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Community Empowerment to Enhance Tax Compliance in Pemurus Luar Village

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ABSTRACT

This community service program aimed to improve tax literacy, strengthen taxpayers' understanding of recent tax regulations, and enhance the capability of community members to utilize digital tax services independently in Pemurus Luar Village, East Banjarmasin District, Banjarmasin City. The program involved 86 participants and applied a combination of tax literacy socialization, dissemination of recent tax regulations, and personalized technical assistance. The implementation successfully improved participants' understanding of taxation while enabling 74 taxpayers to complete NIK–NPWP validation, 45 participants to reactivate their EFIN, and 68 taxpayers to independently submit SPT Tahunan 1770 S/SS. The program demonstrates that integrating education with practical assistance effectively strengthens tax literacy, digital tax capability, and sustainable voluntary tax compliance.

INTRODUCTION

Tax revenue remains the primary source of government income in Indonesia and plays a crucial role in maintaining fiscal sustainability, financing national development, and supporting the provision of public services. In the 2025 State Budget (APBN), the Indonesian government targets tax revenue of IDR 2,490.9 trillion, accounting for approximately 82.3% of total state revenue. This target underscores that optimizing tax collection continues to be a national priority for maintaining economic stability (Kementerian Keuangan Republik Indonesia, 2025). To achieve this objective, the government has implemented a series of tax reforms, including regulatory improvements, administrative modernization, and the digital transformation of tax services. Nevertheless, the success of these initiatives ultimately depends not only on the quality of the tax administration system but also on taxpayers' willingness to fulfill their tax obligations. Consequently, improving taxpayer compliance has become a fundamental prerequisite for establishing an effective and sustainable tax system capable of supporting national development.

The importance of taxpayer compliance has become even greater because Indonesia adopts a self-assessment system, under which taxpayers are responsible for calculating, paying, and reporting their tax obligations independently. Within this system, the effectiveness of tax administration depends not only on enforcement mechanisms and the application of tax sanctions but also on taxpayers' voluntary willingness to comply with tax regulations. Tax compliance decisions are influenced by a combination of economic and behavioral considerations and therefore cannot be explained solely by audit probability or the severity of tax penalties (Andreoni et al., 1998). This perspective suggests that improving taxpayer compliance requires not only effective law enforcement but also approaches capable of fostering public awareness regarding the importance of fulfilling tax obligations. Tax morale has been recognized as a key determinant of voluntary compliance through trust in government, prevailing social norms, and shared societal values. Accordingly, strengthening tax compliance should focus not only on regulatory enforcement but also on promoting public awareness and participation in the tax system as part of a broader tax culture (Torgler, 2003).

Taxpayer compliance results from the interaction of multiple interrelated factors and therefore cannot be achieved solely through stronger regulations or stricter law enforcement. These factors include tax knowledge, service quality, administrative effectiveness, taxpayer characteristics, and trust in government, all of which collectively shape taxpayer compliance behavior (Marandu et al., 2015). In practice, taxpayer compliance extends beyond the fulfillment of administrative requirements and also reflects the extent to which taxpayers comply with tax obligations accurately and in accordance with applicable regulations, both formally and materially (Aripratiwi & Khoirul Umam Hasbiy, 2023). Trust in tax authorities provides an essential foundation for voluntary compliance, whereas taxpayer awareness helps sustain compliance when trust in tax authorities remains relatively low (Martadinata & Yasa, 2023). These findings indicate that improving taxpayer compliance requires a comprehensive approach supported by multiple complementary factors rather than relying on a single intervention.

Regulatory reinforcement through tax policies and tax sanctions has been shown to improve tax compliance among micro, small, and medium-sized enterprises (MSMEs). However, modernization of the tax administration system has not been found to strengthen the effects of these factors, indicating that administrative modernization alone is insufficient to achieve optimal compliance (Pratama & Urumsah, 2024). Technological development has further expanded compliance strategies through digital transformation, which enhances business sustainability and subsequently encourages stronger tax compliance intentions among MSMEs (Nastiti et al., 2025). Other studies also demonstrate that taxpayer compliance is shaped by the interaction of taxpayer-related factors, organizational factors, and tax technology, with taxpayer awareness emerging as the most influential factor in promoting compliance (Oktariyana & Junias, 2026; Rusiyati et al., 2026). Nevertheless, taxpayer awareness does not develop automatically but requires continuous efforts to strengthen taxpayers' knowledge and understanding of their rights and obligations.

In response to this need, many countries have increasingly recognized taxpayer education as a strategic instrument for strengthening voluntary tax compliance. Building a sustainable tax culture cannot rely solely on regulatory improvements but also requires the integration of teaching, communication, and practical assistance so that taxpayers not only understand tax regulations but are also capable of implementing their tax obligations independently (OECD, 2021). Accordingly, taxpayer education is no longer viewed merely as an informational campaign but as an empowerment process designed to develop taxpayers' knowledge, awareness, and capability to fulfill their tax obligations sustainably.

The effectiveness of taxpayer education has been consistently supported by empirical evidence. Taxpayer education programs have been shown to improve tax knowledge, enhance taxpayers' perceptions of tax administration, reduce perceived complexity within the tax system, and ultimately promote higher levels of tax compliance (Mascagni et al., 2025; Mukhlis et al., 2015). Similarly, taxpayer education improves compliance by strengthening taxpayers' capability, perceptions of the tax system, and tax morale, while also demonstrating positive effects across different taxpayer groups ((Hidayati et al., 2023; Kwok & Yip, 2018). Furthermore, tax education contributes to greater taxpayer knowledge, understanding, and awareness of tax rights and obligations, thereby producing positive effects on taxpayer compliance (Agusetiawati et al., 2024; Kurniawan, 2020).

Despite the well-established effectiveness of taxpayer education, its implementation at the community level still requires further strengthening to ensure that educational initiatives extend beyond the dissemination of information alone. Taxpayer education produces greater benefits when combined with direct interaction that enhances taxpayers' understanding of and trust in the tax administration system (Mascagni et al., 2025). Likewise, the OECD (2021) emphasizes that developing a sustainable tax culture requires integrating education, communication, and practical assistance so that taxpayers are able not only to understand tax regulations but also to apply them independently in fulfilling their tax obligations.

This Community Service Program integrates tax literacy socialization, tax regulation counseling, and practical technical assistance into a single, complementary program. This integrated approach is expected not only to improve community knowledge regarding tax rights and obligations but also to strengthen taxpayers' ability to utilize digital tax services and fulfill their tax obligations independently. Ultimately, the program is intended to support the development of a sustainable tax compliance culture through a community empowerment approach.

IMPLEMENTATION AND METHODS

The Community Service Program was conducted in Pemurus Luar Village, East Banjarmasin District, Banjarmasin City, in collaboration with Pemurus Luar Village Office as the primary community partner. The activity involved 86 participants, comprising local residents, micro, small, and medium-sized enterprise (MSME) owners, RT/RW representatives, members of Family Welfare Movement (PKK), Karang Taruna representatives, community leaders, and residents who had obtained a Taxpayer Identification Number (NPWP) or were prospective taxpayers. The program combined mass education and personalized assistance to strengthen tax literacy, improve participants' understanding of taxpayers' rights and obligations, and enhance their ability to utilize digital tax services.

Implementation began with an interactive socialization session (transfer of knowledge) held at Pemurus Luar Village Hall. Participants were introduced to the role of taxation in supporting national and regional development, particularly its contribution to infrastructure improvement, including drainage systems and road development in East Banjarmasin. The session also covered taxpayers' rights and obligations, recent tax regulations applicable to MSMEs, including the 0.5% final income tax rate and Non-Taxable Income (PTKP) threshold, as well as the utilization of digital tax services. Presentations were complemented by interactive discussions and question-and-answer sessions to encourage active participation and strengthen participants' understanding of the topics presented.

This was followed by the Digital Tax Corner workshop (transfer of skill), where participants received hands-on guidance using their own smartphones. Service team members assisted participants in accessing DJP Online, reactivating forgotten Electronic Filing Identification Numbers (EFIN), and practicing the completion and submission of SPT Tahunan 1770 S/SS. The workshop was designed to strengthen practical skills while increasing participants' confidence in independently accessing and utilizing digital tax services.

Personalized assistance (empowerment) was subsequently provided through direct visits to MSME business premises in Pemurus Luar Village. During these visits, the service team guided participants in recording daily business turnover, maintaining simple financial records, and organizing supporting documents required for tax reporting. Participants also received a tax handbook together with a Microsoft Excel-based daily turnover recording template to facilitate systematic bookkeeping and simplify future tax reporting.

Program effectiveness was evaluated through pre-test/post-test questionnaires to measure changes in participants' tax knowledge and understanding before and after the activity. To ensure continuity beyond the implementation period, a WhatsApp consultation group was established to facilitate ongoing communication between the service team and participants, enabling community members to seek guidance on tax-related issues whenever needed. Integrating socialization, practical training, personalized assistance, and continuous consultation was expected to strengthen tax literacy, increase taxpayer awareness, promote more effective utilization of digital tax services, and ultimately contribute to the development of a sustainable tax compliance culture within the community.

RESULTS AND DISCUSSION

The Community Service Program conducted in Pemurus Luar Village, East Banjarmasin District, Banjarmasin City, was successfully implemented through the integration of three complementary interventions: tax literacy socialization, dissemination of recent tax regulations, and personalized technical assistance. The program involved 86 participants, comprising local residents, micro, small, and medium-sized enterprise (MSME) owners, RT/RW representatives, members of the Family Welfare Movement (PKK), Karang Taruna representatives, community leaders, and residents who had obtained or were eligible to obtain a Taxpayer Identification Number (NPWP). In addition to generating direct benefits for the community, the program also served as an implementation of the Merdeka Belajar Kampus Merdeka (MBKM) initiative by actively engaging university students in community assistance and empowerment activities. The implementation of the program, including tax literacy socialization and community participation.

Figure 1. Community service activities conducted in Pemurus Luar Village

The program commenced with a tax literacy socialization session designed to strengthen public understanding of the importance of taxation for national and regional development. Rather than focusing solely on taxpayers' legal obligations, the session linked tax contributions to public infrastructure that participants could directly observe and experience, such as road maintenance and drainage improvements in East Banjarmasin. Participants were also encouraged to discuss tax-related issues encountered in their daily lives and to share their perceptions of the benefits generated through taxation. Relating taxation to local development enabled participants to perceive tax compliance as a tangible contribution to community welfare rather than merely an administrative obligation. Discussions throughout the session indicated a noticeable shift in participants' perceptions, with many recognizing taxation as an essential instrument for supporting public development within their own communities. This finding is consistent with OECD (2021), which emphasizes that developing a sustainable tax compliance culture requires integrating education, communication, and practical assistance so that taxpayers not only understand tax regulations but are also able to apply them independently. The results also support the findings of Mascagni et al. (2025) and Mukhlis et al. (2015), who reported that taxpayer education improves tax knowledge while fostering more positive perceptions of the tax system, ultimately encouraging voluntary tax compliance.

During this session, the service team explained the 0.5% Final Income Tax scheme applicable to eligible MSMEs, the integration of the National Identity Number (NIK) with the Taxpayer Identification Number (NPWP), and administrative procedures related to tax compliance. Participants were also provided with opportunities to consult directly with the service team regarding challenges encountered in complying with tax regulations, including concerns about tax burdens and difficulties in understanding recent regulatory changes. Before the program, many MSME owners perceived taxation primarily as a financial burden that could reduce business capital. Following the session, participants demonstrated a better understanding of available tax incentives and recognized that tax compliance also facilitates access to banking services, financing opportunities, and business licensing. These findings indicate that improving taxpayer compliance depends not only on increasing tax knowledge but also on strengthening taxpayers' understanding of current tax policies. This finding supports Pratama & Urumsah (2024), who reported that tax policies contribute positively to taxpayer compliance. Similarly, Martadinata & Yasa (2023) argued that trust in tax authorities and increased taxpayer awareness are fundamental drivers of voluntary compliance.

The program continued with personalized technical assistance aimed at improving participants' ability to utilize digital tax services. Assistance was delivered through a one-on-one coaching approach, enabling each participant to receive guidance based on individual needs and technical difficulties. The service team assisted participants in accessing DJP Online, validating NIK–NPWP integration, reactivating forgotten Electronic Filing Identification Numbers (EFIN), and practicing the completion and submission of SPT Tahunan 1770 S/SS using their smartphones. This approach produced measurable outcomes. A total of 74 taxpayers successfully completed NIK–NPWP validation through the DJP Online platform, 45 participants successfully reactivated their tax accounts after recovering forgotten EFIN credentials or passwords, and 68 taxpayers, including salaried employees and MSME owners, independently completed and submitted SPT Tahunan 1770 S/SS without visiting the local Tax Office.

Table 1. Outcomes of Tax Assistance Activities in Pemurus Luar Village

Activity	Achievement
Total participants	86
Successful NIK–NPWP validation	74 taxpayers
Successful EFIN reactivation	45 participants
Successful independent submission of SPT Tahunan 1770 S/SS	68 taxpayers

These outcomes demonstrate that personalized assistance effectively reduced technological barriers while increasing participants' confidence in utilizing digital tax services. Participants who had previously experienced difficulties accessing electronic tax services became more capable of independently using various features available through DJP Online. These findings support Nastiti et al. (2025), who demonstrated that digital transformation enhances the effectiveness of tax compliance. Similar conclusions were reported by Oktariyana & Junias (2026) and Rusiyati et al. (2026), who found that taxpayer compliance is shaped by the interaction of individual, organizational, and technological factors, with taxpayer awareness serving as one of the most influential determinants of compliance behavior.

The improvements in participants' knowledge and practical skills indicate that taxpayer education extends beyond conceptual understanding by enabling individuals to independently fulfill their tax obligations. Combining tax literacy socialization, regulatory dissemination, and personalized technical assistance provided participants with a more comprehensive learning experience because they not only received information but also practiced digital tax procedures while obtaining immediate solutions to practical challenges. This finding is consistent with Kwok and Yip (2018), who concluded that taxpayer education strengthens compliance by improving taxpayers' capabilities, perceptions of the tax system, and tax morale. The results also reinforce previous findings reported by Hidayati et al. (2023), Agusetiawati et al. (2024), and Kurniawan (2020), which demonstrated that tax education contributes to higher levels of tax knowledge, understanding, and awareness, thereby producing positive effects on taxpayer compliance.

Beyond its benefits for the community, the program also supported the implementation of the Merdeka Belajar Kampus Merdeka (MBKM) initiative. Students actively participated as tax buddies, assisting community members in addressing tax administration issues while gaining practical experience through direct engagement with real-world problems. At the same time, academic staff applied their expertise to provide practical solutions to tax-related challenges encountered by community members. Documentation of program implementation, changes in participants' understanding, and educational outputs generated during the activity also contributed to achieving Key Performance Indicators (IKU) 2, IKU 3, and IKU 5 established by higher education institutions.

The findings demonstrate that integrating tax literacy socialization, dissemination of recent tax regulations, and personalized technical assistance effectively improved participants' tax knowledge, awareness, and practical capability to fulfill their tax obligations independently. This integrated approach not only strengthened tax literacy but also enhanced participants' ability to utilize digital tax services, thereby contributing to the development of a more sustainable tax compliance culture within the community.

CONCLUSIONS AND RECOMMENDATIONS

The Community Service Program conducted in Pemurus Luar Village, East Banjarmasin District, Banjarmasin City, demonstrated that integrating tax literacy socialization, dissemination of recent tax regulations, and personalized technical assistance effectively enhanced participants' tax knowledge, awareness, and practical capability to fulfill their tax obligations independently. By combining contextual education with direct technical assistance, the program enabled participants not only to develop a better understanding of tax regulations but also to acquire practical skills in utilizing digital tax services, including DJP Online, NIK–NPWP validation, Electronic Filing Identification Number (EFIN) reactivation, and the submission of SPT Tahunan 1770 S/SS. These findings suggest that strengthening taxpayer compliance requires educational interventions that integrate knowledge transfer with practical assistance, allowing community members to translate their understanding into sustainable tax compliance practices.

The program further demonstrated that collaboration among higher education institutions, local government, students, and community members enhances both the effectiveness and sustainability of community-based tax education. The active involvement of students through the Merdeka Belajar Kampus Merdeka (MBKM) initiative not only enriched experiential learning but also expanded the delivery of technical assistance to the community. Building on these outcomes, similar community service programs should be implemented on a sustained basis through periodic tax literacy initiatives, continuous technical assistance, and stronger collaboration with local governments and tax authorities. Such collaborative efforts are expected to strengthen public awareness, promote broader utilization of digital tax services, and foster a sustainable culture of voluntary tax compliance within the community.

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