

# TAX LAW CERTAINTY ON THE SALE OF FOOD AND BEVERAGES AFTER THE ENACTMENT OF LAW NUMBER 1 OF 2022

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## ABSTRACT

Certain Goods and Service Tax (CGST) is a concept of integrating consumption-based taxes contained in Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments. The provisions for tax collection in this new law also change local taxation policies, particularly on tax collection on the sale of food and beverages. Therefore, this study aims to analyze the arrangement for collecting CGST for the sale of food and beverages based on the principle of legal certainty and reviewing the implications of the concept of collecting CGST on the sale of food and beverages in terms of local tax intensification efforts. This study uses a normative juridical method using secondary data sources. The data that has been obtained is then described descriptively with qualitative analysis methods. The results of this study indicate that collecting CGST for food and beverage sales is by the principle of legal certainty because it limits the authority to collect VAT by the Central Government and CGST by the Regional Government for business actors engaged in the culinary industry. To optimize regional revenues after the enactment of Law No. 1 of 2022 is to intensify taxes by expanding the revenue base, optimizing the collection process, and increasing supervision.

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## INTRODUCTION

In early 2022 the government, through the Ministry of Finance together with the People's Representative Council of the Republic of Indonesia (*DPR RI*), issued a new tax policy with the enactment of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (from now on referred to as the *HKPD* Law). The *HKPD* Law is expected to be able to improve Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments and Law Number 28 of 2009 concerning Regional Taxes and Regional Levies (from now on referred to as the *PDRD* Law), which regional governments have used as a legal umbrella in local tax collection (Pangastuti, 2022).

In addition to perfecting previous regional tax regulations, the *HKPD* Law comes with four main pillars, including developing central and regional financial relations by minimizing

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vertical and horizontal inequality, optimizing the local tax system to support ease of doing business, improving the quality of spending, and harmonizing central and regional spending (Jeven, 2022). Since local governments have fewer opportunities and authority to manage tax revenue, however the size of their non-tax revenue is entirely dependent on their enterprise and activity (Ayupov & Kazakovtseva, 2014).

One of the significant influences after the enactment of the *HKPD* Law was the restructuring of the types of local taxes. According to Soelarno as quoted by Damas Dwi Anggoro, regional taxes are original regional taxes as well as state taxes that are handed over to regions whose collection authority is carried out by regions within their jurisdiction, which are useful for financing regional expenditures in connection with their duties and obligations to regulate and manage their own household within the bonds of the Unitary State of the Republic of Indonesia in accordance with the laws and regulations (Anggoro, 2017).

Previously, during the implementation of the PDRD Law, regional taxes were classified into several types of taxes, commonly known as hotel taxes, restaurant taxes, parking taxes, entertainment taxes, and street lighting taxes. With a new term called the Certain Goods and Services Tax or CGST. The *HKPD* Law states that CGST is "a tax paid by the final consumer on the consumption of certain goods and services" (Article 1, 2022). In addition, CGST is one of the ways are taken to increase local government revenue, since the greater the government's revenue, the greater the nation's benefits (Shaari, Ali, & Ismail, 2015).

Although it comes with a new idea expected to simplify the process of administration and tax services in the regions, the collection of CGST, especially on the sale of food and drinks, does not necessarily escape the juridical implications and challenges when they are implemented in the regions. A number of problems will be examined in this article, such as the revocation of the provisions for collecting restaurant taxes in the PDRD Law, but the implementing regulations, both the Regional Regulations and the related Regent's Regulation, are declared to remain in effect on the implementation of tax collection in the regions. This certainly has the opportunity to create legal uncertainty in the implementation of tax collection in the regions, because it has the potential to conflict with the principle of legal certainty in tax collection if it is not accompanied by clear regulations.

In addition, the provisions for collecting CGST for the sale of food and/or beverages in the *HKPD* Law are no longer the full authority of the Regional Government at the district/city level as regulated in the PDRD Law. Previously, the collection of taxes on the sale of food and/or beverages was a mandatory contribution to the region owed by individuals or entities that were coercive under the law, without receiving direct compensation and being used for regional needs for the greatest prosperity of the people (Article 1, 2009). On the other hand, according to the *HKPD* Law, not all categories of restaurant operators and food and/or beverage sellers will be subject to a CGST levy, but it opens up opportunities for business actors engaged in the culinary industry to be subject to value added tax (VAT) with due regard to certain conditions. The next issue that will be discussed is the tax intensification efforts carried out by local governments to optimize regional revenues sourced from taxes on the sale of food and/or beverages in terms of the close list system in the *HKPD* Law.

Previous research conducted by Aniek Juliarini related to the impact of the enactment of Law Number 28 of 2009 concerning Regional Taxes and Regional Levies on regional revenues with the title "Comparison of City and Regency Regional Tax Revenues in Indonesia After the Enactment of the Regional Tax and Regional Levies Law" stated that the development of district tax revenues is smaller than that of the city, the development of the contribution of local taxes to local revenue in the district is smaller than in the city, and the development of the district revenue and expenditure budget is greater than that of the city budget (Juliarini, 2020).

Through the renewal of the local tax collection system in the HKPD Law, especially on food and/or beverage sales tax collection, this study seeks to examine the impacts after the promulgation of the *HKPD* Law from the aspect of the principle of legal certainty, the concept of collecting CGST with the object of selling food and beverages, to efforts to intensify local taxes to optimize regional revenues. Moreover, [Ling, Osman, Muhammad, Yeng, and Jin \(2016\)](#) many reasons were given for establishing CGST, including discontent with the current consumption tax structure, the decrease of other taxation rates, and the inability of the existing tax system to keep pace with the growth of the economy.

Based on the description of the background above, this research will examine the following problems:

1. What is the arrangement for collecting GST for selling food and beverages based on the principle of legal certainty?
2. What are the implications of the concept of collecting GST for the sale of food and beverages in efforts to intensify local taxes?

## **METHOD**

The research method used in this legal research is normative juridical. Normative legal research is legal research conducted by examining library materials or secondary data ([Soekanto, 2007](#)). The normative juridical approach was chosen because this approach examines concepts, principles, and laws and regulations related to research. The normative juridical approach is also known as the library approach because research is carried out by examining books, laws and regulations and other documents related to research. Furthermore, the data that has been obtained will be analyzed using a qualitative normative method. Normative qualitative research is an approach that will produce descriptive data in the form of written or oral descriptions of people and observed behaviours that are not systematically incorporated into variables or hypotheses ([Amiruddin & Asikin, 2004](#)).

## **RESULTS AND DISCUSSION**

### **A. Regulations for Collection of CGST on the Sale of Food and Beverages Based on the Principle of Legal Certainty**

Legal certainty is the goal to be achieved by every law. In the formation of binding laws and regulations in general, efforts must be made so that the provisions contained in the law are explicit, firm, and do not contain double meanings or even provide opportunities for other interpretations ([Soemitro & Sugiharti, 2010](#)). Adam Smith stated that in order for tax regulations to be able to create a sense of justice, there are four conditions that must be considered, among others ([Kadir, 2016](#)):

- 1) Equality (Principle of Justice).  
The tax law always provides equal treatment in accordance with the ability of the taxpayer. In this case, there is a prohibition against discriminatory treatment.
- 2) Certainty (Principle of Certainty).  
A good tax law can always guarantee legal certainty to taxpayers regarding the subject, object, tax rate, and provisions regarding the time of payment. In this regard, the tax law should not contain the possibility of double interpretation or ambiguity in its implementation.
- 3) Convenience of payment (Principle of Timely Payment).  
Taxes must be collected at the right time, namely when the taxpayer has just received his income or at a time that is not difficult for the taxpayer.

4) Economics of Collection (Efficiency Principle).

Paying attention to the ratio between the cost of collection and the realization of the tax itself, so that the costs incurred for tax collection are not greater than the amount of tax that has been collected. This means that the cost of collecting taxes should be done efficiently.

Legal certainty in the field of taxation in Indonesia is reflected in Article 23A of the 1945 Constitution, which states, "Taxes and other levies that are coercive for the needs of the state are regulated by law" (Article 23 A, n.d.). The presence of legal certainty in taxation must also be interpreted as a condition where the tax collection authority runs in line with the provisions of the taxation law. This alignment is expected to be able to create justice and benefit for taxpayers. Concerning the implementation of tax collection in the regions, in connection with the promulgation of the *HKPD* Law, which replaces the *PDRD* Law, there are several fundamental changes to the provisions of the law.

One law that serves as guidelines for local tax collection is the *HKPD* Law. The *HKPD* Law comes with several fundamental changes, including reclassifying 16 types of local taxes into 14 types and rationalizing regional levies from the original 32 types of services to 18 types of services. This law also restructures the types of taxes that have been the authority of district/city governments, namely hotel tax, restaurant tax, parking tax, entertainment tax, and street lighting tax, which then integrates them into a new type of tax called CGST. The tax restructuring is intended to (Law Number 1, 2022):

- 1) Aligning tax objects between central taxes and local taxes to avoid duplication of tax collection;
- 2) Simplify the tax administration process so that the benefits obtained are higher than the collection costs;
- 3) Facilitate the monitoring of integrated tax collection by regions; and
- 4) Make it easier for the public to fulfil their tax obligations and support the ease of doing business by simplifying tax administration.

This significant change was felt by one type of consumption-based local tax that underwent restructuring. If previously in the *PDRD* Law, consumption-based local taxes were independent and became a different type of tax, now these taxes are integrated with the contents of the CGST. The impact of the restructuring made the restaurant tax join four other types of taxes. The CGST terminology in the *HKPD* Law emphasizes that this type of tax consists of taxes on the sale, delivery, and consumption of goods and services, including food and beverages, electric power, hotel services, parking, and arts and entertainment services.

Problems that occur in the field after the promulgation of the *HKPD* Law are the use of restaurant tax terminology in the implementation of tax collection on the sale of food and beverages, as well as the use of Regional Regulations and Regional Regulations, which still refer to the *PDRD* Law by the district/ city Regional Government, even though the *HKPD* Law is through Article 189 paragraph (1) letter b expressly states that "Law Number 28 of 2009 concerning Regional Taxes and Regional Levies is officially revoked and declared no longer valid." The Act's replacement does not necessarily revoke the validity of the Regional Regulation, which is the implementing regulation of the old law. It is only possible to revoke laws and regulations of an equal or higher level (Manan, 1992).

Suppose the doctrine is implemented against the *HKPD* Law, even though there is a change between the *PDRD* Law into the *HKPD* Law. In that case, it does not automatically revoke the validity of the Local Regulation and derivative regulations of the *PDRD* Law. The Regional Regulations become invalid if the new law contains provisions that expressly revoke the Regional Regulations and the related Regent's Regulation. If the new law does not

expressly revoke it, the Regional Regulations and the related Regent's Regulation will remain in effect.

In establishing laws and regulations in Indonesia, generally, in the closing provisions of law, there is an article or paragraph confirming the status of the implementing regulations of the old law. In the *HKPD* Law, through Article 188 letter b, it is expressly stated that: "At the time this law comes into force, the laws and regulations which are implementing regulations of Law Number 28 of 2009 concerning Regional Taxes and Levies are declared to remain in effect as long as they have not been replaced and does not conflict with the provisions of this Law" (Article 188, 2022).

Furthermore, based on Article 189 paragraph (2), it is also emphasized that: "All laws and regulations relating to Financial Relations between the Central Government and Regional Governments and Taxes and Levies are declared to remain in effect as long as they do not conflict with this Law" (Article 189, 2022). The two articles above provide certainty that the implementing regulations as well as Regional Regulations which is derivative rules of the *PDRD* Law that Regional Governments still use in carrying out tax collection on the sale of food and beverages, remain valid as long as their provisions do not conflict with the *HKPD* Law as a collection provision. The latest regional tax, so that the use of restaurant tax terminology is still allowed to be used in a limited way during the transition period given by the *HKPD* Law; therefore, later, the new Regional Regulation and Regional Government Regulation must replace the restaurant tax terminology with the provisions stipulated in the *HKPD* Law, namely by using CGST terminology.

To respond to the transition period, the *HKPD* Law mandates the Government through Article 192, which states, "The implementing regulations of this Law are stipulated no later than 2 (two) years since this Law comes into force." This means that the government is asked to immediately respond to the existence of this new law by making implementing regulations instead of the *HKPD* Law, considering that the changes in the *HKPD* Law are very strategic and fundamental in the field of fiscal decentralization in the context of restructuring financial relations between the centre and the regions as well as integrating the five types of fiscal decentralization. Local tax with the integration of the restaurant tax with four other types of taxes needs to be immediately followed up to provide legal certainty for the Regional Government as the tax authorities and especially for restaurant organizers and food and beverage sellers operating in the region.

The need for adjustment of Regional Regulations at the district/city level to the *HKPD* Law because the provisions of the legislation also apply the principle of *lex superior derogate legi inferiori*, which means that higher regulations can override regulations of lower positions (Mertokusumo, 2002). This principle also has the consequence that lower regulations must not conflict with higher regulations, meaning that neither the Regional Regulation nor the Regional Regulation concerning the collection of regional taxes as *derogating legi inferiori* must conflict with the *HKPD* Law, which is *lexed superior* to the regulations below it.

The subsequent discussion regarding the legal certainty of CGST collection arrangements for the sale of food and beverages is the change in the restaurant tax collection authority concept. The explanation section of the Article 51 letter illustrates the sale and delivery of food and beverages subject to CGST levies. The following is an illustration:

- 1) Bakery A sells bread and drinks to consumers. Bread is produced from another place (bakery factory) and then distributed through bakery A to be sold to consumers. Bakery A does not provide tables, chairs and cutlery at the point of sale. Therefore, bakery A

does not meet the restaurant criteria, so the sale of bread and drinks is not owed by CGST but is an object of VAT.

- 2) Brand B bakery at Mall X in City Z sells bread and drinks to consumers. Bread is produced from another place (bakery factory) and then distributed through Bakery B to be sold to consumers. To optimize service to consumers, bakery B provides table and chair facilities for consumers to eat on the spot. Therefore, the bakery in question is a restaurant, so the sales of bread and beverages made by CGST are not subject to VAT.
- 3) Brand B bakery at the shopping centre Y in City Z performs production (the process of making and processing ingredients into bread) and selling bread to consumers. The shop only manufactures and sells directly to consumers without providing tables, chairs, and eating utensils at the sales location. Therefore, the bakery in question does not meet the restaurant criteria, so the sale of bread and drinks is not owed by CGST but is an object of VAT. Thus, even if the bakery has the same trademark, there can be differences in tax treatment, depending on the actual service of the bakery, whether it is only selling (distribution) or providing services like a restaurant.

The illustration shows that not all restaurant operators or food and beverage vendors are subject to GST levies. Sometimes restaurant operators or food and beverage sellers are subject to VAT levies. The criteria for the sale of food subject to VAT levies are regulated in the Regulation of the Minister of Finance Number 70/PMK.03/2022 concerning Criteria and Details of Food and Beverages, Arts and Entertainment Services, Hospitality Services, Parking Provision Services, and Catering or Catering Services, Not Subject to Value Added Tax. The criteria state that food and beverages served by (Article 2, 2022):

- 1) Hotel;
- 2) Restaurants, stalls, and the like; and
- 3) Catering or catering service entrepreneurs.

The three forms of serving or selling food and beverages above are: the object of the regional tax is by the provisions of the legislation in the field of regional tax and does not include the types of goods that are subject to VAT. Restaurant operators or food and beverage sellers will be subject to GST levies on businesses conducting sales such as (Article 4, 2022b).

- 1) Food and drinks, whether consumed on the premises or not;
- 2) Restaurants, stalls, and the like that at least provide food and beverage serving services in the form of providing a table, chairs, and utensils for eating and drinking on the spot; and
- 3) Catering or catering service entrepreneurs who at least perform the following service activities:
  - a. The process of providing raw materials and semi-finished materials, manufacture, storage, and presentation based on orders;
  - b. Presentation at the location desired by the customer and different from the location where the manufacturing and storage process is carried out; and
  - c. The presentation is done with or without equipment and staff.

Then new food and beverage sellers will be subject to VAT levies when they meet the following categories (Article 4, 2022d):

- 1) Entrepreneurs of supermarkets and the like that do not solely sell food and beverages;
- 2) Food and beverage factory entrepreneur; or
- 3) The facility provider entrepreneur's primary business is providing airport flight waiting for services (lounge).

The new tax collection policy in the *HKPD* Law and the Regulation of the Minister of Finance Number 70/PMK.03/2022 is in line with the principles and objectives of legal certainty, which implies that every tax provision must be made clearly and definitely. In



addition, tax provisions must also be in line with efforts to maintain harmonization between the Central Government and Regional Governments and avoid the potential for multiple tax collections on the same regional tax object.

Efforts to emphasize the authority to collect taxes between governments are essential to be strictly regulated because the characteristics of some local taxes and VAT are almost the same, namely the imposition of taxes on public consumption. However, there are fundamental differences in determining tax objects. The object of VAT is a *negative list*, which means that all deliveries of goods and services that are not excluded from the legislation are objects of VAT. Meanwhile, the object of local taxes, in this case, CGST, adheres to a positive list system, meaning that all types of businesses subject to local taxes must be listed in the *HKPD* Law.

#### **B. Implications of the Concept of Collecting PBJT on Sales of Food and Beverages given Local Tax Intensification Efforts**

In order to create an independent region, the Regional Government is expected to be able to optimize local tax collection. Efforts to increase local taxes are generally carried out by exploring the existing potential or all the new potential contained in the region. The authority of the Regional Government to explore the potential of regional taxes can be carried out through two mechanisms: extensification and intensification of regional taxes.

The authority of the Regional Government in collecting funds through regional tax instruments to support the implementation of regional autonomy needs to be carried out by taking into account the legal basis that serves as a guideline for Regional Governments to carry out local tax collections, then Law Number 1 of 2022 concerning Financial Relations between the Central Government and Local government. The *HKPD* Law carries four pillars to be achieved, including decreasing vertical and horizontal inequality, strengthening local taxing power, improving the quality of regional spending, and harmonizing central and regional spending. Of the four pillars, strengthening local taxing power is carried out by integrating consumption-based local taxes to facilitate payment administration and report from the taxpayer's side and increasing the efficiency of taxation services and supervision from the Regional Government side.

Article 4 paragraph (1) of the *HKPD* Law has determined what types of taxes can be collected by the Regional Government after restructuring the types of regional taxes. For provinces, the types of taxes that can be collected consist of: PKB, BBNKB, PAB, PBBKB, PAP, Cigarette Tax, and MBLB Tax Opsen (Article 4, 2022). Furthermore, the taxes that the district/city government can collect consist of PBB-P2, BPHTB, CGST, Advertising Tax, PAT, MBLB Tax, Swallow's Nest Tax, PKB Opsen, and BBNKB Opsen (Article 4, 2022c). Furthermore, Article 50 of the *HKPD* Law explains that the object of CGST is the sale, delivery, and/or consumption of certain goods and services which include: Food and/or Beverages, Electric Power, Hospitality Services, Parking Services, and Arts and Entertainment Services (Article 50, 2022).

In addition to the types of regional taxes that have been regulated, the Regional Government is not allowed to collect other types of regional taxes. This is as stipulated in Article 6 paragraph (1) of the *HKPD* Law, which affirms that "Local governments are prohibited from collecting taxes other than the types of taxes as referred to in Article 4 paragraph (1) and paragraph (2)" (Article 6, 2022). In the tax collection system, the provisions of the article clearly state that the *HKPD* Law adheres to the concept of a close list system.

The implementation of the system is applied to determine the types of local tax objects that can be collected. Through a close list system, provincial and district/city governments are not allowed to collect local taxes other than the types of taxes that have been regulated and determined in laws and regulations.

With this limitation, it aims to create legal certainty for the public and the business world to know the types of tax levies and levies they must pay, as well as a guarantee that there will be no new types of taxes or levies that will be collected other than the existing ones. The close list system is also the embodiment of supervision of local tax collections and regional levies.

The concept of collecting CGST for the sale of food and beverages in the *HKPD* Law, which maintains a close list system, certainly has an impact on the efforts that the Regional Government can make in exploring the potential for regional taxes contained in its territory. The close list system mandates that local governments do not create new types of tax objects beyond what has been determined. At the same time, local governments must be independent with efforts to increase regional revenues from the tax sector. Therefore practical efforts are needed to optimize regional revenues so that they do not conflict with the provisions of the close list system in the *HKPD* Law. Local governments can use an effective policy to increase original local opinion by intensifying local taxes. Tax intensification is one of the policies that local governments can take to increase regional revenues through existing or existing sources (Wenno, 2017).

One type of local tax that is expected to strengthen local taxes is CGST, especially CGST with the object of selling food and beverages because the culinary industry is a strategic sector to contribute to increasing the revenue of a region, considering that the culinary business continues to experience significant development from time to time to time.

The dynamic development of the culinary industry can be seen in the diversity of forms of restaurants and food and beverage sales activities. Previously, during the enactment of the PDRD Law, facilities in the form of food and beverage services with a fee were limited to restaurant operators, including restaurants, cafeterias, canteens, stalls, bars, and the like, including catering/catering services. Currently, businesses that provide facilities in the form of food and beverage services for a fee have multiplied with the emergence of innovations in the form of modern restaurants such as bakeries, pastry shops, dessert shops, boba stores, and food trucks, etc.

For the Regional Government, the development of the culinary industry cannot be underestimated. However, it must be responded to quickly so that the Regional Government does not lose the tax potential attached to this business. Suppose it is actualized in implementing CGST collection for the sale of food and beverages according to the *HKPD* Law. In that case, the Regional Government can reach various food and beverage sales activities as long as they do not conflict with the provisions of the *HKPD* Law and Minister of Finance Regulation Number 70/PMK.03/2022 Concerning Criteria and Details of Food and Beverages, Arts and Entertainment Services, Hospitality Services, Parking Provision Services, and Catering or Catering Services, which are not subject to Value Added Tax so that they do not intersect with the provisions on VAT collection whose authority lies with the hands of the Central Government.

Through the concept of collecting CGST for the sale of food and beverages in the *HKPD* Law, which adheres to a close list system, the Regional Government can still make efforts to intensify local taxes on businesses engaged in the culinary industry because, according to the absolute tax theory, according to Santoso Brotodihardjo, who emphasizes that tax collection Taxes are implemented because of the *organische staatsleer* which



teaches that due to the nature of the state as an organization (association) of a group of individuals, there is an absolute right for the state to collect taxes (Brotodihardjo, 2013).

Sign of service to the local government. A regional government that is part of the state according to fundamental tax theory is seen as the embodiment of the organization of a group of people in an area and has the right to impose tax levies on the community as an alliance. On the contrary, for the development that the Regional Government has pursued. The community is obliged to pay taxes as part of the local government.

The policy of tax intensification on the collection of CGST on the sale of food and beverages carried out by the Regional Government must, of course, not conflict with the applicable laws and regulations, for that efforts to intensify local taxes can be carried out in the following ways (Amalia, 2021):

1) Expanding the revenue base

Efforts to expand the revenue base that the Regional Government can collect, which in economic calculations are considered potential, among others, by mapping the potential of regional taxes carried out by the local Regional Revenue Agency through the classification of business types (taxpayers) that sell food and or which drinks are included in the category of CGST taxpayers, improve the database of tax objects, and calculate the revenue capacity of each type of levy.

2) Optimizing the collection process

Efforts are being made to strengthen the collection process, namely by accelerating the preparation of Regional Regulations that are oriented to Law Number 1 of 2022, improving the quality of Human Resources at the Regional Revenue Agency offices in each district or city, as well as increasing the efficiency of administrative processes and reduce the cost of collections carried out by the regions through improving tax administration procedures by simplifying tax administration, as well as increasing the efficiency of collection from each type of collection.

3) Increasing supervision

Supervision measures can be improved by conducting random and periodic inspections, improving the supervision process, and applying sanctions in the form of tax fines against tax arrears committed by food and beverage sellers. Supervision is essential because it is not uncommon for information. Even the amount of tax submitted by taxpayers through a self-assessment system is sometimes not by the actual situation.

Tax on the same object between the Central Government and Local Government. This policy was taken as a form of the government's commitment to creating legal certainty in the community during the open list system. There were weaknesses such as many inefficient tax collections, where the cost of collection was higher than the collection results, and duplication or overlapping impositions. It must be acknowledged that the implementation close list system for CGST selection in the *HKPD* Law limits the authority of the Regional Government in exploring its regional tax potential because of the prohibition on creating new types of taxes.

In addition, from the business actor's point of view, they feel disadvantaged. They do not get legal certainty in doing business, thus having a destructive impact on the investment climate. In the end, the provision of opportunities for regions to impose new levies, intended initially to increase locally-generated revenue to cover regional expenditure needs, did not work as intended.

## CONCLUSION

Law Number 1 of 2022 integrates consumption-based local taxes with the term Certain Goods and Services Tax (CGST) by the objectives and principles of legal certainty. Based on the legal certainty aspect of the legislation, although Article 189 paragraph (1) letter b of Law Number 1 of 2022 revokes Law Number 28 of 2009, it does not automatically revoke the implementing regulations and rules related to the Act. Law Number 28 of 2009 because there is Article 188 letter b and Article 189 paragraph (2) as provisions guarantee legal certainty during the transition period from the *PDRD* Law to the *HKPD* Law. Then, based on the concept of the collection, the collection of CGST on the sale of food and beverages further emphasizes the limits of authority between the Central Government and Regional Governments on tax collection with the object of selling food and beverages, which have often experienced the practice of double tax collection, through the explanation of Article 51 paragraph (1) Law Number 1 of 2022 as well as Article 2, Article 4, and Article 4 paragraph (2) Regulation of the Minister of Finance Number 70/PMK.03/2022 which aims to maintain harmonization between the Central Government and Regional Governments.

The regional tax collection system in Law Number 1 of 2022, based on Article 6 paragraph (1), maintains a close list system that aims to avoid overlapping tax collections on the same object, namely the sale of food and beverages between the Central Government and Regional Governments and to ensure legal certainty in doing business for business actors engaged in the culinary industry. Concerning the close list system in the collection of consumption-based local taxes, the Regional Government can increase regional revenues through the tax sector on the sale of food and beverages by implementing a tax intensification policy to increase regional revenues by expanding the regional tax revenue base, optimizing the collection process, and increasing supervision of business actors.

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