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IS ADMINISTRATIVE JUSTICE A PROBLEM-SOLVING OF TAX DISPUTE?

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Article	Abstract
<p>Keywords: administrative justice tax, problem-solving, tax court, tax dispute</p> <p>History of Article: Received: April 2, 2022; Reviewed: April 10, 2022; Accepted: April 12, 2022; Published: April 14, 2022</p> <p>DOI: https://doi.org/10.56282/jtlp.v1i1.63</p>	<p>It is necessary and urgent to construct provisions regarding tax disputes in the tax court. So that the concept (law) of administrative justice is produced as a problem solving of tax disputes. This article uses a normative juridical method with a prescriptive and evaluative line of thought. Indonesia's tax disputes (including central taxes, regional taxes, and customs and excise) are significant. The percentage of decisions that partially and fully grant the disputes submitted by taxpayers is consistently above from 2014 to 2020. The proposed reform of the Tax Court Law, which shows its characteristics as a settlement of tax dispute cases and at the same time as a problem solver, among others, regulates the existence of an appeals conference or hearing and its characteristics before filing a tax dispute. The handling of applicable tax disputes is still limited to resolving dispute cases, not yet reaching a problem-solving of tax disputes. The handling of civil and criminal cases in court and arbitration has adopted the handling of case resolution and problem-solving of arguments. This will only lead to recurring problems in tax disputes, including the filing of appeals and tax claims that remain a lot, the number of <i>beschikking</i> which is granted partially or wholly even though it is based on the same statutory regulations, the incurrence of extra costs, and additional time for the tax-disputing parties. Thus, administrative justice can be considered a fair problem solver in resolving tax disputes between taxpayers and the tax authorities.</p>

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1. INTRODUCTION

Although there is a mandate in Article 23A of the 1945 Constitution of the Republic of Indonesia (*UUD NRI 1945*), which stipulates that any collection of taxes and other co-ercive levies must be based on the law, however, in the implementation of the rights and fulfillment of tax obligations, there is still the

possibility of tax disputes, both in the form of appeals and lawsuits, which can be triggered as a result of differences of opinion re-garding the amount of tax to be paid between the taxpayer and the tax authority (Ispri-yarso, 2015)¹. Tax disputes that occur in Indonesia are quite a lot considering that the settlement of tax disputes originating from central taxes, regional taxes, as well as cus-toms and excise during 2014-2020 has reached 72,314 cases, as the data is presented in Table 1 below (Tax Court Secretariat, 2020).

Table 1: 2014-2020 Tax Dispute Resolution

No	Decision Result	2014	2015	2016	2017	2018	2019	2020	Total
1	Revocation	95	174	1350	1524	250	240	141	3774
2	Not acceptable	859	1187	1782	701	1053	621	573	6776
3	Refuse	1454	2294	2900	2600	1997	2388	2507	17140
4	Adding taxes to pay	1	13	8	1	9	1	6	39
5	Accept partly	1440	1217	1353	1373	1389	1903	2282	10957
6	Accept Completely	4014	4094	5332	4982	5228	4937	4598	33185
7	Cancel	37	94	128	50	37	76	21	443
	Total	8900	9073	12853	11231	9963	10166	10128	72314

Source: Tax Court Secretariat, 2020, Analysed from: TC One (February 17, 2021).

There are mixed results of decisions in tax dispute resolution in Table 1 above, namely revocation, unacceptable, refusing, increasing the tax to be paid, partially grant-ing, fully granting, and canceling. Table 1 shows that more than 50% of tax disputes in 2014-2020 resulted in partial and complete grant decisions. The high percentage reflects the appeals and lawsuits filed by taxpayers against the Directorate General of Taxes (DGT), the Directorate General of Customs and Excise (*DJBC*), and the Tax Judge has partially or entirely granted the Regional Government (*Pemda*). Of course, this phenom-enon must be addressed immediately, considering that the tax calculation between the Taxpayer and the Fiskus is based on the same tax laws and regulations.

It is necessary to study the law from the perspective of legal reform related to this phenomenon. Several previous studies still focused on resolving the dualism of authority between the handling of objections and tax disputes. Subekti (2020) concluded that it is necessary to separate the tax objection unit from the DGT or raise the status of the tax objection unit to a particular institution that is given independent authority to process and decide on taxpayer objections so that the objection decision is fairer and DGT should prioritize the spirit of serving, not

¹ Ispriyarso, B., "Kelemahan Lembaga Keberatan Pajak", *Administrative Law & Governance Journal*, Vol. 2, No. 2. 2019.

judging taxpayers². Then, Ispriyarso (2019) emphasized that the position of the objection agency under the DGT environment raises concerns about the emergence of a conflict of interest and doubts about the independence of the DGT in deciding a case as injustice in litigation in tax objections³.

As a state of law, the settlement of tax disputes must be based on the rule of law, whose 3 (three) main elements are the rule of law, equality before the law, and a constitution that upholds human rights (Gunadi, 2020)⁴. The legal settlement means an independent judicial body that can resolve dispute cases and solve problems that do not cause harm to the disputing parties, both financially and non-financially (Emirzon and Sinaga, 2021)⁵. The hope is that the settlement considers the use of administrative justice, as the purpose of organizational justice is to help people resolve disputes with public service providers by following fair trial standards by competent, independent, and impartial courts, then ensuring that decision-makers are held accountable (Zrvandyan, 2016)⁶. So, it is essential to answer 2 (two) existing problems. First, how are the tax dispute arrangements in the tax court? Second, why is administrative justice a problem-solving tax dispute?

2. RESEARCH METHOD

Understanding research as a systematic investigation to gain new knowledge from existing facts (Kale and Jayanth, 2019) shows that this research is a normative juridical study whose process cannot be separated from defining, collecting, organizing, and evaluating qualitative data, and making deductions, reach conclusions, and provide recommendations (Kale and Jayanth, 2019)⁷.

In line with the thought, this study is prescriptive (to get suggestions to overcome the problems posed in the research) and evaluative (to assess the application and running provisions) (Soekanto, 2010)⁸ and considering that this research is adequate to use the doctrinal method. This has also been confirmed by Kale and Jayanth (2019)⁹. They stated that the focus of research using doctrinal

² Subekti, I., "Pentingnya Independensi dan Keterbukaan dalam Proses Keberatan Pajak", tersedia di laman <https://mucglobal.com/id/news/594/pentingnya-independensi-dan-keterbukaan-dalam-proses-keberatan-pajak>, diakses tanggal 14 Maret 2022. 2020.

³ Ispriyarso, B., "Kelemahan Lembaga Keberatan Pajak", *Administrative Law & Governance Journal*, Vol. 2, No. 2. 2019

⁴ Gunadi, *Pemeriksaan, Investigasi, dan Penyidikan Pajak*, Koperasi Pegawai Kantor Pusat Direktorat Jenderal Pajak, Jakarta. 2020.

⁵ Emirzon, J., and Sinaga, H. D. P., "Dispute Resolution Model of Construction Work Contract: A Case Study in Indonesia", *International Journal of Global Community*, Vol. 4, No. 1. 2021.

⁶ Zrvandyan, A., *Casebook on European fair trial standards in administrative justice*, Council of Europe Publishing, Paris. 2016.

⁷ Kale, G. V., and Jayanth, J., "Introduction to Research", dalam Bairagi, V., and Munot, M. V., *Research Methodology*, CRC Press, New York. 2019.

⁸ Soekanto, S, *Pengantar Penelitian Hukum*, UI Press, Jakarta. 2010.

⁹ Kale, G. V., and Jayanth, J., "Introduction to Research", dalam Bairagi, V., and Munot, M. V., *Research Methodology*, CRC Press, New York. 2019.

methods is to examine the application of rules or norms in positive law as the law in its form, as a rule, produces prescriptions, knowledge which is the result of deduction from the truth. A priori that must be clearly understood by human reason.

Doctrinal studies consist of legal concepts of all types, including the idea of statutes, documented cases, administrative rules, and the like (Saptomo, 2009)¹⁰, with the research approach covering research on legal principles, vertical and horizontal legal synchronization, history law and comparative law (Staff et al., 2020). Doctrinal studies characterized by studies of legal texts and legal cases are analytical studies of certain cases against existing laws, which is knowledge development research in law (Kharel, 2018)¹¹. Then, the scope of the scientific activities of this study is to take inventory, describe, interpret, systematize, and evaluate specific favorable laws that apply in a particular society or country using concepts, categories, theories, classifications, and methods—methods, which is directed to answer the existing problem formulation (Sidharta, 2009)¹².

3. ANALYSIS AND DISCUSSION

A. An Overview of Poverty and Tobacco Farmers

Article 1 number 5 of Law no. 14 of 2002 concerning the Tax Court defines a Tax Dispute as a dispute arising 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, including a lawsuit on the implementation of collection based on the Tax Collection Law with a Forced Letter to the Court Tax. The tax court is the first and last level court in examining and deciding tax disputes. Tax disputes in Indonesia itself originate from *beschikking* issued by tax management carried out by local governments, both by provincial and district/city revenue authorities, and tax management carried out by the central government, namely by the DGT, as the DJP assesses taxpayers through the issuance of a Tax Collection Notice (*STP*) or a Tax Assessment Notice (*SKP*), and DJBC, as the DJBC considers import and export declaration (Damian, 2015)¹³.

¹⁰ Saptomo, A., *Pokok-Pokok Metodologi Penelitian Hukum Empiris Murni: Sebuah Alternatif*, Penerbit Universitas Trisakti, Jakarta. 2009.

¹¹ Kharel, A., *Doctrinal Legal Research*, tersedia di laman <https://deliverypdf.ssrn.com/delivery.php?ID=544017099074094115028114103023071011027055029016031058025073030064120026095094111074110122119106047059058117064125123124086028102009075041077099103024126105077028006031016046086008125112007122115127124109029099108101015126098093092029096114006101084105&EXT=pdf&INDEX=TRUE>. Accessed on 28 March 2022. 2018.

¹² Sidharta, B. A., "Penelitian Hukum Normatif: Analisis Penelitian Filosofikal dan Dogmatikal", in Irianto, S., & Sidharta (Ed.), *Metode Penelitian Hukum: Konstelasi dan Refleksi*, Yayasan Obor Indonesia, Jakarta. 2009.

¹³ Damian, D. H., "Indonesia", in Whitehead, S. (Ed.), *The Tax Disputes and Litigation Review*, Law Business Research Ltd., London. 2015.

By Article 1 point 6 of Law no. 14 of 2002, an appeal is a legal remedy that can be taken by a taxpayer or tax guarantor against a decision that can be appealed based on the applicable tax laws and regulations. The following are the requirements for appeal by Article 35-Article 39 of Law no. 14 of 2002:

- a. Against an appeal, a revocation statement can be submitted to the Tax Court.
- b. An appeal letter is filed against one decision in the Indonesian language within 3 (three) months from the date of receipt of the decision being appealed unless otherwise stipulated in the tax laws or cannot be fulfilled due to circumstances beyond the authority of the appellant.
- c. An appeal is filed accompanied by clear reasons, including the date on which the decision letter is received, an attached copy of the decision being reached, and the amount owed has been paid by 50% if it is submitted against the amount of tax payable.
- d. An appeal may be filed by a taxpayer, his heirs, an administrator, his legal representative, or their legal representative if the applicant's request goes bankrupt.

By Article 1 point 6 of Law no. 14 of 2002, a lawsuit is a legal remedy that can be taken by a Taxpayer or Tax insurer against the implementation of tax collection or against a decision that can be filed a lawsuit based on the applicable tax laws and regulations. The following are the requirements for appeal by Article 40-Article 43 of Law no. 14 of 2002:

- a. The lawsuit is submitted in writing in Indonesian to the Tax Court.
- b. The period for filing a lawsuit against the implementation of tax collection is 14 (fourteen) days from the date of the group's performance. In contrast, for decisions other than a lawsuit against the implementation of tax collection, it is 30 (thirty) days from the date of receipt of the decision being sued. However, the period is not binding if it cannot be fulfilled due to circumstances beyond the plaintiff's control, with an extension of 14 (fourteen) days from the end of the possibilities beyond the plaintiff's power. Against one collection implementation or one decision, a lawsuit is filed.
- c. A lawsuit can be filed by the plaintiff, his heirs, an administrator, or his legal representative accompanied by clear reasons, including the date of receipt, execution of billing, or the decision being sued, and attached with a copy of the document being sued.
- d. Against a lawsuit, a revocation statement can be submitted to the Tax Court.
- e. The lawsuit does not delay or prevent the implementation of tax collection or tax obligations.
- f. The Plaintiff may apply for the follow-up to the implementation of Tax collection to be postponed while the Tax Dispute examination is in progress until there is a Tax Court decision. The application can be submitted at once

in a lawsuit and can be decided beforehand from the subject of the dispute. However, the application for postponement can be granted only if urgent circumstances result in the plaintiff's interests being significantly harmed if the tax collection is implemented.

The appeal or lawsuit that is withdrawn is removed from the list of disputes by the Chairman's determination if a statement of revocation is submitted before the trial is held, the decision of the Council/Single Judge shall be subject to examination if a notice of cancellation is presented in court with the approval of the appellant. An appeal that has been revoked through a determination or decision cannot be resubmitted.

B. Review of Administrative Justice Literature About Tax Disputes

The separation of powers in Indonesia must be interpreted as dividing or distributing energy. The division of power in Indonesia is divided into legislative power to make laws, executive power to enforce laws, and judicial power to enforce laws.

The division of power is fundamental, both for the sake of democracy and also for the legal system (Bradley, Ewing, and Knight, 2015)¹⁴, related to efforts to avoid power being concentrated in specific individuals or institutions and trying to control how the power allocated in practice can be exercised. (Masterman and Murray, 2013)¹⁵. Power-sharing is expected to promote two main objectives: control over government power to avoid the concentration of power and promote efficient government by allocating certain power functions to the branch of energy that is most prepared to carry out certain activities. One of the functions of certain powers is an independent judicial power as the one most prepared to resolve legal disputes that arise between individuals and executive bodies (Masterman and Murray, 2013)¹⁶. One of the manifestations of the community's sense of justice is reflected in the decisions and stipulations of certain government administration officials, which legal remedies in the realm of administrative law can take are appeals and lawsuits to the tax court. Of course, the realization of the community's sense of justice to the tax court must be in a constitutional order, which is inseparable from the administrative judge.

It has been widely recognized by several studies of constitutional law, which state that the current traditional democratic process has justified administrative justice. However, it needs improvement, especially in overcoming the crisis of accountability and legitimacy that has arisen in public institutions

¹⁴ Bradley, A. W., Ewing, K. D., dan Knight, C. J. S., *Constitutional and Administrative Law*, Pearson Education Limited, Harlow. 2015.

¹⁵ Masterman, R., and Murray, C., "Exploring Constitutional and Administrative Law", Pearson Education Limited, Harlow. 2013.

¹⁶ Masterman, R., and Murray, C., "Exploring Constitutional and Administrative Law", Pearson Education Limited, Harlow. 2013.

(Longley and James, 1999)¹⁷. However, even though there are still disagreements about administrative justice in some ideas, a country still represents the government and its citizens in the context of State Administrative Law (HAN), considering that the actions and decisions of administrative authorities have a direct impact on the daily lives of its citizens, such as taxes, records, etc. public services, education, social services, or health. Such actions and decisions should create security, stability, and public trust, prerequisites for developing a stable and democratic society (Zrvandyan, 2016). Proper HAN will always require that the public be empowered to effectively challenge administrative actions by always holding public officials accountable for their decisions. Therefore, organizational justice is a core component of democratic governance. Its existence is fundamental in any society based on the rule of law because it requires the government, and thus its administration, to act within the scope of legal authority (Zrvandyan, 2016)¹⁸.

In its development in the era of digitalization and the current pandemic, administrative justice is not just a type of institutional arrangement. It also refers to a collection of theories that articulate how we should determine the acceptance of administrative decisions, as Michael Adler defines organizational justice as "the justice inherent in administrative decision-making" (Raso, 2021)¹⁹. The development of administrative justice leads to the acceptability of managerial decision-making that must be evaluated using an agency's internal law, which aims to constrain official action and serves as a focal point for reform and promoting legitimacy (Raso, 2021)²⁰.

The process of becoming administrative justice to become an improvement that is always getting better can be applied to several areas of the public sector, such as tax dispute resolution, along with advances in digital administration and technology that administrative justice can use as substantial knowledge, insight and control over technology in tax dispute resolution. fair (Motzfeldt and Næsborg-Andersen, 2018)²¹. Applying an organizational justice approach to tax dispute resolution is a tool and practice that demonstrates justice as a solution to

¹⁷ Longley, D., and James, R., *Administrative Justice: Central Issues in UK and European Administrative Law*, Cavendish Publishing Limited, London. 1999.

¹⁸ Zrvandyan, A., *Casebook on European fair trial standards in administrative justice*, Council of Europe Publishing, Paris. 2016.

¹⁹ Raso, J, "Implementing Digitalisation in an Administrative Justice Context", in Marc Hertogh, Richard Kirkham, Robert Thomas, and Joe Tomlinson, *The Oxford Handbook of Administrative Justice*, Oxford University Press, Oxford. 2021.

²⁰ Raso, J, "Implementing Digitalisation in an Administrative Justice Context", in Marc Hertogh, Richard Kirkham, Robert Thomas, and Joe Tomlinson, *The Oxford Handbook of Administrative Justice*, Oxford University Press, Oxford. 2021.

²¹ Motzfeldt, H. M., and Næsborg-Andersen, A., "Developing Administrative Law into Handling the Challenges of Digital Government in Denmark", *The Electronic Journal of e-Government*, Vol. 16, Issue 2. 2018.

the emergence of several legal difficulties, especially those related to legal barriers. The application of this problem-solving approach is based on the characteristics of administrative justice to resolve conflicts between citizens and governments responsible for the public interest (Expert-Foulquier, 2018)²².

C. A Critical Review of Tax Dispute Resolution

Tax disputes that arise, even though the Taxpayer feels that he has calculated and reported the Tax Return (SPT) correctly, clearly, and entirely based on the self-assessment system and tax determination by the tax officer (Fiskus) at the DGT, that the tax dispute is one of the efforts to obtain justice for each disputing party in administrative law due to the characteristics and features of the tax collection system (Sinaga et al., 2020)²³.

A tax dispute to obtain justice is in line with the definition of dispute in the Black's Law Dictionary, "a conflict or controversy, especially one that has given rise to a particular lawsuit" (Garner, 2009)²⁴. Tax disputes arise due to conflicts or controversies that cause legal claims. This shows that taxes cannot be separated from disputes. The handling of tax disputes is also carried out in many countries, such as the United States.

In the United States, filing a tax dispute in the form of an appeal begins with a request for an appeals conference or hearing, which can be done in the following cases: a) The taxpayer receives a letter explaining his right to appeal the decision of the Internal Revenue Service (IRS), b) Taxpayers disagree with the IRS decision, c) Taxpayers do not feel like signing the agreement form sent to them (Internal Revenue Service, 2022). After the appeals conference or hearing is over, the taxpayer can file an appeal against the tax dispute based on the following considerations: "IRS made an incorrect decision based on a misinterpretation of the law, IRS didn't properly apply the law due to a misunderstanding of the facts, IRS is taking inappropriate collection action against taxpayers or the taxpayer offer in compromise was denied, and taxpayer disagrees with that decision, and facts used by the IRS are incorrect." However, there are things that are not categorized as appeals, namely; "the correspondence the taxpayer received from the IRS was a bill, and there was no mention of an appeal, the taxpayer didn't provide all information to support the taxpayer position to the examiner during the audit, and the taxpayer only concern is that taxpayer can't afford to pay the amount the

²² Expert-Foulquier, C., "Is French Administrative Justice a Problem-Solving Justice?", *Utrecht Law Review*, Vol. 14, Issue 3, DOI: <http://doi.org/10.18352/ulr.470>. 2018.

²³ Sinaga, B. R. P., Sinaga, E. N., Barus, L. B., Sinaga, R. Y., dan Sinaga, H. D. P., "Justice Reconciliation In Establishing Responsive Tax Law In Indonesia: A Rawlsian Perspective", *Ayer Journal*, Vol. 27, No. 3. 2020.

²⁴ Garner, B. A.. *Black's Law Dictionary*. St. Paul, MN: Thomson Reuters. 2009.

taxpayer owes” (Internal Revenue Service, 2022)²⁵. In addition to the usual appeals process, the United States offers a mediation program that can resolve disputed tax issues (Internal Revenue Service, 2022)²⁶.

The settlement of tax disputes that the judicial power must handle is a form of power distribution so that the administrative discretion contained in the executive power can be controlled (Cole, 1938)²⁷. This judicial power is only realized if there is an authority given to the court to prevent the state administration's rules, regulations, orders, and decisions against everyone seeking justice for every state administration's legal action (Cole, 1938)²⁸. Furthermore, the decision-making policy based on administrative judges shows the need for mutual control between one institution and another. Every institution involved in a dispute has the right to oversee the ongoing process while monitoring every step (Olsson, 2009).

D. Administrative Justice as Problem-Solving Tax Disputes

Indeed, tax disputes in the tax courts have resolved to resolve tax administration cases fairly, not yet reached as an appropriate problem-solving agency, considering two existing arguments (Expert-Foulquier, 2018)²⁹. First, the concept has been studied and used for criminal justice. Second, the will and means to solve problems are not used systematically in all cases by administrative judges. However, these 2 (two) arguments can be refuted. The rebuttal to the first argument relates to procedures in Indonesia, where managerial court procedures are very similar to criminal justice about the inquisitorial process, namely in terms of policies and deciding cases that give criminal and administrative judges a lot of power (Expert-Foulquier, 2018)³⁰. The power held by judges is to decide cases based on the hierarchy of laws and regulations as stated in Article 7 of Law no. 12 of 2011 said Law No. 15 of 2019 concerning the Formation of Legislation has established the hierarchy from the highest to the lowest, namely the 1945 Constitution of the Republic of Indonesia, Laws/Government Regulations instead of Law, Government Regulations, Presidential Regulations, and Regional Regulations. Meanwhile, objections to the second argument are answered through

²⁵ Internal Revenue Service. Considering an Appeal, <https://www.irs.gov/appeals/considering-an-appeal>. Accessed on 27 March 2022. 2022 a.

²⁶ Internal Revenue Service. Considering an Appeal, <https://www.irs.gov/appeals/considering-an-appeal>. Accessed on 27 March 2022. 2022 a

²⁷ Cole, K. C., “Some Recent Proposals in the Sphere of Administrative Justice”, *The American Political Science Review*, Vol. 32, No. 5. 1938.

²⁸ Cole, K. C., “Some Recent Proposals in the Sphere of Administrative Justice”, *The American Political Science Review*, Vol. 32, No. 5. 1938.

²⁹ Expert-Foulquier, C., “Is French Administrative Justice a Problem-Solving Justice?”, *Utrecht Law Review*, Vol. 14, Issue 3, DOI: <http://doi.org/10.18352/ulr.470>. 2018.

³⁰ Expert-Foulquier, C., “Is French Administrative Justice a Problem-Solving Justice?”, *Utrecht Law Review*, Vol. 14, Issue 3, DOI: <http://doi.org/10.18352/ulr.470>. 2018.

procedural reforms and lead to a more participatory and collaborative justice system. The disputing parties can actively participate in resolving disputes fairly and transparently (Expert-Foulquier, 2018)³¹.

The settlement of tax disputes so far, which is only limited to resolving tax administration cases, must shift to solving problems fairly. Some of the considerations are the domino effect related to the period, costs, and burden of proof, all of which must be borne by the taxpayer. In terms of timeframe, tax disputes tend to take a long time. In terms of costs, taxpayers must incur extra charges and other extra resources, such as professional fees, which include tax consultant fees and public accountant fees, and taxpayer employee costs during the tax dispute process, such as transportation or consumption or communication costs, and others. . Meanwhile, in terms of the burden of proof, the taxpayer is obliged to prove that the Fiskus decision is not correct, especially concerning the disputed tax amount (Walpole and Tran-Nam, 2022)³². Of course, the settlement of tax disputes between taxpayers and tax authorities by administrative justice, in this case, those that follow fair, independent standards, and guarantee that every decision making can be held accountable, must follow judicial (administrative) standards as referred to in Article 24 paragraph (1) The 1945 Constitution of the Republic of Indonesia states that "Judicial power is an independent power to administer justice to uphold law and justice" and further elaboration is regulated in Article 1 number (1) of Law Number 48 of 2009 concerning Judicial Power which formulates that " Judicial power is the power of an independent state to administer the judiciary to uphold law and justice based on Pancasila and the 1945 Constitution of the Republic of Indonesia, for the sake of the implementation of the rule of law of the Republic of Indonesia.

The existence of legal certainty in compliance with the hierarchy of laws and regulations shows that the DGT, which often carries out its duties based on executive power, inevitably has to face legal remedies in the form of settlement and problem solving of tax disputes that taxpayers can carry out. Payment and problem solving of tax disputes through the tax court is a more reliable legal remedy for taxpayers in seeking justice and legal certainty, considering that courts (including tax courts) still have to comply with the hierarchy of applicable laws and regulations in deciding disputes (including tax disputes). The matter of courts as problem-solving in Indonesia itself has been embraced in dispute resolution in arbitration, district courts, and civil courts.

³¹ Expert-Foulquier, C., "Is French Administrative Justice a Problem-Solving Justice?", *Utrecht Law Review*, Vol. 14, Issue 3, DOI: <http://doi.org/10.18352/ulr.470>. 2018.

³² Walpole, M., and Tran-Nam, B., "Access to Tax Justice: How Costs Influence Dispute Resolution Choices", tersedia di laman <https://www.lse.ac.uk/law/Assets/Documents/lef/access-to-tax-justice.pdf>, ccessed on 27 March 2022.

Arbitration as problem-solving is in line with Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, namely litigation and non-litigation routes, such as deliberation to reach consensus, mediation, negotiation, conciliation, formation of dispute councils, and arbitration. One example of problem-solving from the Law is the handling of the complexity of the construction industry by Law Number 2 of 2017 concerning Construction Services, where so far, the industry has caused a vast and unavoidable potential for construction disputes. Then civil disputes in court must first be resolved through mediation, as confirmed in Supreme Court Regulation (Perma) Number 1 of 2016 concerning Mediation Procedures in Courts, emphasizing the obligation of litigants to have good faith during the mediation process. Furthermore, several criminal laws also have out-of-court settlement mechanisms, such as Law Number 11 of 2012 concerning the Juvenile Criminal Justice System, which regulates illegal settlement through diversion. Law Number 23 of 2004 concerning Elimination of Domestic Violence categorizes violations as complaint offenses to ensure the household's goodness and integrity; the illegal settlement can be carried out through mediation.

4. CONCLUSION

Two conclusions were drawn based on the background, research methods, analysis, and discussion. First, the tax dispute arrangements (appeals and lawsuits) in the tax court are based on Article 35-Article 39 of Law no. 14 of 2002 on tax appeals and Article 40-Article 43 of Law no. 14 of 2002 in the case of tax claims. However, the handling of tax disputes is still limited to resolving dispute cases, not yet reaching problem-solving tax disputes. This will only lead to high tax disputes and extra costs for taxpayers and tax authorities in the tax court, considering that the tax court handles appeals and lawsuits filed against *beschikking* issued by DGT, DJBC, and the local government.

Second, administrative justice is justice for settling tax dispute cases and justice in solving tax dispute problems. Considering that the connotation of "settlement of tax dispute cases" only creates recurring problems in tax disputes, including filings of appeals and tax claims that remain a lot, the number of *beschikking* which is granted partially or wholly even though it is based on the same statutory regulations, the emergence of extra costs, and additional time for the disputing parties, namely between the taxpayer and the tax authority, in resolving any tax disputes that arise. Like any dispute resolution, it must be fast, without mutual harm, and based on the parties' shared goals (Emirzon and Sinaga,

2021)³³. Therefore, administrative justice can be considered a fair problem solver in tax disputes between taxpayers and the tax authorities; it can only be done concerning unique characteristics in the form of accountability of public officials for each of their decision-making. It is recommended that there be an update to the Tax Court Law that shows its characteristics as a settlement of tax dispute cases and at the same time as a fast problem solving, which produces suggestions, and which has binding and final power and can be obeyed by all parties (Emirzon and Sinaga, 2021)³⁴, between other provisions governing the existence of an appeals conference or hearing or mediation (pre-tax dispute) and their characteristics before filing a tax dispute.

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