Implementation of Tax Administration Services and its Challenges at KPP Pratama Jakarta Kebon Jeruk Satu: A Review of Field Practices

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Keywords: Administration; Tax; KPP; Annual Tax Return; **Article History:** Received : 15-01-2025 Revised : 01-02-2025 Accepted : 09-02-2025	This article aims to examine the implementation of tax administration services at the Jakarta Kebon Jeruk Satu Tax Office (KPP Pratama Jakarta) through a literature review approach based on industry experience. The focus of this article covers annual tax return assistance services, the implementation of Business Development Services (BDS), and digital public relations activities. The review indicates that the KPP has implemented various technology-based service strategies and public education to improve taxpayer compliance. However, several obstacles, such as low digital literacy, limited training facilities, and less than optimal reach of social media content, remain challenges in service implementation. This article provides an overview of tax practices in the field and offers several recommendations for future improvements.

INTRODUCTION

Indonesia is an archipelagic country consisting of thousands of islands. With its vast territory, Indonesia has the fourth-largest population in the world (Indonesia, 2017). Tax revenue constitutes a significant source of government income in Indonesia and plays a crucial role as the primary source of state revenue compared to other sources. This is evidenced in Table 4 below, which shows that from 2012 to 2016, tax revenue tended to be higher than Non-Tax State Revenue (PNBP).

According to S.I. Djajadiningrat, as cited in (Resmi, 2013), tax is defined as an obligation to transfer a portion of one's wealth to the state due to certain circumstances, events, or actions that confer a particular legal status. Such a transfer is not a form of

punishment but is imposed under government regulations and may be enforced, without any direct reciprocal benefit from the state, for the purpose of maintaining public welfare. Taxation is one of the main sources of state revenue. To support the effectiveness of the taxation system, professional, efficient, and adaptive administrative services that respond to public needs are required.

According to (Syahputra, 2016), tax revenue is influenced by two factors: external factors and internal factors. External factors affecting a country's tax revenue include economic growth, inflation rates, exchange rates, international oil prices, crude oil production, and interest rates. Meanwhile, the internal factor influencing tax revenue is the tax rate itself. KPP Pratama, as an extension of the Directorate General of Taxes (DGT), plays an important role in providing tax services and fostering taxpayer compliance. This paper reviews the results of fieldwork practice conducted at KPP Pratama Jakarta Kebon Jeruk Satu and highlights various aspects of tax services.

According to the Directorate of Budget Preparation (Keuangan, 2024), taxes play a very important role in state life, particularly in the implementation of development, as they serve as the main source of state revenue to finance all expenditures, including development spending. Broadly speaking, taxes can be used as a policy instrument to influence production, employment opportunities, and inflation. Tax policy should not merely determine the tax base, identify who is subject to tax and who is exempt, define taxable objects and exemptions, calculate the amount of tax payable, and establish procedures for fulfilling tax obligations. More than that, tax policy represents the government's commitment to improving public welfare, encouraging business development, and achieving other government programs. The development of public needs has influenced the evolution of the system and structure of KPP (Tax Service Offices). The establishment of KPP Pratama was carried out as part of the implementation of the second phase of tax reform, which began in the early 2000s.

Tax sanctions must be strengthened. If there are still parties who fail to comply, the treatment is straightforward: strict sanctions will be imposed. These strict sanctions may take the form of administrative penalties as well as criminal sanctions for non-compliant taxpayers. The implementation of the Integrated Tax Administration System (Sistem Administrasi Perpajakan Terpadu/SAPT) has had a considerable impact on tax revenue, especially following the enforcement of tax sanctions in the form of administrative penalties, namely interest of 2% per month. The Directorate General of Taxes (DGT) has carved out a golden achievement in a new chapter of Indonesia's history. For three consecutive years, from 2021 to 2023, the DGT successfully met and even exceeded the tax revenue targets mandated by the government.

Based on statistical data from the Ministry of Finance as of December 31, 2023, Indonesia's tax revenue in 2023 reached IDR 1,869.23 trillion, representing a significant growth of 8.9 percent compared to the 2022 realization of IDR 1,716.77 trillion. This figure indicates that tax revenue amounted to 108.8 percent of the 2023 State Budget (APBN) target or 102.8 percent of the target stipulated in Presidential Regulation No. 75 of 2023 concerning Amendments to Presidential Regulation No. 130 of 2022 on the Details of the State Budget for Fiscal Year 2023 (Oktaviyoni, 2024).

Figure 1. Tax Revenue Statistics for 2019–2023

Source: Directorate General of Taxes

As a source of state revenue, taxes function to finance government expenditures. In order to carry out routine state duties and implement development programs, the government requires substantial funding, which can be obtained from tax revenues. Currently, taxes are used to finance routine expenditures such as employee salaries, goods and services spending, maintenance costs, and other operational expenses.

The government can regulate economic growth through tax policy. Through its regulatory function, taxes can be used as an instrument to achieve specific objectives. For example, in order to encourage investment, both domestic and foreign, various tax incentives and reliefs are provided. Meanwhile, to protect domestic production, the government imposes high import duties on foreign products.

Through taxation, the government obtains the necessary funds to implement policies related to price stability, thereby enabling inflation control. This can be achieved, among other measures, by regulating money circulation in society, collecting taxes, and ensuring the effective and efficient use of tax revenues.

Taxes collected by the state are utilized to finance public interests, including development projects that create employment opportunities, which in turn can increase public income.

The Tax Service Office (Kantor Pelayanan Pajak/KPP) is one of the government work units operating under the Directorate General of Taxes (DGT), which is part of the Ministry of Finance of the Republic of Indonesia.

As a government institution, the KPP is not oriented toward financial profit like business entities in general. Its primary focus is to optimize state revenue from the taxation sector, which is subsequently used to fund various development programs and public services, and so forth.

LITERATURE REVIEW

Assistance services for the completion of Annual Tax Returns (SPT Tahunan) for individual taxpayers are provided by the Tax Service Office (Kantor Pelayanan Pajak/KPP) and are also available at various nearby service locations to facilitate access and enhance tax compliance. Assistance for completing annual tax returns for individual taxpayers can now be accessed through the official website of the Directorate General of Taxes at www.djponline.pajak.go.id. The website provides various types of tax return forms that can be used in accordance with each taxpayer's specific conditions and tax obligations.

Taxpayers

Individual taxpayers whose annual income is less than IDR 60,000,000 and who receive income from only one employer (such as employees) may fulfill their tax obligations by submitting the Annual Tax Return using Form SPT 1770SS. Law No. 28 of 2007 Article 1 (www.pajak.go.id) defines taxpayers, tax withholders, and tax collectors as individuals or entities that have tax rights and obligations in accordance with the provisions of tax laws and regulations (Nomor, 2017).

Such taxpayers are required to register to obtain a Taxpayer Identification Number (Nomor Pokok Wajib Pajak/NPWP) at the Tax Service Office (KPP) whose jurisdiction covers the taxpayer's place of residence or domicile. To ensure and provide legal certainty for taxpayers in fulfilling their obligations, the law also explicitly regulates taxpayers' rights within the framework of formal tax law.

Manual Tax Return Submission

In carrying out tax administration, a taxpayer is required to complete a Tax Return (Surat Pemberitahuan/SPT) to calculate and report the amount of tax payable. According to (Waluyo, 2022), an SPT is a document used by taxpayers to report the calculation and payment of taxes payable in accordance with prevailing tax laws and regulations. Meanwhile, (Mardiasmo, 2023) defines an SPT as a document used by taxpayers to report the calculation and/or payment of taxes, taxable and non-taxable objects, and/or assets and liabilities in accordance with applicable tax laws and regulations.

Factors Affecting Tax Revenue

According to Syahputra (2024), tax revenue is influenced by two factors, namely external factors and internal factors. External factors affecting a country's tax revenue include economic growth, inflation rates, exchange rates, international oil prices, crude oil production, and interest rates. Meanwhile, the internal factor influencing tax revenue is the tax rate itself. The Directorate General of Taxes (DGT), as a government institution under the Ministry of Finance tasked with securing state tax revenue, is required to consistently achieve increasing tax revenue targets each year amid ongoing social and economic changes within society.

One factor that influences tax revenue is tax collection. Tax collection refers to actions taken to ensure that tax debtors settle their tax liabilities and collection costs through measures such as issuing warnings, conducting collection actions, delivering forced collection letters, proposing travel bans, executing asset seizures, implementing detention, and selling seized assets. Tax collection activities are carried out by tax

authorities when taxpayers fail to comply with tax laws, particularly regarding the payment of outstanding tax liabilities. Tax collection has a positive effect on tax revenue, as strict, consistent, and firm enforcement encourages taxpayers to comply with their tax obligations.

Conceptual Framework

Indonesia is currently categorized as a developing country, as evidenced by its per capita income, which remains within the lower-middle-income category. This classification is also aligned with the criteria of developing countries proposed by several scholars. In this study, the author adopts the developing country classification proposed by Todaro and Smith (2006), as Indonesia's conditions correspond to the issues identified in their framework. A country is classified as developing if it exhibits low productivity levels, relatively low living standards, high population growth and dependency burdens, imperfect markets, and a reliance on agricultural production and primary commodity exports.

The author focuses on the characteristic of relatively low living standards, which is reflected in various issues such as low income levels, poor health conditions, inadequate education systems, and income inequality. Based on the characteristics and challenges of developing countries, particularly income inequality, the World Bank (2015) suggests several approaches to address income disparities, including expanding public services in regional areas, creating employment opportunities and skills training, ensuring protection against economic shocks, and utilizing taxation and government expenditure policies to reduce inequality.

METHODS

This article employs a qualitative literature review method based on an internship practice report prepared by the author after completing an internship at KPP Pratama Jakarta Kebon Jeruk Satu from February to May 2025. The data were obtained through direct observation, involvement in service-related activities, documentation of activities, and evaluation of field-related issues.

According to (Moleong, 2023), descriptive research is a method used by researchers to conduct and compile research findings based on predetermined research questions. Meanwhile, a qualitative research approach aims to understand phenomena within their natural social context by examining the phenomena under investigation.

This study adopts such a research type and approach because it is intended to clearly describe the condition of tax revenue and the level of income inequality, as well as the role of taxation in addressing income inequality in Indonesia, particularly through the redistributive function of taxes.

According to (Sugiyono, 2016), the determination of focus in qualitative research is primarily based on the novelty of the information that can be obtained from the social situation or field setting.

Spradley, as cited in (Sugiyono, 2016), proposes four alternative approaches to determining research focus, one of which is establishing the focus based on issues related to existing theories.

The data collection technique in this study involved informants selected using non-probability sampling with a purposive sampling method. According to Sugiyono (2016:

218–219), qualitative research commonly employs purposive sampling and snowball sampling techniques. In this study, purposive sampling was used, meaning that the researcher intentionally selected individuals or informants who were considered most knowledgeable and relevant to the research objectives.

The internship activities conducted at KPP Pratama Jakarta Kebon Jeruk Satu provided valuable experience and an in-depth understanding of tax administration practices in a real workplace environment.

Based on these activities, the author concludes that KPP plays a strategic role in delivering tax services, educating taxpayers, and fostering tax compliance through technology-based approaches and public communication.

Review of Previous Studies

Based on the presentation of previous studies, the researcher summarizes the findings as follows:

Table 1. Presentation of Previous Studies

Title	Name	Year
Analysis of the Role of Taxation in Addressing Income Inequality in Indonesia (A Study on the Income Redistribution Approach at the Directorate General of Budget and the Center for Indonesian Taxation Analysis)	Heny Priutami	2024
Analysis of the Implementation of the Modern Tax Administration System at the Regional Revenue Agency (BAPENDA) Tax Service Office of Pekanbaru City	Hendra Pastiaman Damanik	2020
Modern Tax Service Systems and Electronic Filing of Annual Tax Returns: Their Impact on Taxpayer Compliance	Pandu Haryanto	2021
The Effect of the Benefits and Ease of E-SPT on the Use of E-SPT Facilities by Taxpayers	Fajar Ramadhan	2022
The Role of VAT E-SPT Implementation in Improving Tax Return Reporting Compliance among Taxable Entrepreneurs	Indri Lestari	2023

RESULT AND DISCUSSION

Based on the literature review, the majority of the studies, three out of four, indicate that taxpayers' knowledge and understanding have a positive effect on tax compliance and related outcomes.

Table 2. The Majority of the Studies

Name	Variable	Result
Heny Priutami	The Role of Taxation in Addressing Income Inequality through an Income Redistribution Approach	The National Medium-Term Development Plan (RPJMN), which is derived from presidential promises and missions, serves as a key framework for implementing income redistribution policies through taxation.
Hendra Pastiaman Damanik	Implementation of the Modern Tax Administration System	The results show that taxpayers respond more positively to a modern tax administration system, as it significantly improves access to information, payment processes, and record-keeping.

Name	Variable	Result
Pandu Haryanto	Modern Tax Services and Electronic Filing of Annual Tax Returns (E-Filing)	The study concludes that e-billing and e-filing partially influence individual taxpayer compliance, particularly among business taxpayers, as these systems are closely linked to the efficiency of annual tax services.
Fajar Ramadhan	The Benefits and Ease of E-SPT in the Use of E-SPT Facilities	There is a significant effect of the perceived benefits of E-SPT on the utilization of E-SPT facilities by taxpayers.
Indri Lestari	Implementation of VAT E-SPT in Improving Tax Return Reporting Compliance	The implementation of VAT E-SPT has a positive impact on improving tax return reporting compliance among Taxable Entrepreneurs.

Annual Tax Return (SPT) Assistance Services

This activity aims to assist individual taxpayers in filing their taxes online through the DJP Online system. The challenges encountered include low levels of technological literacy among taxpayers, data entry errors, system disruptions, and limited access as the filing deadline approaches.

Table 3. Realization for the First Semester and Tax Revenue Prognosis for Fiscal Year 2025 (Trillion Rupiah)

Item	2025					
	State Budget 2025 (APBN)	Semester I	% of APBN	Semester II Forecast	% of APBN	Outlook
1. Tax Revenue	**2.189,3**	**831,3**	**38,0**	**1.245,7**	**56,9**	**2.076,9**
a. Income Tax	1.209,3	491,1	40,6	550,5	45,5	1.041,6
• Oil & Gas Income Tax	62,8	20,3	32,3	33,8	53,8	54,1
• Non–Oil & Gas Income Tax	1.146,4	470,9	41,1	516,7	45,1	987,5
b. VAT and Luxury Sales Tax	945,1	267,3	28,3	628,6	66,5	895,9
c. Land and Building Tax	27,1	11,5	42,5	18,6	68,4	30,1
d. Other Taxes	7,8	61,3	786,7	48,0	615,6	109,3
2. Customs and Excise Revenue	**301,6**	**147,0**	**48,7**	**163,3**	**54,2**	**310,4**
a. Excise	244,2	108,8	44,5	119,9	49,1	228,7
b. Import Duty	52,9	23,6	44,6	30,2	57,0	53,8
c. Export Duty	4,5	14,6	327,6	13,2	296,3	27,9
Total Taxation Revenue	**2.490,9**	**978,3**	**39,3**	**1.409,0**	**56,6**	**2.387,3**

Source: Ministry of Finance. State Budget (APBN) (2025)

In the explanation, it is stated that the fiscal situation in 2025 is under significant pressure. Tax performance is influenced by national economic projections, fluctuations in key commodity prices, the implementation of tax reforms, administrative improvement

policies, and efforts to enhance taxpayer compliance monitoring. As of the first semester, tax revenue realization reached IDR 978.3 trillion, accounting for only 39.3% of the State Budget (APBN) target. In the second semester, an increase is projected, with an additional IDR 1,409 trillion expected.

The government estimates that the component most significantly below target is income tax (PPh), with projected revenue of IDR 1,041.6 trillion compared to the initial target of IDR 1,209.3 trillion. Similarly, Value Added Tax (VAT) and Luxury Goods Sales Tax (PPnBM) are projected to reach IDR 895.9 trillion against a target of IDR 945.1 trillion. The relatively low level of tax revenue is attributable to several factors, including high tax refunds, declining commodity prices, and the cancellation of the planned increase in the VAT rate to 12%. In addition, the newly implemented tax system, known as Coretax, has not yet been able to significantly boost tax revenue.

Business Development Services (BDS)

Business Development Services aim to provide education and support to micro, small, and medium enterprises (MSMEs) through seminars, training sessions, and workshops. However, low participation rates and limited training facilities remain major obstacles to the effectiveness of these programs.

Digital Public Relations

The Tax Service Office (KPP) utilizes social media platforms to disseminate tax-related information. Challenges in this area include low audience engagement due to less engaging content and changes in social media algorithms that affect the reach of educational messages.

CONCLUSION

With regard to the role of taxation in addressing income inequality in Indonesia from the perspective of the income redistribution function, the following points can be highlighted:

a. Among the four functions of taxation, the most relevant function for addressing income inequality is income redistribution through a progressive tax system, particularly a progressive–degressive tax system. Such a system enables the transfer or redistribution of income from high-income groups to low-income households, thereby helping to reduce income inequality in Indonesia.

b. The redistributive function of taxation can be observed within the State Budget (APBN) mechanism through various fiscal policies reflected in the APBN, which represent the needs outlined in the National Medium-Term Development Plan (RPJMN) derived from presidential promises and missions.

KPP Pratama Jakarta Kebon Jeruk Satu has performed its role relatively well in delivering digital-based tax services and educational initiatives. However, challenges such as limited access to technology, the lack of effective digital communication strategies, and low levels of public tax literacy still need to be addressed.

It is recommended that taxpayer digital literacy continue to be enhanced through regular training and outreach programs, that Business Development Services (BDS) be aligned with participants' needs and supported by more effective promotional efforts, and

that digital public relations focus on creative and interactive content such as infographics, short videos, and quizzes.

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