THE EFFECT OF CONSUMER PURCHASING POWER ON VALUE ADDED TAX (PPN) IMPLICATIONS ON SALES TAX ON LUXURY GOODS (PPNBM)
(Survey on Electronics Consumers at Informa Elektronik PIM Palembang)

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Abstract
This study aims to determine the effect of consumer purchasing power on the implications of value-added tax (VAT) for sales tax on luxury goods (PPnBM). The research population consisted of consumers at Informa Elektronik PIM Palembang, and the research sample was determined using the Slovin formula method. This study falls under the category of quantitative research. The data analysis employed in this study includes descriptive analysis, multiple linear regression analysis, preceded by an analysis of the F-test and t-test, and an analysis of the coefficient of determination (R2). The results of the study indicate that the Consumer Purchasing Power variable has a significant effect on Sales Tax on Luxury Goods (PPnBM). Furthermore, the Value Added Tax (VAT) variable also shows a significant effect on Sales Tax on Luxury Goods (PPnBM).

Keywords: Consumer Purchasing Power, Value Added Tax, Sales Tax on Luxury Goods

1. INTRODUCTION
One of the major contributors to Indonesia’s economy is taxes. The government has the right to collect taxes from its citizens, and these taxes are used for economic development and public infrastructure to promote the prosperity and welfare of the people. Tax revenue is a crucial source of funding for the State Budget (APBN), and the Director-General of Taxes seeks support from all sectors to ensure the realization of tax revenue. The state’s revenue comes from various types of taxes, including domestic taxes and international trade taxes (Pratama et al., 2022).

Tax plays a significant role in enhancing development and achieving public welfare. It is a compulsory payment made by citizens to the state, either directly or indirectly, and is utilized for the benefit of society and the government. From this definition, it can be concluded that tax is a mandatory payment made by citizens to the state with the aim of financing public expenditures to promote development (Hertati et al., 2022). Value Added Tax (VAT) is closely related to the revenue received by companies. Thus, timely tax payment determination, proper tax invoicing policies, and correct tax regulation implementation can help avoid penalties during tax audits. Monitoring and controlling the implementation of Value Added Tax obligations through the collection of all transaction evidence and establishing adequate internal tax review are also essential. As an objective tax, Value Added Tax treats consumers with high and low abilities to pay equally (Hertati et al., 2022).

Therefore, Value Added Tax contains a regressive element, meaning that consumers with higher ability bear a lighter tax burden, and vice versa. To achieve a balanced tax burden and control unproductive consumption patterns in society, Value
Added Tax is applied to the delivery or import of luxury goods, in addition to Sales Tax on Luxury Goods (PPnBM) (Hertati & Zarkasyi, 2015). One approach is to impose additional tax burdens on the consumption of taxable luxury goods. This approach reflects the government's fiscal policy, as embodied in the Sales Tax on Luxury Goods, which aims to influence consumer behavior, especially in the consumption patterns of taxable luxury goods. However, Value Added Tax differs from Sales Tax on Luxury Goods (PPnBM). In fact, Sales Tax on Luxury Goods is not very popular among the general public (Hertati et al., 2020). This lack of popularity might be due to the nature of Sales Tax on Luxury Goods, which is an additional levy imposed only once during import and delivery by Taxable Entrepreneurs (PKP) manufacturers (Hertati et al., 2022). Moreover, there is no mechanism for output tax and input tax. Sales Tax on Luxury Goods (PPnBM) imposed by distributors is included in the cost price of taxable luxury goods. Consequently, some consumers who purchase taxable luxury goods might be unaware of Sales Tax on Luxury Goods. The Directorate General of Taxes focuses its efforts on socializing Sales Tax on Luxury Goods to importers and Taxable Entrepreneurs (PKP) manufacturers (Julioe, 2017).

2. LITERATURE REVIEW

This study uses the Stewardship theory, which states that a manager, when faced with an action that may not be personally advantageous, can comply based on a sense of responsibility and identification with the organization. This theory describes a strong relationship between satisfaction and organizational success. In this context, the government acts as the steward, managing resources, while the people act as the principal, owning the resources. An agreement is established between the government (steward) and the people (principal) based on trust to achieve organizational goals. The government strives to govern as effectively as possible to achieve its goal of improving the welfare of the people. The Stewardship theory can be applied in tax accounting research, as tax accounting is designed to meet the information needs for the relationship between the government (steward) and the people (principal) (Hertati, 2012; Hertati & Zarkasyi, 2015). This indicates that the Stewardship theory is applicable in the tax sector, where an agreement exists between the government (steward) and the people (principal) based on trust to achieve organizational goals. Although the interests of the government and the people may differ, the government, as the steward, upholds the value of togetherness because both share the same goal of achieving public welfare (Jefri, 2018).

2.1. Purchasing Power

According to (Farina et al., 2021; Maharani et al., 2023), purchasing power refers to an individual's ability to consume a product. Purchasing power varies among individuals and can be influenced by factors such as their status, occupation, income, and more. Purchasing power is closely related to a specific product or item. If a product has a lower price, the purchasing power of the public towards that product will increase. This concept is governed by the law of demand (Maharani et al., 2023). Each individual's purchasing power differs due to factors such as income level, social status, and profession.
2.2. Value Added Tax (VAT)

Value Added Tax (VAT) according to Law No. 18 of 2000, further amended by Law No. 42 of 2009, is a tax on the consumption of Taxable Goods and/or Taxable Services conducted within the Customs Territory. The Customs Territory refers to the territorial area of Indonesia. Therefore, VAT is not only imposed on goods but also on services, in accordance with the provisions of the Tax Law. Based on the subject of taxation, VAT can be defined as a tax imposed on the value addition of goods or services due to the processes of production, distribution, and trading. Mathematically, the value addition or value added of a good or service can be calculated by subtracting the selling price from the purchase price, where one of the components of value addition is the expected profit. All costs incurred to obtain and maintain profit, including interest, capital, rent, land, labor wages, and company profits, are elements of value addition used as a basis for levying VAT (Hertati et al., 2022; Nurlina & Pembangunan, 2020).

2.3. Sales Tax on Luxury Goods (PPnBM)

According to the VAT Law No.18 of 2000, further amended by the Value Added Tax Law No. 42 of 2009, Sales Tax on Luxury Goods (PPnBM) is a tax levied on the transfer of Taxable Goods that fall into the category of luxury goods, conducted by entrepreneurs who produce such luxury goods within the Customs Territory, in their business or profession, or on the import of such luxury goods. Unlike Value Added Tax, Sales Tax on Luxury Goods is paid at the time of acquisition or import of luxury goods and cannot be credited with Value Added Tax or Sales Tax on Luxury Goods; it is only imposed once (Wong et al., 2019). The tax rate for Sales Tax on Luxury Goods can be determined in various categories, ranging from a minimum of 10% to a maximum of 200%. The regulations on the tax rate for luxury goods falling under Sales Tax on Luxury Goods are governed by Government Regulations. The types of goods subject to Sales Tax on Luxury Goods are determined based on the Minister of Finance's regulation. For exported luxury goods, a 0% tax rate is applied. The Sales Tax on Luxury Goods already paid for the acquisition of luxury goods that are subsequently exported can be reclaimed (restitution) (Saputra, 2022).

3. RESEARCH METHODS

Object or population in this study is the consumers of Informa Elektronik PIM Palembang, totaling 6,650 consumers. Population is a generalization area that occurs from objects or subjects with certain qualities and characteristics determined by the researcher to be studied and then drawn to conclusions (Sugiyono, 2017). Based on this definition, population refers to a collection of objects with similar characteristics that can be studied. If the population is large, and the researcher has limitations to study the entire population, for example, due to financial constraints, human resources, time, and other considerations, the researcher can use a sample taken from that population. In this study, the sampling technique uses the slovin formula. As a result, the sample for this study consists of a total of \( n = \frac{6,650}{1+6,650(0.1)^2} = 99.51 \) consumers of Informa Elektronik PIM Palembang, rounded to 100 respondents for the questionnaire with a 10% error rate.
Data analysis technique is a method used to process research data and simplify it in a readable and interpretable form. The data analysis technique used in this study is exploratory research, which aims to gather information from the object to be studied, in this case, the researcher wants to gather information from electronic goods consumers about the impact of Sales Tax on Luxury Goods (PPnBM) on consumer purchasing power. Data is collected using questionnaires and literature studies, and the tool used for this research process is the SPSS Version 26 application.

3.1. Operational Definition of Variables

3.1.1. Purchasing Power (X)

The dependent variable used in this study is consumer purchasing power. Purchasing power is an individual’s ability to consume a product. Assuming that consumer purchasing power towards Value Added Tax implies on Sales Tax on Luxury Goods for electronic goods. Each respondent is asked to answer 8 questions. Questionnaire responses are arranged using a 5-point Likert scale ranging from 1 (very low) to 5 (very high).

3.1.2. Value Added Tax (VAT) (Y)

Value Added Tax (VAT) is a tax on the consumption of Taxable Goods and/or Taxable Services conducted within the Customs Territory. This study will focus on Value Added Tax on the consumption of Taxable Goods, specifically electronic goods. Value Added Tax includes tariffs, prices, taxable entrepreneurs, the mechanism of levying Value Added Tax, and the system of levying Value Added Tax. The measurement method uses a Likert scale consisting of 5 points of evaluation: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree.

3.1.3. Sales Tax on Luxury Goods (PPnBM) (Z)

Sales Tax on Luxury Goods (PPnBM) is a tax levied on the transfer of Taxable Goods classified as luxury goods, conducted by entrepreneurs who produce, import, or export such luxury goods within the Customs Territory in the context of their business or profession. Sales Tax on Luxury Goods includes the classification of luxury goods, tariffs, the collection of Sales Tax on Luxury Goods, taxable entrepreneurs, and the imposition of Sales Tax on Luxury Goods (Maharani et al., 2023). The scale used in constructing this questionnaire is an ordinal scale or commonly referred to as a Likert scale, containing 5 points ranging from 1 (very low) to 5 (very high).

4. RESULTS AND DISCUSSION

4.1. Research Result

4.1.1. The Effect of Consumer Purchasing Power on Sales Tax on Luxury Goods

Consumer Purchasing Power has a significant effect on Sales Tax on Luxury Goods (PPnBM). The impact of Sales Tax on Luxury Goods indicates that the community is indirectly taxed when purchasing goods or services through Value Added Tax (VAT). The 11% tax rate, a government policy to allocate tax revenue for the welfare of the community, coupled with economic instability, leads people to reduce their consumption...
and consequently, their purchasing power declines. This observation aligns with the stewardship theory, where taxation involves an agreement between the government (steward) and the people (principal) based on trust to achieve organizational goals. Despite differing interests, the government, as a steward, continues to prioritize the value of togetherness. This research also supports the findings of (Wadi & Akbar, 2022), which confirms that consumer purchasing power significantly affects Sales Tax revenue on Luxury Goods (PPnBM).

- **H1:** The Effect of Consumer Purchasing Power on Sales Tax on Luxury Goods (PPnBM)

### 4.1.2. The Effect of Value Added Tax on Sales Tax on Luxury Goods

Value Added Tax has a significant effect on Sales Tax on Luxury Goods (STLG). This is based on the goods subject to Sales Tax on Luxury Goods are luxury goods consumed by some upper middle class people. Given that the majority of consumers in Informa Elektronik PIM are consumers who belong to the upper middle class itself. So that the Sales Tax on Luxury Goods is not an obstacle for these people in consuming luxury goods because even though the price of these goods is increasing along with the increasing tax burden, what is a priority for these people is satisfaction and lifestyle, (Virginia & Hertati, 2023). This is supported by stewardship theory which describes the strong relationship between satisfaction and organizational success. The lifestyle of the upper middle class has become a habit for them in using or consuming luxury goods because it will affect their level of prestige. This research is also in line with research (Hastutik et al., 2022; Regyna et al., 2022) The results show that Value Added Tax (VAT) has a very positive effect on Sales Tax on Luxury Goods (PPnBM) because Value Added Tax cannot be imposed alone without Sales Tax on Luxury Goods (PPnBM).

- **H2:** The Effect of Consumer Value Added Tax on Sales Tax on Luxury Goods (PPnBM)

<table>
<thead>
<tr>
<th>Table 1. Descriptive Statistical Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Descriptive Statistics</strong></td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Consumer Purchasing Power</td>
</tr>
<tr>
<td>Value Added Tax (VAT)</td>
</tr>
<tr>
<td>Sales Tax on Luxury Goods (PPnBM)</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

Source: Data processed with SPSS Vers 26.0

Based on the table above, it is known that the results of descriptive statistical tests with the amount of data processed are 100 respondents. The Consumer Purchasing Power variable (X) has a minimum value of 26, a maximum value of 40, an average value of 36.36 and a standard deviation of 3.122. The VAT variable (Y) has a minimum value of 25, a maximum value of 40, an average value of 36.40 and a standard deviation of 3.995.
The PPnBM variable (Z) has a minimum value of 20, a maximum of 40, an average value of 36.38 and a standard deviation of 4.526.

Table 2. Results of Consumer Buying Power Variable Reliability Testing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Limit Reliability</th>
<th>CronBach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X)Consumer Purchasing Power</td>
<td>Reliable</td>
<td>0.60</td>
<td>0.784</td>
</tr>
<tr>
<td>(Y) Value Added Tax</td>
<td>Reliable</td>
<td>0.60</td>
<td>0.886</td>
</tr>
<tr>
<td>(Z) Sales Tax on Luxury Goods</td>
<td>Reliable</td>
<td>0.60</td>
<td>0.915</td>
</tr>
</tbody>
</table>

Source: Data processed with SPSS Vers 26.0

Based on the data from the reliability test results above, it can be concluded that all variables already have reliable properties, this can be seen from the Cronbach Alpha value of > 0.60 so that the questionnaire is reliable or consistent.

Table 3. T Test Results

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,327</td>
<td>2,145</td>
<td></td>
<td>4,488</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Sales Tax on Luxury Goods</td>
<td>.558</td>
<td>.059</td>
<td>.809</td>
<td>5,538</td>
</tr>
</tbody>
</table>

|                                      |                              |                             |                           |       |       |
| a. Dependent Variable: Consumer Purchasing Power |

Source: Data processed with SPSS Vers 26.0

a. Hypothesis Test 1:

In the first regression equation between the variable Consumer Purchasing Power on Sales Tax on Luxury Goods in table 3 or variable X to Z. Thus, the aspect of consumer purchasing power has a positive and significant effect on Sales Tax on Luxury Goods because the value of t statistic > t table or 5.538 > 3.191 with a significant 0.000 < 0.05 which means that the hypothesis is accepted. This shows that consumer purchasing power has an effect on Sales Tax on Luxury Goods.

Table 4. Results of T Test Values

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>3,892</td>
<td>2,635</td>
<td>3,753</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Sales Tax on Luxury Goods</td>
<td>.429</td>
<td>.072</td>
<td>.826</td>
<td>4,134</td>
</tr>
</tbody>
</table>

|                                      |                              |                             |                           |       |       |
| a. Dependent Variable: Value Added Tax |

Source: Data processed with SPSS Vers 26.0
b. Hypothesis test 2

In the second regression equation between the Value Added Tax variable on Sales Tax on Luxury Goods in table 4 or variable Y on Z. Thus, the Value Added Tax aspect has a positive and significant effect on Sales Tax on Luxury Goods because the value of \( t \) statistic > \( t \) table or 4.134 > 3.191 with a significant 0.000 < 0.05 which means the hypothesis is accepted. This shows that Value Added Tax has an effect on Sales Tax on Luxury Goods.

### Table 5. Determination Coefficient Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>( R )</th>
<th>( R^2 )</th>
<th>Adjusted ( R^2 )</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.841*</td>
<td>.707</td>
<td>.694</td>
<td>1,726</td>
</tr>
</tbody>
</table>

\* Predictors: (Constant), Sales Tax on Luxury Goods, Value Added Tax

Source: Data processed with SPSS Vers 26.0

The table above shows the adjusted \( R^2 \) value of 0.694, so it can be seen that the independent variables in this study which include Value Added Tax and Sales Tax on Luxury Goods are able to explain the consumer purchasing power variable by 0.694 or 69.4%. And the remaining 30.6% can be explained by other factors not included in this study. Because the coefficient of determination ranges from zero to 1.

### 4.2. Discussion

This study delves into the intriguing connection between the purchasing power of consumers and the application of sales tax on luxury goods. It sheds light on a significant relationship by analyzing how consumers’ spending behavior is affected when they engage in transactions involving goods or services subject to sales tax on luxury items.

The findings of this research emphasize a compelling link between consumers’ purchasing power and the implementation of sales tax on luxury goods. This link becomes particularly evident when we consider the financial capacity of communities involved in direct transactions for items subject to this type of tax. This study reveal that Consumer Purchasing Power has a significant effect on Sales Tax on Luxury Goods (PPnBM), and Value Added Tax has a significant effect on Sales Tax on Luxury Goods (STLG).

Potential buyers find themselves compelled to consider the additional tax cost when they think about purchasing specific items. This consideration inevitably affects their overall purchasing power. This phenomenon is especially noticeable in the realm of sales tax on luxury goods (PPnBM), which is closely intertwined with the effects of Value Added Tax (VAT), particularly in the context of luxury goods consumption among the upper-middle-class demographic.

Existing literature on this subject consists of relevant studies that contribute to our understanding of how taxes impact tax revenue and consumer behavior. Notably, a study by Wadi & Akbar (2022) examined the influence of Sales Tax on Luxury Goods (PPnBM) on tax revenue. It found that while PPNBM doesn't have a significant impact on tax revenue, Value Added Tax (VAT) and Tax Audit do influence it. In a similar vein,
Nurhidayati (2017) aimed to estimate the responsiveness and flexibility of Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPNBM) in the Indonesian context. The study revealed that these taxes have a relatively consistent impact on tax revenue while showing less sensitivity to changes in the tax base. Furthermore, Pratiwi (2016) explored the implementation of Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) in a bonded zone in Indonesia. It found that PPN and PPnBM are not applied when goods enter the bonded zone. Instead, tax incentives are provided to businesses operating within the zone.

Ultimately, the dynamics of Consumer Purchasing Power emerge as a potent propellant, wielding a profound influence over extraordinary economic expansion. Given the substantial size of the populace, the government's developmental aspirations are profoundly intertwined with the robustness of consumer purchasing power.

5. CONCLUSION

The research results indicate that Consumer Purchasing Power has an impact on Sales Tax on Luxury Goods. This is evident from the level of purchasing power that the community possesses when directly buying a good or service, which is subject to Sales Tax on Luxury Goods. Value Added Tax (VAT) is imposed on the entire population, including both economically stable and less stable individuals, which influences their consumption behavior. This means that when people want to purchase a product, they must consider the additional tax burden, thereby affecting their purchasing power. Value Added Tax (VAT) significantly affects Sales Tax on Luxury Goods (PPnBM), particularly when it comes to Sales Tax on Luxury Goods, which is usually aimed at the upper-middle-class consumers. The growing demand for luxury goods and consumer desires indicate that price is not a major concern; instead, it is their lifestyle needs that accompany them. This is reinforced by the current phenomenon, where the government has raised the Value Added Tax (VAT) rate, leading to differing interests due to the tax imposed on every value addition of goods or services as they move from producers to consumers. Consumer Purchasing Power has been a driving force behind extraordinary economic growth, and with a large population, the government heavily relies on consumer purchasing power for economic development.

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Terhadap Penerimaan Pajak Yang Terdapat Di Kpp Pratama Depok Cimanggis. 


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