

DETERMINATION OF TRANSACTION VALUE FOR LAND AND BUILDING BASED ON THE REGULATION OF THE PADANG CITY'S MAYOR UNDER THE REGULATION NUMBER 86 YEAR OF 2020

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Abstract: *In the Padang City Regional Regulation Number 1 of 2018 concerning General Provisions, Procedures for Collecting and Collecting Regional Taxes for Research/Verification of Research on Regional Tax Payments by the Regional Revenue Agency of Padang City, it includes the suitability of the tax object number listed in the regional tax deposit letter with the tax object number. as stated in the Tax Returns Payable or in the Rural and Urban Land and Building Tax database, the suitability of the sale value of the land tax object per square meter included in the regional tax return letter with the sale value of the land tax object per square meter stated in the Tax Return Payable or in the Rural and Urban Land and Building Tax database, the suitability of the selling value of the building tax object per square meter as stated in the regional tax return with the building tax object selling value per square meter listed in the Tax Payable Tax Return or in the Pa database. Rural and Urban Land and Buildings; With the determination of the Acquired Value of Tax Objects with market values, there is full authority for the Padang City Regional Revenue Agency, to determine the Market Value itself regarding the sale and purchase transactions of land and buildings. Taxpayers can only make income tax payments after approval from the Padang City Regional Revenue Agency regarding the sale and purchase transaction price of land and building rights.*

Key Words: *Transaction Value for The Land and Building.*

1. INTRODUCTION:

Land as part of the earth's surface has a very important meaning in human life, both as a place or space for living with all its activities, as a source of life, even as a nation, land is an element of territory in state sovereignty.

In conducting a sale and purchase transaction on land and buildings, two taxes are imposed, namely Income Tax, hereinafter referred to as PPH, for the seller, and Tax on Acquisition of Land and Building Rights, hereinafter referred to as BPHTB for the buyer.

Law Number 28 of 2009 concerning Regional Taxes and Regional Levies Article 87 The basis for imposing Duties on the Acquisition of Rights on Land and Buildings is the Acquired Value of Tax Objects, hereinafter referred to as NPOP, while for sale and purchase transactions, the Acquired Value of Tax Objects is based on the transaction price.

2. THEORITICAL FRAMEWORK:

a. Theory of Legal Certainty

According to Gustav Radbruch justice and legal certainty are fixed parts of the law.[1]

b. Theory of Covenant Law

According to Subekti, an agreement is an event where a person promises to another person or where the two people promise each other to carry out something, from this event an engagement relationship arises.[2]

3. LITERATURE REVIEW:

Rochmat Soemitro provides a definition of tax from a legal point of view: Tax is an agreement that arises because of a law that requires a person who meets the requirements determined by law (TATBESTAND) to pay a certain amount of money to the state (treasury) which can be forced without getting a reward that can be directly

appointed, which is used to finance state expenditures (routine and development) and is used as a tool (encouraging, inhibiting) to achieve goals outside the financial sector.[3]

Fee for the Acquisition of Land and Building Rights (BPHTB), is a tax imposed on the acquisition of land and building rights.[4]

At the beginning of the period before the Regional Revenue Agency (Bapenda) of Padang City was formed, it was originally called the Padang City Regional Revenue Service (Dipenda). Where the Padang City Dipenda is incorporated in one OPD, namely the Padang City DPKA. However, in line with the improvement in government and organizational performance, the Padang City DPKA was split into two OPDs, namely the Padang City BPKAD which was formed by Regional Regulation Number 6 of 2015 and the Padang City Regional Revenue Service (Dipenda) which was formed by Regional Regulation Number 5 of 2015.

5. METHOD:

The method used in this research is the empirical juridical method, namely the procedure used to solve research problems by analyzing the extent to which a regulation or legislation or law is currently in effect effectively.[5]

6. DISCUSSION:

Law Number 28 of 2009 concerning Regional Taxes and Regional Levies Article 87 The basis for imposing Duties on the Acquisition of Rights on Land and Buildings is the Acquired Value of Tax Objects, hereinafter referred to as NPOP, while for sale and purchase transactions, the Acquired Value of Tax Objects is based on the transaction price. Meanwhile, in the Padang Mayor Regulation Number 1 of 2018 Article 11 paragraph 2, the determination of the transaction price based on the amount of tax payable for BPHTB as referred to in Article 4 paragraph (3) letter h is calculated by multiplying the tax rate by the tax base after deducting the value of the acquisition of the tax object. taxable, and Article 12 states the basis of tax imposition for the type of self-paid tax based on the calculation by the taxpayer as referred to in Article 11 paragraph (1) and paragraph (2) as follows the acquisition value of the tax object for BPHTB.

With the determination of NPOP with market value, BAPENDA has full authority to determine its own Market Value regarding sale and purchase transactions of land and buildings.

7. ANALYSIS:

A. Determination of the sale and purchase price of land and buildings based on the Mayor of Padang Regulation Number 86 of 2020.

In Law Number 28 of 2009 concerning Regional Taxes and Regional Levies, especially those that regulate BPHTB, it is stated that every person or entity that obtains land rights and/or or buildings must pay BPHTB. The amount of BPHTB owed is paid by the taxpayer himself through a bank appointed by the government as a place of payment using the Regional Tax Payment Form (SSPD). Furthermore, the BPHTB payments made must be self-reported by the taxpayer to the government, one of which is to the district/city government as the BPHTB manager. The amount of BPHTB payable is calculated by multiplying the rate by the tax base previously reduced by the amount of the Acquired Value of Non-Taxable Tax Objects (NPOPTKP).

B. Constraints in Determining the Sale and Purchase Prices of Land and Buildings by Bapenda Padang City

The positive role of *Self Assessment System* is that taxpayers can understand and have a correct understanding of taxation, and the negative impact is the low level of taxpayer honesty in determining the actual transaction price.

Any transfer of land rights may be subject to Income Tax (PPh) and Customs for the Acquisition of Land and Building Rights (BPHTB).

The sale and purchase agreement is included in the type of reciprocal agreement, and a reciprocal agreement is an agreement that gives rise to basic rights and obligations for both parties, for example a sale and purchase agreement.

8. CONCLUSION:

From the discussion as explained earlier, several conclusions can be drawn, including:

- 1) Determination of the sale and purchase price of land and/or buildings is determined by a verification process in the form of prior approval by the Padang City BAPENDA regarding the transaction price that must be taxed, so that the application of the *Self Assessment* system does not apply in determining the sale and purchase transaction price, so Article 1 paragraph 2 of the Padang City Regional Regulation Number 1 of 2018 is not implemented properly, because BAPENDA determines the price of buying and selling transactions based on an objective assessment, without any clear price standards.
- 2) The obstacle faced in buying and selling transactions is the amount of tax that must be paid by the buyer, where the tax base is the minimum total selling value of the tax object as stated in the taxable income tax return for the applicable year.

9. SUGGESTIONS:

The suggestions given by researchers are as follows:

- 1) There should be a team of experts who are competent in assessing the determination of transaction prices and buying and selling of land so that BAPENDA has more accurate data in price assessments, so that the *Self Assessment System* runs as it should where taxpayers calculate their own taxes and have clear accountability in determine the price of the sale and purchase transaction on land and buildings.
- 2) It is better if the Mayor of Padang determines the standard price of the Selling Value of Tax Objects in the Padang Mayor Regulation, on the price of land and buildings carried out by a team of experts or an appraisal team that is intended for that so that there are no more differences of opinion, where there is a land value zone and the determination of building prices according to the situation, no longer based solely on the opinion of BAPENDA which tends to increase the value of buying and selling transactions on land and buildings.

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