

Analysis of the Impact of Tax Reform on Taxpayer Perception Tax on Services at Jember Pratama Tax Office

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ABSTRACT

Objective: This study aims to analyze the influence of tax reform on taxpayers' perception of the quality of services received. The tax reform implemented in Indonesia is expected to increase the efficiency and transparency of tax administration, which in turn affects taxpayers' perception of tax agencies. **Method:** Using a quantitative method through a survey of taxpayers at KPP Pratama Jember, this study identifies the service factors obtained by taxpayers, such as reliability, empathy, physical evidence of service, and guarantee of adequate administrative needs. **Results:** The results of the study show that tax reform followed by real changes in services, including increased transparency, speed, and quality of interaction between officers and taxpayers, has a significant positive influence on taxpayer perceptions. These findings also indicate that better services can improve taxpayer compliance levels and support the overall success of tax reform. **Novelty:** This study suggests that the government continues to develop a service system that is more responsive and in accordance with the needs of taxpayers to strengthen the impact of tax reform.

INTRODUCTION

Indonesia needs a fairly large budget every year to accelerate its progress as a developing country. To increase state financing, the government must increase state revenues, one of which is from taxes. Taxes divide resources such as income, consumption, and wealth, and are used to finance the government budget, redistribute wealth, and regulate the economy. Taxes play a significant role in the economic growth and sustainability of a country. According to Article 1 of Law No. 16 of 2009 concerning General Provisions and Tax Procedures, tax is a mandatory contribution to the state owed by individuals or entities that is mandatory based on law, without receiving direct compensation, and is used for state purposes for the greatest prosperity of the people. In response to increasing competition between countries around the world, tax reforms are carried out to make the tax system more efficient and effective (Monalika & Haninun, 2020). Changes to tax rates, simplification of applicable regulations, and increased transparency are some examples of tax reforms.

In 1983, Law Number 6 concerning General Provisions and Tax Procedures, Law Number 7 concerning Income Tax, and Law Number 8 concerning Value Added Tax on Goods and Services and Luxury Goods Sales Tax initiated tax reform. This was the early period of the implementation of the personal assessment system, which allowed taxpayers to register, calculate, account for, pay, and report their taxes. Tax changes Volume I, also known as Tax Administration Modernization, began in 2000–2001 as a result of the Asian financial crisis that hit Indonesia. (Hofir & Indonesia. Directorate General of Taxes, 2021). The frequent changes in tax reform to date have made many

changes, especially to raise the prospect of higher revenues. Income Tax (PPh) in Article 21 has always grown positively by 1.18% (year-on-year)(Wulyandani & Adam, 2021).



Figure 1. Ministry of Finance Documentation 2024.

Tax revenues until July 2024 reached IDR1,045.32 trillion, or 52.56% of the 2024 State Budget target, according to the report of the Minister of Finance of the Republic of Indonesia in 2024. State revenues, including tax revenues, grew higher last year than other revenues, such as customs, which only increased by 3.7%. Tax revenues amounted to IDR1,523.7 trillion, meaning 88.7% of this year's target, up 5.3% from the previous year, which was IDR1,446.5 trillion (Minister of Finance, 2023). The amount of revenue will continue to grow by 0.4% per year. Tax revenues at the end of the year will be less than the target of 1,921.9 trillion. Therefore, the tax sector must be maximized. Tax revenues increase every year because the State Budget budget continues to increase. If the Directorate General of Taxes (DJP) does not have good, easy, and satisfactory services for taxpayers, a budget of that size will be a big challenge for it.

The number of registered taxpayers is expected to increase as a result of tax reform. In addition, the number of taxpayers who are active in submitting SPT has increased. However, inefficient taxpayers continue to increase every year (Susuanto, 2021). The government is taking steps to make it easier for taxpayers to fulfill their tax obligations and rights as part of an effort to create a better tax environment. Improving services to taxpayers is considered an effort to improve tax compliance. It is expected that improving the quality and quantity of services will increase taxpayer customer satisfaction, which will lead to increased tax payment compliance.

The quality of tax services is a way that the government can do to improve taxpayer compliance in fulfilling their obligations (Rizky Pebrina & Amir, 2020). As a government agency tasked with collecting state revenues and at the same time being obliged to provide services to the community, the role and function of the Directorate of Taxes are increasingly important, not only behaving based on rules, procedures, provisions alone but inevitably must be able to fulfill what is needed by the community in this country through optimal service.

Adequate tax services can play an important role in improving taxpayer compliance. When taxpayers feel well-treated and the process is clear and easy to understand, they tend to be more motivated to fulfill their tax obligations properly. Quality tax services provide clear instructions, good consultation, and easy-to-understand explanations of tax rules and procedures. This can help taxpayers overcome this uncertainty so that they can fulfill their obligations. Effective organization and administrative processes can reduce the time required to complete tax obligations. With good service, taxpayers can avoid errors in reporting and paying taxes more quickly and without difficulty.

The focus of research on tax service quality factors is convenience, security, and certainty for taxpayers in fulfilling their obligations and rights in the field of taxation (Azra Ramizah et al., 2022). The purpose of this study is also to determine how effective the tax reform implemented at the Jember Pratama Tax Office, located on Jalan Karimata no. 45A. The researcher used the 2009 tax reform as volume II because there was no previous research on volume III reform. The challenges faced by the head of the Directorate General of Taxes at that time made him ask experts and the World Bank to examine the changes in the 2009 tax reform. The results of the analysis at that time showed that the system used by the DGT was inadequate to supervise taxpayers because there were too many elements in the service. We can find out whether tax policy reforms have encouraged or hindered taxpayer compliance by conducting surveys or case studies of taxpayers. In addition, it is important to consider additional components that may affect the level of compliance, such as good tax education, efficient tax services, and data transparency.

Definition of Tax

One of the sources of state payments is taxes, which are used to run the government. According to DinarAryanti (2020), taxes are also mandatory contributions made by individual or corporate taxpayers to the state based on law. This is done without receiving direct compensation and is used to improve the prosperity of the state and the needs of its people. Law Number 6 of 1983 concerning General Provisions and Tax Procedures, as last amended by Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law, explains the definition of tax as a mandatory contribution to the state owed by individuals or organizations that is coercive. General description of research is important in order to show the basis of the research. It is like a very brief introduction to the methodology section as a whole.

According to (Recky HE Sendouw, Jeane Mantiri, 2023), conclusions can be drawn about the characteristics –characteristics inherent in the concept of tax:

1. Borne by the state (central and regional governments). The contribution is money taken due to a situation, event, or act that provides certain benefits to a person. It is taken or deducted in accordance with the power and implementing regulations of the Law.
2. Tax payments cannot indicate direct counter-performance.

3. Allocated for government payment expenditures that benefit the people.

Tax Functions

In (Ginting & Irawan, 2022) the tax function itself has 2 functions, namely the budget function (budgetary) and the function of regulating (regularend).

1) Budget function (budgetair)

The benefits of taxes to add funds to the state treasury. Until now, taxes are the largest income in Indonesia. Therefore, taxes are very important to finance state spending, including improving public welfare and increasing state development.

2) Regulating function (regularend)

Taxes are used as a tool to achieve economic goals and provide legal certainty, especially in the drafting of laws. This function is intended for specific purposes that are different from the economic field and related to the private sector. However, it is intended not to distinguish the tax authorities from taxpayers.

Taxpayers

Individual taxpayers are divided into two categories: domestic individual taxpayers and overseas individual taxpayers. Taxpayers are individuals or organizations, including taxpayers, tax withholding agents, and tax collectors, who have rights and obligations related to taxes according to the law.

1) Personal taxpayers as domestic tax subjects, namely according to Income Tax Law (PPh) Number 36 of 2008, namely:

a. Individuals residing in Indonesia

b. Individuals who are in Indonesia for more than 183 days in a 12 month period, or c. An individual who is in Indonesia in a tax year and has the intention to reside in Indonesia.

2) Personal taxpayers as foreign tax subjects, namely according to Income Tax Law (PPh) Number 36 of 2008, namely:

a. An individual who does not reside in Indonesia, or an individual who does not reside in Indonesia for more than 183 days in a 12-month period who carries out business or carries out activities through a permanent establishment in Indonesia.

b. An individual who does not reside in Indonesia, or an individual who does not reside in Indonesia for more than 183 days in a 12-month period who can receive or earn income from Indonesia, not from running a business or carrying out activities through a permanent establishment in Indonesia.

Taxpayer Perception

In essence, perception is a mental process experienced by everyone when they understand information about their environment through appreciation, sight, smell, and feeling (Irawati & Sari, 2019). Taxpayer perception has a major impact on taxpayer compliance; this is very important because it can affect the level of taxpayers in fulfilling their tax obligations.

The government is trying to improve tax facilities and infrastructure to be able to provide better services. "A person's behavior will be greatly influenced by that person's

perception." On the other hand, Taxpayers will automatically comply if they have a positive perception of their tax obligations. There is no direct interpretation between who should pay taxes and who should pay taxes. Therefore, KPP offers the best or clearest service to make taxpayers feel comfortable and comfortable when paying taxes. This best service can encourage taxpayers to pay taxes correctly.

Tax Reform

Tax reform is a comprehensive change in the tax system, including tax administration, regulatory improvements, and increasing the tax base. (Directorate General of Taxes, nd) Tax reform can also mean the process of changing the way taxes are collected and managed by the government. Tax reform is usually carried out to improve tax administration or provide economic or social benefits.

During the reform, the organizational structure of the DGT changed. To serve large taxpayers in throughout the country, the Large Taxpayer Tax Office and the Medium Tax Office were established. Then, units that were not included in the Large Taxpayer Tax Office and the Medium Tax Office were changed to Pratama Tax Office (Hofir & Indonesia). Directorate of Taxes, 2021).

The Directorate General of Taxes (DGT) uses information technology to assist taxpayers and internal purposes. Therefore, applications such as e-registration, e-filing, e-SPT, and e- payment have been developed and used at Taxpayer KPPs to the Special Jakarta DJP Regional Office. In an effort to maintain the integrity of the DGT, the use of electronic systems reduces taxpayer interaction with tax officers, and also speeds up business processes and improves taxpayer compliance.

In the synthesis, the analysis of the impact of tax reform on taxpayers' perceptions of services shows that tax reform can also improve the efficiency of the tax collection system, increase tax revenues, and reduce inequality. This can increase taxpayer satisfaction with tax services and increase their perception that the government, especially the Directorate General of Taxes (DJP), is more effective in managing these funds to improve the quality of public services.

RESEARCH METHOD

Research Design

This study utilized quantitative and survey methods (Dr. Drs. Marsono, 2019). Data collection, using subjective questionnaire research instruments. Subjective data consists of opinions, attitudes, experiences, or characteristics of research subjects.

Data Types

For Data collected from respondents through written or verbal responses to questions related to the survey results. Primary and secondary data consist of two categories.

- 1) Primary data: This is data that is directly collected through experiments and surveys. Researchers must be clear and define their population in the problem space and at a certain time. Primary data is obtained directly from research subjects

through questionnaires or questionnaires distributed by researchers (Auliya et al., 2020).

- 2) Secondary data is previously available data collected from various sources, such as written government sources or libraries or second-hand sources (Auliya et al., 2020).

Population and Sample

The population in this study were individual taxpayers registered at the Jember Pratama Tax Office, Summersari District, totaling 112,949 people (Jember Pratama Tax Office, 2023). The selection of a portion of the population that will be selected by researchers as research subjects is used in this sample. Incidental sampling is a sampling method that uses easy and fast questionnaire distribution (Pasaribu et al., 2018). For To find out how many samples are used in this study, the following Slovin formula is used:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{112.949}{1 + (112.949 \times 10^2)} = \frac{112.949}{1130,49} = 100$$

Information:

n : Sample size

N : Population size

e : Desired value (research limit)

Based on the sampling technique using the formula above and applying it to the specified population, namely 100 respondents.

RESULTS AND DISCUSSION

Validity Test

Validity Test is used to evaluate the validity of the questionnaire. If r count is greater or less than r table, the questionnaire is valid. If not, the questionnaire is invalid. The results of the validity test of this study are as follows:

Table 1. Validity Test Results for each Variable.

No	Variables	Correlation Value		Conclusion
		R-Count	R-Table	
		Impact of Tax Reform		
1	X1.1	0.638	0.195	Valid
2	X1.2	0.700	0.195	Valid
3	X1.3	0.620	0.195	Valid
4	X1.4	0.662	0.195	Valid
5	X1.1	0.644	0.195	Valid
6	X1.2	0.670	0.195	Valid
7	X1.3	0.749	0.195	Valid
8	X1.4	0.675	0.195	Valid
9	X1.1	0.821	0.195	Valid

10	X1.2	0.802	0.195	Valid
11	X1.3	0.866	0.195	Valid
12	X1.4	0.591	0.195	Valid
13	X1.3	0.699	0.195	Valid
14	X1.4	0.666	0.195	Valid
Taxpayer Perception of Services				
1	Y1	0.758	0.195	Valid
2	Y2	0.687	0.195	Valid
3	Y3	0.747	0.195	Valid
4	Y4	0.732	0.195	Valid
5	Y5	0.735	0.195	Valid
6	Y1	0.695	0.195	Valid
7	Y2	0.699	0.195	Valid
8	Y3	0.791	0.195	Valid
9	Y4	0.710	0.195	Valid

Table 1 shows that all question indicators for each variable show valid results because the calculated r is greater than the table r . Therefore, it can be concluded that all items are declared valid or can be used as a measure of the research instrument.

Reliability Test

Because it uses Cronbach's Alpha test, the reliability test can be used as a tool to measure consistently over time. This questionnaire has a high confidence value and is considered reliable only if the Alpha value is greater than 0.7. The results of the following research reliability test:

Table 2. Reliability Test Results.

No	Variables	Cronbach's Alpha	T Standard Alpha	Information
1.	Impact Reformation taxation (X1)	0.927	0.7	Reliable
2.	Taxpayer Perception of Services (Y)	0.912	0.7	Reliable

As a result of the fact that each variable in the questionnaire has a Cronbach's Alpha value above 0.7, it can be concluded that each variable meets the requirements for use as a measure and the questionnaire is considered reliable.

Data Analysis Methods

Normality Test

Normality test is a statistical technique to test whether the observed data is well distributed. This study uses the Kolmogorov-Smirnov (KS) test method, with the following t count:

- 1) If the significance value > 0.05 then the residual is normally distributed.
- 2) If the significance value < 0.05 then the residual value is not normally distributed.

Table 3. Normality Test Results.

No	Variables	Provision		Criteria
		T count	Sig > 5%	
1	Residual value of variable X1, Y	0.67	0.05	Normal

Based on table 3, it shows that the normality results on the residual value of the tax reform impact variable (X1), and the quality of service (Y) are normal with a calculated t greater than 5%. However, in the calculation using the Outlier Boxplot due to the occurrence of less than maximum values.

Multicollinearity Test

The multicollinearity test is used to evaluate the regression model with correlation. independent variables; the results will be good if there are criteria that indicate that there is no multicollinearity if the tolerance value is more than 0.10 and vice versa if the tolerance value is less than 0.10. The results of the multicollinearity test in this study are as follows:

Table 4. Multicollinearity Test.

No	Variables	Tolerance	VIF	Criteria
1	Impact Reformation Taxation	1,000	1,000	No There is Multicollinearity

Table 4 shows the results of the multicollinearity test on the tax reform impact variable instrument (X1), which has a tolerability value of 1.000, and its VIF is 1, which indicates that there is no collinearity among the independent variables.

Heteroscedasticity Test

The heteroscedasticity test determines whether there is inequality of variables between the residuals and other observations in the regression model. This study uses the glejser test. A significance value higher than 0.05 indicates that the regression model does not show symptoms of heteroscedasticity. On the other hand, a significance value lower than 0.05 indicates that symptoms of heteroscedasticity exist. The following are the findings of the study:

Table 5. Heteroscedasticity Test.

No	Variables	provision		Criteria
		T Count	Sig > 0.05	
1	Impact of Reformation Taxation	1,000	0.05	No Happen Heteroscedasticity

Because the calculated t value is greater than 0.05, the results of the heteroscedasticity test on the tax reform impact variable instrument (X1) do not show heteroscedasticity, as shown in Table 5.

Multiple Linear Regression Test

Multiple linear regression test can be interpreted as a tool to test the influence and relationship of independent variables. The following are the results of the multiple linear regression test in this study:

Table 6. Multiple Linear Regression Test.

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
		1	(Constant)			
2	Impact of Reformation Taxation	0.571	0.036	0.851	15,885	0.001

With the multiple linear regression equation, table 6 shows the constant values (α values) of 4.333 and the value of the impact of tax reform (β value) of 0.571.

$$Y = 4.333 + 0.571 X_1 + e$$

Has the following meaning:

- 1) Constant value (α) or the state when the taxpayer perception variable (Y) has not been influenced by other variables, namely the tax reform impact variable (X).1). So when the factors that influence taxpayer perception have positive values, it will affect the quality of service to be better.
- 2) The value of the regression coefficient (X1) shows that the variable impact of tax reform has a positive influence on taxpayer perception of service (Y) which means it will influence each increase in value by 0.571

Hypothesis Testing

t-test

The calculated value and the significant value are compared to perform this check. The hypothesis is validated if the calculated value is below 0.05 and vice versa if the significant value is greater than 0.05.

Table 7. Sample t-test.

Hypothesis Test Results

t-Test Results					
No	Variables	t-count	t-table (0.025 : 97)	Mark Significance	Sig < 5%
1.	Impact of Reformation Taxation	16,756	1,985	0.001	0.05

From table 7, it can be interpreted that the influence of the Impact of Tax Reform (X1) on Taxpayer Perception of Services (Y) is a t value of 16.756 > t table value of 1.985 and significance 0.001 < 0.05 then it can be concluded that the research hypothesis is accepted and there is a significant relationship between variable X1 and variable Y.

Determinant Coefficient (R2)

The coefficient of determination (R2) value can be interpreted as a measuring tool to what extent the model's ability is affected by the influence of independent variables. The following are the results of the determination coefficient (R2) test in this study:

Table 8. Results R Square.

Results of Determinant Coefficient (R2)				
Variables	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.861	0.741	0.739	2,73020

The results of table 8 above can be interpreted that the value of the coefficient of determination or R Square is 0.741 or 74.1%. The value is the percentage of the relationship between variables (X1).

CONCLUSION

Fundamental Finding : The study reveals that tax reform has a positive influence on taxpayers' perceptions of tax services. Specifically, reforms implemented at KPP Pratama Jember demonstrate efforts to enhance the administrative system through the integration of digital technologies. These improvements contribute to a more favorable view of service quality among taxpayers. **Implication :** This finding suggests that effective tax reform should go beyond mere enforcement and supervision. A reform agenda that prioritizes service quality and technological advancement can foster greater taxpayer satisfaction and trust in the tax system. Policymakers should, therefore, adopt a balanced approach that addresses compliance while simultaneously improving service delivery. **Limitation :** However, the analysis is limited to a specific regional office, KPP Pratama Jember, and may not fully capture variations in implementation or taxpayer responses across different regions in Indonesia. Additionally, the study primarily considers taxpayers' perceptions without incorporating quantitative service performance

indicators. **Future Research** : Future studies could expand the scope to multiple tax offices across various regions to allow for broader generalizations. Further research might also integrate mixed-method approaches, combining perception-based data with measurable outcomes, to assess the overall effectiveness of tax reforms more comprehensively.

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