

# JURIDICAL ANALYSIS OF THE REGULATION OF NIK AS NPWP IN THE TAXATION SYSTEM IN INDONESIA

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**Abstract:** Entering the era of modernization, the government has introduced regulations regarding the use of the Population Identification Number (NIK) as the Taxpayer Identification Number (NPWP). The purpose of this research is to determine the juridical analysis of the regulation of NIK as NPWP in the Indonesian tax system and to establish the ideal concept of integrating NIK as NPWP in the Indonesian tax system. The research method employed is a juridical-normative approach with a legislative perspective, conceptual approach, and literature study. The results of this research indicate that the regulation of NIK as NPWP will serve as a foundation for the profile of Individual Taxpayers (WP OP). The concept of integration will be carried out by the Minister of Home Affairs, who will provide population data and feedback data from users to the Minister of Finance, which will then be integrated into the tax database. As a result, cooperation will be established in the data management process to align and synchronize NIK with NPWP. This aligns with the concept of Collaborative Governance in achieving One Data Indonesia through the Harmonization of Tax Regulations Act (UU HPP).

*Keywords:* NIK; NPWP; One Indonesian Data; Tax

## I. INTRODUCTION

Taxes play a crucial role in the life of the nation. The obligation to pay taxes is enshrined in Article 23A of the 1945 Constitution, which states, "Taxes and other levies of a coercive nature for state needs are regulated by law", we enter the era of modernization, it becomes evident that the old tax collection system is no longer suitable. This applies to both the tax collection system itself and the pace of development (AlFath Anggara, Herwastoeti, 2021). It has also been unable to engage all segments of taxpayers in generating state revenue (Mardiasmo, 2002). This is apparent from the limited number of taxpayers when compared to the potential income that could be achieved to date, the number of taxpayers (WP) with a Taxpayer Identification Number (NPWP) is only approximately 49.82 million (Hariani, 2021). a significantly small number when compared to the population of up to 273 million households (Fakrullah, 2022). Consequently, the government has introduced an innovation through the reform of the Harmonization of Tax Regulations Act (UU HPP)(Harnaeni, 2022).

This law introduces provisions regarding the use of the Population Identification Number (NIK) as NPWP. With this integration, it is expected to simplify and streamline the tax

administration system, which is currently fragmented into various channels. The aim is to reinforce tax administration reform and enhance sustainable economic growth, ultimately optimizing state revenue for national development.

Previously, the enforcement of using the Population Identification Number (NIK) as the Taxpayer Identification Number (NPWP) was officially ratified on October 29, 2021. When we delve further into this, the integration of the population and tax databases aligns with the state program outlined in Presidential Regulation (Perpres) of the Republic of Indonesia No. 39 of 2019 on One Data Indonesia (SDI)(Tobing & Kusmono, 2022). This program focuses on data openness with an emphasis on strengthening data management and governance.(Purba et al., 2021) Through the Harmonization of Tax Regulations Act (UU HPP), the integration of tax databases will create profiles for Individual Taxpayers (WP OP). (Mulyani 2021) However, an issue arises regarding the interpretation of the function of NPWP with NIK. If NPWP is only required for individuals who are actively employed, earning above the Non-Taxable Income Threshold (PTKP), and also serves as the taxpayer's identity (Waluyo, 2011), while Law No. 24 of 2013 on Population Administration explains that NIK is a unique and lifelong identification number for Indonesian citizens, it raises a gap in the interpretation of regulating NIK as NPWP. This is particularly evident in Article 2, paragraph 1a, which states, "Taxpayer Identification Number as intended in paragraph (1) for individual Taxpayers who are residents of Indonesia use the population identification number."

Referring to the explanation above, NPWP serves as an identification for citizens who fall under the category of Taxpayers (WP). On the other hand, NIK represents population data for Indonesian citizens, which is not limited to adults and those of legal age. NIK can also be possessed by newborns. The formulation in Article 2, paragraph 1a of UU HPP creates a gap in terms of legal meanings and legal consequences within the law. During the integration process, questions include which Indonesian citizens will indirectly become taxpayers as they become integrated with NIK, or whether the government has a different interpretation regarding the integration of NIK as NPWP.

Furthermore, the meaning contained in this article is not limited to the use of NIK as NPWP alone. It extends to other aspects, which have legal implications and the concept of integration, as this integration involves two government ministries, namely the Ministry of Home Affairs and the Ministry of Finance. Another related aspect of this regulation is that NPWP serves as the identity of the taxpayer, encompassing the taxpayer's residence or domicile (Waluyo, 2011). Therefore, if a taxpayer relocates, what steps should they take to update their information.

Another issue that arises when comparing the function of using NIK, which does not need to change when someone changes their domicile, with the requirement for NPWP to be adjusted based on the taxpayer's place of residence or business operations, is the question of the interpretation of NIK as NPWP, the rules, and the concept of integration that will merge the two components: population data from civil registration with the Ministry of Finance, which will be integrated into tax data.

Based on the above explanation, the researcher will conduct an in-depth examination of the Juridical Analysis of the Use of NIK as NPWP in the Indonesian Taxation System. This regulation is relatively new and requires further scrutiny. Concerning research, the researcher

also aims to explore previous related studies. One such related study is by Rio Widiyanto, which focuses on the Implementation of NIK as a Single Identity Number (SIN). In that research, the discussion centers around the use of NIK on the National Identity Card (KTP), which serves as the foundational reference for the implementation of a single identity numbering or SIN, encompassing all identity numbering systems currently dispersed across various government agencies. The study uncovered issues related to numbering formulation, the number of digits, and numbering codes, aiming to accommodate all numbering systems used by different government agencies (Widiyanto, 2019).

In addition to the research mentioned earlier, the author also compares this study with the research conducted by Rita Atarwaman titled "The Effect of NPWP Ownership, Examination, Collection, and Taxpayer Awareness on Tax Revenue." This research found that tax revenue is a source that can be optimally developed. The study also identified that NPWP ownership is one of the sectors with the potential to contribute to tax revenue. The results of this research indicate a positive impact on state revenue from the taxation sector (Atarwaman, 2020).

Another study by Kiki Arumawati entitled "The Effect of the Implementation of the E-System Application and Taxpayer Awareness on the Concept of Tax Revenue" showed that the implementation of the e-system tax application and taxpayer awareness influence tax revenue. This is because the application of the e-system can simplify the fulfillment of tax obligations, as it is conducted online through a provided application system. This makes it easier and more efficient for taxpayers to fulfill their tax obligations, ultimately impacting tax revenue (Arumawati, 2021).

Finally, the researcher also compared this study with research conducted by Setiadi entitled "Harmonization of the HPP Law with the Tax Center Volume 2." This research concluded that the UU HPP is a new legal product aimed at increasing state revenue during the pandemic. The law addresses several changes, including NPWP, income tax (PPh), value-added tax (PPN), and carbon tax. The government has focused on these regulatory changes to enhance state revenue. Additionally, Setiadi considers the government's Tax Amnesty policy highly beneficial if implemented (Setiadi, 2022).

Based on these findings, it is evident that this research differs from previous studies, as there has been no prior research specifically addressing the Juridical Analysis of the Regulation of NIK as NPWP in the Indonesian Taxation System. It is expected that this research will serve as a reference for future analytical studies and the development of tax administration law, particularly in the context of tax administration law formation and implementation.

## II. RESEARCH METHOD

This research falls under the category of legal research, specifically normative legal research. The approach employed includes a statutory approach and a conceptual approach. In this study, the researcher utilizes the technique of collecting legal materials through a literature review involving primary, secondary, and tertiary legal sources. Primary legal materials encompass legislation and regulations, which are analyzed through a process of legal harmonization. Secondary legal materials include books, journals, scholarly articles, as well as expert opinions, serving as supplementary elements for dissecting issues in the research. Additionally, tertiary legal materials are gathered through online searches. After obtaining

these legal materials, the researcher conducts a comparative-descriptive analysis. From the results of this analysis, the researcher then draws an inductive conclusion to address the core issues under investigation.

### III. RESULTS AND DISCUSSION

#### 1. Juridical Analysis of the Regulation of NIK as NPWP in the Indonesian Taxation System

In 2018, the Indonesian government issued Presidential Regulation No. 40 of 2018 concerning the Renewal of Tax Administration System. One of the provisions in this regulation deals with the core tax administration system. The core tax administration is the central tax administration system with information technology support that provides integrated assistance for the tasks of the Directorate General of Taxes (DJP). This system is guided by four visions, namely:

1. Establishing a tax institution with a strong, credible, and accountable foundation, and ensuring its effectiveness and efficiency.
2. Fostering synergy among different government agencies.
3. Enhancing taxpayer compliance and awareness.
4. Increasing state revenue collection.

Therefore, the Directorate General of Taxes (DJP) considers the enhancement of the core tax system as a vital component in the tax reform plan. Unfortunately, the system has not operated to its maximum potential. The reason for this is that the system still faces obstacles in its integration, preventing it from encompassing all core tax administrative data. Based on this, the existing core tax system has not yet provided the anticipated assistance in simplifying tax administration for tax officials.

The government then made a breakthrough through tax reform by issuing Law Number 7 of 2021, which explains the Harmonization of Tax Regulations (UU HPP). This law aims to simplify and streamline the taxation system, especially in terms of administration. Among the provisions included in this law is the use of NIK as NPWP. Tax administration reform is achieved by integrating NIK as a means of creating a profile for Individual Taxpayers (WP OP). This system reform incorporates modernization principles by implementing NIK as NPWP to realize a single identity number (SIN) for tax purposes in achieving the concept of "Satu Data Indonesia" or Single Data Indonesia (Alfa Esi Pabeta et al., 2023).

Unfortunately, the implementation of Law Number 7 of 2021 still faces challenges. The reform that introduces NIK as NPWP to simplify the tax obligations for individual taxpayers has not been effectively communicated. This is evident in the public's misconception about the integration of NIK into NPWP. Many people mistakenly believe that the integration of NIK as a tax identification number will automatically make everyone subject to taxation. In reality, there are specific criteria that determine whether someone is liable for taxation or not. It's essential to note that integrating NIK as NPWP does not automatically make all citizens taxpayers. Even when NIK is integrated as NPWP, there are subjective and objective variables that determine whether someone becomes a taxpayer, as stipulated by the relevant laws and regulations. A taxpayer is defined as an individual or entity that the law designates for taxation, such as individuals and businesses (Waluyo, 2011). Regarding the objective requirements,

these are conditions for taxpayers who receive or earn income under the provisions of the law (Waluyo, 2011). Individuals and entities that meet both the subjective and objective criteria, as explained above, are then obligated to register themselves and obtain a Taxpayer Identification Number (NPWP).

Based on the provisions above, NPWP serves as an administrative tool in taxation because it is used as a means of self-identification or taxpayer identity. Therefore, each taxpayer is issued one NPWP. In all tax-related documents, taxpayers are required to include their NPWP. Any taxpayer who fails to register will be subject to sanctions by the regulations as stipulated in Article 39 paragraph (1), which states that "Any person who intentionally fails to register for a Taxpayer Identification Number or does not report their business to be legalized as a Taxable Entrepreneur, causing potential losses to state revenue, shall be subject to imprisonment for a minimum of 6 (six) months and a maximum of 6 (six) years, and a fine of at least 2 (two) times the unpaid or underpaid tax amount, and at most 4 (four) times the unpaid or underpaid tax amount."

To achieve government governance reform, especially in taxation, the government has merged NIK with NPWP. When the policy of using NIK as NPWP for individuals is implemented, Indonesian citizens will no longer need to register separately to obtain their NPWP. Instead, those who are already taxpayers will only need to report to the Tax Office to activate their NPWP through their NIK. It's important to note that not all Indonesian citizens are burdened with tax obligations; only individuals who meet the subjective and objective criteria will automatically become taxpayers when activated through their NIK. The implementation of NIK as NPWP will come into full effect simultaneously in 2023. This rule is stipulated in Article 2, paragraph (1a), which states, "The Taxpayer Identification Number (Nomor Pokok Pajak) as referred to in paragraph (1) for individual taxpayers who are residents of Indonesia shall be based on the population identification number".

According to the Republic of Indonesia Law Number 24 of 2013 concerning Amendments to Law Number 23 of 2006 concerning Population Administration, the National Identification Number (NIK) has become an essential element in the identity of Indonesian citizens. NIK is a unique, singular identification number that is attached to individuals registered as Indonesian citizens.

This singular NIK will be optimized for various sectors to achieve One Data Indonesia, an integrated data concept, including in the realm of taxation. NIK will not only serve as a population database but also for various public purposes, enabling Indonesian residents to use NIK as a one-stop solution for various public services, including its integration as NPWP (Taxpayer Identification Number) (Sipil, 2022).

The integration of NIK as NPWP is based on various issues arising from the multitude of identities held by each citizen living in Indonesia. Furthermore, the government's tax administration information system is not yet well integrated. This is evident from the numerous requirements that must be navigated when handling various needs that are always different, despite the requested identity always being the same, which is identity through the KTP (National Identity Card). This factor has resulted in duplicated and inaccurate data due to repetitive population data collection efforts (Siregar, 2017). As a result, the costs incurred

become significant, leading to inefficiencies in their implementation. Moreover, the gap between different institutions due to repetitive data collection by various agencies leads to inaccurate data, creating opportunities for identity fraud.

In the author's view, this step is a solution that is both effective and efficient in increasing state revenue while simplifying the government's and taxpayers' ability to verify data accuracy. The integration of NIK as NPWP will also bring about progress in the state management system, particularly in taxation. The regulation on merging the National Population Registry Number (NIK) as NPWP will aim to establish a unique identification for every Individual Taxpayer (WP OP).

The author's analysis and assessment are based on the abundance of population data or identities held by various institutions, which are essentially similar. However, due to the lack of coordination among these institutions, repeated population data collection becomes necessary. This occurs because there is no integrated information system in place, leading to inefficient resource utilization. Another consequence is that it overwhelms the population, as they must manage and possess various types of identification cards issued by different agencies. The proliferation of identification numbers can hinder tax authorities in verifying the accuracy of a taxpayer's reported assets on the tax return.

Furthermore, the multitude of databases can also pose challenges for law enforcement agencies when conducting investigations, given the variety of identities involved. From a taxation perspective, this situation can create room for non-compliance among individuals who see opportunities to exploit the fragmented administrative system. This becomes apparent when individuals are required to pay different types of taxes, indirectly resulting in multiple tax identification numbers, which could open opportunities for identity fraud.

From the author's analysis, it is evident that there are several factors supporting the view that merging the NIK with the NPWP is a highly beneficial step to take. The existing system is no longer relevant for current use. Additionally, for taxpayers (WP), integrating the NIK as the NPWP to create a taxpayer profile will simplify the process for taxpayers. This is because they will not face difficulties with numerous types of identification numbering systems.

## **2. Legal Implications Of Integrating Nik As Npwp In The Taxation System In Indonesia**

In its history, Indonesia has undergone several revisions of its tax laws. The new policy in the Harmonization of Tax Regulations Act Number 7 of 2021, especially regarding the use of NIK (National Identity Number) as NPWP (Taxpayer Identification Number) in the Indonesian taxation system, is regulated in Article 2, paragraph 1a. It is undeniable that the enactment of new laws has legal implications. Specifically, the regulation concerning the use of NIK as NPWP requires attention because it not only has a positive impact on its integration but can also create other legal implications related to this integration. One of the legal implications regarding the use of NIK as NPWP is related to the different functions governed by NIK and NPWP under separate laws. NIK, as stipulated in Article 30, paragraph 2, is valid for a lifetime, remains unchanged, and does not follow changes in a person's domicile. In contrast, NPWP must be adjusted to the taxpayer's domicile or place of business. Consequently, this regulation gives rise to a legal interpretation with multiple meanings, particularly regarding the use of NIK as NPWP, as articulated in Article 2, paragraph 1a, which

reads, "Taxpayer Identification Number as referred to in paragraph (1) for individual taxpayers who are residents of Indonesia using Identity Number."

In analyzing the law regarding the use of NIK as NPWP, it is based on three foundations: philosophical, legal, and practical foundations. This is also in line with the theory proposed by Radbruch, widely accepted, which states that the ideals of law are based on three values: justice, certainty, and utility. The implication of using NIK as NPWP is the emergence of uncertainty due to the differences in legal meanings related to the distinct functions of the two elements being integrated into one. In this case, NIK, as regulated in the Population Law, remains constant and does not need to change with changes in domicile, while NPWP, regulated by Taxation Law, must change if the taxpayer changes domicile.

Not only does it have implications for the legal meanings of NIK and NPWP concerning changes in domicile, but another implication is related to the protection of data for taxpayers themselves (Nur Putri Hidayah, Komariah Komariah, Fitria Esfandiari 2022). The use of NIK as NPWP makes it easier for user data to be integrated. Meanwhile, legal certainty regarding the protection of personal data is not yet established for Indonesian citizens. Although some laws have regulations related to data protection, the actual legal products specifically addressing the protection of personal data are still in draft form. However, as part of the government's efforts to achieve governance reform, especially in taxation, the government has merged NIK into NPWP.

When the policy of using NIK as an individual's NPWP is implemented, Indonesian citizens no longer need to register separately to obtain their own NPWP. Instead, taxpayers who are already registered simply need to report to the Tax Service Office to activate their NPWP using their NIK. Additionally, integrating NIK into NPWP has positive implications for the public. In particular, individual taxpayers will no longer need to possess a separate NPWP card, as the NPWP will be integrated with their NIK. This means that when they change domicile, they no longer need to modify the numbering on their NPWP card, as was required when the NPWP card was not integrated.

### **3. The Concept Of Integrating Nik As An Npwp In The Taxation System In Indonesia**

In the context of taxation, the use of the Population Identification Number (NIK) as the identity of individual taxpayers is not limited to forming the taxpayer's profile; NIK can also be utilized by taxpayers in exercising their rights and/or fulfilling their tax obligations (Novia et al., 2023). This collaboration aligns with the concept of Collaborative Governance present in One Data Indonesia through the new system. In essence, this integration system will consolidate tax administration data into a unified platform. Similar to the Single Identity Number (SIN) established in several countries, in the field of tax administration, this system is recognized as a Core Tax Administration/Single Identity Number, designed to facilitate all aspects of tax administration activities (Amalia et al., 2023).

Here is the concept of tax administration that will be implemented in Indonesia:

This grand design illustrates the integration of NIK as NPWP in realizing a Single Identity

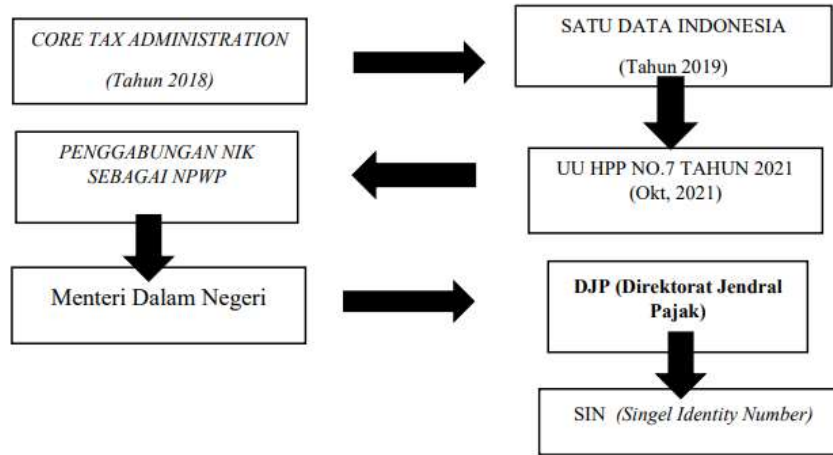


Figure 1 Tax Administration

Number (SIN) through taxation using the Core Tax Administration system. The integration of NIK as NPWP will involve the Ministry of Home Affairs and the Ministry of Finance, which will collaborate through a collaborative process to achieve collaborative governance. Here, the role of NIK is to establish a profile for every citizen, including the formation of profiles for Individual Taxpayers (WP OP).

Subsequently, data collected by the Ministry of Home Affairs will be distributed, processed, and used as needed by the Directorate General of Taxation. Rules regarding the use of NIK as a Single Identity Number have also been reinforced through Law No. 24 of 2013 concerning Population Administration, particularly in Article 64, which states that all public services must use NIK. Consequently, the government has integrated NIK as NPWP for the formation of profiles for Individual Taxpayers (WP OP). The full implementation of these regulations will be carried out by the Directorate General of Taxation of the Ministry of Finance.

Regarding the confidentiality of taxpayer data, the government has regulated this in Article 34 of the Harmonization of Tax Regulations (UU HPP), which states that taxpayer data cannot be disclosed or provided to other parties. The explanation for this article is as follows: "Every official, whether a tax officer or those performing duties in the field of taxation, is prohibited from disclosing the confidentiality of taxpayers concerning taxation matters, data obtained in the course of examination, as well as documents and/or data obtained from third parties that are confidential. Documents and/or information related to the taxpayer's confidentiality must comply with the provisions of the relevant laws and regulations." Additionally, Article 8, paragraph 3, of the Government Administration Law states that government officials are prohibited from abusing their authority to determine or execute a decision or action. This is further reinforced by Article 51, paragraph 2 of the Government Administration Law, which states that the right to access government documents does not apply if government administrative documents fall into the category of state secrets or violate the confidentiality of third parties.(BPHN, 2014)

Several countries have implemented programs similar to this one. The concept of merging



NIK with NPWP has been implemented by several countries worldwide. Some of these countries include Thailand and the United States. Here are some of the concepts of a Single Identity Number (Singel Identity Number) for taxation that are in place:

### 3.1 Concept of Integrating NIK as NPWP in Thailand

Thailand is one of the countries that has implemented a single card for various administrative transactions. In the realm of tax administration, the country introduced a smart ID Card in 2007. Interestingly, this card serves not only as a means of tax administration but also has a broader scope. For the nation as a whole, the smart ID Card has the potential to impact finance, democratization, political stability, national security, and public administrative services. (Kitiyadisai, 2004)

Data on the smart card is derived from at least six different sources, including the Ministry of the Interior's population registration bureau, social security departments, health and welfare databases, the Department of Motor Vehicles, and civil service databases. As a result, the information on this card is not limited to tax data. It contains information similar to what is found on an ID card in Indonesia, including the cardholder's name, address, religion, date of birth, nationality, medical condition, biometric data (fingerprints, facial features, and iris), blood type, parents' names, marital status, social security details, health insurance, and driver's license information (known as SIM in Indonesia).

The following is an example of the smart ID card that applies in Thailand



Figure 2 Source: Ministry of Education

### 3.2 Concept of Integrating NIK as NPWP in the United States

In the United States, often referred to as the land of Uncle Sam, they use the Social Security Number (SSN) as a de facto national identification number. Initially, the SSN was used primarily for tax and social security purposes. Over time, it expanded to cover various other aspects, including employment applications, vehicle purchases, opening bank accounts, and more. So, if someone wants to engage in a transaction, the SSN is the magical card they will use.

An SSN is issued to individuals at the age of 15. It serves as a primary key for various transactions, including tax-related ones. In the United States, SSNs are issued by the Department of Health and Human Services. The number consists of nine digits and follows the format "NNN-NN-NNNN," divided into three parts. The first three digits represent the geographical location, the two middle digits identify the group number to indicate an

individual's background and ethnicity, and the last four digits serve as the serial number. Here is an example of a Social Security Number valid in the United States. (Helard Setiadi, Puti Indah Genia, 2006)



Figure 3 Source: *Journal of Setiadi, H., Genia, P. I., & Hasibuan, Z. A.*

What's interesting is that in the United States, citizens receive their Social Security Number (SSN) shortly after birth. Moreover, parents of newborns automatically receive a 3% to 5% tax deduction, functioning as a government subsidy for raising their children. The SSN also serves as a form of "old-age benefit" because it enables individuals to receive their pension payments. As a result, a healthy and mutually beneficial relationship is established. There is no opportunity or desire for these citizens to evade their responsibilities as citizens (Amalia Ayuningtyas & Imahda Khoiri Furqon, 2023).

Looking at the United States, it can be seen that the program of integrating the National Identity Number (NIK) as the Taxpayer Identification Number (NPWP) can be a solution to the diversity of identities in Indonesia (Tobing & Kusmono, 2022). Especially in terms of tax administration. The data that will be accommodated through the NIK can facilitate tax authorities in checking the tax obligations of citizens. This system will also make it easier for the public, especially for individual taxpayers, as they will use their NIK to form their tax profile. Furthermore, by integrating the NIK as the NPWP, taxpayers will be better documented and more compliant. This will result in a more comprehensive tax database, making the supervision conducted more effective. It can be said that the implementation of the NIK as the NPWP will enhance efficiency for tax authorities and taxpayers.

In the United States, before integrated data became the Social Security Number (SSN), citizens spent approximately 8.9 billion hours filling out tax forms. The Republican Party proposed a new tax system that was clearer, fairer, and more beneficial. The SSN system was then introduced to make taxation easier for both the government and its citizens.

Indonesia can observe that the development of an integrated data system will provide convenience for the development of the state's administrative system. This will not only benefit tax matters but could extend to various sectors, similar to what is in place in the United States.

As a result, the Directorate General of Taxes can maximize tax revenue. It's important to emphasize the collaborative role between agencies to ensure the implementation of the NIK as the NPWP functions according to its objectives. This new system is not without challenges. Indonesia should learn from countries that have already implemented this system to minimize obstacles and errors.

The integration of NIK as NPWP is a positive step, as it will enhance public services. Considering that the quality of public services in Indonesia is not yet optimal and lags behind, this integration can improve service quality. It also holds strategic value, as it promotes cooperation between various agencies. Additionally, the integration serves as a monitoring instrument to measure citizens' compliance with tax obligations and can be used as a detector of potential revenue sources from the state's financial sector.

In the concept of integrating NIK as NPWP, what sets apart the current law from the previous one is that individuals no longer need a separate NPWP for their tax obligations. NIK will be activated and integrated as the NPWP. NPWP has traditionally been an identification number given to taxpayers who have registered to obtain one. Now, this step is no longer necessary because NPWP will be integrated with NIK as the tax profile for taxpayers. This identification number is used to help tax officials oversee tax compliance. NIK can be seen as the primary key in Indonesia's tax database, and it is integrated simply by activating the NIK.

Based on the above description, it can be understood that the concept of integrating NIK as NPWP will be carried out by the Directorate General of Taxes under the Ministry of Finance, with assistance from the Ministry of Home Affairs. This concept will be fully managed by the Directorate General of Taxes (DJP), and the data obtained will be accumulated into one. NIK will be used by DJP as the tax profile for taxpayers. As a result, NIK will serve as the entry point for Individual Taxpayers (WP OP) to fulfill their tax obligations, making the system more straightforward and efficient. This will also contribute to achieving a Single Data Indonesia, as outlined in the Presidential Regulation of the Republic of Indonesia Number 39 of 2019 concerning Single Data Indonesia. In Article 1, paragraph 1, it explains the Single Data Indonesia program, which is a government program aimed at generating accurate, integrated, easily accessible data shared among institutions.

#### **IV. CONCLUSION**

The regulation of using NIK as NPWP accommodated in the Tax Regulation Harmonization Act (UU HPP) in Article 2 paragraph 1a of UU HPP states that NPWP for Individual Taxpayers (WP OP) will use NIK. The legal implications of the enactment of this law, especially in Article 2 paragraph 1a concerning the integration of NIK as NPWP, will have an impact on the multi-interpretable legal meaning due to the differences in the legal meanings of NIK and NPWP's functions. Additionally, the legal protection of personal data for taxpayers (WP) is not yet established in Indonesia. However, with the integration of NIK as NPWP, data will be easier to detect because it is integrated. The government needs to pay attention to the legal implications of the enactment of a law because there is currently no law that protects individuals from the misuse of personal data by government officials. When this policy is implemented, WP OP will no longer need to register to receive an NPWP card, as NPWP will be integrated through NIK activation. Therefore, taxpayers only need to report to the Tax Service Office (KPP) to activate their NPWP using NIK.

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