regulating the course of the examination session. Examination with Quick Procedure that has fulfilled the formal requirements will immediately be issued a determination of the transfer of examination with the Ordinary Procedure. The examination session of the Tax Court is held open to the public. Provisions related to examinations with the Ordinary Procedure are regulated in Article 49 to Article 64. As referred to in Article 49 and Article 50 paragraph (2). Provisions related to the examination by Quick Procedure are regulated in Article 65 to Article 68 of Law Number 14 of 2002.

A trial with a Quick Event examination is carried out by the Assembly/Single Judge against:

- 1) Certain Tax Disputes, namely Tax Disputes whose appeals or lawsuits do not meet the provisions as referred to in Article 35 paragraph (1) and paragraph (2), Article 36 paragraph (1) and paragraph (4), Article 37 paragraph (1), Article 40 paragraph (1) and/or paragraph (6) of the Tax Court Law.
- 2) Claims that are not decided within 6 (six) months from the receipt of the lawsuit as referred to in Article 81 paragraph (2) of the Tax Court Law.
- 3) Failure to comply with any of the provisions as referred to in Article 84 paragraph (1) of the Tax Court Law or writing errors and/or calculation errors in the Tax Court's decision.
- 4) Disputes based on legal considerations are not within the authority of the Tax Court.

The presence of the disputing parties in the trial at the Tax Court is very necessary in the settlement of tax disputes. Although his presence is required, the legal status of his presence is different in giving oral statements. The presiding judge summons the Defendant/Defendant to provide an oral statement. Meanwhile, the Appellant/Plaintiff may be summoned by the presiding judge to provide an oral statement. The phrase "may" mean that the Presiding Judge is not obliged to summon the Appellant/Plaintiff to give oral statements, in contrast to the Appeal/Defendant.

Proof is a legal instrument used by the disputing parties to strengthen their arguments before a panel of judges in a Tax Court trial. This proof must be carried out against a tax dispute to obtain a decision from the judge who examined it, unless the dispute was never attended by the Appealing Petitioner/Plaintiff so that it is declared null and void. As referred to in Law Number 14 of 2002 which states that the Tax Court adheres to the principle of free evidence, the Judge determines what must be proven, the burden of proof, and the assessment of proof. The validity of the proof is required at least 2 (two) pieces of evidence from a tax dispute. The Panel or Sole Judge seeks evidence in the form of letters or writings before using other evidence, and conditions that are known to the public do not need to be proven.

The decision of the Tax Court may be in the form of a. reject; b. grant in part or in whole; c. add Taxes to be paid; d. not acceptable; e. correct writing errors and/or arithmetic errors; and/or f. cancel. Article 81 of Law Number 14 of 2002 regulates the period of Tax Court Decisions. After the Panel of Judges has examined and decided on the dispute, a hearing for the pronouncement of the decision shall be held in accordance with Article 83 of Law Number 14 of 2002, that: "The decision of the Tax Court must be pronounced in a trial open to the public. If these provisions are not fulfilled, the Tax Court's decision is invalid and has no legal force and therefore the said decision must be reiterated in a trial open to the public. A copy of the Tax Court's decision is sent to the parties by letter by the Secretary within 30 (thirty) days. since the date the decision of the Tax Court is pronounced, and the decision of

the Tax Court must be implemented by the competent authority within 30 (thirty) days from the date the decision is received.

Parties who are not satisfied with or object to the Tax Court's decision can file a judicial review which is a form of last resort. As referred to in the provisions of Article 77 paragraph (3) of the Tax Court Law that the disputing parties may submit a review of the Tax Court's decision to the Supreme Court. Review in the settlement of tax disputes is an extraordinary legal remedy that can be used by the disputing parties to oppose the Tax Court's decision which has permanent legal force. The review to the Supreme Court is a legal tool for the Supreme Court to supervise the Tax Court Decisions, considering that the Supreme Court in examining and deciding the judicial review of the Tax Court Decisions not only examines aspects of the application of the law but also examines the facts that occur in the examination at the Court. Tax. As referred to in Article 83 of Law Number 14 of 2002. The period for submitting a judicial review is regulated in Article 92 of Law Number 14 of 2002. As referred to in Article 93 of Law Number 14 of 2002, the Supreme Court examines and decides on the request for a judicial review. Back with the following provisions: "(a) within 6 (six) months since the application for judicial review is received by the Supreme Court, the decision has been made, in the event that the Tax Court makes a decision through an ordinary examination; (b) within 1 (one) month since the application for judicial review is received by the Supreme Court, the decision has been made, in the event that the Tax Court makes a decision through an expedited examination".

3.3. Future Arrangements for the Mediation Process in Settlement of Disputes in the Tax Court: The norm that regulates the settlement of tax disputes in the Tax Court is Law Number 14 of 2002 which is the procedural law in the Tax Court, but the norms as described above do not regulate the existence of mediation settlement as an alternative to tax dispute resolution in the Tax Court (Hariadi and Anindito, 2020). Settlement of tax disputes in the event of an appeal in accordance with the provisions of the prevailing laws and regulations currently takes 12 months, and can be extended for 3 months, so that it takes up to 15 months, from the time the Appellant submits an appeal letter to the Tax Court until the hearing of the verdict is pronounced. , coupled with the submission of a copy of the decision with a maximum period of 30 days, so that normatively it takes up to 16 months. However, the fact is that many tax disputes have only been investigated within 15 months or nearing the due date of the audit, so that the time required for the pronouncement of the verdict is even longer. This has led to an increasing accumulation of tax disputes handled by the Tax Court from year to year, with the length of time this tax dispute resolution has not fulfilled the principles of simple, fast and low-cost dispute resolution.

In addition to taking a long time, taxpayers are also burdened with high costs in resolving tax disputes, especially those who live outside the city, and even many disputes whose taxpayers are outside Java, although currently, apart from being domiciled in DKI Jakarta, the Tax Court is also holding hearings outside the domicile in Yogyakarta and Surabaya, however, transportation costs and attorney fees will increase the burden of expenses borne by the taxpayer due to attending court several times. The procedural law used by the Panel of Judges and the examination of tax disputes is also applied to tax disputes with a large and complex dispute value as well as a simple small dispute value not effective.

Based on the research conducted, that the procedural law at the State Administrative Court and the procedural law at the Tax Court does not regulate mediation in the settlement of cases or tax disputes, while dispute resolution through mediation can be one of the solutions that can be applied in the tax dispute resolution process in Indonesia. The Tax Court, thus mediation will provide benefits or favours for the disputing parties, to achieve a simple, fast and low-cost dispute resolution for the disputing parties, and can reduce the number of

disputes that must be examined and decided by the Tax Court.

According to the researcher, the types of tax disputes whose dispute resolution can be done through a mediation process between the disputing parties in the Tax Court, namely:

- (1). Tax dispute with a disputed value of less than Rp. 25,000,000.00 (twenty-five million rupiah),
- (2). Disputes related to tax equalization, and
- (3). Tax dispute caused by the Appeal Applicant or Plaintiff not submitting books, records, data, information, or other information at the time of the examination so that the objection is rejected, as referred to in Article 26A paragraph (2) of the Law on General Provisions and Tax Procedures.

Settlement of tax disputes in the case of an appeal as mentioned above needs to be pursued through a mediation process with an examination with an ordinary procedure and resolved through mediation within a maximum of 2 (two) months since the first trial is held. The judge ordered the parties to carry out mediation at the first trial or when the parties were present at the trial. The parties, in this case the Appeals Petitioner (Taxpayer) and the Appellant (Directorate General of Taxes) can mediate, assisted by the Mediator Judge to obtain an agreement. If there is an agreement between the parties, it will speed up dispute resolution (Herliana, 2012).

Based on the above, the author is of the opinion that it is necessary to change the procedural law in the Tax Court to accommodate the settlement process through mediation, this can be done when submitting the Draft Amendment to Law Number 14 of 2002 concerning the Tax Court, but before the Tax Court Law amended, it can be attempted to have a PERMA related to the settlement of tax disputes through mediation in the tax court. The author suggests that articles related to dispute resolution through mediation can be added or inserted in the Procedural Law Chapter, Part Five Examinations with Ordinary Procedures, by changing Article 50 paragraph (2) and adding Article 50 paragraph (4) of Law Number 14 of 2002 concerning Tax Court, so that it becomes as follows:

Article 50 paragraph (2): Prior to the examination of the subject matter of the dispute, the Assembly shall examine the completeness and/or clarity of the Appeal or Lawsuit and instruct the parties to conduct Mediation.

Article 50 paragraph (4): The implementation of Mediation and the types of disputes that can be carried out by Mediation as referred to in paragraph (2) are regulated by a Supreme Court Regulation.

4. Conclusion

Mediation as an alternative dispute resolution has been regulated in the Indonesian legal system since the issuance of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. However, the law does not specifically stipulate mediation. Regulations regarding mediation are only found in Article 1 point 10 and Article 6 which regulates alternative dispute resolution, so that further arrangements are needed related to mediation procedures in court.

Article 130 HIR/154 RBg states that for every lawsuit case, the judge is obliged to seek reconciliation first with the parties before the subject of the case is tried. The reconciliation as mandated by Article 130 HIR/154 RBg was then technically described by the Supreme Court by issuing PERMA Number 2 of 2003 concerning Mediation Procedures in Court as it has been replaced by PERMA Number 1 of 2008. Then in 2016, the Supreme Court issued PERMA Number 1 of 2016 concerning Mediation Procedures in Court to replace PERMA Number 1 of 2008 and is still in effect today.

In the procedural law at the State Administrative Court and the procedural law at the Tax

Court, there is no regulated mediation in the settlement of cases or tax disputes, while dispute resolution through mediation can be one of the solutions that can be applied in the tax dispute resolution process at the Tax Court. The author is of the opinion that it is necessary to change the procedural law in the Tax Court to accommodate the dispute resolution process through mediation. This can be done when submitting the Draft Amendment to Law Number 14 of 2002 concerning the Tax Court, but before the Tax Court Law is amended, it can be attempted to have a PERMA related to the settlement of tax disputes through mediation in the Tax Court.

Settlement of tax disputes through mediation can be regulated in the Tax Court Law by examining the Ordinary Procedure before the examination of the subject of the dispute is carried out, and mediation can be carried out for certain types of tax disputes as described above, thus mediation will provide benefits or favours for the parties to the dispute. , so as to achieve a simple, fast and low-cost dispute resolution for the disputing parties, and can reduce the number of disputes that must be examined and decided by the Tax Court.

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