ANALYSIS OF CORETAX TAX APPLICATION IMPLEMENTATION IN IMPROVING TAX COMPLIANCE AND EFFICIENCY IN INDONESIA

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ABSTRACT

This study aims to analyze the implementation of the CoreTax tax application in improving taxpayer compliance and tax reporting efficiency in Indonesia. Using a qualitative approach, this study evaluates the effectiveness of the CoreTax application through in-depth interviews with users and secondary data review. The results of the study indicate that CoreTax simplifies the tax reporting process through automation features, data integration, and comprehensive user guidance. In addition, the implementation of this application has a positive impact on improving taxpayer compliance by reducing reporting errors and accelerating the reporting process. However, this study also found several obstacles, such as low levels of technological literacy and the need for additional training for certain users. Strategic recommendations are provided to improve the adoption and performance of the CoreTax application in the future.

Keyword: Coretax, Tax Compliance, Tax Reporting Efficiency, Information Technology, Tax Automation

ABSTRACT

Penelitian ini bertujuan untuk menganalisis implementasi aplikasi pajak CoreTax dalam meningkatkan kepatuhan wajib pajak dan efisiensi pelaporan pajak di Indonesia. Dengan menggunakan pendekatan kualitatif, penelitian ini mengevaluasi efektivitas aplikasi CoreTax melalui wawancara mendalam dengan pengguna dan telaah data sekunder. Hasil penelitian menunjukkan bahwa CoreTax menyederhanakan proses pelaporan pajak melalui fitur otomatisasi, integrasi data, dan panduan pengguna yang komprehensif. Selain itu, implementasi aplikasi ini berdampak positif pada peningkatan kepatuhan wajib pajak dengan mengurangi kesalahan pelaporan dan mempercepat proses pelaporan. Namun, penelitian ini juga menemukan beberapa kendala, seperti rendahnya tingkat literasi teknologi dan perlunya pelatihan tambahan untuk pengguna tertentu. Rekomendasi strategis diberikan untuk meningkatkan adopsi dan kinerja aplikasi CoreTax ke depannya.

Kata Kunci: CoreTax, Kepatuhan Pajak, Efesiensi Pelaporan Pajak, Teknologi Informasi, Otomatisasi pajak.

1. INTRODUCTION

Tax is one of the main sources of income for the country, and taxpayer compliance in reporting taxes is very important to support economic development (Prasetyowati & Panjawa, 2022). In Indonesia, efforts to improve tax compliance have been made through various policies and technological innovations. One innovation that is expected to have a significant impact is the implementation of the CoreTax tax application. This application is designed to simplify the tax reporting process, increase transparency, and reduce the potential for errors in filling in data (Simanjuntak & Kusuma, 2024).

In today's digital era, information technology has become one of the solutions to overcome challenges in tax reporting and management. Digital transformation in the tax sector not only simplifies the administrative process, but also increases transparency and accountability. One of the applications presented to support this process is CoreTax, which is designed to make it easier for taxpayers to fulfill their tax obligations. CoreTax offers various features, such as automatic tax calculations, simpler reporting, and faster access to information, so it is expected to reduce the administrative burden for taxpayers.

The benefits of taxes for state revenue are enormous, because taxes are the main source of funding for the state budget. Without optimal taxes, the state will have difficulty financing crucial development programs. Taxes also play a role in supporting government policies to regulate the economy, such as controlling inflation and reducing social inequality. Therefore, efficient and accountable tax management is very important in achieving national development goals and maintaining public welfare. This is in line with the following data on the realization of state revenues in 2022-2024:

Table 1 Data on Realization of Indonesian State Revenue

Source of financial income	Realization of State Revenue (Billion Rupiah)		
	2022	2023	2024
Reception	2,630,147.00	2,634,148.90	2,801,862.90
Tax Revenue	2,034,552.50	2,118,348.00	2,309,859.80
Domestic taxes	1,943,654.90	2,045,450.00	2,234,959.30
Income tax	998,231.80	1,040,798.40	1,139,783.70
Value Added Tax and sales tax on luxury goods	687,609.50	742,264.50	811,365.00
Land and building tax	23,264.70	25,462.70	27,182.20
Acquisition Duty on excise taxes and buildings	226,880.80	227,210.00	246,079.40
Other packs	7,686.10	9,714.40	10,549.00
International trade tax	90,897.60	72,898.00	74,900.50
Import duty	39,819.90	19,804.00	17,528.00
Export Tax	595,594.50	515,800.90	492,003.10
State-owned enterprise tax revenue	268,770.80	223,312.10	207,669.60
Natural resource acceptance	40,597.10	81,535.80	85,845.50

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Universitas Pamulang

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ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025
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Income from separated state assets	196,324.30	131,493.60	115,136.00
Other non-tax revenues	89,902.30	79,459.40	83,352.00
Public service agency revenue	5,696.10	3,100.00	430.60
Amount	2.635.843,10	2.637.248,90	2.802.293,50

Source: BPS 2024

Based on the realization data of Indonesia's state revenue from 2022 to 2024, it can be concluded that taxes play a very large role in state revenue. Domestic tax revenues, which include income tax, value added tax, land and building tax, and excise, continue to increase from year to year, with total tax revenues reaching around 2.3 trillion Rupiah in 2024. Income tax and VAT are the largest contributors to state revenues, with a significant contribution to the Indonesian economy. Although international tax revenues, such as export taxes and import duties, have shown a decline in recent years, domestic tax revenues continue to show a positive trend. Overall, Indonesia's state revenues in 2024 are estimated to reach around 2.8 trillion Rupiah, most of which comes from taxes, indicating that the tax sector has a significant impact on supporting economic stability and financing state development.

However, although CoreTax offers various conveniences, its implementation is not free from challenges. Various obstacles, such as infrastructure readiness, user training, and technical issues, can affect the effectiveness of this application in improving tax compliance and reporting efficiency (Hanum, 2005). Therefore, it is important to conduct an in-depth analysis of the implementation of CoreTax, focusing on how this application can contribute to improving tax compliance in Indonesia and identifying obstacles that users may face.

Low levels of tax compliance can have an impact on state revenues that are not optimal, which in turn limits the government's ability to improve the quality of public services and implement development programs. Therefore, increasing tax compliance is the main focus in reforming the tax system in Indonesia. This occurs due to the lack of understanding of taxpayers regarding the system or information related to their taxes. The government, in this case the Directorate General of Taxes (DJP) must be able to continue to improve services both in terms of information and the tax system. Through these improvements, the government will have many opportunities to increase income, improve efficiency, and improve the quality of service for taxpayers (C. Cindy, 2023).

The CoreTax application is designed to answer these challenges by offering solutions that make it easier for taxpayers to fulfill their tax obligations. With intuitive features and easier access, CoreTax is expected to improve the efficiency of tax administration, reduce the administrative burden on taxpayers, and speed up the process of reporting and calculating taxes. In addition, this application also has the potential to increase the level of tax compliance, because it makes it easier for taxpayers to understand and carry out their obligations.

The purpose of this literature study is to analyze the effectiveness of implementing the CoreTax application in the Indonesian taxation system. This study will explore how this application can contribute to improving the efficiency of tax administration and encouraging taxpayer compliance. With a better understanding of the benefits and challenges faced in implementing CoreTax, it is expected to provide valuable insights for stakeholders, including the government, tax practitioners, and the wider community.

2.   Literature review

Tax is a mandatory contribution paid by individuals or bodies to the state based on law, which is used to finance various government activities, such as infrastructure development, provision of public services, and financing of social programs. Taxes are not given directly as a certain reward, but are used for public interests that support the welfare of society as a whole. Taxes consist of various types, such as income tax, value added tax (VAT), land and building tax (PBB), and other taxes.

2.1 Compliance theory

Tax compliance is the willingness of taxpayers to fulfill tax obligations in accordance with applicable regulations. According to (Allingham and Sandmo (1972), tax compliance is influenced by various factors, including audit risk, level of sanctions, and perceptions of the fairness of the tax system. This study shows that the application of information technology, such as tax applications, can improve compliance by simplifying the reporting process and reducing the uncertainty faced by taxpayers.

2.2 Efficiency in tax reporting

Efficiency in tax reporting refers to the ability of taxpayers to complete their tax obligations with minimal time, cost, and effort without compromising accuracy or compliance (Fischer et al., 1992). The implementation of information technology in the field of taxation, such as tax applications, is recognized as being able to increase reporting efficiency by reducing administrative burdens, minimizing human error, and accelerating the reporting process (Zumariz & Ratnawati, 2024)

2.3 Information technology in taxation

The use of information technology in taxation has become a significant global trend. Bahl and Bird (2008) stated that technology can improve the efficiency of tax administration and reduce compliance costs for taxpayers. Applications such as CoreTax are designed to automate the reporting process, minimize human error, and provide better access to tax

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ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025
Vol: 2   No.: 1   No. E- ISSN: 3025-4086

information. Research by Khan et al. (2018) shows that the adoption of tax information systems can increase transparency and accountability, which in turn can encourage tax compliance.

2.4 CoreTax as a tax technology solution

CoreTax is an application designed to simplify the tax reporting process by providing features such as automatic data integration, accurate tax calculations, and digital-based reporting. According to Simanjuntak and Kusuma (2024), this application aims to support tax reform strategies by utilizing digital technology to improve compliance and reduce tax compliance costs. Previous research has shown that this type of application has great potential to increase user satisfaction and minimize the risk of reporting errors (Sarumaha & Budiyantara, 2024)

2.5 Obstacles in Tax Implementation

Despite the many positive potentials of using tax applications, there are also obstacles that need to be overcome. The Ministry of Finance of the Republic of Indonesia (2021) noted that the lack of understanding and training for users, as well as technical issues such as internet connectivity, are major challenges in implementing a technology-based tax system. Research by (Halim, Rahman 2022) emphasizes the importance of support from the government and related institutions to ensure the success of implementing tax applications.

2.6 Theoretical Framework

This study uses the *Unified Theory of Acceptance and Use of Technology (UTAUT) theoretical framework (Venkatesh et al., 2016)*. This theory emphasizes that technology adoption is influenced by four main factors, namely performance expectations, effort expectations, social influence, and supporting conditions (Ahmad, 2015). This framework is relevant in analyzing the factors that influence CoreTax adoption among taxpayers in Indonesia.

3. Method

3.1 Types of Research

This study uses a descriptive-qualitative approach with the aim of understanding the perceptions and experiences of CoreTax application users. This approach was chosen because it is able to provide an in-depth picture of the perceptions, experiences, and challenges faced by CoreTax application users.

3.2 Research Location and Subjects

The research was conducted in areas that have actively implemented the CoreTax application, such as large cities in Indonesia, where the level of tax technology use is higher. The research subjects include:

a. Individual Taxpayers: Individuals who use CoreTax for tax reporting.
b. Corporate Taxpayers: Companies that utilize the CoreTax application in their tax administration activities.
c. Directorate General of Taxes (DGT) Employees: As a CoreTax application provider, to understand the perspective from the service provider's side.

3.3 Data Collection Techniques

This study uses several data collection methods as follows:

a. 1. In-Depth Interview: Conducted with individual taxpayers, corporate bodies, and DGT employees to explore their experiences and perceptions regarding the implementation of the CoreTax application.
b. 2. Observation: Direct observation of the use of the CoreTax application, including technical challenges that arise during the tax reporting process.
c. 3. Documentation: Analysis of official documents such as DGT reports, CoreTax usage guides, and application usage statistics data.

3.4 Data Analysis Techniques

The data obtained were analyzed using thematic analysis methods. The analysis procedures include:

a. Data Reduction: Filtering data that is relevant to the research objectives.
b. Categorization: Grouping data into key themes such as tax compliance, efficiency, and implementation constraints.
c. Interpretation: Interpret findings to identify patterns, relationships, and factors that influence CoreTax effectiveness.

3.5.Data Validity

To ensure data validity, this study uses triangulation methods, namely:

a. Source Triangulation: Comparing data from various research subjects (individual taxpayers, corporate taxpayers, and the DGT)
b. Triangulation Technique: Using various data collection techniques (interviews, observation, documentation) to gain a more holistic perspective.

4. DATA ANALYSIS AND DISCUSSION

4.1 DATA ANALYSIS

A. CoreTax Implementation in Improving Tax Compliance

   a. The results of the study showed that the level of tax compliance increased significantly after using CoreTax.
   b. Taxpayers reported that the ease of calculating and reporting taxes through CoreTax was a major factor driving increased compliance.
   c. The data validation feature in CoreTax helps taxpayers to detect and correct errors before submitting reports, thereby improving reporting accuracy.

B. Tax Reporting Efficiency with CoreTax

   a. The results of the study showed that the time required to complete tax reporting was significantly reduced. Before using CoreTax, the average time required to complete tax reporting was 10 hours per month. After implementation, this time was reduced to approximately 4 hours per month, representing a time savings of up to 60%.
   b. The data validation feature in CoreTax helps taxpayers detect errors before submitting reports, thereby increasing accuracy and reducing the risk of sanctions from tax authorities.
   c. Data Integration: CoreTax allows integration with e-Billing and e-Invoice systems, making tax reporting and payments easier.

C. CoreTax Implementation Constraints

   a. Uneven internet connectivity in some areas causes obstacles in accessing applications.
   b. Many taxpayers expressed the need for training and education to understand how to use CoreTax effectively. Without adequate training, many find it difficult to operate the application.
   c. In some areas, especially in remote areas, unstable internet connections are a significant obstacle to using CoreTax.
   d. Some users have complained that CoreTax is not fully compliant with all applicable taxes and regulations, so they feel the need to make manual adjustments.
   e. There are concerns among taxpayers about the security of their personal data and financial information when using digital applications, which may hamper CoreTax adoption.

    f.   Lack of technical support services in assisting users in resolving issues they face while using CoreTax

4.1.4 Improvement strategies

    a.   The government needs to invest in technology infrastructure, especially in less developed areas, to ensure better access to the CoreTax application. This includes improving internet connections and providing adequate devices.

    b.   A structured training program is needed to improve digital literacy among taxpayers (Right on Target)

    c.   Improve technical support services by providing a responsive team that is ready to assist users in resolving issues they encounter when using CoreTax.

    d.   Develop integration between CoreTax and other tax systems and financial applications to facilitate the tax reporting and calculation process.

4.2 Discussion

The results of this study are consistent with the theory that digital technology can improve the efficiency of tax administration (Amai et al., 2024). However, the success of CoreTax implementation is highly dependent on the readiness of technology, infrastructure, and education for its users. This finding is also in line with Kawengian's (2024) research, which highlights the importance of training and system stability in supporting the adoption of tax technology.

5. CONCLUSION & SUGGESTION

The implementation of the CoreTax application in the taxation system in Indonesia shows significant potential to improve tax compliance and reporting efficiency. However, this study also identified several obstacles that need to be overcome to maximize the benefits of this application.

Some of the main obstacles found include low digital literacy among taxpayers, technological infrastructure issues, complexity of tax regulations, lack of technical support, and negative perceptions of the tax system. To overcome these obstacles, a comprehensive strategy is needed, including increasing digital literacy through training programs, investing in technological infrastructure, improving technical support services, and effective tax awareness campaigns.

In addition, it is important to continue to collect feedback from users to improve the features of the CoreTax application and ensure that it can better meet the needs of taxpayers. Collaboration between the government, taxpayers, and other stakeholders is also very important to create a more transparent and efficient tax ecosystem.

By implementing these strategies, it is expected that CoreTax can function as an effective tool in reforming the tax system in Indonesia, improving tax compliance, and

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INTERNASIONAL CONFERENCE & CALL FOR PAPER
ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025
Vol: 2   No.: 1   No. E- ISSN: 3025-4086

simplifying the tax reporting process for all taxpayers. This study provides valuable insights for policy makers and related parties in an effort to improve the implementation of CoreTax and the tax system as a whole.

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