ANALYZE TO THE ROLE EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL) TO IMPROVE THE ACCURACY OF TAX REPORT

Patrick Naomi Maysias Simanjuntak

Accounting Department Undergraduate Student

Faculty of Economics

Parahyangan Catholic Univesity Bandung

patricknaomi.1995@gmail.com

Abstract

XBRL (eXtensible the Business Reporting Language) is an XML-based open standard that supports the modeling of information and expression of semantic meaning which is usually required by business reporting. XBRL uses XML syntax and XML-based technologies to explain the semantics. XBRL in the world of taxation will be implemented at the beginning or end of the year 2017. This XBRL would be equal with XBRL system by the Indonesia Stock Exchange. XBRL taxation will also be implemented on the use of online SPT, which is where this online SPT been carried out first. Expected tax authorities may socialize XBRL to the Indonesian company. From the study it can be concluded that, XBRL will facilitate the taxation of tax authorities to track companies that missed or delayed pay taxes to the State.

Keywords: eXtensible the Business Reporting Language

JEL Classifications: M15, Q55, H25

INTRODUCTION

Rapid changes in technology have affected human life. Like an internet, a computer network that has no central control or organization, which can be used for communication, research needs and also buying and selling goods and services. Currently we met accounting software is highly diverse, including Zahir, myob, accurate etc. In recent times AICPA're constantly working to develop the eXtensible Bussiness Reporting Language (XBRL) to replace the formal use of HTML.

XBRL began to grow in early 1990, XBRL made since the discovery of the weakness of HTML that is not able to explain the contents of the data presented. XBRL is first used for the financial statements of commercial and industrial establishments were compiled based on United States GAAP. Before XBRL used at the company made eXtensible Markup Language (XML). XML is not enough to be a general purpose language in communicating financial information. Ability thing necessary is to not only identify each piece of data, but how the data is processed and how it relates to other data.

In the world of accounting and business, financial reports is one measure that describes the extent to which the performance of a business. The financial statements can also be communicated to investors, creditors, management, and all those who use the financial statements about how the condition of a business. In addition, the financial statements are also an aspect to be considered for taking a good decision by the investors, creditors, and management. Thus, reporting of a financial statement is very important in the business world because it can communicate with any aspect of the business performance. In addition to financial reports, taxes reports are also one important aspect in the world of business and accounting. So between the financial statements and tax records is integral to the world of Accounting and Business.

The purposes of this study are explain the role of XBRL in the world of accounting and business, explain the role of XBRL in generating accurate tax reporting, and mention the benefits and usage in XBRL.

LIST REVIEW AND RESEARCH

Questions

There are many problems in this research, such as What are the role of XBRL in the world of accounting and business? What is the role of XBRL in generating accurate tax reporting ?, and What is the benefit and use of the XBRL ?.

eXtensible Business Reporting Language (XBRL)

According to (Romney, 2012) in his book Accounting Information Systems XBRL is a system of financial reporting standards in accordance with the respective companies and are not out of the concept of General Accepted Accounting Principles (GAAP). XBRL is defined as an XML-based open standard that supports the modeling of information and expression of semantic meaning which is usually required by business reporting. Communication concept that is applied is arranged in the taxonomy metadata.

According to (Debreceny & Farewell, 2010) in the journal, said that XBRL is an open international standard for digital business reporting are managed by non-profit groups, consisting of: 1) want to improve reporting (public interest), 2) updating paper-based reports the digital version of the more useful and effective, and accurate. 3) digital business reports (XBRL format) for ease of use, share, analysis, and additional value over the data.

Based on research (David Lee, et al. 2012) the influence of XBRL already begun, with multinational companies set up a branch company in Indonesia. This can be seen in companies that already use XBRL then outstanding shares are purchased and hunted by investors. This proves that investors helped with XBRL system implemented by the company

Bank Indonesia is the first state institution to use XBRL. That where support in making financial reports to be more effective and efficient. XBRL is located in the new Bank Indonesia implemented on Sharia Bank.

Indonesia Stock Exchange (IDX)

In the website (Indonesia Stock Exchange, Indonesia Stock Exchange, 2012) Since 2012, PT Indonesia Stock Exchange (BEI) has initiated the development of XBRL-based reporting. In the framework of the implementation of the reporting, the Stock Exchange shall prepare a taxonomy that represents a reporting. As the initial development step, BEI has completed taxonomy specifically for the company's financial statements. Furthermore, the taxonomy of these financial statements will be disseminated to all of the Listed Company. Information reporting XBRL-based financial statements of the plans to be implemented in 2015. The type taxonomy existing financial statements include the statements: 1) Statement

of Financial Position; 2) Statements of Income; 3) Statement of Changes in Equity; 4) Statements of Cash Flows.

The taxonomy will standardize the format of presentation of financial statements of companies from all types of sectors and subsectors that have been set by BEI. Detailed information relating to the taxonomy and presentation will be discussed in the taxonomy menu.

After the development of the taxonomy of the financial statements, BEI will continue its development to an area taxonomic Disclosure (Disclosure). Until now, the area of disclosure that will be developed is still under discussion. Disclosure of the area can be: 1) Notes to the financial statements Issuer; 2) The obligation of information disclosure of the Issuer; 3) Information on the aforementioned corporate actions, etc.

Briefly workflow associated with the development of XBRL-based reporting can be seen in Figure 1.
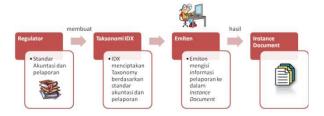

Figure 1. XBRL Development Workflow

According to news from (hukumonline.com, 2015) about the use of XBRL in overcoming tax revenue is not achieved in Indonesia, that the Directorate General of Taxation will use XBRL system to track companies that do not pay taxes or late. Own XBRL will facilitate staff Diretorat General of Taxes to enter the data. This XBRL will follow a system of BEI.

Tax Accounting

Taxation is the accounting aspects of the company that arise due to a regulation, which is required by external parties to the company and coercive. Conjunction with the accounting resulting from the main activity of the company is aiming to gain profits. That is,

there is a component of money or material that is subject to tax and must be deposited to the country where the company resides.

According to (Debreceny & Farewell, 2010) in the journal XBRL in Accounting Curriculum says that information to create tax reports from various sources (regulations). In addition, a series of functions to make use of XBRL financial reporting would be better if the company could integrate tax reporting that will generate tax reports are effective and efficient.

Business

Business literally is a company that produce goods and services which require financial statements which became one of the benchmarks that illustrate the extent to which the performance of a business. The financial statements can also be communicated to investors, creditors, management, and all those who use the financial statements about how the condition of a business. In addition, the financial statements are also an aspect to be considered for taking a good decision by the investors, creditors, and management. Thus, reporting of a financial statement is very important in the business world because it can communicate with any aspect of the business performance.

What about the taxes that exist in the company? It can be seen from how the company pays taxes regularly or not, and how the company reported a tax to the State. It can be seen from an XBRL

How it Works XBRL

(KPMG Siddharta advisory, 2013) explains, XBRL reporting system involves two main parties, the sender and receiver of information.

In implementation, the role of the recipient of the information is a standard set of information in the form of XBRL taxonomy. The receiving party information also process information in XBRL format received. On the other hand, the shipper information plays submit data reports in XBRL documents (XBRL instance document) based on predefined taxonomy.

In the XBRL document creation, software affix tags to the XBRL data items company based on predefined taxonomy, such as standard taxonomy, taxonomy extension, enterprise data, tagging process, document.

Benefits and Uses in XBRL

In this case the author want to tell you the benefits and usefulness of Business Company can be seen in Table 1.

Table 1. Benefits and Uses in XBRL

Number	Type	Benefits and Uses
1.	Business Companies	to produce consolidated financial statements from 1) all divisions and subsidiaries quickly and reliably. 2) Improve the accuracy and reliability of financial data. 3)Provide ease of analysis, forecasting, and decision making. And the ease in collecting, preparing, and storing data. Helping business decisions more quickly and 4) efficiently. The financial data can be rendered more transparent 5) and easier to use. 6) Simplify the process and reduce costs in the tax reporting rules and other authorities. 7) Can avoid software systems is difficult and paid

But the benefits and usefulness of XBRL for IDX core can be seen from Figure 2.

Figure 2. Benefits and Uses of XBRL For BEI

METHODOLOGY

The author uses the method of literature (literature study). First, the author seeks theories relating to the title of the paper to be the basis of the discussions that will be done. So, the author did not write an opinion that is not in order. These theories cited by author from literature sources such as books, journals, and other sources from the internet that is not a blog sites.

The author uses the technique of data collection by:

Literature   Review

According to (Sekaran & Bougie, 2013, p. 49) in his book "Research Methods for Business: A Skill Building Approach, 6th Edition" the study of literature is read journals, conference proceedings, and other content that is published or not, related to the problems examined by the author to help authors understand the research and viewpoints that are used. The data can be obtained from the literature is secondary data that can be used as a theoretical basis and guidance in the discussion of the problems.

RESULT AND DISCUSSION

XBRL in Indonesia has been implemented by several state institutions in Indonesia, such as: Bank Indonesia, the Indonesia Stock Exchange and SKK Migas. The Directorate General of Taxation have a plan to use this XBRL system.

XBRL in the world of taxation has not been operated, but the plan of XBRL will be used in the world of taxation at the beginning or the end of the year 2017. The Directorate General of Taxation is already using online tax return to allow companies in Indonesia to pay taxes. XBRL will be connected to the SPT online which has been run by the Directorate General of Taxation because XBRL will be associated with the reporting of tax to be paid and reported to the State.

This XBRL will be more to the company rather than to individuals. Due to the Company in Indonesia has great risk in paying taxes. XBRL in the world of taxation would be helpful in tracking down tax authorities or companies that are not late in paying taxes. Besides being able to keep track of companies that missed or delayed paying taxes, XBRL also make it easier for the staff of Directorate General of Taxation to enter the data of the XBRL (eXtensible the Business Reporting Language) is an XML-based open standard that supports the modeling of information and company, which is the taxpayer. With the SPT online will make it easier for tax authorities to use this XBRL.

So, the use of XBRL in the world of taxation can go as desired later, the Tax Office should conduct socialization gradually into an existing company in Indonesia, providing training in the use of XBRL in taxation, as well as providing XBRL software free of charge to companies in Indonesia. It is expected to do things - things that have been mentioned above, XBRL will be run efficiently and will reduce the companies that missed or delayed in paying taxes.

CONCLUSION

Expression of semantic meaning which is usually required by business reporting. XBRL uses XML syntax and XML-based technologies to explain the semantics.

From the above discussion, it can be concluded using XBRL in the world of taxation will bring convenience to the Directorate General of Taxation and other state institutions.

That's because they can track companies that missed or delayed pay taxes to the State. XBRL will be implemented by the Directorate General of Taxation will be expected to go according to plan and XBRL are also expected will reduce companies that do not pay taxes or late.

XBRL can be used to prepare tax reports in a format that can be operated in a variety of applications reduces the need to prepare tax reports in different formats. XBRL will be used by the Directorate General of Taxation and companies in Indonesia will benefit both parties.

REFERENCES

David Lee, S., & dkk. (2012). *Efektifitas Penggunaan Aplikasi Extensible Business Reporting Language (XBRL) dalam Pengambilan Keputusan Investasi di* Indonesia.

Debreceny, R., & Farewell, S. (2010). XBRL in Accounting Curriculum . *Issues in Accounting Education Vol.25 No.3*, 379-403.

hukumonline.com. (2015, August 20). *Mengejar Pengemplang Pajak dengan Sistem XBRL.* Retrieved September 19, 2016, from hukumonline.com: http://www.hukumonline.com/

Indonesia Stock Exchange Bursa Efek Indonesia. (2012). *Extensible Business Reporting Language (XBRL).* Retrieved 2016, from Indonesia Stock Exchange Bursa Efek Indonesia: http://www.idx.co.id/

KPMG Siddharta advisory. (2013). *XBRL A New Language.* Retrieved 2016, from KMPG : cutting through complexity: kpmg.com/id

Plumlee, R. D., & Plumlee, M. A. (2008). Assurance on XBRL for Financial Reporting. *Accounting Horizons , 22*(3), 353-368.

Romney, M. B. (2012). *Accounting Information Systems 12th Edition.* Global Edition, 12/E. Pearson.

Samuel Olusola, F. (2011). *E-business Conflict Resolution : The Role of XBRL, The Next Generetion Digital Language Of Business Reporting.* SRIMCA.

Sekaran, U., & Bougie. (2013). *Research Method for Business : A Skill Building Approach Edisi 6.* New York: Wiley.

Sugalih Muliawirawan, Y., & Pahlisa, P. (2015). *CASE STUDY: XBRL IMPLEMENTATION FOR INDONESIA'S ISLAMIC BANKING REGULATORY REPORTING SYSTEM* . XBRL International, Inc. .

XBRL. (n.d.). *An Introduction to XBRL.* Retrieved 2016, from The Business Reporting Standard: https://www.xbrl.org