

THE EFFECT OF GROSS DOMESTIC PRODUCT CONSTANT PRICES AND INFLATION ON VALUE ADDED TAX REVENUE IN INDONESIA

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Abstract: *This study aimed to analyze the effect of gross domestic product (GDP) constant prices and inflation on the value added tax revenue (VAT) in Indonesia. Variables in this study is constant price gross domestic product and inflation which is the independent variable and the revenue of VAT as the dependent variable. The study sample consisted of GDP data, inflation and VAT revenue obtained from the Central Bureau of Statistics (BPS) in the period 2000-2014. The data used in this research is secondary data and sample selection using purposive sampling method. The analysis tool used is multiple regression. The test results showed that gross domestic product (GDP) constant prices significantly influence VAT revenue in Indonesia and demonstrates a positive relationship. However, inflation is not significant impact on VAT revenue in Indonesia based on the results of this study.*

Keywords: *Constant Price Gross Domestic Product, inflation, the Value Added Tax (VAT).*

INTRODUCTION

World trade in goods and services at the present time has been growing. These developments not only include the growing variety of goods and services are bought and sold, but also occur in the market for goods and services is growing. Along with the development of world trade in goods and services, it can be said that the state income tax sector also increased. This is certainly the case for the imposition of Value Added Tax (VAT) on all goods and services sold.

Tax not only on income subject to tax, but the tax is also levied on any goods and services are bought and sold. Clearly also said in the general explanation of Law No. 42 of 2009 on Value Added Tax and Sales Tax on Luxury Goods, VAT is a tax on consumption of goods and services in the area of Customs imposed in stages in each production line and distribution. Value Added Tax is strongly influenced by the development of business transactions as well as patterns of consumption that is the object of VAT.

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In accordance with its function as a function *budget air*, taxes play an important role in Indonesia as the largest funding source for approximately 70% of state expenditure is financed by taxes. In addition, there are also other functions of the tax, namely as a means of income redistribution. The government needs funds to finance infrastructure development, it needs one of which can be met by taxes. Value Added Tax is one of the potential for tax revenues because VAT is the second largest source of tax revenue after income tax (Salawati, 2008). Indeed, the tax is charged only to those who have the ability to pay taxes, but the development of infrastructure that can be felt also by citizens who do not have the ability to pay taxes, to increase their income.

A country can be said to be experiencing positive economic growth when the quantity of goods and services produced by the country experienced an increase (Rahmantha, 2010). The quantity of goods and services produced by a country is then calculated in terms of money. The production of an economy is calculated without regard to who the owner of the production factors referred to gross domestic product (prathama and Mandala, 2008). Calculation of Gross Domestic Product (GDP) will provide an overview of the level of prosperity of a country, by dividing the number of inhabitants.

GDP is then divided by the number of people will bring up the GDP per capita. GDP per capita can be the size of a country's level of prosperity. This figure can also be used to analyze the level of social welfare of a country. Generally, the level of social welfare of a society is measured from the level of education, health and nutrition, unemployment, and guarantee a better future. But apparently GDP or GDP per capita can also be a measure of the level of social welfare of a society. In simple logic of this relationship can be explained, if GDP is higher, then the people's purchasing power, employment opportunities, and the future of the economy is getting better. This leads to health, nutrition, education, and freedom of choice of employment will increase as well. It also would increase tax revenues, as has been described previously.

From the exposure can be seen that the gross domestic product and tax revenues had a positive relationship which with increasing GDP, the tax revenue of the sector, the Value Added Tax will increase as well. This is as a result of the imposition of VAT on goods and services bought and sold. This is according to research conducted by Rahmantha (2010), which came to the conclusion that the gross domestic product and a significant positive effect on tax revenues.

Sukirno (2010), dividing the Gross Domestic Product divided into two, namely the GDP at current prices (nominal GDP) and GDP at constant prices (Real GDP). GDP at current prices is the value of goods and services produced by a country in a year and assessed according to the prices prevailing during the year. However,

economic growth is measured from an actual increase in the goods and services produced is calculated at a fixed price that would result in the calculation of GDP at constant prices. Therefore, this study will use a constant GDP data to see the effect on the Value Added Tax (VAT) revenue.

In addition to gross domestic product, the authors see that inflation can affect the increase in tax revenue, which in any inflation or price increases on goods and services will lead to an increase in the Value Added Tax for any goods and services are bought and sold will be subject to VAT, except for certain goods and services that are not taxable been regulated by law. According PrathamaRahardja and Mandala Manurung (2008), inflation is the increase in the price of goods that are common and persistent. However, the increase in the price of an item can not be said if the inflation does not cause an increase in prices in general rise. This will certainly affect the purchasing power of these goods and services that will lead to a decline in tax revenue from the Value Added Tax sector. Ideally, if an increase in prices of goods and services, tax revenue will increase with increasing Value Added Tax levied on every purchase of goods and services taxable. However, if it is not accompanied by an increase in income, the purchasing power will decline. This will certainly lead to a decrease in tax revenue.

Based on the description above, the authors will describe in a simple way, first the influence of constant price gross domestic product on VAT revenues. Secondly, effect inflation of the VAT revenues. And last, the influence constant price gross domestic product and inflation on VAT revenues in Indonesia.

THEORETICAL STUDY

GDP (Gross Domestic Product)

The term is often used for the national income is *Gross Domestic Product* (GDP). Gross Domestic Product is the value of goods and services produced within a country in a given year using production factors belong to citizens and owned by residents in other countries (Sukirno, 2010). Usually assessed according to market prices and may be based on prevailing prices and fixed prices. Central Bureau of Statistics (2009), states that "Gross Domestic Product is the total value added generated by all business units within a particular country, or the total value of final goods and services produced by the entire economic unit."

Gross Domestic Product is divided into two, namely the GDP at current prices (nominal GDP) and GDP at constant prices (Real GDP) (Sukirno, 2010). GDP at current prices is the value of goods and services produced by a country in a year and assessed according to the prices prevailing during the year. This way is the way it is always done in calculating national income from one period to another.

Through the calculation of GDP at current prices can be seen that the national income from year to year will increase. However, economic growth is measured from an actual increase in the goods and services produced is calculated at a fixed price, ie the price prevailing in a given year should be used to assess the goods and services produced in other years. The value of national income derived from calculations at a fixed price called the GDP at constant prices. Based on this, the authors wanted to use constant price GDP data in this study.

N. Gregory Mankiw (2007) states that national income accounts divide GDP into four groups of expenditure, namely: Consumption (C), investment (I), government purchases (G), Net Exports (NX)

This is stated in a function equation using the Y as a symbol of GDP,

$$Y = C + I + G + NX$$

According to these equations N. Gregory Mankiw (2007) states that the Gross Domestic Product (*Gross National Product*) is the sum of consumption, investment, government purchases, and net exports. This equation is an identity equation that must be used so that the variables can be defined.

Inflation

According Sukirno (2010), inflation is rising prices generally prevailing in an economy from one period to another, while the inflation rate is the presentation of rising prices in any given year compared with the previous year.

Meanwhile, according to Prathama Rahardja and Mandala Manurutng (2008), inflation is the increase in the price of goods that are common and persistent. Sukirno (2010), inflation differentiate into three types based on the source or cause of rising prices prevailing, namely: first, Demand Pull Inflation, usually occurs during the economy is growing rapidly. High employment opportunities creates a high level of income and further raises expenditures that exceed the economic capacity of issuing goods and services. Excessive expenditures will lead to further inflation.

Second, inflation pressure which is the cost of price increases caused by the increase in production costs due to rising prices of raw materials or wage increases. Inflation is especially true in times of rapidly developing economy when the unemployment rate is very low. If the company is still facing demand increases, they will try to raise production by providing higher salaries and wages to the workers and seeking new workers to offer higher payouts. This move resulted in increased production costs and ultimately will lead to an increase in prices of various goods.

The third, which is a condition Imported inflation price increases caused by rising prices of imported goods which are used as raw materials in domestic production. This inflation will exist when the imported goods that experienced price increases has an important role in the activities of company expenses.

Value Added Tax (VAT)

Law of the Republic of Indonesia Number 42 of 2009 concerning Third Amendment of Law No. 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, Value Added Tax (VAT) is a tax on consumption of goods and services in the Customs Area imposed in stages in each production line and distribution. Imposition of VAT is strongly influenced by the development of business transactions as well as patterns of consumption tax that is the object of the Value Added Tax (VAT).

As for some of the characteristics of VAT according to Siti Official (2013) as follows: first, the VAT is a tax objective. Tax objective is a kind of tax that the onset of tax liability determined by objective conditions, namely circumstances, events or legal actions are taxed also known by the name of tax. As the objective of tax, the incidence of the obligation to pay VAT is determined by the tax.

Secondly, VAT is an indirect tax. This means that the bearer of the tax burden to the person responsible for the payment of taxes to the State Treasury are at different parties. Loadbearing this tax is the buyer taxable goods or taxable services Receiver. While in charge of the payment of taxes to the State Treasury is a taxable entrepreneur acting as Seller Taxable Goods or Taxable Person.

Third, the imposition of VAT including *Multistage Tax*. This is due to the characteristics of VAT imposed on every chain of production lines and distribution lines. Each delivery of goods becomes the object of VAT from the manufacturer level and then at the level of big traders in various forms to the level of retailers subject to VAT. VAT collection mechanism using a tax invoice in case of delivery of taxable goods and / or taxable services.

Not all goods and services produced will be subject to Value Added Tax (VAT), so that through Law No. 42 In 2009 the Government has set up what became the object of VAT, namely:

1. Taxable Goods in the Customs Area by Entrepreneur.
2. Import of taxable goods
3. Delivery of Taxable Services in the Customs Area by Entrepreneur.
4. Utilization of intangible Taxable Goods from outside the Customs Area within the Customs Area.

5. Utilization of Taxable Services from outside the Customs Area within the Customs Area
6. Tangible export of taxable goods by Taxable
7. Export of taxable goods Intangible by Taxable.
8. Export of taxable services by Taxable.

Research Hypothesis

Rahmanta (2010), states that the gross domestic product and a significant positive effect on tax revenues. This is supported by research conducted by Abdul Rahman (2013) resulted in the conclusion that the Gross Domestic Product (GDP) constant prices significantly influence district revenue. Based on these studies, the researchers want to examine the effect of constant price Gross Domestic Product nationally against Value Added Tax(VAT) revenue with the initial hypothesis, the Gross Domestic Product (GDP) constant prices significantly influence on VAT revenue in Indonesia.

H₁: constant price Gross Domestic Product significantly influence on Value Added Tax (VAT) revenue in Indonesia.

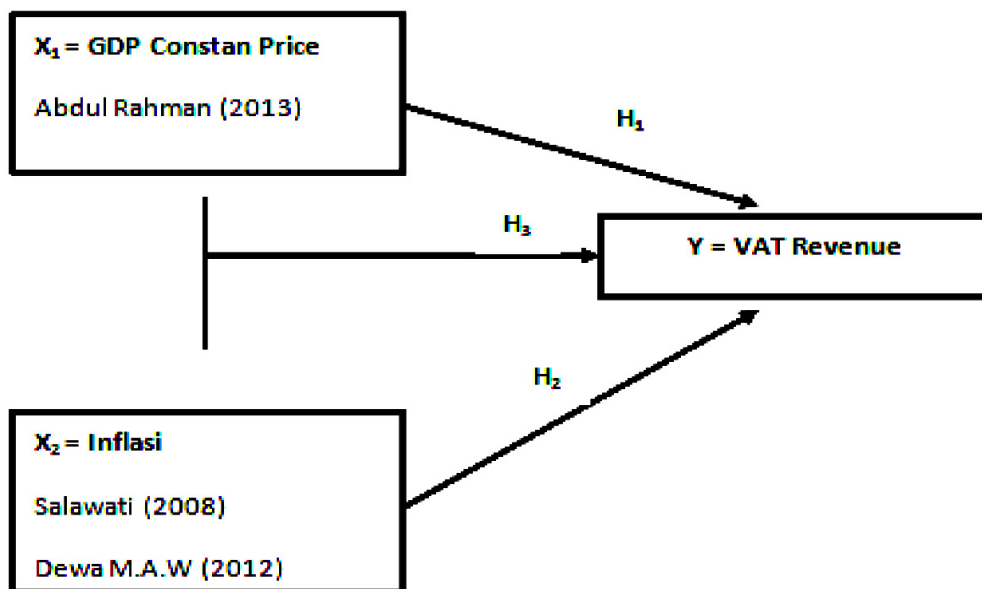
As further studies are conducted by Salawati (2008) lead to the conclusion that inflation significantly influence on VAT revenue. Based on these studies, the researchers also wanted to know whether the inflation effect on VAT revenue as has been revealed in research Salawati (2008) with the initial hypothesis, inflation significant effect on VAT revenue in Indonesia. This result is not supported by research done Teguh Kurniawan (2007) stating that the inflation rate does not affect the amount of VAT receipts and sales tax on luxury goods and services in Indonesia. In a smaller scope, research Dewa Made Arta Wijaya (2012) suggest that the regional inflation rate Bali province does not affect the VAT revenue realization in Bali.

H₂: Inflation significant effect on Value Added Tax (VAT) revenue in Indonesia.

After determine the effect of each variable (constant price gross domestic product and inflation) against the VAT revenue, the researchers also wanted to examine whether the GDP at constant prices and inflation together affect the VAT revenue to the initial hypothesis, GDP at constant prices and inflation collectively the same effect on VAT revenue in Indonesia.

H₃: constant price Gross Domestic Product and Inflation has significant effect on Value Added Tax (VAT) revenue in Indonesia.

Figure 2.1. Framework Research



RESEARCH METHODS

Variables Research

Gross Domestic Product (GDP) Constant Prices and inflation as the independent variable, which will be on the analysis of its impact on VAT revenue in Indonesia as the dependent variable.

Research Samples

Samples of value GDP at constant prices (base year 2000), inflation in Indonesia and the acceptance of Value Added Tax in Indonesia within a period of 15 years starting in 2000 until 2014. The number of samples used in this study as many as 15 years for using the GDP price constant with base year 2000.

Data Source

Data and research materials that are needed and will be used by the author in the form of secondary data. Secondary data presented in this study is *time series* data. Gross Domestic Product is taken from the Report of the National Revenue by type of expenditure, inflation data in Indonesia, and for the reception of data taken

from the Value Added Tax Revenues Realization Report. The data used in this study is the data obtained from the Central Bureau of Statistics.

Data Analysis Methods

The analysis used in this study is a quantitative analysis of a set of data that is expressed in the figures as a result of observation or collection. This analysis using SPSS version 19 and this analysis using multiple linear regression model (*multiple linear regression method*). Multiple linear regression analysis was used to examine the effect of two or more independent variables on the dependent variable with interval or ratio measurement scale in a linear equation.

The process of quantitative analysis is performed using the statistical calculation as follows:

1. Analysis Descriptive Statistics: Descriptive statistics are intended to provide an explanation that allows the researchers to interpret the results of data analysis and discussion. Descriptive statistics relating to the collection and ranking data describing the characteristics of the samples used in this study.
2. Classical assumption test: Classical assumption is statistical requirements that must be met on a multiple regression analysis based on *ordinary least square*. Here the author explains each stage of classical assumption: **Normality Test, Test Multicollinearity, autocorrelation test, and test Heteroskedasticity**
3. Multiple Regression Analysis: Multiple regression analysis is used to determine whether or not a significant independent variables gross domestic product and inflation on the dependent variable that VAT receipts.

Forms of multiple regression equation that can be used for this research are:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

Where:

Y = Value Added Tax Receipts

X_1 = Gross Domestic Product

X_2 = Inflation

b_1, b_2, b_3 = coefficient of regression

a = constant

e = standard error

4. Hypothesis Testing: The test is performed to determine whether there is significant influence between gross domestic product and inflation on VAT receipts. To test this hypothesis, used the method of simultaneous significance test (Test Statistic t) and significant test individual parameters (statistical test F).
 - a. Individual Parameter Significance test (Test Statistic t): T statistical test basically shows how much influence an individual independent variables in explaining the variation of the dependent variable (Ghozali, 2011). Testing by t test or t test that compares between t with t table.
 - b. Simultaneous Significance Test (Test Statistic F): According Ghozali (2011) statistical test F basically indicates whether all independent variables in the model that is intended to have the simultaneous effect on the dependent variable. Tests carried out using a 0.05 *significance level* ($\alpha = 5\%$).
5. Test The coefficient of determination (R^2): The coefficient of determination (R^2) was essentially measures how far the ability of the model to explain variations in the dependent variable. Mean value approaching one independent variables provide almost all the information needed to predict the variation of the dependent variable (Ghozali, 2011).

RESEARCH RESULT

Description Unit Data Analysis

Here is the data of constant price gross domestic product, inflation, and VAT receipts in Indonesia during the period of 15 years:

Table 1
VAT revenue, GDP Constant Prices and Inflation (2000-2014)

<i>Year</i>	<i>VAT revenues (in billions of rupiah)</i>	<i>Gross Domestic Product (On the basis of constant 2000 prices) in billions of dollars</i>	<i>Inflation</i>
2000	35231.80	1,389,769.90	9.35
2001	55957.00	1,440,405.70	12.55
2002	67800.00	1,505,216.40	10.03
2003	80789.90	1,577,171.30	5.06
2004	87600.00	1,656,516.80	6.40

2005	101,295.80	1,750,815.20	17.11
2006	123,035.90	1,847,126.70	6.60
2007	154,527.00	1,964,327.30	6.59
2008	209,647.00	2,082,456.10	11.06
2009	193,067.00	2,178,850.40	2.78
2010	230,605.00	2,314,458.80	5.14
2011	277,800.00	2,464,566.10	5.36
2012	337,584.00	2,618,932.00	4.28
2013	423,708.00	2,769,053.00	6.98
2014	518,879.00	2,909,181.50	8.36

Source: Central Bureau of Statistics, 2015

Based on the above tables and graphs, can be explained that every year an increase in the value of gross domestic product and the value of VAT revenue in Indonesia while the inflation rate varies each year or the rate of inflation in the year n is not necessarily higher than the previous year ($n-1$), It could be argued that any increase in gross domestic product would lead to an increase in its VAT revenue.

Analysis Descriptive Statistics

Statistical description relating to the collection and ranking data describing the characteristics of the samples used in this study. Overall statistics descriptive study variables that include minimum value, maximum, average (*mean*), and standard deviations are as shown in the table below:

Table 2
Description Variable Statistics Research

<i>Variables</i>	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
VAT	15	35231.80	518879.00	193168.4933	143188.54126
GDP at constant prices	15	1389769.90	2909181.50	2031256.4800	496689.49290
INFLATION	15	2.78	17:11	7.8433	3.69547

Source: Secondary Data, processed authors

1. VAT revenue

Based on Table 2, it can be seen that the average value of variable VAT of 193,168.4933. This shows that the average value of VAT revenue in the period 2000-2014 amounted to Rp 193.168.490.000.000. The minimum value of VAT revenue in the period 2000-2014 amounted to Rp 35.231.800.000.000 and a maximum value of VAT revenue in the period amounted to Rp. 518.879.000.000, with a standard deviation of 143,188.54.

2. Constant Price Gross Domestic Product

Based on Table 2, it can be seen that the average value of GDP at constant prices 2,031,256.48. This shows that the average value of constant price Gross Domestic Product in Indonesia in the period 2000-2014 amounted to Rp 2.031.256.480.000.000. The minimum value of the constant price GDP is generated in the period 2000-2014 amounted to Rp 1.389.769.900.000.000 and a maximum value of GDP at constant prices generated in this period amounted to Rp2.909.181.500.000.000 with a standard deviation 496,689.49.

3. Inflation

Based on Table 2, it can be seen that the average value of the variable inflation of 7.8433. This indicates that the value of the average increase in prices (inflation) in the period 2000 to 2014 is Rp 193.168.490.000.000. The minimum value of VAT revenue in the period 2000-2014 amounted to Rp 35.231.800.000.000, - and a maximum value of VAT revenue in the period amounted to Rp 518.879.000.000.000 with a standard deviation of 143,188.54.

Classical Assumption Test

Classical assumption test should be done in this study, to test whether the data meet the classical assumptions. This is to avoid going biased estimate considering that not all data can be applied regression. This experiment is normality test, multicollinearity, autocorrelation, and heteroscedasticity test.

a. Normality Test

Normality test aims to test whether the regression model, each variable has a normal distribution of data. A good regression model is to have a normal distribution of data, or near normal. Normality test data in this test using *normal probability plot* method (P-Plots) which aims to see whether the data have normal distribution or not. Basis for decision making *normal probability plots*, namely, when the data spread and follow the direction of the diagonal line Skewnes using the kurtosis which has the prerequisites to using the calculation formula, and normality with

the Kolmogorov-Smirnov with prerequisite $\text{sig} > 0.05$. Kolmogorov-Smirnov test results can be seen in the following table:

Table 3
Kolmogorov-Smirnov test

		VAT	GDP	INFLATION
N		15	15	15
Normal Parameters ^{a, b}	Mean	193168.4933	2031256.4800	7.8433
	Std.Deviation	143188.54126	496689.49290	3.69547
Most Extreme Differences	Absolute	.155	.114	.192
	Positive	.155	.114	.192
	Negative	-.135	-.098	-.101
Kolmogorov-Smirnov Z		.598	.441	.745
Asymp. Sig. (2-tailed)		.866	.990	.636

Source: Secondary data, processed authors

Normality test results using normal analysis Kolmogorov-Smirnov test displays all variables have a normal distribution. The above data it can be concluded normal distribution because the value of the Kolmogorov-Smirnov Z (*unstandardized*) is still in the range of 0-1.96 and value *Asymp. Sig (2-tailed)* is greater than the value of $\alpha = 0.05$.

b. Multicolinierity Test

Multicolinierity test relating to the correlation between the independent variables. An equation contract the disease when two or more independent variables have a high degree of correlation. A good equation if the equation is said to have independent cross-correlated.

Indicators that can be used in the test multikolinieritas are:

1. Having a VIF (*variable Inflation Factor*) > 10 then the variable has a high koliniaritas.
2. Has a *tolerance* value > 0.10

In this study, the results of the calculation of *tolerance* and *variance inflation factor* (VIF) is as follows:

Table 4
Test results Multikolinieritas

<i>Variables</i>	<i>Tolerance</i>	<i>VIF</i>	<i>Conclusion</i>
GDP	0846	1,182	Not happening multikolinieritas
INFLATION	0846	1,182	Not happening multikolinieritas

Source: Secondary data, processed authors

Table 4 shows that the value of tolerance and *variance inflation factor* (VIF) there is no multikolinieritas because VIF no *tolerance* values exceeding 10 and no less than 0.10. From these results, it can be said that the regression model is free from multicollinearity.

c. Autocorrelation Test

Autocorrelation test is to see whether in a regression model occurs correlation between a period t with the previous period $(t-1)$. The test is used to detect the presence or absence of classic assumption deviation autocorrelation is the Durbin-Watson test (DW test).

Table 5
Test Autocorrelation

<i>Model</i>	<i>N</i>	<i>K</i>	d_L	d_U	<i>DW</i>	<i>Decision</i>
1	15	2	0.9455	1.5432	2011	No autocorrelation, positive or negative

Source: Secondary data, processed authors

Based on the table above, can be seen the value of Durbin Watson resulting from the regression model is 2.011. So it can be said that the regression model free of autocorrelation.

d. Heteroskedasticity Test

Heteroscedasticity testing is done in a regression model, aims that whether a regression occurred inequality variance of residuals from any other observations to different observation, it is called heteroscedasticity. One way to detect the presence or absence of heteroscedasticity by using test *Glejser*. This test is done to diabsolutkan regressing the residual value of the independent variables with the criteria of significant value > 0.05 .

Table 6
Test Heteroskidastity

<i>Variables</i>	<i>Significance</i>	<i>Decision</i>
GDP	0000	Not happening heteroskedastisitas
INFLATION	0162	Occurs heteroskedastisitas

Source: Secondary data, processed authors

From the calculation using SPSS, it can be seen that for GDP significantly affect the dependent variable and the probability of its significance above 5% confidence level (0.05), but for the inflation variable is exactly what happened heteroskedastisitas or not affect the dependent variable.

HYPOTHESIS TESTING

Multiple Linear Regression Model

Analysis of the influence of the Gross Domestic Product (GDP) constant prices and inflation on the acceptance of Value Added Tax (VAT) can be described by multiple analysis. Thus the regression equation used is $Y = a + b_1 X_1 + b_2 X_2 + e$, then the regression equation can be structured as follows:

$$Y = -429,378.872 + 0,2923814.937 \text{ IFL} + \text{GDP} + e$$

From this equation can be explained as follows:

- a. The constant value (a) is negative, namely -429, 378, 872, it is shows that when GDP (X_1) and inflation (X_2) value is 0, then its VAT receipts is negative.
- b. Regression coefficient of GDP (Gross Domestic Product) is positive at 0, 292. This means that if another independent variable value is fixed and GDP increased Rp 1, then the VAT Revenue (Variable Y) will be increased by 0, 292. The coefficient is positive between GDP with VAT receipts pointing out that the more the value of the Gross Domestic Product (GDP), the VAT revenues will increase.
- c. Inflation variable regression coefficient (IFL) positive value of 3. 814, 937 means that if another independent variable value is fixed and inflation increased by 1%, then the VAT revenue (variable Y) should also be increased 3814.937. Worth positive coefficient between inflation and VAT revenue states that the increasing inflation, it will also increase the VAT revenue.

Significant Individual Test Parameters (T- Statistic Test)

T-statistics test performed to further investigate which of the two independent variables that significantly influence the acceptance of VAT. T-statistics test is done by comparing t arithmetic with t table, significance level of 5%: $2 = 2.5\%$ (Test 2 sides) with degrees of freedom (df) $nk-1$ or $15-2-1 = 12$ (n is the number of samples and k is the number of independent variables). By testing two sides (significant = 0.025), the results obtained for the t table by 2.18.

Table 7
Statistics t test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-429378,872	50773.598		-8457	.000
GDP	.292	.019	1,012	15 324	.000
INFLATION	3814.937	2558.896	.098	1,491	.162

a. Dependent Variable: VAT

From table 4.7 above, in order to obtain the test results as follows:

1. Variable gross domestic product (X_1) has t count equal to 15.324. Thus it appears that $t \text{ count} > t\text{-table}$. Besides, based on the results of SPSS, t value of 15.324 is the significant level of 0,000 (0%) which means that under the significant level of 0.05 (5%). This indicates that the product gross domestic positive effect on VAT receipts in Indonesia, namely the gross domestic product is high then too high VAT receipts.
2. Inflation variables (X_2) has t count equal to 1.491. Thus it appears that $t < t\text{-table}$. Besides, based on the results of SPSS, t value of 1.491 is the significant level of 0.162 (16.2%) which means significantly above the level of 0.05 (5%). This suggests that inflation does not significantly influence the acceptance of VAT, which is on a high or low level of inflation that occurs, it will not affect the increase or decrease in VAT receipts in Indonesia.

Significant Simultaneous Test (Test Statistic F)

The F-statistic is used to prove the hypothesis that there is an influence simultaneously between gross domestic product and inflation on VAT receipts

in Indonesia. This testing is done by comparing F calculation with F table and a significance level of less than 5% (0.05).

Table 8
Test Statistic F

		ANOVA ^b				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.743E11	2	1.372E11	129.492	.000 ^A
	Residual	1.271E10	12	1.059E9		
	Total	2.870E11	14			

a. Predictors: (Constant), INFLATION, GDP

b. Dependent Variable: VAT

From Table 4.8 it is known that F calculation 129.492 with a significance of 0.000 and 21.03 F table value with a significance level of 5%. From the calculation results show that $F\text{-count} > F\text{-table}$ is $129.492 > 21.03$ and a significance level of less than 0.05 is equal to 0.000. Thus showing that there is a simultaneous influence between gross domestic product and inflation on VAT revenue in Indonesia during the period 2000-2014.

Coefficient of Determination

In the multiple linear regression is analyzed also the magnitude of the coefficient of determination (R^2) overall.

Table 9
Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.978a	.956	.948	32546.18065

a. Predictors: (Constant), INFLATION, GDP

b. Dependent Variable: VAT

Test results showed the R^2 (*adjusted R²*) of 0.948 means that the influence of the independent variables together on the dependent variable of 94.8%. So it can be said that 94.8% of the amount of VAT receipts in Indonesia caused by the gross domestic product and inflation remaining 5.2% is influenced by other variables, such as levels of prosperity, people's purchasing power, and others.

DISCUSSION AND CONCLUSIONS

1. The effect Constant price Gross Domestic Product on the VAT Revenue in Indonesia

The variable gross domestic product, the results showed that gross domestic product significantly affect the VAT revenues in Indonesia. Obtained positive sign indicates that the direction of the relationship between the gross domestic product of the VAT receipts, which means that the higher VAT receipts which is caused by the amount of the generated gross domestic product of a country is also high.

This is according to research conducted by Rahmanta (2010) that the gross domestic product a positive effect on tax revenue. In a study conducted by researchers, it turns out the effect of the gross domestic product effect on VAT receipts in Indonesia. A similar study conducted by Abdul Rahman (2013), which examines the influence of regional gross domestic product of constant prices to local revenues. But in this study, the scope of which is sampled by the researchers broader than the scope of the sampled by Abdul Rahman. Authors conducted a study on the scope of the overall VAT receipts in Indonesia, where the value of VAT receipts obtained came from reports state revenues. It turns out the results of his research in accordance with the results of research conducted by Abdul Rahman, on a wider scope, constant price gross domestic product significant impact on VAT receipts in Indonesia.

Conclusions on the results of this research is conducted for the period 2000 to 2014 found that the constant price gross domestic product is able to affect the amount of VAT receipts in order to increase state revenue. This is in accordance with one of the tax function, namely the function *budget air*. Function *budget air* means that taxes are a source of funds designated for financing government expenditures.

2. The Effect of Inflation on VAT Revenue

Ideally, if the price increases were persistent, VAT revenues will also increase. However, if it is not offset by an increase in the prosperity of the people, what happens is the decrease in VAT revenue as a result of reduced ability to purchase goods and services by the public. Research conducted by the authors find that the variable inflation does not significantly affect the VAT revenue. This is in contrast with the results Salawati (2008) which states that inflation is a significant effect on VAT revenue. The research result is consistent with the results of research conducted by Dewa Made Arta Wijaya (2012) and Teguh Kurniawan (2007) which states that inflation has no real influence on the size of VAT revenues in Indonesia.

Based on these results, we concluded that when high inflation does not necessarily provide a direct impact on VAT revenue. This means that an increase or decrease in VAT revenues in a tax year are not affected by the level of inflation in the same year.

3. Effect of Constant Price Gross Domestic Product and Inflation against VAT Revenue in Indonesia

The regression equation has a value of 129.492 F count larger than F table 21.03 with a significance value of 0.000. This means that the regression equation is significant at the 5% significance level. Based on this it can be stated that the constant price gross domestic product and inflation together affect the VAT revenues in Indonesia. It shows that the independent variables used in this study is a real explanatory on the dependent variable.

While the ability of the regression equation to explain the magnitude of the variation that occurs in the dependent variable can be seen from the coefficient of determination (adjusted R^2). The coefficient of determination in this study amounted to 0.948 which means that the variation of the variable constant price gross domestic product and inflation on VAT revenue amounted to 94.8%, while 5.2% is explained by other variables that are not used in this regression equation.

Results of this research is the result of new research that combines variable constant price gross domestic product and inflation in a study that analyzes these variables on VAT revenue. The results indicate that these two variables together can influence the VAT revenue.

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