

## Suitability of Indonesia's Tax Administration with Abu Yusuf Thought

**Authors :** Dina Safrina

**Abstract :** This paper aims to discuss the suitability of tax administration in Indonesia based on Islamic Shari'a by looking at Abu Yusuf's idea of taxation. This research is a qualitative research and using data collection method by library research, that is by studying, deepening and citing theories or concepts from a number of literature. The purpose of this paper is to find out whether taxation in Indonesia is consistent with the thinking of Islamic economists, namely Abu Yusuf's idea which became known by economists as the canons of taxation. The ability to pay, lax time giving for taxpayers and the centralization of decision-making in the tax administration are some of the principles it emphasizes. In taxation he recommends the use of the Muqassamah (Proportional Tax) system rather than the Mixed (Fixed Tax) system. In this case, the determination of tax rates in Indonesia there are using fixed tax system, proportional tax, progressive tax and regressive tax. Abu Yusuf opposed the existence of Qabalah institution (the guarantor of tax payments to the state) at the time and suggested a tax administration centered and paid directly to the state. This is in accordance with those already applied in Indonesia where tax collection is done centrally. The tax system in Indonesia using self assessment system, which is the authority and responsibility given by the government to the taxpayer to calculate, pay and report the tax itself becomes the gap for taxpayers to commit fraud. Prerequisites that must be met for the success of this system is with the tax consciousness, tax honesty, tax mindedness, and tax discipline.

**Keywords :** Abu Yusuf, Indonesia, tax, tax administration

**Conference Title :** ICPPIES 2018 : International Conference on Public Policy in Islamic Economic System

**Conference Location :** Dublin, Ireland

**Conference Dates :** October 22-23, 2018