DIGITALIZATION AND TAX REFORM AS A STRATEGY TO INCREASE TAXPAYER COMPLIANCE

Meiliyah Ariani[1]*, Abdullah[2], Watriningsih[3], Zulhawati[4]

[1.2.3]Faculty of Economics and Business, University of Prof. Dr. Moestopo (Beragama), Indonesia

[4]Graduate Program, Universitas Teknologi Yogyakarta, Indonesia

*Corresponding Author:
meiliyahariannie@yahoo.co.uk

Abstract

This study aims to determine the influence of digitalization, digital services, security, and tax reform on taxpayer compliance in the West Jakarta area. The population in this study consists of taxpayers who are registered with a Taxpayer Identification Number (NPWP) at KPP Jakarta Grogol Petamburan. The sampling method used in this study was accidental sampling, resulting in a total sample of 100 respondents. The data used in this study includes primary and secondary data. Data collection was carried out through a questionnaire in the form of Google Forms and analyzed using SPSS (Statistical Product and Service Solutions) software for Windows, version 25. The results of this study prove that digitalization, digital services, security, and tax reform have a significant influence on the compliance of individual taxpayers in the West Jakarta area. The development of digital-based tax systems, such as e-Filing, e-Billing, and online tax payment services, provides easy access, efficiency, and convenience for taxpayers. The high level of security in the tax system also increases trust and reduces concerns about the risk of data leaks. On the other hand, tax reform that focuses on simplifying procedures and transparency also strengthens taxpayers' trust in the applicable system. With the integration of technology, strengthening regulations, and improving services, the level of taxpayer compliance can continue to increase significantly and sustainably in the future. The implications of this study show that technology optimization, strengthening regulations, and improving the quality of tax digital services are important strategies in increasing taxpayer awareness and compliance in a sustainable manner.

Keywords: Digitalization, Digital Services, Security, Tax Reform, Taxpayer Compliance

1. Introduction

In today's digital era, digital transformation has become a key driver of change in various sectors, including the tax sector. Digitization of tax services offers easy access and efficiency in the tax reporting and payment process. However, the application of this technology poses challenges related to the security of taxpayers' personal data, which, if not handled properly, can reduce the level of trust and compliance of taxpayers

Digital transformation in tax administration provides ease in terms of access, transparency, and efficiency. The use of digital systems for tax reporting and payments, such as e-filing and e-payment, allows taxpayers to fulfill their tax obligations more easily and quickly. With digitalization, it is hoped that the tax system will become more efficient, reduce the potential for tax leakage, and increase the level of taxpayer compliance (Andi, 2025).

However, while digitalization brings many benefits, the biggest challenge it faces is security issues. The security of taxpayer data stored in digital systems is very important,

considering the large amount of sensitive data that can be used by irresponsible parties. The risk of data leakage or misuse can reduce the level of taxpayer trust in the digital tax system and potentially reduce taxpayer compliance (Fittry & Gunawan, 2025).

In addition, tax reform in line with digitalization is also important in efforts to improve tax compliance. This reform aims to simplify tax procedures, improve the tax administration system, and improve the quality of services to taxpayers. The reforms also include improving a more effective and technology-based system of supervision, audit, and enforcement of tax laws (OECD, 2021).

The implementation of digital systems that are less secure or inefficient can cause resistance from taxpayers. Uncertainty regarding the security of personal data and the risk of misuse of information can reduce the level of taxpayer participation. Therefore, it is important for governments to ensure that the digital systems implemented are not only efficient but also secure, with adequate data protection measures and clarity in regulations governing the use of personal data (Rosyid, Indri, et al., 2024).

Based on the applicable law, namely Law of the Republic of Indonesia No. 17 of 2003 concerning state finance in article 11 states that "State revenue consists of tax revenues, non-tax revenues, and grants." Income sourced from within the country is the main source of income for state or regional revenue through taxes. This has made it clear how important the role of taxes is for a country or region.

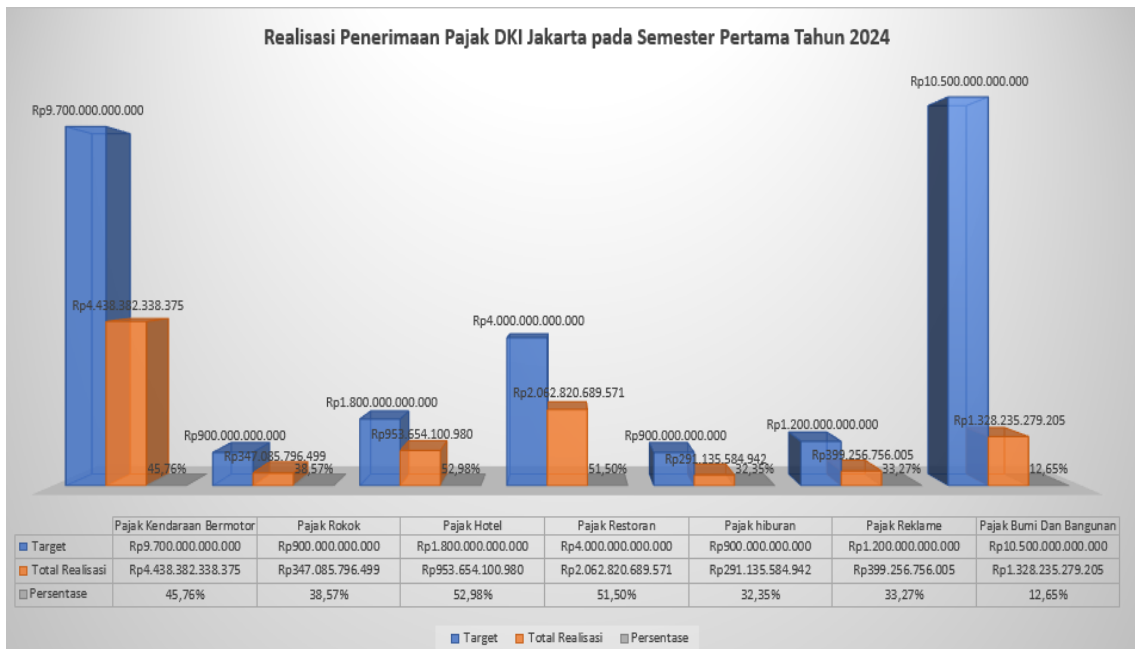This can be seen through the following data on the realization of West Jakarta tax revenues in 2024:

Figure 1. Realization of DKI Jakarta Tax Revenue in 2024
Source: Bapenda Jakarta

From figure 1 above, it can be seen that taxpayer compliance in the West Jakarta area has not increased significantly. It can be seen from the percentage obtained in 2024 that taxpayer compliance is still far from the tax compliance target of 80%.

West Jakarta is one of the modern urban centers in Indonesia that has implemented various technological innovations in public services, including in the fields of taxation and banking. Therefore, the West Jakarta area offers an ideal environment to analyze the performance and effectiveness of digital services in connecting tax accounts with the banking system. The West Jakarta region has shown its ability to adapt information

technology to improve the efficiency of tax administration. For example, the implementation of e-governance and digital applications such as ARIMBI (Application Real-Time Information Sharing) has succeeded in improving the quality of public services, including in the fields of communication and informatics. This shows that the West Jakarta area is ready to accept and integrate more advanced digital technology in managing taxation.

The taxpayer population in the West Jakarta area is quite representative and diverse, making it a good example for generalizing research results. Thus, the feasibility analysis of the development of digital services in the West Jakarta area can provide a more complete picture of how a modern metropolitan city can integrate digital technology to improve compliance and efficiency in tax matters.

The purpose of this study will be to analyze the role of tax reform in supporting the implementation of digitalization, as well as the challenges faced by governments and taxpayers in implementing a safe and efficient digital tax system. In this context, it is important to identify the factors that influence a taxpayer's decision to comply with his or her tax obligations in the all-digital era. With a better understanding of the relationship between digitalization, security, reform, and tax compliance, it is hoped that this research can contribute to the development of more effective and secure tax policies in the future to help improve tax compliance through safe and efficient digital transformation, as well as to support tax reforms that can optimize state revenue through taxes in the digital era.

2. Theoretical Background
2.1 Taxpayer Compliance

Tax compliance is a procedural and administrative action necessary to meet a taxpayer's obligations under applicable tax rules (IBFD International TAX Glossary). Mandatory compliance can be interpreted as the awareness and readiness of taxpayers in fulfilling tax obligations, including estimating, correcting, reporting, and paying taxes in a timely manner in accordance with applicable regulations (Arrozi & Setianing, 2022). Taxpayer compliance is the taxpayer's compliance in carrying out the tax provisions that have been regulated by the Law (Anita & Kholis, 2020). According to Mardiasmo (2023) defines taxpayer compliance as the awareness and readiness of an individual or entity to meet their tax obligations in accordance with applicable regulations without requiring warnings or enforcement actions from tax authorities. Taxpayer compliance is divided into two, namely formal compliance and material compliance (Mardiasmo, 2023) : (1) Formal compliance, measures the extent to which taxpayers comply with tax procedural and administrative requirements, including reporting requirements and the time to file and pay taxes; (2) Material compliance is a situation in which the taxpayer essentially fulfills all the material provisions of taxation, namely according to the content and spirit of the tax law.

The indicators of tax compliance in this study according to Yusdita (2020) are:
1) Tax Estimate: Taxpayers have sufficient knowledge about the amount of tax that is their liability.
2) Tax Errors: Taxpayers are willing to correct their tax calculation errors.
3) Tax Treatment: Understand the procedures for paying taxes from calculation to deposit.
4) Submission of Tax Returns: Submit tax returns on time.
5) Tax Payment: Pay taxes owed on time.

2.2 Digitization

Tax digitalization increases taxpayer compliance by making it easier to access and report taxes through online systems such as e-Filing and e-Billing, reduce miscalculations, and increase transparency and supervision by tax authorities. With technologies such as big data analytics, governments can detect discrepancies in reporting, while taxpayers benefit from faster and more efficient administrative processes.

Tax digitalization is an innovation in tax services that provides facilities in the form of online-based tax service applications to taxpayers by the government with ease of use such as in tax reporting and payment (Tambun, Sitorus & Atmojo, 2020). Tax digitalization is a program to implement tax reform to make it more economical and increase efficiency in terms of tax reporting and is an electronic system presented by the Directorate General of Taxes in the form of applications and websites to facilitate the tax transaction process (Aini & Nurhayati, 2022) .

Based on the theory above (Tambun, et.al., 2020; Aini & Nurhayati, 2022) So the indicators in this study are 4 indicators, namely:

1) Digital-based tax service applications are systems presented by the government in the form of applications/websites in the tax service process.
2) Ease of access to information is the ease of taxpayers in accessing information about the tax management to be carried out.
3) User convenience is the ease of carrying out registration, payment and the online tax reporting process.
4) Digital service innovations are features presented in online tax applications/websites to support the tax processing process.

2.3 Digital Services

Digital services have an important role in improving taxpayer compliance, especially by facilitating access, transparency, and efficiency in the tax process. Taxpayers can more easily calculate, report, and pay taxes on time without having to come directly to the tax office.

Public services as a transformation process that allows organizations to adapt to new technologies, so that they can provide better and faster services to the community with a modern approach to information delivery and transactions that utilize technology to improve interaction between the government and the community, as well as accelerate administrative processes (Yunianingsih, et.al., 2021).

Digital services as a form of service delivery that prioritizes the principles of effectiveness and efficiency, where technology plays an important role in facilitating accessibility for the community as a transformation of the information technology system that allows the delivery of public services more efficiently and responsive to the needs of the community which is a solution that offers convenience and smoothness in transactions without the need to come to a physical service place (Rahmatyah, Damayanti, 2024; Rifa'i, et.al, 2023).

1) Based on the theory above (Rahmatyah, Damayanti, (2024; Rifa'i, et.al, (2023), So the indicators in this study are 5 indicators, namely:
2) User satisfaction – Measures the level of user satisfaction based on experience, such as ease of use and effectiveness of the service.
3) Service availability (uptime) – Measures how often digital services are available and accessible to users without interruption.

4) Response time – The time it takes for a system or support team to respond to a user-reported request or issue.
5) Security and privacy – The level of data protection and user privacy, as well as compliance with information security standards.
   User adoption or participation rate – Measures the number of active users or frequency of use of a service, indicating how much the service is used and accepted by the market.

2.4 Security

Tax security can be defined as the protection of tax data and transactions to prevent leaks, misuse, and cyber threats that can affect taxpayer compliance (Aryanto & Danang, 2024). Data security is one of the critical aspects of personal data protection. Data controllers are obliged to implement appropriate security measures, both technically and organizationally, to protect personal data from unauthorized access, hacking, loss, or damage as mandated by Law Number 27 of 2022 concerning Personal Data Protection (Darwis & Andi, 2024). Security as a level of protection for data and information to prevent access, misuse, or leakage by unauthorized parties, by ensuring confidentiality, integrity, and user consent in every data management process (Aryanto & Danang, 2024). Digital system security factors play a role in building taxpayers' trust in tax authorities, which can ultimately improve overall tax compliance. Thus, the better the quality of digital tax services, the higher the level of taxpayer compliance.

Safety indicators in the study according to Aryanto & Danang, (2024), are as follows:
1) Data security guaranteed during transactions: Indicates that taxpayer data must be protected during the transaction process to prevent unauthorized access.
2) User's data protection with passwords and usernames: Requires users to use strong credentials to access the system, so that only authorized users can access data.
3) Data confidentiality is guaranteed: Taxpayer data must be kept confidential so that it is not misused by third parties.
4) Obtaining information with the consent of the user: Any use of the taxpayer's personal data must be based on the explicit consent of the data owner.

2.5 Tax Reform

Tax reform plays an important role in improving taxpayer compliance by creating a fairer, more transparent, and efficient system. Through reforms, the government improves regulations, strengthens the administrative system, and implements digitalization to make it easier to report and pay taxes. Reform also creates public trust in the tax system, due to clearer policies and more accountable tax management.

Tax reform is a comprehensive effort that includes improvements in three main areas: tax administration, regulation, and supervision as an effort to improve various aspects of the tax system carried out on an ongoing basis by the Directorate General of Taxes (DJP (Yana, et.al., 2024). Tax reform is a comprehensive effort that includes improving tax policy and administration, with the aim of expanding the tax base, improving taxpayer compliance, and creating a fairer and more efficient tax system (Dhestiani & Fatma, 2021; BizNews, 2021.

The indicators of tax reform in this study according to Yana, et.al., (2021); Dhestiani & Fatma, (2021) are as follows:
1) Credibility of Tax Policy: The success of tax reform is highly dependent on public trust in the tax policies implemented. A credible policy will increase taxpayer compliance and tax revenue.

2) Improving Taxpayer Compliance: One of the main goals of the reform is to improve the level of taxpayer compliance. This can be measured through the number of taxpayers who report their tax returns (Annual Return Letters) and the amount of tax payments made.
3) Tax Revenue Effectiveness: Another indicator is the achievement of optimal tax revenue targets. Reform must be able to answer the challenges of globalization and increase the competitiveness of a country's tax system.

Based on the introduction and literature review, the research model can be drawn as follows:
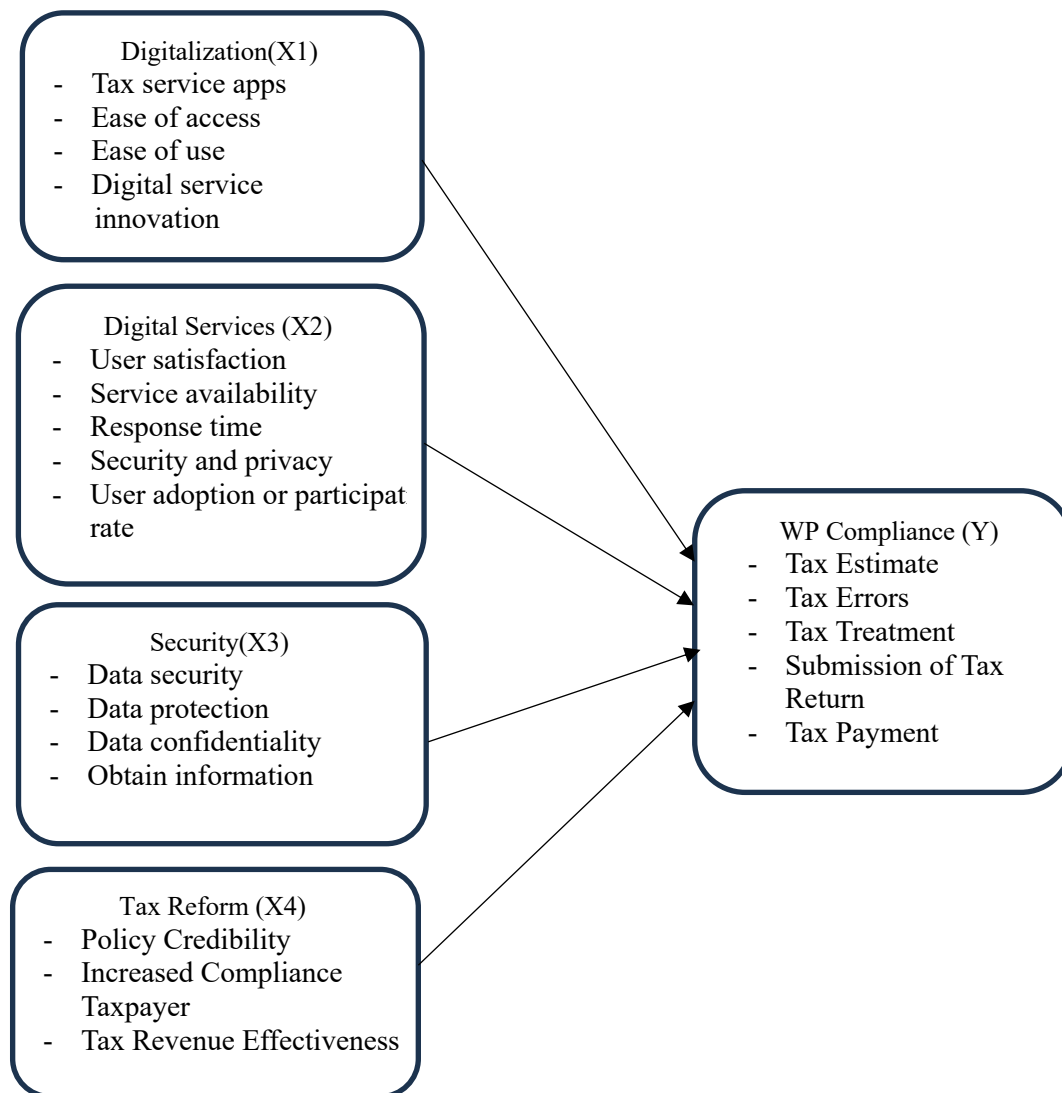

Figure 1. Framework

3. Methods
The model and design of this study is to obtain data on variables that affect the motivation of individual taxpayers in paying income tax. The type of research used in this study is experimental research, which is research that uses treatment in the form of questionnaire data scenarios. The data source used is subject data, namely data in the form

of opinions, attitudes, and experiences on the characteristics of a person/group that is the subject of the research (respondent). Meanwhile, the data in this study is primary data, namely data obtained directly from the original source (Sugiyanto, 2016). The population in this study is active individual taxpayers who pay income tax and are registered at KPP Pratama Jakarta Grogol Pertamburan. Sampling was carried out by accidental sampling method, which is sampling in a study that is included in the non-probability sampling category (Sakaran, 2017).   It is classified as accidental because the observation object is far away in the West Jakarta area and the researcher is in Bekasi, so it is given five days to observe the data. Within five days, a search for respondents was carried out, where on the first day 20 respondents were obtained, on the second day as many as 20 respondents, on the third day 20 respondents were obtained, on the fourth day 20 respondents were obtained, and on the last day 20 respondents were obtained. So it was obtained within five days as many as 100 respondents. In this method, samples are randomly selected based on availability or ease of access, without strict planning or specific criteria. By setting the criteria that the respondent must have an NPWP. The data analysis in this study uses multiple linear regression using validity test, reliability test, multiple linear regression analysis test, classical assumption test and t hypothesis test and determination coefficient test with SPSS statistical application program (Ghozali, 2018).

4. Results and Discussion
4.1 Descriptive Test
    Based on the results of the descriptive test in this study, it can be seen in the table below:

Table 1. Descriptive Test

		Dig	LD	Kea	Ref	KWP
N	Valid	100	100	100	100	100
	Missing	0	0	0	0	0
Mean		15,17	18,09	16,01	10,52	18,85
Std. Deviation		2,590	3,124	3,338	2,787	2,298
Minimum		8	9	6	6	13
Maximum		20	24	20	15	25

    Based on the table above, it can be concluded as follows:

1) The Digital Variable (Dig) has 100 valid data with no data lost. The average value for this variable is 15.17, indicating the tendency of the data to be around that number. The standard deviation of 2.590 indicates that the variation in the data is not very large. The range of values of these variables is quite wide, with a minimum value of 8 and a maximum of 20, indicating a significant difference between the smallest and largest values in this data.

2) The Digital Services (LD) variable also has 100 valid data. The average score obtained is 18.09, higher than Dig. The standard deviation of this variable reaches 3.124, which indicates that the data is more varied than Dig. A minimum value of 9 and a maximum of 24 indicate that there are individuals with very low or high scores in this dataset.

3) The Security variable (kea) has an average of 16.01, with a standard deviation of 3.338, which is the highest standard deviation among all variables. This shows that the variation in the data in Kea is greater than other variables. The observed range of

values is a minimum of 6 and a maximum of 20, indicating a considerable difference between the values in these variables.

4) The Reformasi variable (Ref) had an average value of 10.52, which is the lowest average compared to other variables. The standard deviation is 2.787, indicating a not very large variation in the data, but still having significant differences between the values in the dataset. The minimum values of 6 and maximum of 15 indicate that the data range of these variables is the narrowest compared to the other variables.

5) The Taxpayer Compliance Variable (KWP) has the highest average, which is 18.85, which shows a tendency to have a higher value than all other variables. Its standard deviation of 2.298, which is the lowest among all variables, indicates that the data on this variable is more concentrated around the mean value. The range of values found is a minimum of 13 and a maximum of 25, which is still quite wide but has a smaller variation than Kea or DL.

4.2 Validity Test and Reliability Test

Based on the results of the validity and reliability test in this study, it can be seen in the table below:

Table 2. Validity Test Results

Variable	Validity	Information	Reliability	Information
Dig (x1)	0,460 - 0,819 > 0,196	Valid	0,759	Reliable
LD (x2)	0,317 - 0,636 > 0,196	Valid	0,713	Reliable
Kea (X3)	0,854 - 0,924 > 0,196	Valid	0,840	Reliable
Ref (X4)	0,949 - 0,987 > 0,196	Valid	0,883	Reliable
KWP (Y)	0,227 - 0,616 > 0,196	Valid	0,623	Reliable

Source: processed 2025

Based on the results of the table above, the results of all statements in the variables of digitalization, digital services, security, reform, and taxpayer compliance were obtained. Inside the questionnaire can be used to test because all results exceed the r-table, therefore the conclusion is that all variables meet the validity requirements. And for the Reliability test, based on the table above, it can also be concluded as follows:

1) The results of the reliability test on the digitization variable (x1) showed that Cronbach's alpha on this variable was higher than the baseline value of $0.759 > 0.60$. This result proves that all statements in the variable questionnaire (x1) are declared reliable.

2) The results of the reliability test on the digital services variable (x2) showed that Cronbach's alpha on this variable was higher than the base value of $0.713 > 0.60$. This result proves that all statements in the variable questionnaire (x2) are declared reliable.

3) The results of the reliability test on the safety variable (x3) showed that Cronbach's alpha on this variable was higher than the baseline value of $0.840 > 0.60$. This result proves that all statements in the variable questionnaire (x3) are declared reliable.

4) The results of the reliability test on the reform variable (x4) showed that Cronbach's alpha on this variable was higher than the baseline value of $0.883 > 0.60$. This result proves that all statements in the variable questionnaire (x4) are declared reliable.

5) The results of the reliability test on the digital service variable (Y) showed that Cronbach's alpha on this variable was higher than the base value of $0.623 > 0.60$. This result proves that all statements in the variable questionnaire (Y) are declared reliable.

4.3 Multiple Linear Regression Test

The results of the multiple linear regression calculation with the SPSS program in this study can be seen in the table below:

Table 3. Multiple Linear Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Contestant)	4,213	1,258		3,349	0,001
	Digitization	0,456	0,062	0,514	7,395	0,000
	Digital Services	0,166	0,046	0,225	3,586	0,001
	Tax Reform	0,218	0,048	0,316	4,525	0,000
	Security	0,118	0,057	0,143	2,082	0,040

Source: processed 2025

Based on the table above, it can be seen that the regression equations formed are:

$KWP = 4,213 + 0,456 \, Dig + 0,166 \, LD + 0,218 \, Kea \, 0,118 \, Ref + 0,118 \, Ref + 1,258 \, e$

From this equation, it can be explained that:

1) The variables of Digitalization, Digital Services, Security, and Reform have a coefficient value that is positive for Taxpayer Compliance in the use of digital taxes.
2) The digitization coefficient gives a value of 0.456, which is 45.6% that every one unit increase in the Digitization variable affects taxpayer compliance.
3) The Digital Services Coefficient gives a value of 0.166, which is 16.6% that every one unit increase in the Digitization Services variable affects taxpayer compliance.
4) The Security Coefficient gives a value of 0.216, which is 21.6% that every one unit increase in the Security variable affects taxpayer compliance.
5) The Reformasi coefficient gives a value of 0.118, which is 11.8% that every increase of one unit in the Reformasi variable has an effect on taxpayer compliance.

4.4 T Test

Table 4. T Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Contestant)	4,213	1,258		3,349	0,001
	Digitization	0,456	0,062	0,514	7,395	0,000
	Digital Services	0,166	0,046	0,225	3,586	0,001
	Tax Reform	0,118	0,057	0,143	2,082	0,040
	Security	0,218	0,048	0,316	4,525	0,000

Source: processed 2025

Based on the table above, the value of t-Calculate each variable can be seen, so that it is obtained:

1) The t-test on the Digitization variable (X1) obtained a t-Table of 1.984 and a t-Calculation value of 7.396 when compared, obtained (7.396 > 1.984) with a

significance value of 0.000 < 0.05 which means that it can be stated that the Digitization variable partially and significantly is proven to affect Individual Mandatory Compliance

2) The t-test on the Digital Services variable (X2) obtained t-Table of 1.984 and the t-Calculated value of 3.586 when compared to obtain (3.586 > 1.984) with a significance value of 0.001 < 0.05 which means that it can be stated that the Digital Service variable is partially and significantly proven to affect the Compliance of Individual Taxpayers.

3) The t-test on the Security variable (X3) obtained t-Table of 1.984 and the t-Calculation value of 4.525 when compared to (4.525 > 1.984) with a significance value of 0.000 < 0.05 which means that it can be stated that the Security variable partially and significantly has been proven to affect the Compliance of Individual Taxpayers.

4) The t-test on the Reform variable (X4) was obtained t-Table of 1.984 and the t-Calculation value of 2.082 when compared to obtain (2.082 > 1.984) with a significance value of 0.040 < 0.05 which means that it can be stated that the Reform variable partially and significantly has been proven to affect the Compliance of Individual Taxpayers.

4.5 Anova Test (F Test)
Table 5. F Test Result

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	338,323	4	84,581	43,568	.000b
	Residual	184,427	95	1,941		
	Total	522,750	99			

Source: processed 2025

Based on the table above, it is known that the F-Value of the calculation is 43.568 and the F-Table value is 2.47, this can be seen that the value of 43.568 is greater than the value of 2.47 or in other words, the Digitization variable, the Digital Services variable, the Security variable, and the Reform variable have a simultaneous effect on the Taxpayer Decision.

4.6 Coefficient of Determination Test (R2 Test)
Table 6. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804a	0,647	0,632	1,393

Source: processed 2025

Based on the table above, it is known that the value of Adjusted R-Squared is 0.647, this value must be multiplied by 100%, then the coefficient obtained is 64.7%, this means that 64.7% of the increase or decrease in the Digitalization variable is influenced by the variables of Digitalization, Reform, and Security Services while the rest is influenced by other variables that are not studied in this study.

4.7 Discussion
4.7.1 The Effect of Digitalization on Taxpayer Compliance
Based on the results of the analysis, it is stated that it shows that digitalization has a positive effect on taxpayer compliance. From the results of this study, it is known that digitalization has a significant influence on the compliance of individual taxpayers in the

West Jakarta area. This shows that the more digital systems in tax administration develop, such as e-filling, e-billing, and online tax services, the higher the level of taxpayer compliance. This result was influenced by the respondents' answers with the highest average regarding Digitalization to the statement "digitalization can make it easier for taxpayers to make tax payments digitally" which illustrates that many respondents agree that digitalization affects taxpayer compliance.

The results of this study also explain that based on the indicators used, the higher use of digitalization in the tax system can increase the compliance of individual taxpayers. Ease of access to digital tax services, transparency of information, and efficiency in the tax payment and reporting process can encourage taxpayers to be more compliant in fulfilling their obligations. In addition, digitalization supported by a good security system is able to increase taxpayers' trust in the tax system, thereby reducing the potential for non-compliance and strengthening tax awareness.

Thus, digitalization not only simplifies the tax administrative process, but also increases taxpayers' awareness to comply with their obligations through the convenience offered by online tax payment systems, which ultimately impacts higher tax compliance.

4.7.2 The Influence of Digital Services on Taxpayer Compliance

Based on the results of the analysis, it can be concluded that digital services have a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the more developed and accessible digital services in tax administration—such as e-Filing, e-Billing, and online tax payment systems—the higher the level of taxpayer compliance. This is due to the convenience, efficiency, and practicality offered by the digital system.

Respondents in this study showed a high level of approval of the statement that "digital services can make it easier for taxpayers to make tax payments online", which indicates that they feel the benefits of digitizing tax services firsthand. The ease of accessing and using the digital tax system also influences the positive perception of taxpayers and encourages them to be more obedient in fulfilling their tax obligations.

The study also revealed that based on the indicators used—such as service speed, system accuracy, ease of application navigation, and information availability—the increase in the use of digital services directly contributes to increased tax compliance. Taxpayers feel more helped in reporting and paying taxes without having to come directly to the tax office, so that administrative and time barriers can be minimized.

In addition, digital services allow the tax process to be more transparent and measurable, as all activities are automatically recorded in the system. This provides a sense of fairness and accountability, which encourages taxpayers to be more trusting and ultimately compliant in carrying out their obligations. The ease of obtaining tax information online, such as reporting schedules, types of taxes to be paid, and automatic calculations, helps reduce reporting errors and supports compliant behavior.

No less important, with the support of a strong security system for digital services, taxpayers' sense of security towards the confidentiality of their data and transactions increases. When this trust is built, the potential for non-compliance decreases, and awareness of the importance of tax liability grows stronger.

Thus, the results of this study provide recommendations to the Directorate General of Taxes (DGT) to continue to strengthen and develop digital tax services that are user-friendly, responsive, and integrated. This effort will not only improve the efficiency of tax administration, but will also encourage taxpayers to be more active, aware, and

compliant in carrying out their tax obligations independently through available technology.

4.7.3 The Effect of Security on Taxpayer Compliance

Based on the results of the analysis, it can be concluded that security has a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the higher the level of security in tax administration, including in the online tax payment system, the higher the level of taxpayer compliance. The security in question includes the protection of personal data, the security of financial transactions, and the guarantee that all information and documents provided will not be misused by irresponsible parties.

In this study, the statement of respondents with the highest average regarding security was that "security can foster taxpayers' trust in making tax payments online". This reflects that the majority of respondents feel that trust in the digital taxation system is highly dependent on the level of security possessed by the system. Trust is the main prerequisite for the success of digitizing tax administration, because without trust, taxpayers tend to be reluctant to use the system that has been provided.

Furthermore, based on the indicators used, it can be concluded that the stronger the security system implemented in the tax administration and payment process, the greater the impact on increasing taxpayer compliance. Several security aspects such as data encryption, two-factor authentication, and real-time system monitoring provide additional assurance for taxpayers that their transactions are safe from third-party threats or cyberattacks. Security also includes legal and regulatory aspects, such as the system's compliance with personal data protection regulations.

This research also shows that good security plays an important role in reducing taxpayers' concerns about digital risks, such as data leaks, identity theft, and manipulation of tax data. When a sense of security has been formed, the positive perception of the tax system increases, and this is directly proportional to the awareness and willingness of taxpayers to carry out their tax obligations on time and in accordance with the provisions.

On the other hand, if the security system is considered inadequate or incapable of guaranteeing the protection of personal information, the potential for non-compliance may increase. Taxpayers will tend to avoid online systems, or even reduce their interaction with digital services out of distrust. These risks lowering the effectiveness of a digital taxation system that has been built at great cost and effort.

Thus, the results of this study provide strategic recommendations for tax authorities, especially the Directorate General of Taxes (DGT), to continue to improve information technology security infrastructure as part of efforts to strengthen taxpayer compliance. This improvement can be done through various concrete steps, such as conducting periodic updates to IT security systems, including the implementation of security patches and system updates to prevent vulnerabilities to cyber threats. In addition, the provision of cybersecurity training for tax employees and socialization to taxpayers is also very important to increase digital literacy and awareness of potential security risks. The DGT is also advised to increase collaboration with third parties, such as technology companies, in order to develop a security system based on artificial intelligence (AI) and blockchain technology that is able to provide more sophisticated and decentralized data protection. In addition, the implementation of transparency policies in the management and protection of taxpayers' personal data needs to be made a priority so that the public feels safe and trusts the digital tax system used. These efforts are expected to create a safer,

modern, and more tax environment oriented towards improving tax compliance in a sustainable manner.

Strengthening this security system will not only increase public trust in digital tax services such as e-Filing, e-Billing, and e-Form, but will also support the government's long-term goal of building a modern, efficient, and integrity tax system. Ultimately, this will have a positive impact on improving overall tax compliance, as well as helping to achieve state revenue targets from the tax sector.

4.7.4 The Effect of Tax Reform on Taxpayer Compliance

Based on the results of the analysis, it can be concluded that tax reform has a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the more reforms in tax administration are developed and implemented—especially through the use of online tax payment systems and the digitization of tax processes—the higher the level of taxpayer compliance. The reforms in question include various aspects, such as simplifying procedures, modernizing service systems, increasing transparency, and using digital technology to support efficiency and accountability.

In the study, the statement with the highest average score from respondents regarding reform was that "reform can make it easier for taxpayers to make tax payments online." This reflects that the majority of respondents recognize the real benefits of tax reform, especially in terms of ease of access and use of digital tax services. Reforms that are directly felt by taxpayers play a major role in encouraging their active participation in fulfilling tax obligations.

Furthermore, this study also shows that based on the indicators used, the rapid increase in tax reform in the tax system has a direct impact on increasing taxpayer compliance. Factors such as ease of access to digital tax platforms, increased information transparency, bureaucratic simplification, and reduced administrative burden are the main drivers in building compliant behavior. The faster and more efficient tax reporting and payment process contributes to the public's positive perception of the national tax system.

In addition, tax reform that emphasizes strengthening the digital system and structuring regulations that are clearer and easier to understand has also increased public trust in tax institutions. When rules are more transparent, procedures simpler, and systems are more user-friendly, taxpayers feel empowered to carry out their obligations. This trust plays an important role in reducing the potential for non-compliance and increasing tax awareness as part of citizens' responsibilities.

Not only that, technology-based tax reform also strengthens the supervision and monitoring function of tax obligations. With an integrated and transparent system, the Directorate General of Taxes can monitor the taxation activities of individuals and business entities in real-time. This allows the government to improve the accuracy of tax data, reduce the potential for tax evasion or manipulation, and detect data mismatches more quickly and accurately.

Tax reform that is implemented consistently also creates a more conducive tax environment, where taxpayers feel not only supervised but also facilitated. Thus, tax reform is not only a matter of enforcement, but also a matter of fairer and more effective services.

Overall, the results of this study provide important recommendations for tax authorities, especially the Directorate General of Taxes (DGT), to continue and expand tax reform with a focus on digital transformation, regulatory simplification, and

improving the quality of public services. These measures are believed to be able to increase voluntary compliance, expand the tax base, and strengthen state revenues in the long run.

5. Conclusion

Based on the results of the research and discussion, it has been proven that: (1) Based on the results of the analysis, it is stated that it shows that digitalization has a positive effect on taxpayer compliance. From the results of this study, it is known that digitalization has a significant influence on the compliance of individual taxpayers in the West Jakarta area. This shows that the more digital systems in tax administration develop, such as e-filling, e-billing, and online tax services, the higher the level of taxpayer compliance; (2) Based on the results of the analysis, it can be concluded that digital services have a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the more developed and accessible digital services in tax administration—such as e-Filing, e-Billing, and online tax payment systems—the higher the level of taxpayer compliance; (3) Based on the results of the analysis, it can be concluded that security has a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the higher the level of security in tax administration, including in the online tax payment system, the higher the level of taxpayer compliance; (4) Based on the results of the analysis, it can be concluded that tax reform has a positive and significant effect on the compliance of individual taxpayers in the West Jakarta area. These findings show that the more tax reform develops and is implemented in tax administration—especially through the use of online tax payment systems and the digitization of tax processes—the higher the level of taxpayer compliance.

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