

Determinants of Tax Complexity – Evidence from a Developing Country

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Online Appendix

Figure A.1: Perceived advantages and disadvantages of Tax Complexity

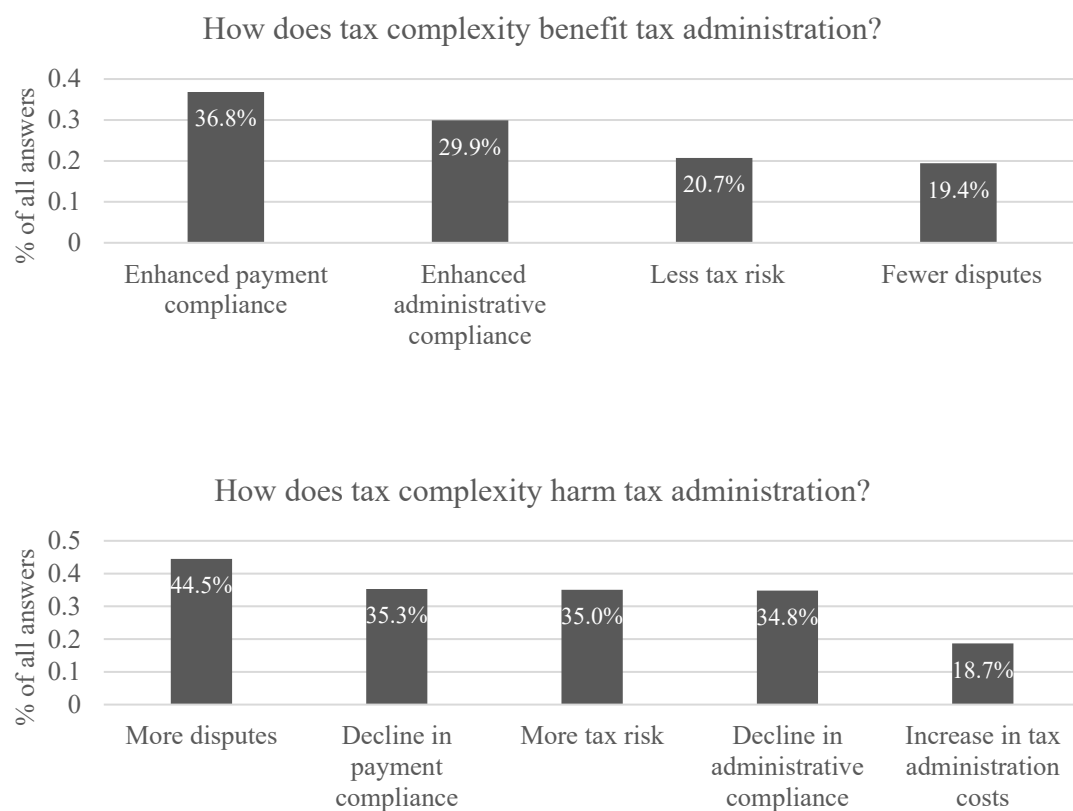


Figure A.2: Strategies to Address Tax Complexity

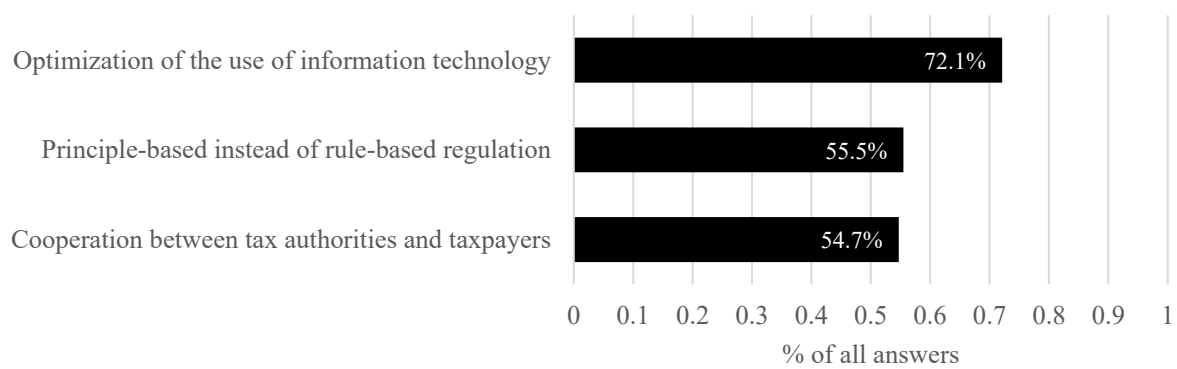
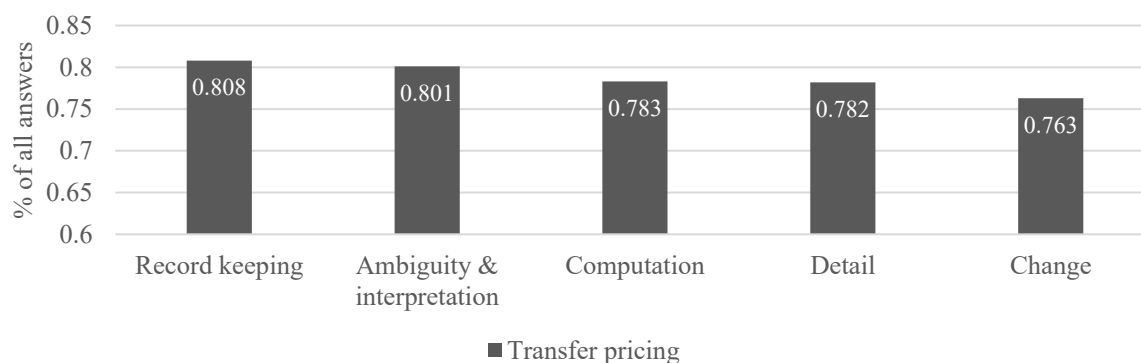
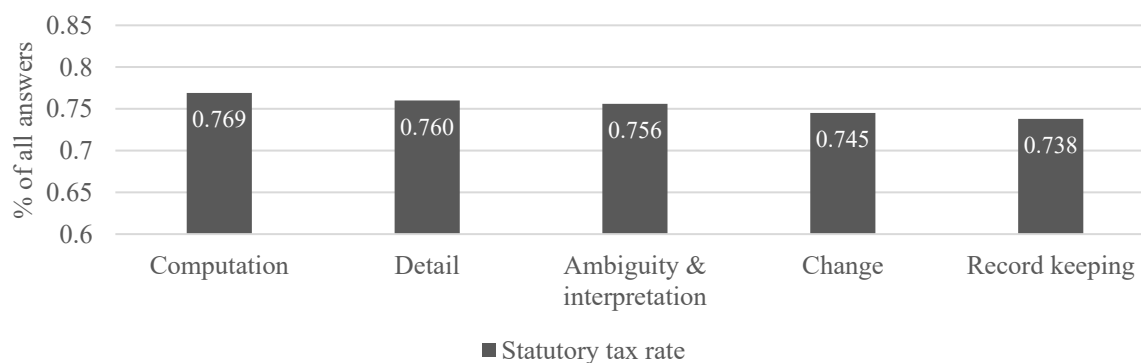


Figure A.3: Drivers of the Most Complex Regulations

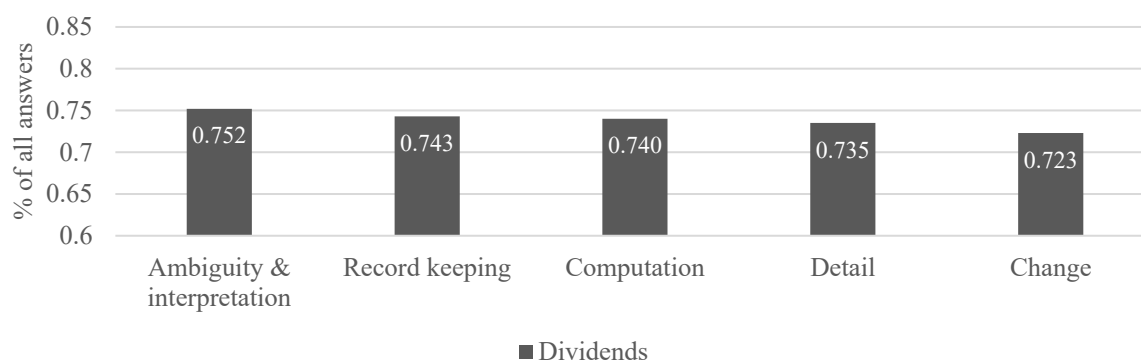
Panel A: Transfer Pricing



Panel B: Statutory Tax Rate



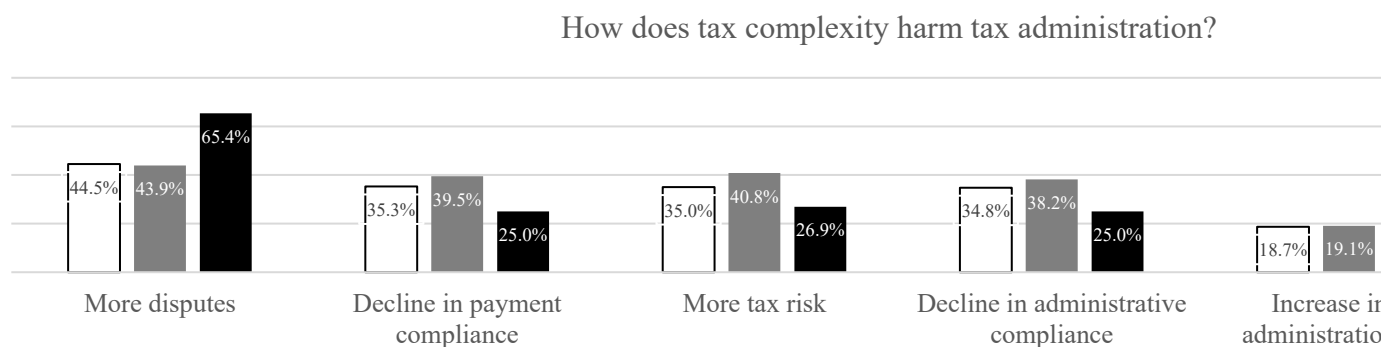
Panel C: Dividends



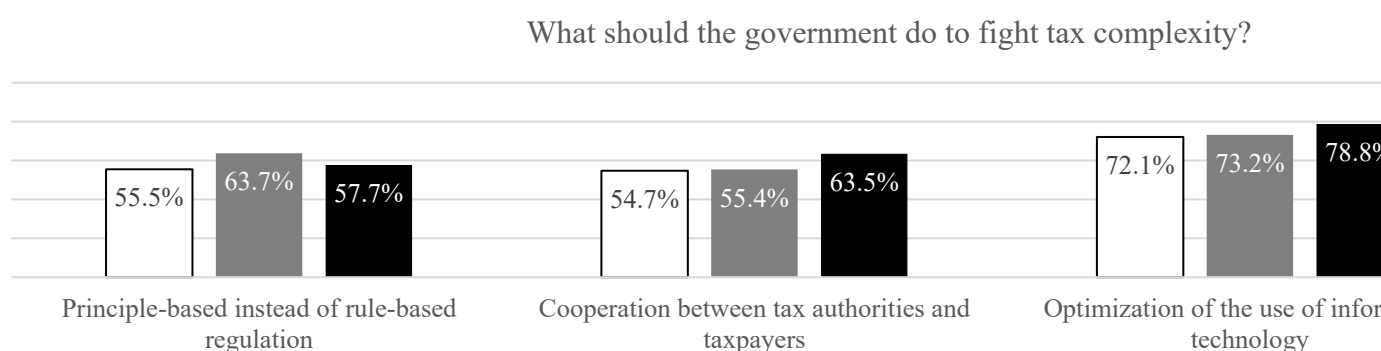
Notes: The figure presents the relative importance of the five drivers for the top three most complex regulations: transfer pricing (Panel A), statutory tax rate (Panel B) and dividends (Panel C). The displayed values reflect the average perception of respondents from the Indonesian tax administration. Scaled between 0.6 and 0.85.

Figure A.4: Comparative Analysis: Revenue Collection and Dispute Resolution Officers

Panel A: Comparative Perceived Disadvantages of Tax Complexity



Panel B: Comparative Preferred Strategies to Address Tax Complexity



Notes: The figure visualizes the comparative analysis of tax complexity between revenue collection officers and dispute resolution officers. Panel A presents the perceived disadvantages of tax complexity, divided by the subsamples of revenue collection and dispute resolution. Panel B presents the preferred strategies to address tax complexity, divided by the subsamples of revenue collection and dispute resolution.

Table A.1: Sample Selection

Selection procedures	Tax Administration	Taxpayers	Total
Total responses	914	213	1127
Less: progress less than 50%	486	115	601
Less: completion time less than 5 minutes	10	2	12
Less: completion time more than 3 hours	27	11	38
Final Sample	391	85	476

Notes: The table presents the sample selection procedures. In the first step, we exclude responses with less than 50 % completion of the survey. Afterwards, we exclude responses with less than 5 minutes and more than 3 hours of completion time.

Table A.2: The Demography of the Sample**Panel A: General Demography**

Respondent Group	Tax Administration			Taxpayer		
	Freq.	Percent	Cum.	Freq.	Percent	Cum.
Tax Officer	391					
Corporate Taxpayer	85					
Total	476					

Working Time in Taxation						
	Tax Administration			Taxpayer		
	Freq.	Percent	Cum.	Freq.	Percent	Cum.
15 years or more	226	57.80	57.80	13	15.29	15.29
10 years or more but fewer than 15 years	79	20.20	78.00	15	17.65	32.94
5 years or more but fewer than 10 years	50	12.79	90.79	20	23.53	56.47
Fewer than 5 years	17	4.35	95.14	33	38.82	95.29
No answer	19	4.86	100.00	4	4.71	100.00
Total	391	100.00		85	100.00	

Highest Education						
	Tax Administration			Taxpayer		
	Freq.	Percent	Cum.	Freq.	Percent	Cum.
Doctoral or equivalent level	3	0.77	0.77	1	1.18	1.18
Master or equivalent level	150	38.36	39.13	16	18.82	20.00
Bachelor or equivalent level	155	39.64	78.77	57	67.06	87.06
Diploma III	31	7.93	86.70	7	8.24	95.30
Diploma I or II	29	7.42	94.12	.	.	.
Other	4	1.02	95.14	.	.	.
No answer	19	4.86	100.00	4	4.71	100.00
Total	391	100.00		85	100.00	

Field of Education				
	Tax Administration		Taxpayer	
	Freq.	Percent	Freq.	Percent
Fiscal Policy	41	10.49	13	15.29
Law	23	5.88	2	2.35
Business and administration	148	37.85	32	37.65
Other	160	40.92	34	40.00
No answer	19	4.86	4	4.71
Total	391	100.00	85	100.00

Gender				
	Tax Administration		Taxpayer	
	Freq.	Percent	Freq.	Percent
Prefer not to answer	16	4.09	3	3.53
Female	81	20.72	35	41.18
Male	275	70.33	43	50.59
No answer	19	4.86	4	4.71
Total	391	100.00	85	100.00

Panel B: Demography of Tax Administration

Current Position Tax Administration

	Freq.	Percent	Cum.
Echelon Officer/Management	134	34.27	34.27
Account Representative	77	19.69	53.96
Other Administrative Staff	56	14.32	69.28
Other	41	10.49	78.77
Tax Objection/Appeal Reviewer	39	9.97	88.74
Tax Auditor	25	6.39	95.13
No answer	19	4.86	100.00
Total	391	100.00	

Main Focus Tax Administration

	Freq.	Percent
Tax revenue collection	157	40.15
Tax disputes	52	13.30
Taxpayers service	52	13.30
Other	43	11.00
General management	37	9.46
Public relations	15	3.84
Tax regulation	12	3.07
Information infrastructure	4	1.02
No answer	19	4.86
Total	391	100.00

Office Type

	Freq.	Percent	Cum.
Head Office	33	8.44	8.44
Regional Office	92	23.53	31.97
Large/Special Taxpayers Office	44	11.25	43.22
Medium Taxpayers Tax Office	14	3.58	46.80
Small Taxpayers Tax Office	175	44.76	94.56
Other	14	3.58	95.14
No answer	19	4.86	100.00
Total	391	100.00	

Panel C: Demography of Taxpayers

Current Position Taxpayer

	Freq.	Percent	Cum.
Manager/Senior Staff	36	42.35	42.35
Junior Assistant/Staff	28	32.94	75.29
Director/Partner/Principal	10	11.76	87.05
Other	7	8.24	95.27
No answer	4	4.71	100.00
Total	85	100.00	

Office Type Taxpayer

	Freq.	Percent	Cum.
Large/Special Taxpayers Office	16	18.82	18.82
Medium Taxpayers Tax Office	24	28.24	47.06
Small Taxpayers Tax Office	41	48.24	95.30
No answer	4	4.71	100.00
Total	85	100.00	

Notes: The table presents the demographic characteristics of the sample. Panel A details the general demographic features of the entire sample, while Panel B focuses on the demographic attributes of the tax officers, and Panel C outlines those of the taxpayers.

Table A.3: Drivers of Tax Complexity

Panel A: Drivers of Tax Code Complexity								
No	Regulations	#	Complexity driver	N	Mean	s.d.	Min	Max
(1)	Capital Gains/Losses	(1)	Ambiguity & Interpretation	391	0.730	0.213	0	1
		(2)	Change	391	0.704	0.220	0	1
		(3)	Computation	391	0.745	0.211	0	1
		(4)	Detail	391	0.730	0.218	0	1
		(5)	Record Keeping	391	0.760	0.208	0	1
(2)	Corporate Reorganization	(1)	Ambiguity & Interpretation	391	0.700	0.227	0	1
		(2)	Change	391	0.678	0.230	0	1
		(3)	Computation	391	0.684	0.239	0	1
		(4)	Detail	391	0.693	0.232	0	1
		(5)	Record Keeping	391	0.719	0.234	0	1
(3)	Depreciation & Amortization	(1)	Ambiguity & Interpretation	391	0.721	0.217	0	1
		(2)	Change	391	0.696	0.227	0	1
		(3)	Computation	391	0.728	0.214	0	1
		(4)	Detail	391	0.719	0.216	0	1
		(5)	Record Keeping	391	0.735	0.222	0	1
(4)	Investment Incentives	(1)	Ambiguity & Interpretation	391	0.702	0.223	0	1
		(2)	Change	391	0.697	0.219	0	1
		(3)	Computation	391	0.715	0.219	0	1
		(4)	Detail	391	0.709	0.211	0	1
		(5)	Record Keeping	391	0.724	0.221	0	1
(5)	Statutory Tax Rate	(1)	Ambiguity & Interpretation	391	0.756	0.232	0	1
		(2)	Change	391	0.745	0.217	0	1
		(3)	Computation	391	0.769	0.215	0	1
		(4)	Detail	391	0.760	0.207	0	1
		(5)	Record Keeping	391	0.738	0.237	0	1
(6)	Loss Offset	(1)	Ambiguity & Interpretation	391	0.732	0.231	0	1
		(2)	Change	391	0.699	0.223	0	1
		(3)	Computation	391	0.740	0.216	0	1
		(4)	Detail	391	0.728	0.214	0	1
		(5)	Record Keeping	391	0.747	0.217	0	1
(7)	Royalties	(1)	Ambiguity & Interpretation	391	0.741	0.216	0	1
		(2)	Change	391	0.715	0.214	0	1
		(3)	Computation	391	0.731	0.215	0	1
		(4)	Detail	391	0.730	0.213	0	1
		(5)	Record Keeping	391	0.741	0.218	0	1
(8)	Dividends	(1)	Ambiguity & Interpretation	391	0.752	0.217	0	1
		(2)	Change	391	0.723	0.207	0	1
		(3)	Computation	391	0.740	0.211	0	1
		(4)	Detail	391	0.735	0.213	0	1
		(5)	Record Keeping	391	0.743	0.217	0	1
(9)	Interest	(1)	Ambiguity & Interpretation	391	0.745	0.213	0	1
		(2)	Change	391	0.711	0.213	0	1
		(3)	Computation	391	0.735	0.210	0	1
		(4)	Detail	391	0.736	0.208	0	1
		(5)	Record Keeping	391	0.737	0.224	0	1
(10)	Transfer Pricing	(1)	Ambiguity & Interpretation	391	0.801	0.204	0	1
		(2)	Change	391	0.763	0.200	0	1
		(3)	Computation	391	0.783	0.194	0	1
		(4)	Detail	391	0.782	0.189	0	1
		(5)	Record Keeping	391	0.808	0.189	0	1
(11)	Permanent Establishment	(1)	Ambiguity & Interpretation	391	0.743	0.216	0	1
		(2)	Change	391	0.707	0.221	0	1
		(3)	Computation	391	0.726	0.211	0	1
		(4)	Detail	391	0.742	0.207	0	1
		(5)	Record Keeping	391	0.747	0.212	0	1

Panel B: Drivers of Tax Framework Complexity

No	Procedures	#	Complexity driver	N	Mean	Std. Dev.	Min	Max
(1)	Tax Guidance	(1)	Public rulings	391	0.221	0.201	0	1
		(2)	Private rulings	391	0.311	0.232	0	1
		(3)	Oral or written advice	391	0.313	0.231	0	1
		(4)	Substantial business issues	391	0.107	0.310	0	1
		(5)	Soft law	391	0.410	0.227	0	1
(2)	Tax Law Enactment	(1)	Access to enacted tax legislation	391	0.223	0.416	0	1
		(2)	Influence of third parties	391	0.570	0.496	0	1
		(3)	Quality of drafting	391	0.340	0.474	0	1
		(4)	Time at which legislation becomes effective	391	0.358	0.480	0	1
		(5)	Time between the announcement and enactment of tax changes	391	0.368	0.483	0	1
		(6)	Participation in legislative process	391	0.799	0.269	0	1
(3)	Tax Filing & Payment	(1)	Computing tax payments	391	0.583	0.494	0	1
		(2)	Determining due dates for tax payments	391	0.100	0.300	0	1
		(3)	Refunding overpaid corporate income taxes	391	0.335	0.473	0	1
		(4)	(Electronic) remittance of tax payments	391	0.113	0.316	0	1
		(5)	Determining due dates for filing tax returns	391	0.074	0.262	0	1
		(6)	Managing the number of tax returns during a year	391	0.225	0.418	0	1
		(7)	Preparing tax returns	391	0.425	0.495	0	1
		(8)	(Electronic) transmission of tax returns	391	0.343	0.475	0	1
		(9)	Instructions for filing tax returns	389	0.141	0.202	0	1
(4)	Tax Audits	(1)	Outline of tax audit process	391	0.228	0.228	0	1
		(2)	Tax audit cycle	391	0.274	0.446	0	1
		(3)	Notification of the upcoming tax audit	391	0.097	0.297	0	1
		(4)	Disclosure of selection criteria for tax audit target	391	0.309	0.463	0	1
		(5)	Communication of topics to be covered by the tax audit	391	0.253	0.435	0	1
		(6)	Decisions by tax officers	391	0.381	0.486	0	1
		(7)	Sanctions imposed in case of violations	391	0.217	0.413	0	1
		(8)	Experience or technical skill of tax officers	391	0.345	0.476	0	1
		(9)	Behavior by tax officers	391	0.156	0.363	0	1
(5)	Tax Appeals	(1)	Outline of tax objection process	391	0.213	0.223	0	1
		(2)	Outline of tax appeal process	391	0.226	0.228	0	1
		(3)	Decisions by tax officers in tax objections	391	0.325	0.469	0	1
		(4)	Influence of third parties in tax objections	391	0.202	0.402	0	1
		(5)	Agents/staff in tax objections	391	0.258	0.438	0	1
		(6)	Completion time in tax objections	391	0.169	0.375	0	1
		(7)	Decisions by tax officers in tax appeals	391	0.427	0.495	0	1
		(8)	Influence of third parties in tax appeals	391	0.348	0.477	0	1
		(9)	Agents/staff in tax appeals	391	0.233	0.423	0	1
		(10)	Completion time in tax appeals	391	0.332	0.472	0	1

Notes: The table presents the descriptive statistics of the drivers of tax complexity based on tax officers' assessment. Panels A and B report the statistics of the tax regulation and procedure drivers, respectively.

Table A.4: Pairwise Correlations

Panel A: Correlations among the dimensions of tax code complexity											
Regulations	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1) Capital gains/losses	1.000										
(2) Corporate reorganization	0.739*	1.000									
(3) Depreciation	0.863*	0.710*	1.000								
(4) Investment incentives	0.753*	0.743*	0.797*	1.000							
(5) Statutory tax rate	0.766*	0.575*	0.802*	0.730*	1.000						
(6) Loss offset	0.847*	0.628*	0.884*	0.794*	0.860*	1.000					
(7) Royalties	0.825*	0.668*	0.831*	0.760*	0.757*	0.839*	1.000				
(8) Dividends	0.819*	0.675*	0.842*	0.754*	0.776*	0.835*	0.959*	1.000			
(9) Interest	0.830*	0.682*	0.843*	0.751*	0.769*	0.833*	0.955*	0.965*	1.000		
(10) Transfer pricing	0.763*	0.606*	0.740*	0.688*	0.675*	0.719*	0.777*	0.794*	0.779*	1.000	
(11) Permanent establishment	0.789*	0.701*	0.736*	0.705*	0.677*	0.758*	0.835*	0.824*	0.825*	0.777*	1.000
* $p < 0.05$											
Panel B: Correlations among the Dimensions of Tax Framework Complexity											
Procedures	(1)	(2)	(3)	(4)	(5)						
(1) Tax guidance	1.000										
(2) Tax law enactment	0.098	1.000									
(3) Tax filing & payment	0.085	0.494*	1.000								
(4) Tax audits	0.172*	0.430*	0.520*	1.000							
(5) Tax appeals	0.176*	0.269*	0.329*	0.512*	1.000						
* $p < 0.05$											

Notes: Panel A reports the correlation matrix of the dimensions in the tax regulation complexity. Panel B shows the correlation coefficients of the complexity drivers of tax regulations. Panel C shows the correlations among the dimensions of tax procedure complexity.

Table A.5: Comparative Analysis: Tax Officers and Taxpayers

Panel A: Tax Code Complexity						
Regulations	Tax Officers		Taxpayers		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Transfer pricing	391	0.787*	85	0.702*	(0.085)	0.000
Statutory tax rate	391	0.754	85	0.747	(0.007)	0.753
Dividends	391	0.739*	85	0.671*	(0.068)	0.002
Capital gains	391	0.734*	85	0.664*	(0.069)	0.002
Interest	391	0.733*	85	0.664*	(0.069)	0.002
Permanent establishment	391	0.733*	85	0.653*	(0.080)	0.000
Royalties	391	0.732*	85	0.679*	(0.052)	0.019
Loss offset	391	0.729*	85	0.681*	(0.048)	0.034
Depreciation & amortization	391	0.720*	85	0.667*	(0.053)	0.016
Investment incentives	391	0.709	85	0.674	(0.035)	0.111
Corporate reorganization	391	0.695*	85	0.638*	(0.056)	0.017
Mean	391	0.734*	85	0.678*	(0.045)	0.021

Panel B: Tax Framework Complexity						
Procedures	Tax Officers		Taxpayers		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Tax law enactment	391	0.372	85	0.391	0.019	0.527
Tax guidance	391	0.273*	85	0.414*	0.142	0.000
Tax appeal	391	0.273*	85	0.404*	0.131	0.000
Tax filing & payment	389	0.259*	85	0.324*	0.065	0.004
Tax audits	391	0.251*	85	0.412*	0.161	0.000
Mean	391	0.300*	85	0.406*	0.106	0.000

Panel C: Hierarchical Ranks of Complexity Drivers of Regulation Transfer Pricing						
No	Tax Officers		Taxpayers			
1	Record keeping	0.808*	Record keeping		0.750*	
2	Ambiguity & interpretation	0.801*	Computation		0.703*	
3	Computation	0.783*	Detail		0.700*	
4	Detail	0.782*	Ambiguity & interpretation		0.685*	
5	Change	0.763*	Change		0.671*	
	Mean	0.787*	Mean		0.702*	

Notes: The table presents a comparative analysis of the perceived levels of tax complexity between taxpayers and tax officers. Panels A and B, respectively, report the comparisons within the dimensions of tax regulation and tax procedure. Items are sorted by tax officers' value. Panel C displays the rank of complexity drivers for transfer pricing by subgroups of tax officers and taxpayers. * indicates a statistically significant difference between the two groups at the 10% level.

Table A.6: Comparative Analysis: Revenue Collection and Dispute Resolution Officers

Panel A: Tax Code Complexity						
Regulations	Revenue Collection		Dispute Resolution		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Transfer Pricing	157	0.783	52	0.826	(0.043)	0.107
Statutory Tax Rate	157	0.744	52	0.741	0.003	0.923
Dividends	157	0.732	52	0.760	(0.028)	0.346
Interest	157	0.728	52	0.756	(0.027)	0.355
Royalties	157	0.727	52	0.755	(0.028)	0.352
Capital Gains/Losses	157	0.722	52	0.764	(0.042)	0.147
Loss Offset	157	0.722	52	0.728	(0.006)	0.840
Depreciation & Amortization	157	0.721	52	0.739	(0.018)	0.534
Permanent Establishment	157	0.716*	52	0.779*	(0.063)	0.027
Investment Incentives	157	0.689	52	0.717	(0.028)	0.336
Corporate Reorganization	157	0.684	52	0.704	(0.020)	0.505
Mean	157	0.724	52	0.752	(0.027)	0.295

No	Revenue Collection		Dispute Resolution	
1	Transfer Pricing	0.783	Transfer Pricing	0.826
2	Statutory Tax Rate	0.744	Permanent Establishment	0.779*
3	Dividends	0.732	Capital Gains/Losses	0.764
4	Interest	0.728	Dividends	0.760
5	Royalties	0.727	Interest	0.756
6	Capital Gains/Losses	0.722	Royalties	0.755
7	Loss Offset	0.722	Statutory Tax Rate	0.741
8	Depreciation & Amortization	0.721	Depreciation & Amortization	0.739
9	Permanent Establishment	0.716*	Loss Offset	0.728
10	Investment Incentives	0.689	Investment Incentives	0.717
11	Corporate Reorganization	0.684	Corporate Reorganization	0.704
	Mean	0.724	Mean	0.752

Panel B: Tax Framework Complexity

Procedures	Revenue Collection		Dispute Resolution		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Tax law enactment	157	0.373	52	0.381	-0.008	0.846
Tax appeal	157	0.288	52	0.283	0.006	0.875
Tax guidance	157	0.286*	52	0.240*	0.046	0.037
Tax filing & payment	157	0.258	52	0.253	0.005	0.864
Tax audits	157	0.238	52	0.277	-0.039	0.215

Mean	157	0.289	52	0.287	0.002	0.923
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Panel C: Drivers of Tax Code Complexity

Transfer Pricing					
No	Revenue Collection		Dispute Resolution		
1	Record keeping	0.806	Ambiguity & interpretation	0.856*	
2	Detail	0.788	Record keeping	0.851	
3	Ambiguity & interpretation	0.785*	Computation	0.832	
4	Computation	0.785	Detail	0.817	
5	Change	0.752	Change	0.774	

Statutory Tax Rate					
No	Revenue Collection		Dispute Resolution		
1	Computation	0.756	Detail	0.769	
2	Detail	0.753	Ambiguity & interpretation	0.755	
3	Ambiguity & interpretation	0.742	Computation	0.750	
4	Record keeping	0.739	Record keeping	0.740	
5	Change	0.731	Change	0.692	

Permanent Establishment					
No	Revenue Collection		Dispute Resolution		
1	Record keeping	0.742*	Ambiguity & interpretation	0.817*	
2	Detail	0.736	Record keeping	0.798*	
3	Computation	0.720	Detail	0.784	
4	Ambiguity & interpretation	0.705*	Computation	0.755	
5	Change	0.678*	Change	0.740*	

Notes: The table presents a comparative analysis of the perceived levels of tax complexity between tax administration employees in the revenue collection and employees in the dispute resolution. Panels A and B, respectively, report the comparisons within the dimensions of tax regulation and tax procedure. Items are sorted by revenue collection value. Panel C presents the drivers of the most complex tax regulations: transfer pricing, statutory tax rates, and permanent establishment. * indicates a statistically significant difference between the two groups at the 10% level.

Table A.7: Comparative Analysis: The Size of the Administered Taxpayers

Panel A: Tax Code Complexity						
Regulations	Large/Medium Taxpayer Officers		Small Taxpayer Officers		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Transfer pricing	58	0.809	175	0.780	0.028	0.235
Statutory tax rate	58	0.747	175	0.769	(0.021)	0.408
Dividends	58	0.741	175	0.744	(0.003)	0.920
Interest	58	0.731	175	0.742	(0.011)	0.662
Royalties	58	0.727	175	0.735	(0.009)	0.742
Capital gains/losses	58	0.714	175	0.740	(0.026)	0.305
Loss Offset	58	0.711	175	0.750	(0.039)	0.140
Depreciation & amortization	58	0.709	175	0.735	(0.025)	0.342
Permanent establishment	58	0.702	175	0.739	(0.038)	0.150
Investment incentives	58	0.691	175	0.723	(0.032)	0.198
Corporate reorganization	58	0.673	175	0.713	(0.040)	0.145
Mean	58	0.723	175	0.743	(0.020)	0.390

Panel B: Tax Framework Complexity						
Procedures	Large/Medium Taxpayers Office		Small Taxpayers Office		Difference	p-value
	Obs.	Mean	Obs.	Mean		
Tax law enactment	58	0.390	175	0.366	0.024	0.518
Tax appeals	58	0.313	175	0.274	0.039	0.272
Tax filings & payment	58	0.260	175	0.273	(0.013)	0.654
Tax guidance	58	0.257*	175	0.300*	(0.043)	0.056
Tax audits	58	0.238	175	0.251	(0.013)	0.693
Mean	58	0.292	175	0.293	0.001	0.946

Notes: The table presents a comparative analysis of the perceived levels of tax complexity between tax officers working in Large/Medium Taxpayers Offices and tax officers working in Small Taxpayers Offices. Panels A and B, respectively, report the comparisons within the dimensions of tax regulation and tax procedure. Items are sorted by large taxpayers officers' value. * indicates a statistically significant difference between the two groups at the 10% level.

Online Appendix B.1: Survey Results Measurement Strategy

Panel A: Tax Code Complexity Drivers			
No	Complexity driver	Survey Question Definition provided in the survey (in italics)	Measurement 0 = least complex, 1 = most complex
1	Ambiguity & interpretation	To what extent do you think “ambiguity & interpretation” contribute to the complexity of the regulations listed below? <i>“Ambiguity & interpretation” means a regulation is phrased in an unclear, imprecise, and/or ambiguous manner so that different interpretations are possible.</i>	0 = no extent 0.25 = little extent 0.5 = some extent 0.75 = great extent 1 = very great extent
2	Change	To what extent do you think “change” contributes to the complexity of the regulations listed below? <i>“Change” means a regulation is frequently changed and the changes are extensive in terms of quantity and/or scope</i>	0 = no extent 0.25 = little extent 0.5 = some extent 0.75 = great extent 1 = very great extent
3	Computation	To what extent do you think “computation” contributes to the complexity of the regulations listed below? <i>“Computation” means calculations necessary to prove a regulation’s (non-)applicability and/or to determine the specific tax treatment.</i>	0 = no extent 0.25 = little extent 0.5 = some extent 0.75 = great extent 1 = very great extent
4	Detail	To what extent do you think “detail” contributes to the complexity of the regulations listed below? <i>“Detail” means numerous rules, exceptions to rules and/or cross-references to other rules.</i>	0 = no extent 0.25 = little extent 0.5 = some extent 0.75 = great extent 1 = very great extent
5	Record keeping	To what extent do you think “record keeping” contributes to the complexity of the regulations listed below? <i>“Record keeping” means records and documents must be kept to substantiate all claims under a regulation and/or to complete the tax return.</i>	0 = no extent 0.25 = little extent 0.5 = some extent 0.75 = great extent 1 = very great extent
Panel B: Tax Framework Complexity Drivers			
No	Complexity driver	Survey Question Definition provided in the survey (in italics)	Measurement 0 = least complex, 1 = most complex
Dimension 1: Tax guidance			
1	Public rulings	Does the tax authority provide sufficient documents in order to resolve uncertainties? <i>Public rulings are published statements describing how a tax authority will apply the tax code in particular situations</i>	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
2	Private rulings	Does the tax authority provide sufficient documents in order to resolve uncertainties? <i>Private rulings are unpublished statements by the tax authority in response to specific requests from taxpayers seeking clarification of how tax law would apply in relation to a proposed or completed transaction.</i>	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
3	Oral or written advice	Does the tax authority provide sufficient documents in order to resolve uncertainties?	0 = always 0.25 = often

		<i>Oral or written advice in this context is an informal opinion on tax matters that taxpayers can request by contacting the tax authority (e.g., by telephone or email).</i>	0.5 = sometimes 0.75 = rarely 1 = never
4	Substantial business issues	Are there various substantial business issues and/or transactions whose tax treatment is not codified in tax law?	0 = no 1 = yes
5	Soft law	To what extent does the existence of international soft law offer support by providing additional information in dealing with tax law? <i>International soft law is defined as rules that are neither strictly binding in nature nor completely lacking legal significance, e.g., the OECD guidelines.</i>	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
<hr/> Dimension 2: Tax law enactment			
1	Access to enacted tax legislation	Regarding the tax legislative process, which of the following aspects regularly cause problems? (a) Access to enacted tax legislation	0 = not selected 1 = selected
2	Influence of third parties	Regarding the tax legislative process, which of the following aspects regularly cause problems? (b) Influence of third parties	0 = not selected 1 = selected
3	Quality of drafting	Regarding the tax legislative process, which of the following aspects regularly cause problems? (c) Quality of tax legislation drafting	0 = not selected 1 = selected
4	Time at which legislation becomes effective	Regarding the tax legislative process, which of the following aspects regularly cause problems? (d) Time at which tax legislation becomes effective	0 = not selected 1 = selected
5	Time between the announcement and enactment of tax changes	Regarding the tax legislative process, which of the following aspects regularly cause problems? (e) Time between the announcement of tax changes and their enactment	0 = not selected 1 = selected
6	Participation in legislative process	Do you actively participate in legislative processes in tax law, or have you already participated in the legislative process, e.g., by preparing drafts or giving opinions?	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
<hr/> Dimension 3: Tax filings and payments			
1	Computing tax payments	Regarding the payment of corporate income taxes, which of the following aspects regularly cause problems? (a) Computing tax payments	0 = not selected 1 = selected
2	Determining due dates for tax payments	Regarding the payment of corporate income taxes, which of the following aspects regularly cause problems? (b) Determining due dates for tax payments	0 = not selected 1 = selected
3	Refunding overpaid corporate income taxes	Regarding the payment of corporate income taxes, which of the following aspects regularly cause problems? (c) Refunding overpaid corporate income taxes	0 = not selected 1 = selected
4	(Electronic remittance of tax payments	Regarding the payment of corporate income taxes, which of the following aspects regularly cause problems?	0 = not selected 1 = selected

5	Determining due dates for filing tax returns	(d) (Electronic) remittance of tax payments Regarding the filing of corporate income tax returns, which of the following aspects regularly cause problems?	0 = not selected 1 = selected
6	Managing the number of tax returns during a year	(a) Determining due dates for filing tax returns Regarding the filing of corporate income tax returns, which of the following aspects regularly cause problems?	0 = not selected 1 = selected
7	Preparing tax returns	(b) Managing the number of tax returns during a year Regarding the filing of corporate income tax returns, which of the following aspects regularly cause problems?	0 = not selected 1 = selected
8	(Electronic) transmission of tax returns	(c) Preparing tax returns Regarding the filing of corporate income tax returns, which of the following aspects regularly cause problems?	0 = not selected 1 = selected
9	Instructions for filing tax returns	(d) (Electronic) transmission of tax returns To what extent does the tax authority provide helpful written instructions on how to file tax returns?	0 = Very Great Extent 0.25 = Great Extent 0.5 = Some Extent 0.75 = Little Extent 1 = No Extent
<hr/>			
Dimension 4: Tax audits			
1	Outline of tax audit process	Does the tax authority provide sufficient additional documents or guidance that clearly outline the tax audit process?	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
2	Tax audit cycle	Regarding the anticipation of tax audits, which of the following do you consider a serious problem?	0 = not selected 1 = selected
3	Notification of the upcoming tax audit	(a) Absence of a regular tax audit cycle Regarding the anticipation of tax audits, which of the following do you consider a serious problem?	0 = not selected 1 = selected
4	Disclosure of selection criteria for tax audit target	(b) Late or no notification of the upcoming tax audit Regarding the anticipation of tax audits, which of the following do you consider a serious problem?	0 = not selected 1 = selected
5	Communication of topics to be covered by the tax audit	(c) Little or no disclosure of selection criteria for tax audit targets Regarding the anticipation of tax audits, which of the following do you consider a serious problem?	0 = not selected 1 = selected
6	Decisions by tax officers	(d) Poor or no communication of topics to be covered by the tax audit Regarding the tax audit process, which of the following do you consider a serious problem?	0 = not selected 1 = selected
7	Sanctions imposed in case of violations	(a) Inconsistent decisions by tax officers Regarding the tax audit process, which of the following do you consider a serious problem?	0 = not selected 1 = selected
8	Experience or technical skills of tax officers	(b) Ineffectiveness of sanctions imposed in case of violations Regarding the tax audit process, which of the following do you consider a serious problem?	0 = not selected 1 = selected
		(c) Lack of experience or technical skills of tax officers	

9	Behavior by tax officers	Regarding the tax audit process, which of the following do you consider a serious problem? (d) Offensive or unethical behavior by tax officers	0 = not selected 1 = selected
<hr/>			
Dimension 5: Tax appeals			
1	Outline of tax objection process	Does the tax authority provide sufficient additional documents or guidance that clearly outline the tax objection/appeal process? Objection.	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
2	Outline of tax appeal process	Does the tax authority provide sufficient additional documents or guidance that clearly outline the tax objections/appeals process? Appeal	0 = always 0.25 = often 0.5 = sometimes 0.75 = rarely 1 = never
3	Decisions by tax officers in tax objections	Regarding the treatment of tax objection/appeals, which of the following do you consider a serious problem? Objection: (a) Inconsistent decisions	0 = not selected 1 = selected
4	Influence of third parties in tax objections	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Objection:(b) Influence of third parties	0 = not selected 1 = selected
5	Agents/staff in tax objections	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Objection:(c) Lack of (specialized) agents/staff	0 = not selected 1 = selected
6	Completion time in tax objections	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Objection:(d) Unpredictable completion time	0 = not selected 1 = selected
7	Decisions by tax officers in tax appeals	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Appeal: (a) Inconsistent decisions	0 = not selected 1 = selected
8	Influence of third parties in tax appeals	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Appeal:(b) Influence of third parties	0 = not selected 1 = selected
9	Agents/staff in tax objections	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Appeal:(c) Lack of (specialized) agents/staff	0 = not selected 1 = selected
10	Completion time in tax objections	Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem? Appeal:(d) Unpredictable completion time	0 = not selected 1 = selected

Online Appendix B.2: Survey Instrument

Indonesian Tax Complexity Survey

Start of Block: Introduction

Q1.1

Welcome to the Indonesian Tax Complexity Survey!

Dear Indonesian tax officers and taxpayers,

Thank you for participating in our survey study! We would like your help and ask you to answer a few questions about tax complexity. This survey is completely anonymous and confidential. It is not possible to identify you or your answers. Data will be analyzed in the aggregate. The survey should take about 20 minutes.

We have set up this research project to gain systematic insights into the development and state of tax complexity to which tax administrations and taxpayers are exposed in Indonesia.

Prior studies document that tax complexity has become an important feature of a tax system in recent years, inducing compliance costs, tax planning opportunities, and being likely to influence the decisions of tax administrations and taxpayers in different ways. We want to identify areas of the tax code and framework that particularly drive tax complexity. For this purpose, we need your view on tax complexity and your professional experience with tax complexity.

Thank you for helping us to contribute to improving the tax system.

Best regards,

Fernando Siahaan, MSc. (fernando.siahaan@wu.ac.at)
Vienna University of Economics and Business

Prof. Dr. Caren Sureth-Sloane
Paderborn University & Vienna University of Economics and Business

Adrian Schipp, MSc.
Paderborn University

Q1.2

By participating in the survey you confirm the [Information on data processing](#).

- ☐ I am a Tax Officer
- ☐ I am working for/own a corporate taxpayer
- ☐ I do not want to participate

End of Block: Start of Block: Tax Code Complexity

Q2.1

Tax code complexity

"Tax code complexity" describes the difficulty of reading, understanding, and complying with tax regulations that are affected by five complexity drivers: ambiguity & interpretation, change, computation, detail, and recordkeeping. Therefore, we identified 11 internationally comparable tax regulations serving as dimensions for the tax code complexity.

How important do you consider the following regulations to be?

"Important" means that this regulation has a significant impact (i.e., expressed as time spent in your daily work).

	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.2

To what extent do you think “ambiguity & interpretation” contribute to the complexity of the regulations listed below?

“Ambiguity & interpretation” means a regulation is phrased in an unclear, imprecise, and/or ambiguous manner so that different interpretations are possible.

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.3

To what extent do you think “change” contributes to the complexity of the regulations listed below?

“Change” means a regulation is frequently changed and the changes are extensive in terms of quantity and/or scope.

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.4

To what extent do you think “computation” contributes to the complexity of the regulations listed below?

"Computation" means calculations necessary to prove a regulation's (non-)applicability and/or to determine the specific tax treatment.

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.5

To what extent do you think “detail” contributes to the complexity of the regulations listed below?

"Detail" means numerous rules, exceptions to rules and/or cross-references to other rules.

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.6

To what extent do you think “record keeping” contributes to the complexity of the regulations listed below?
“Record keeping” means records and documents must be kept to substantiate all claims under a regulation and/or to complete the tax return.

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Capital Gains/Losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Reorganization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation & Amortization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment Incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Tax Rate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loss Offset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Royalties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dividends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer Pricing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Permanent Establishment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2.7

To what extent do you think the drivers listed below on average contribute to the complexity of income tax rules?

	No Extent	Little Extent	Some Extent	Great Extent	Very Great Extent
Ambiguity & Interpretation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Computation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Detail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Record Keeping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Tax Code

Start of Block: Tax Framework Complexity

Q3.1

Tax framework complexity

"Tax framework complexity" describes the complexity that arises from the legislative and administrative processes and features within a tax system and is measured in five dimensions: guidance, enactment, payment and filing, audits, and objection and appeals.

Does the tax authority provide sufficient documents in order to resolve uncertainties?

Public rulings are published statements describing how a tax authority will apply the tax code in particular situations.

Private rulings are unpublished statements by the tax authority in response to specific requests from taxpayers seeking clarification of how tax law would apply in relation to a proposed or completed transaction.

Oral or written advice in this context is an informal opinion on tax matters that taxpayers can request by contacting the tax authority (e.g., by telephone or email).

	Never	Rarely	Sometimes	Often	Always
Public rulings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Private rulings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oral or written advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3.2

Are there various substantial business issues and/or transactions whose tax treatment is not codified in tax law?

- ☐ No
- ☐ Yes (please mention) _____

Q3.3

To what extent does the existence of international soft law offer support by providing additional information in dealing with tax law?

International soft law is defined as rules that are neither strictly binding in nature nor completely lacking legal significance, e.g., the OECD guidelines.

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Always

Q3.4

Regarding the tax legislative process, which of the following aspects regularly cause problems?
(Check all answers that apply)

- ☐ Access to enacted tax legislation
- ☐ Influence of third parties
- ☐ Quality of tax legislation drafting
- ☐ Time at which tax legislation becomes effective
- ☐ Time between the announcement of tax changes and their enactment
- ☐ ☒ None of the above

Q3.5

Do you actively participate in legislative processes in tax law, or have you already participated in the legislative process, e.g., by preparing drafts or giving opinions?

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Always

Q3.6

Regarding the payment of corporate income taxes, which of the following aspects regularly cause problems?
(Check all answers that apply)

- ☐ Computing tax payments
- ☐ Determining due dates for tax payments
- ☐ Refunding overpaid corporate income taxes
- ☐ (Electronic) remittance of tax payments
- ☐ ☒ None of the above

Q3.7

Regarding the filing of corporate income tax returns, which of the following aspects regularly cause problems?
(Check all answers that apply)

- ☐ Determining due dates for filing tax returns
- ☐ Managing the number of tax returns during a year
- ☐ Preparing tax returns
- ☐ (Electronic) transmission of tax returns
- ☐ ☒ None of the above

Q3.8

To what extent does the tax authority provide helpful written instructions on how to file tax returns?

- ☐ No Extent
- ☐ Little Extent
- ☐ Some Extent
- ☐ Great Extent
- ☐ Very Great Extent

Q3.9

Does the tax authority provide sufficient additional documents or guidance that clearly outline the tax audit process?

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Always

Q3.10

Regarding the anticipation of tax audits, which of the following do you consider a serious problem?
(Check all answers that apply)

- ☐ Absence of a regular tax audit cycle
- ☐ Late or no notification of the upcoming tax audit
- ☐ Little or no disclosure of selection criteria for tax audit targets
- ☐ Poor or no communication of topics to be covered by the tax audit
- ☐ ☒ None of the above

Q3.11

Regarding the tax audit process, which of the following do you consider a serious problem?
(Check all answers that apply)

- ☐ Inconsistent decisions by tax officers
- ☐ Ineffectiveness of sanctions imposed in case of violations
- ☐ Lack of experience or technical skill of tax officers
- ☐ Offensive or unethical behavior by tax officers
- ☐ ☒ None of the above

Q3.12

Does the tax authority provide sufficient additional documents or guidance that clearly outline the tax objection/appeal process?

	Never	Rarely	Sometimes	Often	Always
Objection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appeal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q3.13

Regarding the treatment of tax objections/appeals, which of the following do you consider a serious problem?
(Check all answers that apply)

	Objection	Appeal
Inconsistent decisions	<input type="checkbox"/>	<input type="checkbox"/>
Influence of third parties	<input type="checkbox"/>	<input type="checkbox"/>
Lack of (specialized) agents/staff	<input type="checkbox"/>	<input type="checkbox"/>
Unpredictable completion time	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> None of the above	<input type="checkbox"/>	<input type="checkbox"/>

End of Block: Tax Framework Complexity

Start of Block: General Perception and Perspective on Tax Complexity

Q4.1

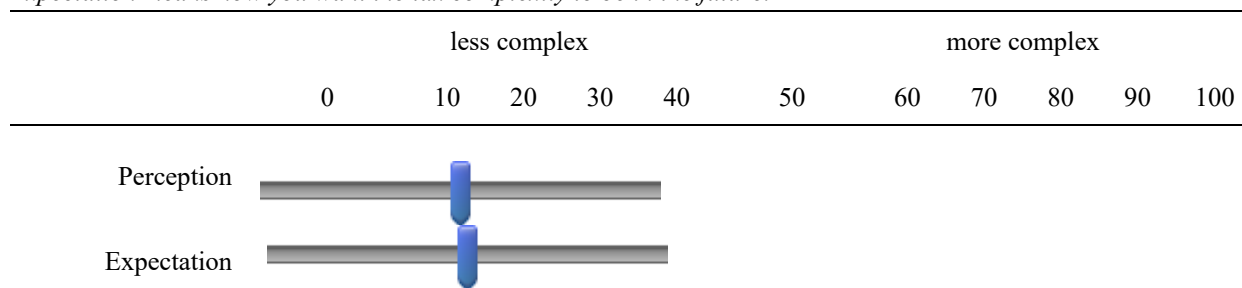
General Perception and Perspective on Tax Complexity

How complex do you perceive and expect the "Tax Code" in general:

"Tax code complexity" describes the difficulty of reading, understanding, and complying with tax regulations that are affected by five complexity drivers: ambiguity & interpretation, change, computation, detail, and record keeping.

Perception means how you perceive tax complexity in reality.

Expectation means how you want the tax complexity to be in the future.



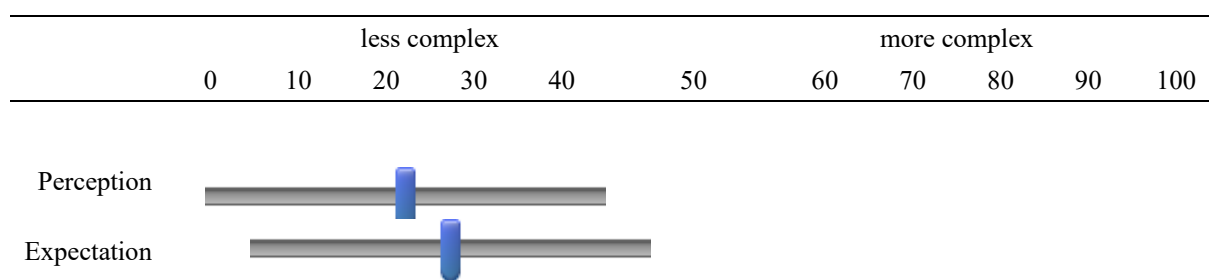
Q4.2

How complex do you perceive and expect the "Tax Framework" in general:

"Tax framework complexity" describes the complexity that arises from the legislative and administrative processes and features within a tax system and is measured in five dimensions: guidance, enactment, payment and filing, audits, and objection and appeals.

Perception means how you perceive tax complexity in reality.

Expectation means how you want the tax complexity to be in the future.



Q4.3

How strongly do you agree with the following statements about tax complexity?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
Tax complexity has increased over the last 5 years.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax complexity will lead to additional efforts in tax administration in the upcoming years.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax complexity will lead to additional efforts in tax compliance in the upcoming years.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax complexity is increased by growing cross-border economic activities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax complexity is increased by growing digital business models.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4.4

Does tax complexity harm your institution?

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Always

Display This Question:

*IF By participating in the survey you confirm the Information on data processing. = I am a Tax Officer
AND Does tax complexity harm your institution? != Never*

Q4.5

How does tax complexity harm your institution?

(Check all answers that apply)

- ☐ Decline in payment compliance
- ☐ Decline in administrative compliance
- ☐ Increase in tax administration cost
- ☐ More tax risk
- ☐ More disputes
- ☐ Other (please mention) _____

Display This Question:

*IF rporate taxpayer
AND Does tax complexity harm your institution? != Never*

Q4.6

How does tax complexity harm your company?

(Check all answers that apply)

- ☐ Increase in tax expense
- ☐ Increase in tax compliance cost
- ☐ More tax risk
- ☐ More disputes
- ☐ Other (please mention) _____

Q4.7

Does your institution also benefit from tax complexity?

- ☐ Never
- ☐ Rarely
- ☐ Sometimes
- ☐ Often
- ☐ Always

Display This Question:

*If By participating in the survey you confirm the Information on data processing. = I am a Tax Officer
AND Does your institution also benefit from tax complexity? != Never*

Q4.8

How does your institution benefit from tax complexity?

(Check all answers that apply)

- ☐ Enhanced payment compliance
- ☐ Enhanced administrative compliance
- ☐ Less tax risk
- ☐ Fewer disputes
- ☐ Other (please mention) _____

Display This Question:

IF By participating in the survey you confirm the Information on data processing. = I am working for/own a corporate taxpayer

AND Does your institution also benefit from tax complexity? != Never

Q4.9

How does your company benefit from tax complexity?

(Check all answers that apply)

- ☐ Enhanced payment compliance
- ☐ Enhanced administrative compliance
- ☐ More/better tax planning opportunities
- ☐ Less tax risk
- ☐ Fewer disputes
- ☐ Other (please mention) _____

Q4.10

What should the government do to fight tax complexity?

(Check all answers that apply)

- ☐ Enacting principle-based instead of rule-based regulations
- ☐ Enhancing cooperation between the tax authority and taxpayers
- ☐ Optimization of the use of information technology
- ☐ Other (please mention) _____

End of Block: General Perception and Perspective on Tax Start of Block: Demography of the Tax Officer

Q5.1

What is your current position?

- ☐ Echelon Officer/Management
- ☐ Account Representative
- ☐ Tax Objection/Appeal Reviewer
- ☐ Tax Auditor
- ☐ Other Administrative Staff
- ☐ Other (please mention) _____

Q5.2

What is the main focus of your work?

- ☐ Tax revenue collection
- ☐ Taxpayers service
- ☐ Tax disputes
- ☐ Tax regulation
- ☐ Information infrastructure
- ☐ Public relations
- ☐ General management
- ☐ Other (please mention) _____

Q5.3

In which type of office do you work?

- ☐ Head Office
- ☐ Regional Office
- ☐ Large/Special Taxpayers Office
- ☐ Medium Taxpayers Tax Office
- ☐ Small Taxpayers Tax Office
- ☐ Other (please mention) _____

End of Block: Demography of the Tax Officer

Start of Block: Demography of Taxpayers

Q6.1

What is your current position in your company?

- Director/Partner/Principal
- Manager/Senior Staff
- Junior Assistant/Staff
- Other (please mention) _____

Q6.2

By which type of Tax Office is your company administered?

- Large/Special Taxpayers Tax Office
- Medium Taxpayers Tax Office
- Small Taxpayers Tax Office

End of Block: Demography of Taxpayers

Start of Block: General Demography

Q7.1

How long have you been working in taxation?

- ☐ 15 years or more
- ☐ 10 years or more but fewer than 15 years
- ☐ 5 years or more but fewer than 10 years
- ☐ Fewer than 5 years

Q7.2

What is your highest educational qualification?

- ☐ Doctoral or equivalent level
- ☐ Master or equivalent level
- ☐ Bachelor or equivalent level
- ☐ Diploma III
- ☐ Diploma I or II
- ☐ Other (please mention) _____

Q7.3

What was your field of education?

- ☐ Business and administration
- ☐ Law
- ☐ Fiscal Policy
- ☐ Other (please mention) _____

Q7.4

Please specify your gender.

- ☐ Male
- ☐ Female
- ☐ Prefer not to answer

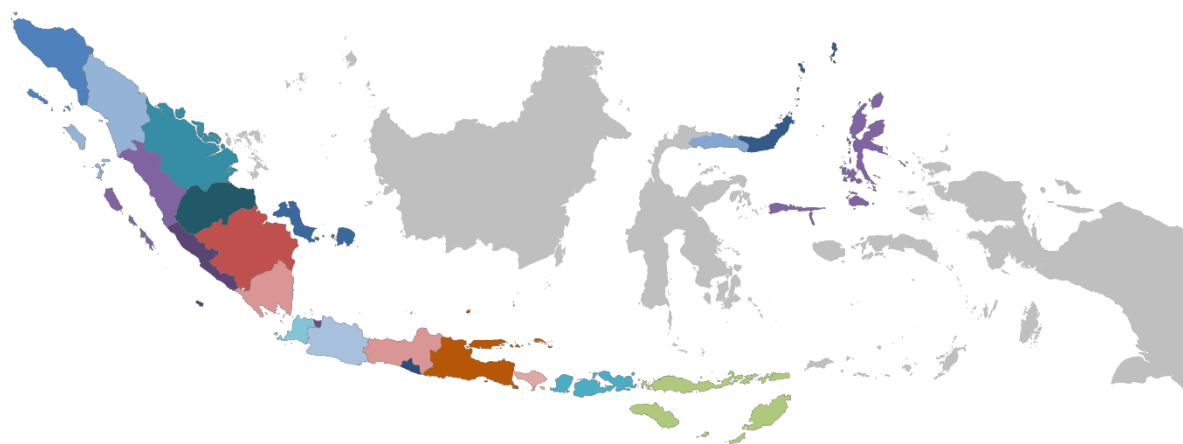
End of Block: General Demography

Online Appendix B.3: Survey Distribution Channels

No	Type	Unit Echelon II (Directorate/ Regional Offices)
1	Head Office	Directorate of Tax Regulation I
2	Head Office	Directorate of Tax Regulation II
3	Head Office	Directorate of Objection and Appeal
4	Head Office	Directorate of Audit and Collection
5	Head Office	Directorate of Public Relations
6	Head Office	Directorate of Potential, Compliance, and Revenue
7	Regional Office	Large Taxpayers
8	Regional Office	Special Taxpayers
9	Regional Office	Central Jakarta
10	Regional Office	South Jakarta I
11	Regional Office	East Jakarta
12	Regional Office	North Jakarta
13	Regional Office	Aceh
14	Regional Office	North Sumatra I
15	Regional Office	North Sumatra II
16	Regional Office	Riau
17	Regional Office	West Sumatra and Jambi
18	Regional Office	South Sumatra and Bangka Belitung Islands
19	Regional Office	Bengkulu and Lampung
20	Regional Office	Banten
21	Regional Office	West Java I
22	Regional Office	Central Java I
23	Regional Office	Yogyakarta Special Region
24	Regional Office	East Java I
25	Regional Office	Bali
26	Regional Office	Nusa Tenggara
27	Regional Office	North Sulawesi, Central Sulawesi, Gorontalo, and North Maluku
28	Tax Application Service Provider	PT Mitra Pajakku

Notes: The table enumerates the survey distribution channels. The channels are 27 Echelon II units of the DGT and one tax application service provider. Within the DGT, there are six directorates located at the DGT head office, two large and special regional offices which administer the large and special (e.g., foreign direct investment, permanent establishment, oil, and gas companies) taxpayers, and 21 geographical type regional offices which administer medium and small taxpayers.

Online Appendix B.4: The Survey Coverage Area



Notes: The figure illustrates the coverage area of our survey, involving a network of 27 Echelon II units of the DGT. Our survey covers all geographical areas of Indonesia. Within this network, there are six directorates located at the DGT head office, two large and special regional offices serving the national level largest and special taxpayers, and 21 geographical-type regional offices administering medium and small-scale taxpayers in specific-colored areas. Additionally, we collaborate with a tax application service provider to facilitate outreach to taxpayers.