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Level of urgency for the application of integrated financial and tax reports for MSME actors: A cost and benefit analysis approach

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ABSTRACT

This study aims to analyze the urgency of applying integrated financial and tax reports for MSME actors, using a cost and benefit analysis approach. The data used in this study is primary data. This study distributed questionnaires to 109 MSMEs in Indonesia. The data obtained were then analyzed using descriptive qualitative research methods. The results show that respondents' perceptions of MSMEs' benefits of using financial statements and taxes will be greater than the costs. Therefore, recommendations for making integrated financial and tax reporting applications can be urgently applied among MSMEs. Besides, the benefit analysis results with the most significant score is that MSMEs can make financial and tax reports on time. The application can find out the latest conditions of developments. Meanwhile, in terms of costs, the application requires quite a lot of expenses due to the use of the internet and the initial expenditure for purchasing mobile phones, applications if it is paid and other costs.

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Introduction

Financial statements consisting of income statements, capital change laboratory, balance sheet statements, cash flow statements, and financial statement records are essential information for the company itself, investors, and other parties such as the Directorate general of taxes (Kumar, 2018). Financial reports are crucial, but many MSMEs have not made many reports because they do not understand and lack knowledge in recording financial statements (Suhayati & Riandani, 2019). Taxes are the primary source of state revenue, accounting for around 70% of all state revenues (Merdeka.com, 2021). Knowing that taxes are state development, the new tax revenue covers 60.3 percent of the ceiling target set in 2021 of IDR 1,229.6 trillion (Ekonomi.bisnis.com, 2021)

The accounting information system can be used as one of the solutions to overcome the problems faced by MSME actors. Especially with the era of widespread digitization these days. So an accounting application is needed to make it easier for MSMEs to record the financial statements. Digitization of financial statements is changing the collection of financial transactions owned by productive business units in the form of hard copy documentation for a certain period into the presentation of digital documents (Adenia & Husaini, 2019). The criteria for selecting a company in choosing accounting software are Price, Performance, Stability, Flexibility, Implementation, Customization in adding or subtracting the account used, and support from the seller (in this case such as warranty use of software) (Adenia & Husaini, 2019; Putra, 2019). Therefore all aspects related to accounting software are fundamental. In choosing software, you must consider all parts following the company's needs so that no overuse results in recording errors in financial statements (Suhayati & Riandani, 2019).

Through the accounting application, entrepreneurs can see the development of their business only by using their gadgets anywhere and anytime. They can also save their business finances because they do not need to pay more experts whose costs are pretty expensive

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(Suhayati & Riandani, 2019). Therefore, there is a need to understand the awareness of the use of accounting applications by MSMEs to quickly make financial reports and directly calculate taxes from their sales. Understanding the attention of the use of accounting applications that are integrated with taxes can also help the government make MSMEs more aware of making tax payments and ultimately increase tax revenue for Indonesia.

Among the financial application issues recently studied are financial reporting architecture (Suparman et al., 2019), tax applications (Nawi et al., 2018), financial reporting benefits (Nawi et al., 2018), and MSME taxes (Rachmawati & Ramayanti, 2016). However, research on tax-integrated financial statement applications is still minimal (Rachmawati, Ramayanti, & Setiawan, 2021). The study in Indonesia is essential considering the significant contribution of this industry to the country's economic development. This finding will enrich the existing literature and research on applying financial statements that are integrated with tax reports in the context of developing countries, namely Indonesia. This study is initial research to detect how urgent the application of integrated financial and tax statements is for MSME actors, considering the benefits and costs that these MSMEs will feel. The existence of an integrated financial and tax report application is expected to be a solution for MSMEs in terms of their obligations in preparing financial statements and tax reports. Because MSMEs are one of the most significant contributors to GDP, the level of awareness of MSMEs about the preparation of financial statements and tax reports can increase MSME tax compliance. This increase in tax compliance can later increase state revenue from MSME taxes. Based on the background previously outlined, the formulation of the problem to be studied is how the level of urgency of the application of integrated financial and tax statements among MSMEs.

This paper is structured as follows. First, in the introduction, the author explains the background of the research. After the introduction, the second part is a literature review with theoretical and empirical studies that highlight the relationship between theory and practice. The third section introduces background information about the research and methodology. After the analysis and research findings, the authors provide discussion and implications. Finally, this paper concludes with key points, recommendations, future research directions and limitations

Literature Review

Theoretical and Conceptual Background

Accounting information system

An accounting information system collects resources, such as people and equipment, designed to collect financial and other data into information (Fitriati & Susanto, 2017). Meanwhile, according to Kurniati & Suryanto (2021), the accounting information system is a collection of forms, records, and reports prepared and arranged to provide the financial information management needs for the company's management process. The purpose of SIA is to collect, process, and produce any information related to the financial aspects of business activities (Fitriati & Susanto, 2017). Accounting information systems can be considered a logical intersection between accounting and information systems (Ghorbel, 2019). Business processes are Generally seen as essential factors that affect the success of accounting information systems (business processes are generally considered critical factors that affect the success of accounting information systems) (Susanto & Meiryani, 2018). The use of information technology is expected to facilitate the financial reporting process, which leads to quality financial reports (Setiyawati & Doktoralina, 2019).

The accounting information system is a collection (integration) of subsystems that process transaction data related to financial problems into financial information. The accounting information system also identifies data sets to communicate information to two or more components that interact to achieve goals (Putra, 2019). In addition, the accounting information system processes various financial and non-financial transactions that directly affect the processing of financial transactions (Dwirandra & Astika, 2020). According to Nawi et al. (2018), in terms of the system used to keep records of business transactions, the results show that more than half (53%) of the sample use a computerized accounting system, 24%, and 23% record them manually, respectively and use both methods. According to Setiyawati & Doktoralina (2019) in *The Effect of Information Technology Utilization on Accounting Information Quality*, the better the use of information technology, the better the quality of accounting information.

MSME Tax

Managing taxes is not whether you will pay taxes but when and how much (Kumar, 2018). Taxes are considered the primary source of public income, supporting the expenditures needed for the health, social and education sectors. Tax revenue comes from taxes collected from individuals and business entities. Therefore, one of the main economic impacts of e-government applications is the growth of tax revenue (collection) (Hammouri & Abu-Shanab, 2017).

Regulations governing income tax of some from business received or obtained by taxpayers with a particular gross circulation are regulated in Government Regulation 23 of 2018. Government Regulation Number 23 of 2018 is expected to provide convenience for taxpayers due to a decrease in the final income tax rate by 0.05% and simple tax provisions. It can improve the previous regulation, Government Regulation Number 46 of 2013. From this, it is found that the ease of taxpayers in the form of ease calculating, depositing, and reporting income tax payable can increase taxpayer compliance (Rachmawati & Ramayanti, 2016). this study is in line with Kong et al. (2021), who state that tax reduction is the most inclusive policy support. The index of confidence in market demand, production and income for the next quarter after the implementation of the tax reduction will return to positive territory. Effective tax reductions were carried out during the covid era for micro and small businesses and independent businesses (UMK)

operating on the Alipay platform, China. However, this contradicts research Mamo (2022), which states that the incentives provided by the East Ethiopian government harm the growth of MSMEs. So if the Ethiopian government provides a large tax incentive, the growth of MSMEs will be smaller.

⁸ Taxpayers who have a particular gross circulation subject to final Income Tax as referred to in Article 2 paragraph (1) are:

- i. Individual taxpayers; and ¹³
- ii. Corporate taxpayers in the form of cooperatives, partnerships, firms, or limited liability companies, who receive or obtain income with a gross circulation not exceeding RP4,800,000,000.00 (four billion eight hundred million rupiahs) in 1 (one) Tax Year.

The Urgency of an Integrated Financial and Tax Statement Application

Awareness of technological needs can encourage adopting accounting technology with the encouragement of pressure on the necessity of using technology. In addition, the initial stage shows the reluctance of respondents to carry out manual accounting processes so that it becomes part of the influence awareness of the importance of adoption intentions in the use of accounting technology (Pratomo et al., 2021). MSMEs that have adopted information technology also have challenges because humans are the main threat to information technology in an organization. So MSME awareness is needed to increase e-literacy (Agwu, 2018). Reasons for not being aware of using financial applications include not knowing the concept, the size of a small company and not needing to use the application, and others claiming to have never studied the idea. To raise awareness, the use of the application can do so by attending seminars and training (Chevers, 2017).

According to the Big Indonesian Dictionary (KBBI), urgency is an urgent imperative or an essential thing. In this context, the research will be focused on the urgency of an integrated application of financial and tax statements. According to Rachmawati et al. (2021), the urgency of an integrated financial and tax report application can be seen from the perception of costs and benefits felt by MSME actors if they later implement the application. In this case, MSME actors will think that this integrated financial and tax report application is "urgent" if the perceived benefits outweigh the costs. Vice versa, MSME actors will feel that this integrated financial and tax report application is "not urgent" if the costs are higher than the benefits. In the urgency of developing taxation, it has also been carried out by Zaripova et al. (2020), where the Agribusiness taxation system for the Russian state is for economic incentives and taxes for business entities in the agricultural sector are necessary for the future. A study by Christopher et al. (2019) ²⁸ conducted in Russia developed a tax deduction application for consumers who used toll services. Tax withholding application using RFID (Radio Frequency Identification) technology and android mobile application integration. The application is also for tax details for each consumer.

Research and Methodology

²¹ A quantitative approach is used to achieve the objectives of this study. A survey is most appropriate because it is relatively easy for a large population (Azlan et al., 2020). This research adopts a quantitative research design using a survey approach. This survey approach was carried out by disseminating questionnaires on samples from predetermined populations (Alshamaila et al., 2013). In this study, the targeted population was MSME actors in Java and outside Java. Questionnaires are distributed indirectly (via google form). The collected data is tabulated, and only the qualified data is further processed. The data is processed and analyzed descriptively. Descriptive statistics are a type of information that is presented in just a few words to describe the basic features of data in a study (Mishra et al., 2019).

¹ The urgency variable is measured using statements related to the level of urgency over the integrated application of financial and tax statements. Following Rachmawati et al. (2021), the indicators used include 1) the needs of MSME actors for integrated financial and tax report applications; 2) the benefits of an integrated financial and tax statement application, and 3) the lack of risks faced when implementing integrated financial and tax report applications. Based on these indicators, the greater the needs of MSME actors and the greater the benefits (small risks) felt by MSME actors, the higher the urgency of integrated financial and tax report applications. Measurements were made using the Likert 1-4 scales, which started from strongly disagreeing to strongly agreeing. The "strongly agree" and "agree" options mean that respondents feel an integrated financial and tax statement application is urgent. And vice versa for the "strongly disagree" and "disagree" options. The data obtained were then analyzed using descriptive qualitative research methods. This research will comprehensively illustrate the level of urgency of integrated financial and tax report applications for MSME actors.

Findings and Discussions

Findings

Respondents' Descriptive Statistics

The object in this study is MSMEs spread across Java and outside Java. This study used primary data obtained from respondents directly through questionnaires. The number of questionnaires distributed was 108 respondents and had been filled out entirely by

the respondents. The characteristics of respondents can be seen from the Demographic Profile of Respondents such as age, gender, and business profile respondents such as type of business, business form, business location, turnover, and NPWP.

Table 1: Demographic Profiles of Respondents

	Sum	Percentage
Males aged 17-40 years	21	19.44%
Males over 40 years of age	18	16.67%
Women aged 17-40 years	39	36.11%
Women over 40 years of age	30	27.78%

Based on the Demographic Profile of Respondents, 39 respondents were male, with 21 respondents aged 17-40 years and more than 40 years old, as many as 18 respondents. Meanwhile, there were 69 female respondents, 39 respondents aged 17-40 years and over 40 years old as many as 30 respondents. This data shows that the female sex with the age of 17-40 years dominated in this study with a percentage of 36.11% of all respondents.

Table 2: business profiles of respondents

Types of businesses	Sum	Percentage
Service	23	21%
Trade	71	66%
Manufactory	14	13%
Form of business		
Individual	88	81%
Business Entities (for example: PT, CV, etc.)	20	19%
Location		
Javanese	91	84%
Outside Java	17	16%
Turnover		
0 to 0 s.d. Rp4,8 Billion	106	98%
More than IDR 4.8 Billion	2	2%
NPWP ownership		
Have NPWP	79	73%
Don't Have NPWP	29	27%

Based on the respondents' business profile, MSMEs with service business types were 23 respondents with a percentage of 21%, trade as many as 71 people with a percentage of 66%, and manufacturing as many as 14 respondents with a percentage of 13%. This data shows that the most types of MSME businesses in this study, with a percentage of 66%, are trading businesses. Furthermore, MSMEs with the most business locations are in Java Island, namely as many as 91 MSMEs with 84%. Meanwhile, the remaining 17 MSMEs, with a percentage of 16%, are located outside Java Island. Respondents with a turnover of 0 to 4.8 billion per year were 106, with 98%.

In comparison, the remaining two respondents, with a percentage of 2%, had an annual turnover of more than 4.8 billion. When viewed from this data, respondents who get tax incentives in the form of the imposition of a Final Income Tax of 0.5% are as much as 98%, namely MSMEs that have a turnover of 0 to 4.8 billion a year. At the same time, the rest cannot take advantage of these tax incentives because they have a turnover of more than 4.8 billion. Seventy-nine respondents (73%), while the remaining 29 respondents with a percentage of 27%, did not have an NPWP.

Cost-benefit analysis

When you want to use an integrated financial and tax report application for MSME actors, every MSME always considers the cost aspect. Cost-benefit analysis is one of the determinants of whether this application is feasible or not to be implemented. MSMEs who sometimes still focus on pursuing income or turnover must consider the profit and loss of investment in applications that MSMEs will use. The investment invested must bring benefits to MSMEs.

The advantage can be in the form of a material that can also be immaterial. Therefore, in the cost-benefit analysis of the application, there are tangible and intangible benefits. Therefore, the application is not worth using/developing if the benefits or profits are less than the investment value. Meanwhile, if the benefits obtained are equal to or greater than the investment value, the information system is worth using /developing.

Cost-benefit analysis of the application can be done in various ways, one of which is cost-benefit analysis (CBA). The calculation of the CBA involves the calculation of the cost component and the benefit component.

The cost components in the questionnaire that the researcher shared were as follows:

Use of the application causes Concerns over financial data for efforts by irresponsible parties.

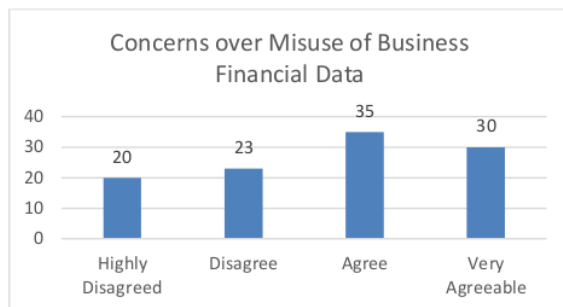


Figure 1: Concerns over Misuse of Business Financial Data; Source: Own elaboration.

As per Figure 1, 35 people (28%) agreed, and 30 (32%) said strong agreement. Therefore, based on the respondent's perception, it can be concluded that most respondents consider using the application to have the risk of being misused by irresponsible parties if financial data is input into the application. The irresponsible party can come from the internal business or the application developer because all financial data inputted is stored in the application developer's database. If this happens, then the costs incurred for an application can be very large for misuse of MSME financial data.

Concerns over business confidentiality if entering financial data on the application.

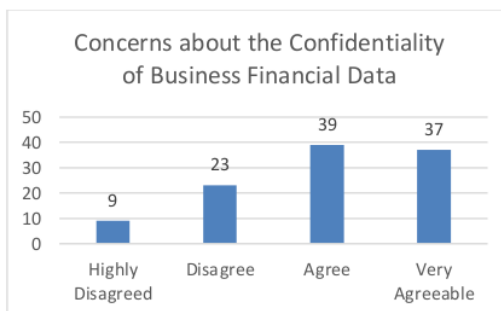


Figure 2: Concerns over the confidentiality of Business Financial Data; Source: Own elaboration.

From Figure 2, there were 39 people (36%) who expressed agreement and 37 people (34%) who expressed strong agreement. In this case, it can be concluded that about 76 people (70%) perceive that the application has a risk factor if the application developer does not guarantee the financial data inputted into the application confidentiality. Data leaks can happen. If disseminated to irresponsible parties, sensitive data from users will potentially cause economic losses and even threaten the security and safety of the owner. Such news about the rampant fraud using e-commerce sites (electronic trading) is often found in the country (Fidhayanti, 2020). The security of personal data is critical in financial technology services whose activities relate to financial information. Thus, any communication through media or applications that concern a person's data must be carried out with the person's consent. Therefore, there must be a request or notification for the user if the developer will retrieve someone's data.

Concerns about the confidentiality of the company's financial data are also triggered by the linkage of this data to the information on taxes owed to the business. The basis for calculating the tax owed by a business is profit or turnover as presented in the financial statements after fiscal reconciliation adjusted to tax regulations. Therefore, considering that a business's tax is confidential information, financial data that is not guaranteed confidentiality due to the use of the application will be a separate cost for MSME actors. In line with this, the biggest concern was shown by MSME respondents who already had an NPWP, which was around 73% of all respondents.

More costs (e.g., for internet charges) incurred when using the application

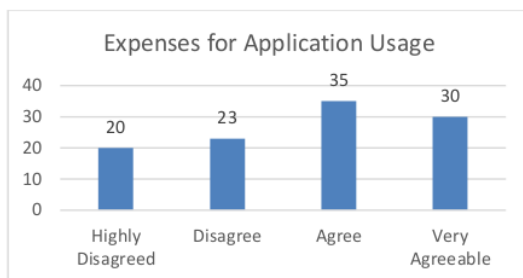


Figure 3: Costs for Application Usage; Source: Own elaboration.

From Figure 3, there were 35 people (32%) who expressed agreement and 30 people (21%) who expressed strong agreement. In this case, it can be concluded that around 65 people (53%) perceive that the use of applications requires quite a lot of costs with the use of the internet for the use of the application and also the beginning of expenses for the purchase of mobile phones, purchases of applications if paid and others. Unfortunately, not all MSMEs have more funds to invest in this matter.

The components of the benefits in the questionnaire that the researcher shared were as follows:

It is necessary to draw up financial and tax statements on the business.



Figure 4: The Need to Prepare Financial and Tax Statements on Business; Source: Own elaboration

Based on Figure 4, it can be seen that there were 40 people, or 37%, who agreed and 55 people (51%) who expressed strong agreement. In this case, it can be concluded that about 95 people, or 88% perceive that using financial and tax statement applications is necessary to help make financial and tax statements. The financial statements in question are income statements and statements of financial position. Financial and tax applications are very helpful for MSME players in recording all transactions in detail, monitoring cash flow, business or business performance, and planning business finances so the company can overgrow. In addition, the existence of financial statements can also help MSMEs apply for credit from third parties (such as banks). One of the conditions that MSMEs must meet when applying for credit is the availability of financial statements for the business.

The existence of this application can also help MSMEs in fulfilling their tax obligations. MSMEs that have been registered and have a Mandatory Pajak Identification Number (NPWP) are responsible for compiling financial statements and records of their business. These financial statements and documents will later become the basis for calculating the taxes owed. By compiling financial reports following applicable financial accounting standards, then adjusting them to tax regulations through a fiscal reconciliation process, the tax payable on business can be calculated accurately (Rachmawati, Ramayanti, & Setiawan, 2021; Rachmawati, Ramayanti, Muyassaroh, et al., 2021; Rachmawati & Ramayanti, 2016). following the perception of the need for an application to prepare financial statements. It is shown that MSME respondents have an NPWP, which is 73% of the total respondents.

Obstacles in preparing financial and tax statements are reduced when using the application.

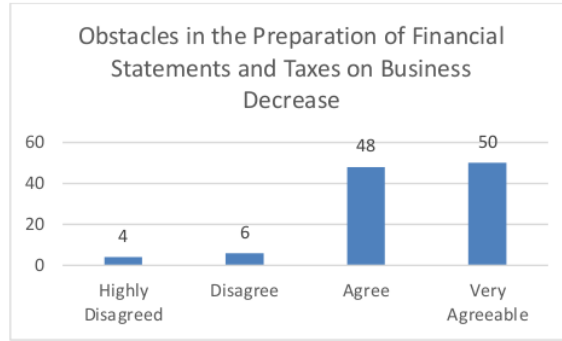


Figure 5: Obstacles in the Preparation of Financial Statements and Taxes on Business Decrease; Source: Own elaboration

From Figure 5, it can be seen that 48 people (44%) expressed agreement and 50 people (46%) expressed strong agreement. In this case, about 98 people (90%) perceive that using the application can reduce constraints in preparing finances and taxes. With financial applications, obstacles such as MSMEs not mastering and not practicing an adequate financial system, low education on understanding financial accounting standards, and the absence of regulations that require making financial and tax reports. In addition, cost constraints are pretty high due to expert services to compile financial and tax reports. Therefore, MSMEs will spend more to produce financial and tax reports if they utilize the services of experts (Siagian & Indra, 2019). By using the application, these obstacles can be resolved.

The process of preparing financial statements and taxes on business becomes more effortless.

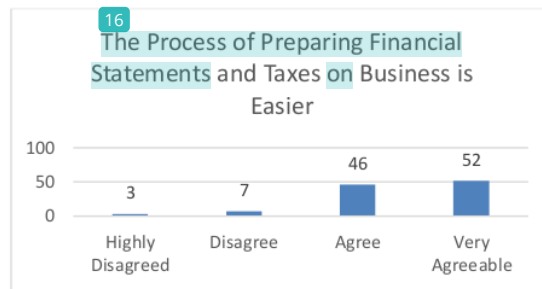


Figure 6: The Process of Preparing Financial Statements and Taxes on Business is Easier; Source: Own elaboration

Figure 6 shows that 46 people (43%) expressed agreement and 52 (48%) expressed strong agreement. In this case, it can be concluded that around 98 people (91%) perceive that using the application can facilitate the process of preparing financial statements and taxes on business. In line with research (Rais & Pinatik, 2015), using a tax application can increase the reporting of e-SPT by taxpayers at KPP Pratama Belitung. This is because e-SPT reporting using the taxpayer's application data is inputted entirely so that in the application, calculations can be carried out accurately and quickly because it uses a computer. So that the delivery with taxation also becomes faster. And the easy use of the application makes making tax reporting easier.

The process of preparing financial statements and taxes on business is timelier.

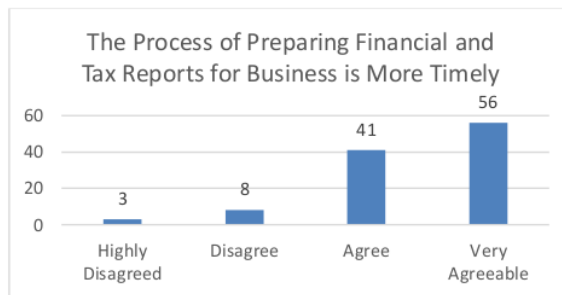


Figure 7: The Process of Preparing Financial Statements and Taxes on Business more Timely; Source: Own elaboration.

Figure 7 shows that 41 people (38%) agreed, and 56 people (52%) expressed strong agreement. In this case, it can be concluded that about 97 people (90%) of respondents perceive that using the application promptly makes financial and tax statements. With the application of preparing financial and tax reports, it is relatively easy so and financial information can be completed on time. Moreover, financial statements are one of the components that must be attached when MSME Taxpayers report their Annual Income Tax Return (SPT). Because the annual income tax return reporting has a time limit, financial statements must also be made on time. In order, the perception of applications for preparing financial reports on time is mainly shown by MSME respondents who already have a TIN, around 73% of all respondents.

The current financial condition of the business can be known

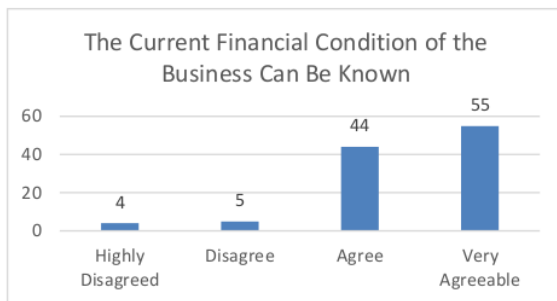


Figure 7: Current Financial Condition of the Business Can Be Known; Source: Own elaboration.

In this case, it can be concluded that around 99 people, or 92% respondents, perceive that by using the application, MSMEs can find out the latest financial condition of their business. Making financial reports on Android / IOS-based smartphones is easy to use at any time. Real-time information in applications helps operations move more effectively and efficiently. So when a transaction is inputted, there will automatically be a process of preparing financial statements. The application can help MSMEs control their financial position because the latest financial reports can be viewed anytime with a smartphone in hand (Ria, 2018).

Based on the previous, the value of the cost-of-benefit analysis is calculated from the average of benefits divided by the average Cost. Where the average Cost is as follows:

Table 3: Responses and Average costs

No	Statement	Highly Disagreed	Disagree	Agree	Very Agreeable	Average
1	Concerns over Misuse of Business Financial Data.	7 6,42%	25 22,94%	34 31,19%	42 38,53%	3,027778
2	Concerns over business confidentiality if entering financial data on the application	9 8,26%	23 21,10%	39 35,78%	37 33,94%	2,962963
3	More costs (e.g. for internet charges) incurred when using the application	20 18,35%	23 21,10%	35 32,11%	30 27,52%	2,694444
Total Average						8,685185
Average Benefits						2,895062

The table above shows that the Cost of the score analysis has an average of 2.895062. At the same time, the most critical indicator is the concern over the misuse of financial data on business by irresponsible parties when using the application, with an average score of 3.0277. In contrast, a factor considered unimportant is the Cost of more (e.g., internet costs) incurred when using the application (average score of 2.694444).

Table 4: While the average benefits are as follows:

No	Statement	Highly Disagreed	Disagree	Agree	Very Agreeable	Average
1	The need to compile financial and tax statements on the business	5 4,59%	8,0 7,34%	40 36,70%	55 50,46%	3,34259
2	Obstacles in preparing financial and tax statements are reduced when using the application	4 3,67%	6 5,50%	48 44,04%	50 45,87%	3,33333
3	The process of preparing financial statements and taxes on business becomes easier	3 2,75%	7 6,42%	46 42,20%	52 47,71%	3,36111
4	The process of preparing financial statements and taxes on business is more timely	3 2,75%	8 7,34%	41 37,61%	56 51,38%	3,38889
5	The current financial condition of the business can be known	4 3,67%	5 4,59%	44 40,37%	55 50,46%	3,38889
Total Average						16,81481
Average Benefits						3,36296

From the table above, it can be seen that the cost analysis of the score has an average of 3.36296. At the same time, the most critical indicator is the process of preparing financial statements and taxes on the business is more timely, and the current financial condition of the business can be known with an average score of 3.38889. Conversely, a factor considered unimportant in analyzing the application's benefits is that the constraints in preparing financial and tax statements become reduced when using the application (average score of 3.33333).

From the data above, an analysis of cost benefits = benefits / costs is obtained

$$= 3.362963 / 2.895062$$

$$= 1,161620373$$

The results show that the benefit's value is compared to tong kan with a cost greater than 1. These results indicate that the benefits felt by MSMEs will be greater than the costs. Thus the application proposal can be used/recommended.

Discussion

After analyzing the findings, it shows that the value of the benefits compared to the costs is more significant than one. These results indicate that the benefits felt by MSMEs will be greater than the costs. Thus, a proposal for an integrated financial and tax report application among MSMEs can be recommended. This study found that the most significant application benefits were seen in preparing financial and tax reports on business timelier, and MSMEs can find out the latest economic conditions for their business. The average score for benefit analysis is above 3 (three). These findings are relevant to Siagian & Indra (2019), Ria (2018), and Pratomo et al. According to Ria (2018), the application helps MSMEs control their financial position because the latest financial statements can be seen anytime with a smartphone.

Another finding for cost analysis with the lowest value below the average of 3 is that more costs (for example, internet costs) will be incurred when using the application. Because not all MSMEs have more funds to invest in applications. This result is Contrary to Siagian & Indra (2019); According to his research, MSMEs will incur more costs to produce financial and tax reports if they use the services of experts, so using the application the incurred expenses will be much cheaper. Because it only pays internet fees, not the benefits of experts.

This study analyzes the cost-benefit analysis for the level of urgency of the integrated application of financial and tax statements among Micro, Small, and Medium Enterprises (MSMEs). The use of financial report applications by MSMEs was also discussed by Ria (2018) and Pratomo et al. (2021). Therefore, this study examines the level of urgency of the integrated financial and tax report application of Ria (2018) and Pratomo et al. (2021), (while these two studies analyze the adoption of MSME financial applications. In addition, this study does not discuss the influence of benefits and ease of tax application in tax reporting, such as Rais & Pinatik (2015).

Conclusions

Based on the cost-benefit analysis for the level of urgency for integrating financial and tax statements among MSMEs, the result can be seen as 1.161620373. These results show that if the benefits are divided by costs greater than one, the recommendations for proposals for making applications for integrated financial and tax statements can be applied among MSMEs. This result indicates that respondents' perception of the benefits felt by MSMEs for using economic and tax statement preparation applications will be greater than the costs. It appears that MSMEs agree that application assistance is the application of financial and tax reports and is very important for making economic and tax reports. The application can reduce obstacles in the preparation of financials and taxes. The application can facilitate preparing financial and tax statements for businesses. The application can process the preparation of financial and tax reports promptly, and it can find out the latest financial condition of its business. Meanwhile, in terms of the Cost of using the application, MSMEs consider the application to have a risk factor if irresponsible parties use the financial data entered into the application, has a risk if the application does not guarantee the financial data inputted into the application confidentiality. In addition, the application can incur many costs with the internet and the beginning of expenses for purchasing cellphones, app purchases if paid, and others.

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