



Tax Revenue and Human Development Index in the Seven ASEAN Countries

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ABSTRACT: This research is motivated by curiosity about tax revenues and human development indices in 7 (seven) ASEAN countries that are influenced by tax revenues. The aim of this study is to show the impact of taxes on the Human Development Index in 7 ASEAN countries. Examples of this study include Indonesia, Malaysia, the Philippines and Thailand, Myanmar, Cambodia, and Vietnam. The second data used in this study covers the period from 2010 to 2023. The regression of the panel data was used in the processing of the study data. At the same time, this study significantly illustrates the influence of independent variables on related variables. Variable inflation had a significant negative impact on tax revenues, while variable market capitalization and tourist visits had a positive and significant correlation with tax revenues. Tax revenues also have a positive impact on the economic growth of ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand, Myanmar, Cambodia and Vietnam).

KEYWORD: Human Development Index, Tax revenue.

INTRODUCTION

In development cooperation, every country needs a source of funding that is used to finance expenditures such as taxes and other revenues. Taxes, which are the main source of a developing country, especially in the ASEAN region, are heavily influenced by many factors such as interest rates, technology, number of businesses, inflation, market capitalization, and the number of tourist visits.

Tax

Taxes are contributions that are paid into the state treasury by citizens on a legal basis and levied without direct consideration (Sumitro, 2013). It is used to promote the development of each country. In addition Taxes are used as a regulatory tool to implement public policies in the field of society and the economy and to achieve certain goals in the external financial world. (Official, 2019). Related research such as "A timeline of the impact of tax revenues on Nigeria's economic development Conclusion that there is an influence of tax revenues on the Human Development Index(Akani et al., 2016). In addition, the study concluded that there is a positive and significant impact between tax revenues and the Human Development Index (Yanseni and Marhaeni, 2019). The following study, conducted in Nigeria, presented the results of a positive impact of tax revenues on the Human Development Index (Grace et al., 2016).

Interest

Loud (Pindyck and Rubinfeld, 2018) The interest rate is the price that the borrower pays to the lender. In the meantime, Mishkin said in (Riadi ,2018) The interest rate is the amount of the loan, which is the price paid to borrow money. Mishkin looks at interest rates from the borrower's perspective. *Borrowing from debt*.(Guttman, R. and Rickards ,2020) In his research in Australia, he found that lower interest rates could boost economic activity. Research from (Adeniran and Ademola ,2019) Interest rates were found to make a significant positive contribution to Nigeria's GDP compared to other monetary/macro-economic variables considered.(Hilarius et al.,2020) found that inflation, the CI rate, and the trade balance had a significant impact on the rupee exchange rate, and that the CI rate was the dominant variable. Studies show that inflation can affect the state's tax revenues.

Information and communication Technology

UNESCO defines information and communication technologies (ICT) as technologies used to communicate and generate, manage and disseminate information. ICT generally includes computers, the Internet, telephones, television, radio and other audiovisual equipment (Kusmayadi, 2018). Williams and Sawyer on (Sutiono ,2023) Information technology is a technology that integrates high-speed computing communications into files in the form of video, data, and voice.



The study concludes that information and communication technologies have an impact on tax revenues (Purba and Raksaka, 2022). The other (François et al., 2020) His study also concluded that ICT has no impact on tax revenues. (Mustapha et al., 2023) ICT has an impact on tax revenues.

Company

Willem Leonard Pieter Arnold Molengraaff, lawyer and economist (Kurniawan, 2023), the enterprise as a set of activities carried out on a permanent basis and intended for external parties to make a profit through trade, the provision of goods and services or the conclusion of commercial agreements. According to (Loud Kadir, 2014) Based on a legal analysis, the term company refers to the legal entities and actions of companies in the conduct of their business. In addition, the company is the place where the production activities take place and where all the production factors come together. From some of the definitions above, it can be concluded that a company is a business entity unit that carries out production activities to produce goods or services with the aim of making a profit. The elements contained in a company include the existence of a business entity, which is permanent, and oriented to pursue profits. Companies can be differentiated based on their ownership status, employment, and legal form.

Inflation

According to (Natsir 2014) Inflation is one of the important variables of macroeconomic control, which can have far-reaching consequences for all sectors of the economy. Meanwhile, according to another view, inflation is an opportunity to increase the prices of goods and services in general and continuously. According to Keynes in (Boediono, 2014) Inflation arises because people want to survive beyond the limits of their economic capabilities, so the demand for goods is always greater than the number of goods available (an inflation gap is created).

Related search for (Immervoll, 2015) His research concluded that inflation has an impact on tax revenues. In addition, (Muttaqien and Edy, 2019) It is estimated that inflation will have a significant impact on tax revenues. (Cesarina et al., 2022) In his research, he found that inflation has a negative impact on tax revenues.

Market capitalization

According to (Loud Gea, 2020) Market capitalization is the market value given to a company, which is obtained by multiplying the share price per share by the number of shares outstanding in the company. Market capitalization refers to the price that a company has to pay if one wants to own the company.

Loud Yusra (2019) Market capitalization is the size of a company based on the value of its outstanding shares over a certain period of time. Market capitalization has the function of describing the value or price of a company, where the higher the market capitalization of the company, the more the size of the company can be measured by looking at the size of the market capitalization. Related research papers such as (Plihal and Urbanovsky, 2017) concluded that changes in inventories have an impact on tax revenues. Further research by (Hippolyte et al., 2016) It also shows that the stock market is of great importance for tax revenues. In addition (Ilievski, 2015) In his research, he concluded that there is a positive influence between stock market and tax revenues.

The number of tourist visits

According to (Alexander, 2016) defines tourists as individuals or groups who travel to a destination other than their place of origin for leisure, trade and educational purposes. It also (Page and Connell, 2014), a traveler is a person who travels to a place for a purpose other than daily activities and usually includes fun or relaxing activities. In the meantime, William and Kaltenborn said in (Saputra, 2023) A tourist is a person who is outside the normal area of his residence and carries out various leisure or business activities. Research Run Now (Rotaris and Carozzo, 2019), He concludes that tourists have an influence on tax revenues. In addition, the search for (Lusiana et al., 2021) He also noted that there was a correlation between the number of tourists and tax revenues. Other research work such as (Selman and Cetin, 2023) This explains the willingness of tourists to pay income tax.

Human Development Index

This HDI was first published in 2004 in the Human Development Report, which continues to this day. Human development is "A process in which people's choices are expanded". The most important aspects are a healthy life and lifestyle, a sufficiently variable level and an adequate standard of living. The four main components of human development are productivity, equality, sustainability, and empowerment. (UNDP, 2004). Adam Smith's classical theory states that humans are the most important factor determining the prosperity of a nation, which means that nature does not matter without human resources. (Hardjanto, 2013). Today,



however, the HDI is defined more as a development goal aimed at improving well-being. Related search for (Akani et al., 2016) concluded that tax revenues have had a positive impact on the Human Development Index. In addition, (Yanseni and Marhaeni, 2019) He also noted that tax revenues have a positive and significant impact on the Human Development Index. Research (Grace et al., 2016) Tax revenues have a positive effect on the human development index.

MATERIAL AND METHODS

Material

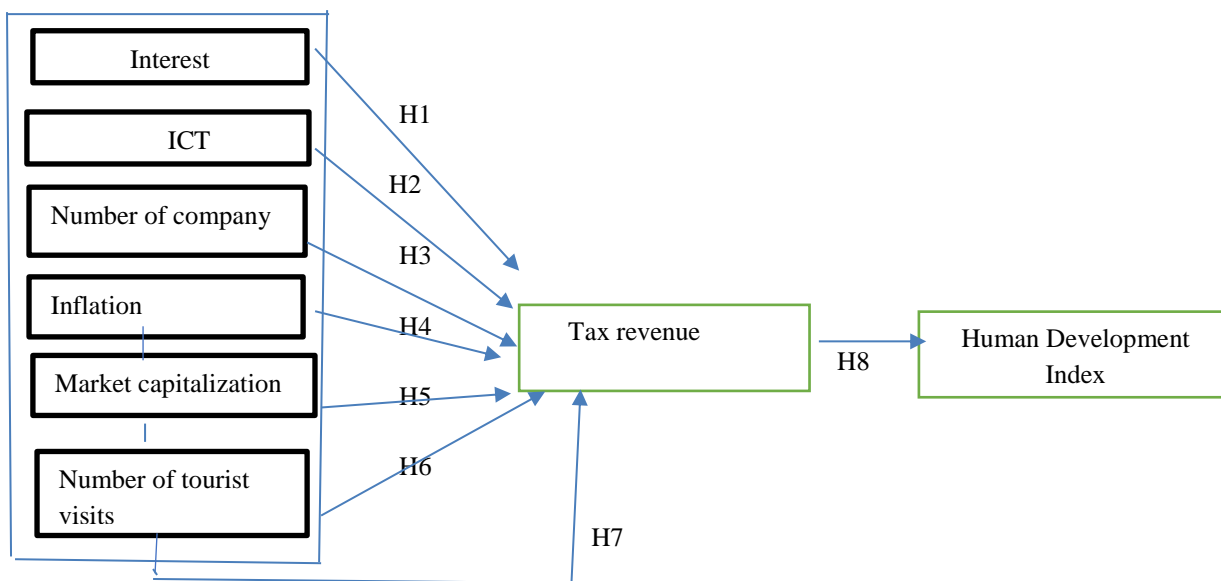
The data for this study comes from the official website of the World Bank and data from the UNDP. Data collected were secondary data such as tax revenue, interest rates, ICT, number of companies, inflation, market capitalization, and tourist visits in Indonesia, Malaysia, the Philippines, Thailand, Myanmar, Cambodia, and Vietnam from 2010 to 2023.

The eight variables in this study were six independent variables, such as interest rates (X1), ICT (X2), number of enterprises (X3), inflation (X4), market capitalisation (X5), number of tourist visits (X6), and the intermediate variables were tax income (Y) and the human development index variable as a related variable (Z).

Methods

The study also studied methods used to measure the impact of taxes on human development index. The information discussed in the section on the system is the practice of obtaining consent machines to ensure the dissemination of information that includes multiple processes and ecclesiastical processes.

The structure of the study is as follows.



Number 1. Research programmes

The results of the changes can be demonstrated compared with regression analysis. An example of regression is:

$$Y = a + b_1 \ln X_1 + b_2 \ln X_2 + b_3 \ln X_3 + b_4 \ln X_4 + b_5 \ln X_5 + b_6 \ln X_6 + e \dots (1)$$

$$Z = a + b \ln Y \dots (2)$$

Information:

T : Tax revenue

X1:Interest rate



X2: ICT
 X3: Number of companies
 X4: Inflation
 X5: Market capitalization
 X6: Number of tourist visits
 Z : Human development index
 A and B are constants

RESULT AND DISCUSSION

1. Classic assumptions

Normality test

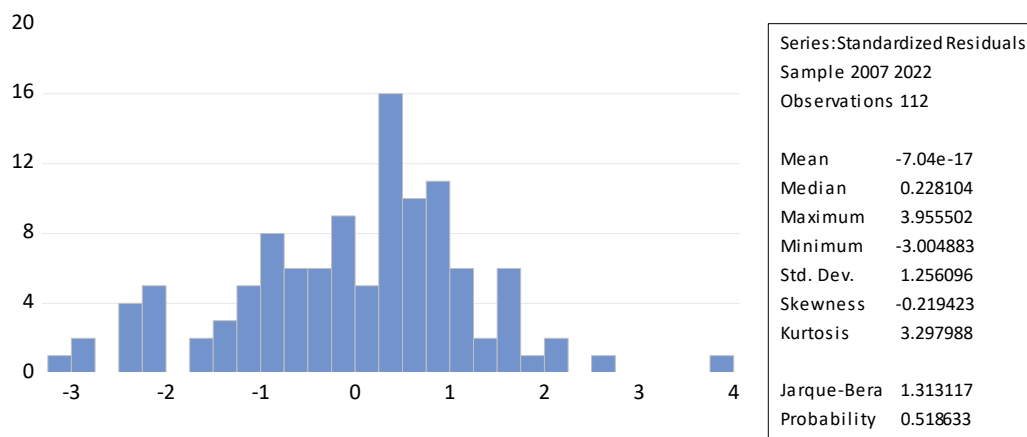


Figure 4.1 Normality test in the Jarque-Bera test

Source: *EViews 12* Software Processing Results

Note that based on Figure 4.1, we know that the probability value of the JB statistic is 0.518633. Because the probability value of 0.518633 is higher than the degree of importance, which is 0.05. This fulfills the assumption of normality.

2. Autocorrelation test

A hypothesis about residual agency (and not about autocorrelation) can be tested with the Durbin-Watson test. If the value of DW is less than -2, there is a positive autocorrelation, if it is greater than +2, there is a negative autocorrelation, and if there is no autocorrelation between -2 and +2.

Table.4.3 Autocorrelation Test

The possibility of protocols	-183.9665	Hannan Quinn criterion.	3.645283
F Statistics	32.82449	Durbin Watson Statistics	1.104938

Source: Data processed (2024)

Table 4.3 gives a value of the Durbin-Watson statistics of 1.104938. Since the value of the Durbin-Watson statistic is between -2 and 2, i.e. $-2 < 1.104938 < 2$, the assumption of a non-autocorrelation is satisfied. In other words, there are no symptoms of high autocorrelation with the rest.

3. The test of multicolonialism

Based on the multicolonialism test, the following results were found:



Table 4.4 Results of the multicolonialism tests

Ket	Interest	ICT	Number of companies	Inflation	Market capitalization	The number of tourist visits
Interest	1					
ICT	0.196653759 517755	1				
Number of companies	- 0.227007123 6837485	- 0.1068881844 026859	1			
Inflation	- 0.194256266 2619165	- 0.1003156148 971409	0.093026098 5737653	1		
Market capitalization	0.008574998 100359386	0.0187987454 2667702	0.250314308 7200376	- 0.1991947795 96705	1	
The number of tourist visits	0.146655901 9087863	0.0194563352 9517921	- 0.116344218 0290058	0.0151703257 6293317	- 0.0927177048 3136086	1

Source: Data processed (2024)

In the table above, we see the correlation coefficient X_1, X_2, X_3, X_4, X_5 and $X_6 < 0.85$. Therefore, one can conclude that multicolonialism is free, or pass the test of multicolonialism (Napitupulu et al., 2021, p. 141).

4. Heterogeneity test

Based on the results of data processing with Eviews 12, the following data can be obtained:

Results of the heterocedasticity test

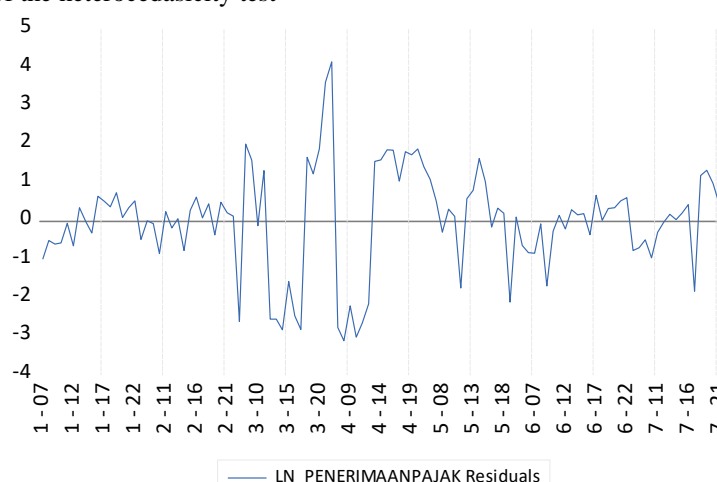


Figure 4.2 Results of the heteroscedasticity test

Source: Data processed (2024)

The chart of the rest (blue color) shows that it will not exceed the limit (500 and -500). This means that the remaining variant is the same. Therefore, heterozedase does not occur and does not pass the heterozedasis test. (Napitupulu et al., 2021, p. 143)



Analysis of hypotheses

1. Variable x in y

a. Test T

The T-test of this study was used to determine whether the independent variable partially affects the dependent variable. The results of the T-test are shown in the table below:

Table 5. T Test Results

Variable	Coefficient	Error std	T-Statistics	Problems
C	21.37643	0.846317	25.25819	0.0000
Interest	-0.393497	0.191777	-2.051850	0.0428
ICT	0.437217	0.204797	2.134876	0.0352
Number of companies	0.377267	0.121815	3.097057	0.0025
Inflation	-0.459981	0.165352	-2.781830	0.0065
Market capitalization	0.516018	0.207027	2.492514	0.0143
The number of tourist visits	0.356491	0.207623	1.717009	0.0891

Source: Eviews 12 Edition (2024)

In the table above, it can be seen that the variable interest rate (X_1), ICT (X_2), number of companies (X_3), inflation (X_4), and market capitalization (X_5) have a value of $0.000 < 0.05$, which means that variable inflation (X_1), market capitalization (X_2), and variable number of tourist visits (X_3) affect tax revenue (Y). On the other hand, the number of tourist visits (X_6) did not have a significant impact on tax revenues (Y).

b. F Test

The F-test in this study was used to determine whether the independent variable simultaneously affects the dependent variable. The results of the F-test are shown in the table below:

Table 6. F test result

(variable x 1.x 2.x3 to y)

R squared	0,799145
Custom Square R	0,774799
Retirement H.E.	1,330173
F Statistics	32,82449
Prob (F-Stats)	0,000000

Source: Exit Views (2024)

From the table above, it is concluded that the value of prob is $0.00000 < 0.05$, which means that at the same time, the variables interest rates, ICT, number of companies, inflation, market capitalization and number of tourist visits have a significant impact on tax revenues.

c. Determination (R2)

It is used to determine the extent to which the explanatory ability of all independent variables comes from the linked variable. The values of the R-squared fit are as follows:



Table 7. The results of the coefficient of determination

(variable x 1.x 2.x3 to y)

R squared	0,799145
Custom Square R	0,774799
Retirement H.E.	1,330173
F Statistics	32,82449
Prob (F-Stats)	0,000000

Source: Exit Views (2024)

From the table above, we can conclude that the amount of adjusted R squared is 0.774799 or 77.47%. From this, it can be concluded that interest rates, ICT, number of companies, inflation, market capitalization and the number of tourist visits have an effect of 0.774799 (77.47%) on tax revenues, so it can be said that the variables interest rate, ICT, number of companies, inflation, market capitalization and number of tourist visits can explain the variables of tax revenues very well. And there were 22.53% (100% - 77.47%) that were influenced by other variables that were not examined in this study.

2. Variable y in z

a. Test T

To determine whether the independent variable partially affects the dependent variable, the T-test is used.

Table 8.T Test Results

Variable	Coefficient	Hourly error	T-Statistics	Problems
C	-5.285426	13.46506	-0.392529	0.6955
Tax revenue	2.664058	3.637734	0.732340	0.4656

Source: Eviews 12 Edition (2024)

From the table above, it is concluded that the variable tax revenue (Y) has a value of 0.4656 > 0.05, which means that the variable tax revenue (Y) has a positive and non-significant impact on the human development index (Z).

b. F Test

The F-test was used to determine whether the independent variable simultaneously affects the dependent variable. The results of the F-test are shown in the table below:

Table 9. F Test result.

(Variable Y to Z)

R squared	0,112715
Custom Square R	0,052994
Retirement H.E.	1,185865
F Statistics	1,887353
Prob (F-Stats)	0,078937

Source: Exit Views (2024)

The results of the F-Test analysis showed that the Sig value was 0.078937 > 0.05, which means that variable tax income had a positive and non-significant impact on the Human Development Index at the same time



c. Determination (R²)

The coefficient of certainty is used to determine how good the ability of all independent variables is to explain the associated variable. The adjusted value of R squared is shown in the following table:

Table 10. Test of the decision coefficient

(Variable Y to Z)

R squared	0,112715
Custom Square R	0,052994
Retirement H.E.	1,185865
F Statistics	1,887353
Prob (F-Stats)	0,078937

Source: Exit Views (2024)

From the table above, we conclude that the value of R squared is 0.112715 or 11.27%, we can conclude that variable tax revenues have an effect of 11.27% on the human development index. And there were 88.73% (100% - 11.27%) that were influenced by other variables that were not examined in this study.

DISCUSSION OF RESEARCH RESULTS

1. Variable interest rate, ICT, number of companies, inflation, market capitalization

And the number of simultaneous visits by tourists has a huge impact

Tax revenues from 2010 to 2023

The results of the hypothesis show that there is an influence of interest rates, ICT, the number of companies, market capitalization, inflation and the number of tourist visits on tax revenues. This is reflected in the adjusted R-value² With 0.77 4799 or 77.47%, it can be said that from 2007 to 2022, a simultaneous influence of interest rates, ICT, number of enterprises, inflation, market capitalization and number of tourist visits on tax revenues with high capacity to carry out *Perspective*. In ASEAN countries, mainly in developing countries, the tax plays a very important role in financing the country's development and interests, according to Ray M. Sommerfield, Herschel M. Anderson and Horace R. Brock in the Journal of Agriculture. Mardiasmo (2018), taxation is the transfer of resources from the private sector to the public sector, not due to violations of the law, but must be done on the basis of the established provisions without direct and proportional compensation, in order for the government to carry out its functions as head of government. The research related to tax revenues is "*The impact of changes in corporate tax rates, inflation and interest on income tax revenues*" In summary, inflation, interest rates and tax revenues are influenced by: (Meita and Nurdianah, 2023). As a source of government revenue, each ASEAN country always strives to maximize its fiscal policies to achieve the well-being of its country. This is in line with the theory contained in the tax laws and regulations of the General Directorate of Taxation. 2009) Article 1(16) of 2009 establishes that taxes are compulsory contributions to the State, paid by persons or entities who are obliged to rely on the law by not receiving direct compensation, and which are used for State purposes for the maximum benefit of the population.

Therefore, the government's role in setting fiscal policy is crucial, as Keynes argued, when a country's economy requires government intervention to create stability and balance. Without government intervention, full employment is difficult to achieve, and major changes in economic activity take place over time. This government policy can include fiscal policy and monetary policy.

An increase in tax revenues can be achieved by broadening the tax base to enable social and economic justice activities, maximizing tax revenues such as inheritance tax as the rich in Southeast Asia increase, tax design is gradually reconsidered, environmental taxes such as fossil fuel use are levied, sales tax or VAT on digital services is increased. However, it must be careful not to interfere with digital economic growth by increasing compliance with synergistic technology reforms, such as an online portal for company licensing and tax registration in Cambodia. The government needs to improve formal compliance as trade in Indonesia and the Electronic Value Added Tax Reporting System (PMSE) need to be strengthened so that the data of traders in Indonesia *electronic commerce*. In addition, there is a need to improve tax administration to simplify the tax payment process and improve communication with taxpayers, especially to reach MSMEs, since in Thailand, tax payments can be made through ATMs, over-the-



counter banking, online banking, mobile banking, and credit and debit cards. It can also support cross-border cooperation in the field of taxation in order to curb tax avoidance efforts. ASEAN member states are working together to improve the investment climate, mobilize resources in the country, optimize the tax base, promote tax justice, and improve economic stability in the ASEAN region. Countries Indonesia, Cambodia, Vietnam, Malaysia and Myanmar with yesterday's pandemic, the economic situation is very critical, for this it is necessary to make efforts in the collection of progressive taxes and social spending for urgent public services. ASEAN needs blacklists, such as income-based tax incentives that offer low tax rates (tax exemptions, payment of lost losses, and preferential rates), and whitelisted incentives should include tax incentives for investments aimed at contributing to society to prevent abuse and create fair and efficient taxes. beneficial for economic growth. In addition, there is a minimum load standard for the orientation of the stop *BA ThyNeighbor Policy* To optimize tax revenues.

2. The interest rate has a significant negative impact on the Taxes in 2010-2023

The fluctuation in interest rates leads to a fluctuation in tax revenues and, according to the results of the regression analysis, tends to decrease, which has a negative and significant impact on tax revenues. This condition shows that the availability of interest rates may have an impact on tax revenues during the 2007-2022 investigation period. These results are consistent with research Ali *et al.*, (2022) The interest rate has a significant negative impact on tax revenues in Indonesia. High interest rates will cause people to reduce their investments as it can make loans more expensive and people will be more interested in increasing their savings in banks to earn higher returns, in line with Karl and Fair's view Jeanne (2018, p. 211) The interest rate is the annual interest rate on the loan. When the interest rate on loans is high, there tends to be a decrease in loans. A decline in investment, which can lead to a decline in economic growth, which affects tax revenues, will fall and cause people to reduce their purchasing power, which can affect income tax. On the other hand, when interest rates fall, people will increase their investments and reduce their cash deposits in banks. According to the theory of Boediono (2014) The interest rate is the price of mutual funds. And after Guttman, R. and Rickards (2020) In his research in Australia, he found that lower interest rates could boost economic activity. Interest rate cuts can be implemented within the framework of both conventional and unconventional monetary policy. However, interest rate cuts should be considered stable as they promote inflation and distort economic growth, so tax revenues are also not optimal.

3. Information and communication technologies (ICT) have had a positive and significant impact on tax revenues in the period 2010-2023

Existing *Information and communication technologies* (ICT) is seen as a positive and significant influence, this condition shows that the availability of technology has a positive and significant impact in the period 2010-2023. This is in line with research (Mustapha *et al.*, 2023) ICT has a positive impact on tax revenues. Nowadays, information technology is very important for a variety of interests to complete and simplify a process such as payment processing and tax filing. Rapidly evolving information technology can help taxpayers meet their obligations According to UNESCO *Information and communication technologies* (ICT) is a technology used in the communication, creation, management and dissemination of information.. The administrator may discipline taxpayers to comply with the law by: *Filling the e-filling*. By using the internet to improve it. This study is based on the Francis *et al.*, (2020) This explains the impact of ICT on tax revenues in developing countries. Various cooperation in the field of technology between the ASEAN countries in order to promote the acceleration of economic development in the Community. It is easy for the community to respond to unmet needs in the country. To open up many job opportunities for ASEAN member states. Increased trade between ASEAN countries. It is easy to obtain investment capital from abroad. This will be reflected in the pandemic of 2020, when all countries in the world, including the ASEAN region, will use technology to do everything, such as paying, shipping, selling products or services, in the emergence of different types of markets. In addition, customs surveillance will be intensified and expanded to enable safe and efficient trade across the ASEAN region. As in Indonesia, with the availability of information technology, the General Directorate of Taxation is modernizing the tax accounting system to improve the quality of tax administrations for taxpayers, including by developing taxpayer reporting based on the *System E* if *Electronic registration, electronic TPS, electronic filing and Invoicing* This should improve the effectiveness of monitoring and reporting mechanisms. The purpose of the change of power *System E* This tax was introduced in the hope of making it easier for taxpayers to meet their tax obligations. According to the results of the study Olayemi and Jeke (2023) and concludes that ICT has an impact on tax revenues in developing countries. If *E-Registration* facilitates the registration of the NPWP and allows taxpayers to view taxes online, *e-SPT* when filing tax returns using the programs provided by the General Directorate of Taxation, *ELECTRONIC REPORTING* and *Electronic payment* This is useful



for filing tax returns and paying taxes electronically. And the other goal is to save time in a simple, accurate, and role-free way to provide services effectively and efficiently. Use the *System E* It will be effective if it can make it easier for taxpayers to declare, calculate and pay taxes.

The online tax system has an effective economic impact as it increases government revenue and improves tax compliance. These are the convenience, time savings and profitability of the Directorate-General for Taxation and Taxpayers (Agung, 2023).

The introduction of *this electronic reporting system* is expected to increase tax revenues, improve control mechanisms, and make reporting more effective and efficient.

4. The number of enterprises has a positive and significant impact on tax revenues from 2010 to 2023

The increase in the number of companies certainly encourages an increase in tax revenues, whether in terms of corporate income tax, income tax on employees' salaries, final tax (Article 4(1) of income tax), income tax, income tax Article 23, stamp duty, PPNB or other taxes. The results of the regression show that the number of companies in the 2010-2023 study had a positive and significant impact on tax revenues. However, there are no studies on the influence of companies on tax revenues. The more companies register as CPPs, the more likely they are to face higher taxes. In taxation, a Perushaaan is a taxable company that is required to calculate, pay, and report its tax obligations. The tax in this case is made up of the company's contributions, which are mandatory. The company can be in the form of a limited liability company (PT), a cooperative (CV) or a company (FA) that does business in the country where the company is based. Loud Lyandra Aisyah (2020) A business is a unit of production capable of processing economic resources to prepare a variety of goods and services for the community, with the aim of using and meeting the needs of the community. In addition Bee Legal Gazette, the term company refers to the legal entities and actions of companies in the exercise of their business (Kadir, 2014).

In addition to the company, there is a BUT, which is a representative body of the company based abroad from the place where the company is based, for example, if the parent company is based in the United Kingdom and the BUT is in Indonesia or abroad. This is to ensure that PURPOSE is subject to its tax liability as a business entity in the form of a PT, which must meet all its tax obligations in the country where the PERO was incorporated. The corporate tax rate varies from ASEAN country to ASEAN country, for example, in Indonesia the rate is 22%, in the Philippines 25%, in Malaysia 33%, in Thailand 25%, in Myanmar 25%, in Vietnam 15-17% and in Cambodia 20%. However, for many companies that are reluctant to meet their tax obligations because they don't receive direct compensation from the government, it's best to use it to grow their business. There are also people who avoid taxes by shifting their income abroad or parting with their business, so the income earned is low, which ultimately translates into low tax revenues. Government efforts are needed to ensure that the company can continue to meet its obligations as a taxpayer. The *government should increase the tax base*, types of goods and services taxed, *tax burden*, and VAT. This expansion can be achieved by increasing the number of obligated taxpayers, in this case corporate taxpayers, by covering areas of potential tax revenue, such as: *E-commerce companies*, which have been widespread since the Covid-19 pandemic, where all economic and commercial activities have shifted to digital sales, the expansion of taxable items in the form of goods and services. The Directorate-General for Taxation can also improve tax compliance by integrating tax data so that tax losses can be underestimated. There are a few factors that affect awareness when paying taxes to taxpayers, such as lack of government information about taxpayers, leaks in tax withdrawals, and businesses without money. This could happen like the COVID-19 pandemic yesterday, when many companies were forced to close their operations and were unable to pay their employees' salaries and pay off debts abroad because high inflation weakened the exchange rate. So that this company does not meet its tax obligations.

5. Inflation has had a negative and significant impact on tax revenues from 2010 to 2023

The inflation that is rampant in a country has an impact on tax revenues. The results of the regression tests show that inflation had a negative and significant impact on tax revenues during the 2010-2023 study. This is in line with research Cesarina, Rangga and Aryo (2022) The WHO says that inflation has a negative impact on tax revenues. Keynes said that inflation is a condition in which people have a desire to drink more of their economic resources, causing demand for goods and services to exceed supply. The scarcity of goods and services on the market also leads to inflation, which leads to price increases. With VAT, it will increase tax revenues, but across the tax scale, inflation will lead to a decline in government tax revenues, as people with inflation will reduce their spending because the prices of goods and services rise and the exchange rate falls (Muttaqien and Edy, 2019). However, the



government can control inflation by raising tax rates to reduce the amount of money in circulation and suppress demand for goods and services. In addition, the government can pursue inflation-related monetary policies, such as setting interest rates, conducting market operations, setting minimum reserves of banks, setting inflation targets, and monetary policy interventions. In the event of high inflation, as yesterday during the COVID-19 pandemic, the government can raise interest rates, reduce the amount of money in circulation, and sell government bonds to free up money in the market. Their goal is to reduce consumer spending and investment in order to control demand and inflation. In addition, high inflation means that many companies have to close as the cost of production factors and the cost of raw materials become more expensive, so that unemployment increases, which is eventually reduced with the increase in tax revenues on unemployment income (Samuelson, P.A., & Nordhaus, 2014). This implies a decline in purchasing power, followed by a decline in the real (intrinsic) value of a country's currency.

In this case, the government must strive to control inflation so that entrepreneurs have a chance to achieve a maximum, since the cost of production is less than the amount of profits. Low inflation can increase tax revenues to improve the country's economy. To get a grip on high inflation, policymakers are taking many measures, such as raising interest rates in Thailand, Indonesia, and the Philippines, while restricting lending to Cambodia and Vietnam. The Malaysian government provides subsidies to control prices, especially basic necessities. Myanmar is cutting taxes and fuel subsidies to curb high inflation. Myanmar's military coup against the civilian government has prevented inflation in Myanmar. Fighting inflation requires the cooperation of all parties, be it the government, businesses or the community, so that it is stable and does not harm the country's economy.

6. Market capitalization had a positive and significant impact on tax revenues during the period 2010-2023

It has been shown that market capitalization has a positive and significant impact on tax revenues during the 2010-2023 study period. This market capitalization can be used as a measure of the company's success, based on the value of outstanding shares over a period of time (Yusra, 2019). As share prices rise, the number of investors who want to join increases, so the company's management will be more detailed to attract investors' interest and willingness to join, so the company's responsibility for disclosing information, especially disclosing CSR information, will become stricter. (*Corporate Social Responsibility*). As the share price rises, the amount of tax revenue from the sale of shares inevitably increases, and thus the tax revenue. The results of this study are consistent with the study Plihal and Urbanovsky, (2017) This explains why stock prices have a significant impact on tax revenues. This market capitalization contributes about 11% to the tax revenue of the Indonesian state. The market capitalization in Malaysia in 2022 is 91.6%. Thailand with 119.4%, the Philippines with 75.2%, Myanmar with USD 277,227, Cambodia with USD 467.6. Population of Vietnam 60.89%. In 2023, Indonesia's market capitalization reached IDR 11.674 billion, a year-on-year growth of 22.9%. This figure puts IDX in first place on the Southeast Asian stock exchange with the largest market capitalization. Indonesia has even managed to surpass other countries in the region such as Malaysia, Thailand, Vietnam, Singapore, and the Philippines (Binekasi, 2024). Also, stock prices that are too high are not interesting for investors, and the low market capitalization does not attract investors either, because the low share price shows that the company's performance is poor. In addition, high inflation will lead to a decline in stock prices, as it will lead to an increase in the prices of general goods. In addition, the price of stocks in the stock market is affected by the exchange rate and the amount of money circulating in the community. This will have an impact on the market capitalization on the capital market (Sumaryoto et al., 2023). This condition will affect the cost of production, and the selling price of the goods will be higher, the selling price will be high, and the purchasing power will be reduced, so it will affect the company's profits, which will ultimately affect the decline in stock prices and could reduce the company, which will affect the company's return. This will have an impact on the level of tax revenue.

7. Number of tourist visits with tax revenue from 2010 to 2023

The number of tourist visits had a positive and negligible effect on tax revenues during the 2010-2023 study period. Any tourist activity that is part of the taxable object is subject to regional taxes in accordance with the provisions of the law. Entrepreneurs are obliged to register their business license with the regional tax authority of the region. Occupancy taxes include amusement taxes, hotel taxes, and restaurant taxes. Tourists visiting a tourist attraction, of course, (Saputra, 2023) It is subject to tourist taxes such as hotel tax, entertainment tax and restaurant tax. The increase in the number of tourist visits will increase tax revenues. This is in line with research Mohan and Strobi (2023) which leads to an impact on the number of tourists and tax revenues on the Caribbean islands. However, sometimes tourists do not stay in hotels, but only come for a while, like backpackers



who are always on the move, which reduces tax revenues. This ensures that the influence of the number of tourist visits is not relevant to the tax revenue, because if the number of tourist visits by the backpacker is greater, the tax revenue will not increase significantly, even if the number of tourist visits to the country is large. However, it may be that the number of tourist visits is small, but in the case of tourists who are not backpackers, the amount of tax revenue is the same as in the case of backpackers, that is, tourists who want to travel to a place or country by preferring the free style and being unattached *TRAVEL REQUIREMENTS*.

Therefore, the government should explore sources that can be levied as tax objects to increase tax revenues. Indonesia introduced the Arts and Entertainment Services Tax Rate, which reduced the Specified Goods and Services Tax (PBJT) rate for arts and entertainment services from the original 35% to the highest maximum of 10%. The directive is implemented to standardize other consumption-based pricing tariffs such as food and/or beverages, electricity, hospital services, and parking services, thus creating superior targets. In Malaysia, among others, the slogan "Malaysia Truly Asia" is proclaimed, which includes cultural heritage tourism, homestay tourism, sports tourism, coastal and island tourism, meeting and exhibition tourism, gastronomic tourism, golf tourism, and shopping and health tourism (Tria and Harto, 2020). In Thailand, tax incentives such as taxes on alcoholic beverages should be reduced after the COVID-19 pandemic in order to restore and boost tourism. Since Thailand has high expectations for foreign tourism revenue, the Thai government subsidizes hotel stays and flights for tourists to increase domestic traffic. In August 2020, the Thai government launched the Tiew Duay Firearms Program. Many people use this opportunity to support the economy of the people in the region. In addition, the Thai government is trying to bring back international tourists with a sandbox strategy, attract quality tourists with a focus on new markets, etc. This ultimately led to an increase in tax revenues from the tourism sector. In the Philippines, the VAT refund for foreign tourists will be introduced from 2024, which will be used to boost tourism in the Philippines. In order to increase the tax revenue of the tourism sector, the government of Myanmar is developing the tourism sector, such as by increasing the number of hotels, environmentally friendly development (ecotourism), promoting international tourists abroad, etc. While the Cambodian government has been making tax exemption efforts in Cambodia for 6 months by increasing tax revenues in 2022, this policy has helped the tourism sector a lot after recovering from the impact of COVID-19 and introducing China's "Ready for Cambodia" tourism policy, which aims to attract more visitors. The longer a tourist stays in a tourist destination, the more money he spends in that area. With the consumption activities of foreign and domestic tourists, tax revenues in the region or country will increase.

8. Tax revenues influence the human development index in the period 2010-2023

In the 2010-2023 study, tax revenues had a positive and significant impact on the Human Development Index. These results are consistent with the study. Grace, David and Oliver (2016) The tax has a positive effect on the human development index. As the main source of a country's national income, which can be used for a variety of public interests and expenditures, including the development of human resources, including the development of education and health facilities and infrastructures, with the aim of creating the well-being of the community, so that the human development index can rise. In the opinion of Todaro and Stephen (2013, p. 57) shows that *Human capital* It can be measured in the areas of education and health. Various efforts by the government to increase tax revenues, such as tax expansion and reform, increasing public awareness of tax payments, in addition, the government will pay more attention to the types of taxes that contribute significantly to the human development index. Theoretical Frank and Bernanke (2007) Already submitted *Human capital* It is a combination of education, experience, training, health knowledge, energy, and initiatives that impact human productivity to improve people's well-being and increase tax revenues. The Malaysian government has *Tax on windfall profits* as an option to increase tax revenues. This plan aims at policies that target actors who are making significant progress during the COVID-19 pandemic (Vinash, 2023), broadening the tax base, diversifying tax sources, increasing technology-based taxation, formulating capital gains tax (Rizki, 2023). As a result of the legislation, taxpayers are more likely to pay taxes designed to help the state finance social and infrastructure projects, whether in the areas of health, education, or community well-being. The government's goal is to increase the efficiency and effectiveness of the tax administration and strengthen the rights of taxpayers. It can also attract as many taxpayers as possible by streamlining the system and minimizing the tax burden to increase tax revenues in the long run. With the aim of increasing tax revenues, the Vietnamese government is developing digitization in the tax sector as an example of e-invoicing and optimizing the use of mobile eTax apps. In Cambodia, an app for raffles has been launched. Through this app, compliant taxpayers have the



opportunity to withdraw the lottery. The Cambodian government is taking this step to strengthen tax collection and collection while preventing tax evasion.

High-income countries do not always guarantee higher human development indices and vice versa. The inequality of tax revenues, which yields different values of the Human Development Index in each country, shows the presence of inequality or inequality in achieving community well-being, as well as differences in the priorities of the government in ASEAN countries.

CONCLUSION

It can be argued that the variables of interest rates, ICT, number of businesses, inflation, market capitalization, and number of tourist visits have a significant impact on tax revenues.

Based on the test result, it can be concluded that the measurement result is 0.774799 or 77.47%. On the one hand, the variable interest rate and inflation in this study had a negative and significant impact on the tax revenues of ASEAN countries (Indonesia, Malaysia, the Philippines and Thailand).

At the same time, ICT-related variables, the number of enterprises and the market capitalisation had a positive and significant impact on tax revenues in ASEAN countries (Indonesia, Malaysia, the Philippines, Thailand, Myanmar, Cambodia and Vietnam), while the number of tourist visits had a positive but not significant impact on tax revenues. In contrast, tax revenues in the countries (Indonesia, Malaysia, the Philippines, Thailand, Myanmar, Cambodia and Vietnam) had a small positive impact on the Human Development Index, but only a small impact.

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