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Analysis of the Implementation of the Coretax Administration System on the Effectiveness of Annual Tax Return (SPT) Filing by Individual Taxpayers

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A R T I C L E I N F O

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A B S T R A C T

This study aims to analyze the readiness of taxpayers toward the implementation of the CoreTax Administration System (CTAS) and its impact on the effectiveness of individual Annual Tax Return reporting in Indonesia. The methodology employed is a qualitative descriptive approach using the Technology Acceptance Model (TAM) to evaluate perceived ease of use and usefulness of key features, such as pre-populated data. The findings indicate that while CTAS is designed to minimize human error and address asymmetric information through automation, taxpayer readiness in rural and suburban areas remains a crucial factor for the system's success. The results show that integration and automation significantly enhance reporting efficiency; however, challenges related to technical adaptation and digital literacy still influence the system's overall effectiveness. Therefore, this study concludes by providing strategic recommendations for the Directorate General of Taxes (DGT) to strengthen socialization patterns and technical risk mitigation during the system's transition and early implementation. Optimizing these aspects is essential to ensure that the digital transformation of tax administration effectively fosters sustainable voluntary compliance in the digital era.

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INTRODUCTION

Taxes serve as the primary instrument for revenue in Indonesia's State Budget (APBN). In 2024, tax revenue reached IDR 2,309.86 trillion, accounting for approximately 82.43% of total state revenue (Ministry of Finance, n.d.). To collect these funds, Indonesia employs a "Self-Assessment System," which places the responsibility on taxpayers to independently calculate, pay, and report their tax obligations. Within this framework, the submission of an Annual Tax Return (SPT) serves as the key indicator of a taxpayer's formal compliance, while the digitalization of administration—facilitated by tools such as e-Filing and the DJP Online portal—is intended to simplify this process.

However, the effectiveness of annual tax return (SPT) filing still faces challenges. Data from the Directorate General of Taxes (DGT) shows that the formal compliance ratio rose from 60.75% in 2016 to 86.97% in 2023 (Directorate General of Taxes [DGT], 2021; DDTCNews, 2025); however, it subsequently declined to 85.75% in 2024 and 76.07% in 2025—falling short of the 81.92% target (DDTCNews, 2025, 2026). One of these challenges is "asymmetric information"—a situation where taxpayers and tax authorities do not possess equivalent information regarding income and tax deductions—compounded by system fragmentation, which makes the preparation of individual annual tax returns more complex and susceptible to human error.

To address this issue, the government—through Presidential Regulation Number 40 of 2018—initiated an overhaul of the tax administration system (President of the Republic of Indonesia, 2018). As part of this reform, the CoreTax Administration System (CTAS) came into effect on January 1, 2025, replacing the existing DJP Online and e-Filing platforms (Fauzi, 2025). CTAS incorporates features such as "pre-populated data"—where information regarding tax withheld by third parties is automatically integrated into a taxpayer's tax return—thereby minimizing input errors and streamlining the reporting process. Nevertheless, the success of this system hinges significantly on the digital literacy and preparedness of taxpayers, particularly those in rural and suburban areas. The annual tax returns for the 2025 tax year, filed in 2026, marked the first instance of using CTAS (Fauzi, 2025), with 13.3 million returns submitted by May 20, 2026 (iNews.id, 2026).

Several recent studies have examined the Core Tax Administration System (CTAS) from various perspectives. Gunafi (2025) investigated the impact of the Core Tax system on taxpayer compliance, while Korat and Munandar (2025) discussed CTAS as a measure to enhance tax compliance. Meanwhile, Nathanael and Widodo (2025) and Khusniah et al. (2025) highlighted the role of the Core Tax system in the compliance of Article 21 income tax (PPh Pasal 21) reporting and corporate income tax (PPh badan) reporting, respectively.

Other studies focus on implementation and its associated challenges. Hidayat and Inayati (2025) discuss the impact of and challenges posed by the Core Tax Administration System (CTAS) on tax revenue; Arifin et al. (2025) examine legal certainty and safeguards for taxpayers; Abigail and Wijaya (2025) review its application to objections, appeals, and tax reductions at the Jakarta Central Regional Office of the Directorate General of Taxes; and Khilda et al.

(2025) as well as Affattah et al. (2025) address tax oversight and payments in an era of data integration. From the perspective of users, Cindy and Chelsya (2024) investigate student perceptions of the CTAS, while Devita and Ismail (2025) report on Coretax training for village-level tax administration.

Based on the author's literature review, existing studies generally focus on compliance regarding specific types of taxes, tax revenue, legal and technical aspects, or the perceptions of particular groups. There has been limited research specifically assessing the readiness of individual taxpayers—particularly in rural and suburban areas—and linking this to the effectiveness of filing annual tax returns (SPT Tahunan) through the lens of the Technology Acceptance Model (TAM) and long-term statistical compliance data. Yet, the decline in the formal compliance ratio projected for 2025 underscores the urgent need to evaluate taxpayer readiness during this period of systemic transition.

Berdasarkan kesenjangan tersebut, penelitian ini menjawab pertanyaan berikut: bagaimana kesiapan wajib pajak orang pribadi terhadap implementasi CTAS, dan bagaimana implementasi tersebut memengaruhi efektivitas pelaporan SPT Tahunan? Tujuan penelitian ini adalah menganalisis kesiapan wajib pajak serta dampak implementasi CTAS terhadap efektivitas pelaporan SPT Tahunan. Kebaruan penelitian ini terletak pada penggabungan kerangka TAM dengan data statistik kepatuhan formal tahun 2016–2025 dan data pelaporan di tingkat lokal, sehingga hasilnya dapat menjadi dasar bagi DJP dalam menyusun strategi sosialisasi dan mitigasi risiko teknis selama masa transisi sistem.

LITERATURE REVIEW

This section covers the concepts and prior research that form the basis for the analysis. The discussion includes the self-assessment system and formal compliance, information asymmetry and the digitalization of reporting, the Technology Acceptance Model (TAM) framework, the characteristics of the Core Tax Administration System (CTAS), and previous studies, concluding with the identification of a research gap.

Self-Assessment System and Formal Compliance

Indonesia employs a "self-assessment system," which places the responsibility on taxpayers to independently calculate, pay, and report their tax obligations. Within this system, the submission of an Annual Tax Return (SPT) serves as the primary indicator of a taxpayer's formal compliance. The self-assessment principle is also applied in other areas; for instance, Agustina and Abbas (2022) examine its application in the collection of import taxes on shipped goods.

Data from the Directorate General of Taxes (DJP) indicates that the formal compliance ratio rose from 60.75% in 2016 to 86.97% in 2023 (Directorate General of Taxes [DJP], 2021; DDTCNews, 2025), before declining to 85.75% in 2024 and 76.07% in 2025—falling short of the 81.92% target (DDTCNews, 2025, 2026). According to Al Maliki (2025), tax reporting compliance is significantly influenced by the ease of use of the administrative system, the efficiency of digital

processes, and the reliability of the services provided by the tax authority. Consequently, the quality of the reporting system serves as a crucial factor for the effectiveness of annual tax return (SPT Tahunan) filings.

Information Asymmetry and the Digitalization of Reporting

One of the challenges in filing an Annual Tax Return (SPT Tahunan) is "asymmetric information"—a situation where taxpayers and tax authorities do not possess equivalent information regarding income and tax withholdings. Compounded by system fragmentation, this makes the preparation of an individual's Annual Tax Return more complex and susceptible to human error. Discrepancies in data between taxpayers and withholding agents have historically necessitated manual data reconciliation by tax officials, leading to inefficiencies in both time and resources (Fajriyah, 2025).

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Technology Acceptance Model (TAM)

The success of CTAS is measured not only by its sophistication but also by its level of user acceptance. The Technology Acceptance Model (TAM) provides a framework for assessing taxpayer readiness through two key factors: perceived usefulness and perceived ease of use.

In the context of CTAS, the pre-populated data feature—which consists of tax withholding information provided by third parties and made directly available within a taxpayer's tax return—is linked to the perception of usefulness. This feature is considered capable of reducing the risk of input errors, saving time, and alleviating the administrative burden associated with tax calculations. Conversely, the perception of ease of use may be hindered by the complexity of the new system. Regarding the user perspective, Cindy and Chelsya (2024) examined students' perceptions of CTAS; Tjahjono et al. (2026) reviewed literature concerning CTAS from the perspectives of both taxpayers and the Directorate General of Taxes (DJP); and Devita and Ismail (2025) reported on Coretax training provided for village-level tax administration in Sidoarjo Regency.

Core Tax Administration System: Legal Basis, Features, and Challenges

The government is modernizing its tax administration system through Presidential Regulation Number 40 of 2018 (President of the Republic of Indonesia, 2018). As part of this modernization, the Core Tax Administration System (CTAS) will take effect on January 1, 2025, replacing the existing DJP Online and e-Filing platforms (Fauzi, 2025). The filing of annual tax returns (SPT)

for the 2025 tax year—submitted in 2026—will be the first to utilize the CTAS (Fauzi, 2025), with 13.3 million tax returns filed by May 20, 2026 (iNews.id, 2026).

Through a literature review, Korat and Munandar (2025) describe CTAS as a technology-based system designed to manage the entire tax administration process—from registration, reporting, payment, and collection to oversight. Big data analytics and inter-agency data integration enable the system to identify data discrepancies and suspicious patterns, thereby reducing manual errors and limiting opportunities for the manipulation of tax reports. Through the "Taxpayer Account Management" feature, taxpayers can access a profile overview and a ledger that records their transactions, as well as their tax-related rights and obligations (Korat & Munandar, 2025). However, Korat and Munandar (2025) also identify challenges such as limited technological infrastructure, resistance to change, and data privacy concerns, while concluding that, with proper management and education, CTAS has the potential to enhance tax compliance.

Other studies have also examined CTAS from the perspectives of reform and system readiness. Fajriyah (2025) explores the impact of CTAS on tax system reform in the digital era, Al Maliki (2025) analyzes the implementation of the CoreTax application through a literature review, and Putri and Widodo (2025) assess the readiness of the digital tax administration system to accommodate changes to the VAT rate in 2025.

Previous Research on the Implementation and Challenges of CTAS

Hidayat and Inayati (2025) discuss the impacts and challenges of implementing the Core Tax system on tax revenue; Vientiany et al. (2024) examine the challenges and opportunities presented by online tax systems in Indonesia; and Arifin et al. (2025) review legal certainty and safeguards for taxpayers. At the operational level, Abigail and Wijaya (2025) investigate the application of the Core Tax system regarding objections, appeals, and tax reductions at the Directorate General of Taxes (DJP) Regional Office for Central Jakarta, while Affattah et al. (2025) and Khilda et al. (2025) address tax payments and oversight in the era of digital data integration.

Previous Research on CTAS and Taxpayer Compliance

Gunafi (2025) examines the impact of the Core Tax system on taxpayer compliance. Nathanael and Widodo (2025) highlight the role of the Core Tax system in compliance regarding the reporting of Article 21 Income Tax (PPh Pasal 21), while Khusniah et al. (2025) investigate the role of Core Tax technology in enhancing corporate income tax compliance. As these studies focus on specific types of taxes or services, they do not yet capture the readiness of individual taxpayers to file their annual tax returns (SPT Tahunan).

Taxpayer Readiness and Infrastructure Obstacles

The success of CTAS is highly dependent on the digital literacy and readiness of taxpayers, particularly in rural and suburban areas. Challenges include uneven technological infrastructure—such as regions with "blank spots" in cellular coverage, especially in 3T (frontier, outermost, and underdeveloped) areas—which hinder access to real-time services. Furthermore, the security of taxpayer data against risks like cyberattacks or manipulation is a primary concern in the era of big data. As noted by Devita and Ismail (2025), user readiness must be cultivated through guided support and assistance.

Research Gap

The studies mentioned above generally focus on compliance with specific types of taxes, revenue collection, legal and technical aspects, or the perceptions of particular groups. There has been limited research specifically assessing the readiness of individual taxpayers—particularly in rural and suburban areas—and linking this to the effectiveness of annual tax return (SPT) filing, using the Technology Acceptance Model (TAM) framework alongside long-term statistical compliance data. A decline in the formal compliance ratio projected for 2025 highlights the need to evaluate taxpayer readiness during this system transition period.

METHODOLOGY

This study employs a qualitative descriptive research method through a literature review approach, which involves reading, understanding, and examining sources related to the research topic to gain a deeper insight into the subject (Ridwan et al., 2021). Furthermore, Cyr and Goodman (2024) explain that high-quality research is characterized by rigor and honesty, alignment between methods and research motivations, as well as data flexibility, literacy, and a non-linear progression. Additionally, such research must adhere to ethical standards, respect existing boundaries, consider the researcher's positionality and the vulnerability of the subjects, and ensure inclusivity and accessibility, in line with established practices in the social sciences. In conducting this literature review, data collection involved identifying and screening articles, followed by an analysis of their content for relevance. The articles selected for this study were chosen based on keywords associated with the "CoreTax Administration System (CTAS)," "Annual Tax Return (SPT Tahunan)," "Human Error," "Technology Acceptance Model," and "Pre-populated." The references utilized consist of publications released between 2020 and 2025 that are relevant to the research topic.

The analysis process was conducted using thematic analysis, which involved grouping various findings—such as the role of the CoreTax system in enhancing the efficiency of tax reporting and improving compliance with Annual Individual Tax Return (SPT) filings, as well as the obstacles encountered during the system's implementation. These grouped findings were then synthesized to provide a comprehensive overview of the urgency and challenges associated with the implementation of the CoreTax Administration System (CTAS). This research comprises several components: (1) a research design based on a

qualitative, literature-review-based study; (2) research subjects consisting of documents and scholarly publications; (3) data collection through a systematic literature selection process; and (4) data analysis utilizing a thematic approach and narrative synthesis to develop the study's arguments and conclusions.

In addition to literature, this study utilizes secondary data, including statistics from the Directorate General of Taxes (DGT) (2020 Annual Report: Statistical Data), the Ministry of Finance's state budget (APBN) realization data, and official reports from the DGT as well as media coverage concerning formal compliance ratios and the submission of tax returns (SPT). The data are tabulated and compared across years using a descriptive approach.

RESEARCH RESULT AND DISCUSSION

Role and Concept of Coretax

The CoreTax Administration System is a technology-based administrative framework developed by the Directorate General of Taxes (DGT). It is specifically designed to integrate all operational tax processes—ranging from taxpayer registration to administrative management—into a comprehensive digital platform. This modern, expansive system is engineered to manage the entire spectrum of tax-related workflows. Its primary objectives are to enhance the efficiency, accuracy, and precision of tax services, while simultaneously reducing reliance on manual labor, which is inherently prone to human error. Furthermore, the CoreTax system facilitates broader public access to online tax reporting, featuring automated verification of all submitted information. Through the use of big data analytics and inter-institutional data integration, the system can identify data discrepancies and suspicious patterns, thereby minimize manual errors and narrow the scope for the manipulation of tax reports (Korat & Munandar, 2025).

The implementation of this latest system aims to achieve comprehensive data integration, providing more accurate, real-time, data-driven services—a significant improvement over the limitations of the previous system. CoreTax introduces a more accessible and standardized framework to support tax reform in Indonesia. By monitoring transactions digitally, the system enhances tax management and helps mitigate potential irregularities. Consequently, CoreTax transcends a purely administrative function, serving as a robust foundation for a modern, versatile tax administration system—one capable of consistently adapting to the shifts brought about by today's digital economy.

This system modernization is the implementation of Presidential Regulation Number 40 of 2018 concerning the modernization of the tax administration system. The update goes beyond a mere hardware upgrade; it represents a comprehensive transformation that encompasses the improvement of workflows, the strengthening of human resources, and the reorganization of all tax-related data. Pursuant to Article 1, Paragraph 4 of the Presidential Regulation, the system is designed as a centralized, interconnected digital platform capable of navigating the complexities of the digital ecosystem. By integrating various administrative functions—ranging from registration and tax

return (SPT) processing to tax collection—the system offers a high degree of flexibility in adapting to established tax procedures.

This system plays a far more sophisticated role than manual systems or those used previously. CoreTax is capable of automatically assessing taxpayer risk through Big Data Analytics; the system processes millions of transactions from third parties—such as notaries, banks, and other government agencies—and compares them against the tax returns (SPT) submitted. This process enables the Directorate General of Taxes (DJP) to operate more efficiently, moving away from random, manual, and individual audits. CoreTax enhances service delivery through the Taxpayer Account Management (TAM) feature—a product of digital transformation that offers significant benefits to the public. Through Taxpayer Account Management, taxpayers can access a profile overview and a general ledger that records their transactions, as well as their tax-related rights and obligations; they can also download their transaction history (Korat & Munandar, 2025). The adoption of a Commercial Off-the-Shelf (COTS) system—while ensuring the government maintains national standards—means that Indonesia utilizes a system framework already proven effective in various developed nations, tailored to align with Indonesia's specific tax regulations. This adaptability ensures that the CoreTax system can be easily updated should there be any changes to tax policy in the future.

Analysis: Transition from the Legacy System (SIDJP) to the CoreTax Administration System

Based on an analysis of the relevant literature and various regulatory documents, it is evident that the transition from the legacy system—the Directorate General of Taxes Information System (SIDJP)—to the CoreTax Administration System (CTAS) is a prudent step. This transition addresses existing challenges and limitations within the Directorate General of Taxes' online systems, such as system fragmentation—a source of complexity that often creates significant hurdles—as well as information gaps between taxpayers and withholding agents. These issues frequently lead to data inconsistencies across operational units, while also hindering a clear understanding and fulfillment of tax obligations.

This lack of synchronization previously required tax officials to perform manual data reconciliation, leading to inefficiencies in both time and resources (Fajriyah, 2025). Furthermore, ensuring the efficiency and validation of reported data necessitates transparency from the government to alleviate taxpayer uncertainty during this transition period. The fluctuating trend in tax revenue over the past few years also underscores the need for a more robust system to secure national revenue targets, as illustrated in the following table:

Table 1. Targets and Realization of Indonesia's Tax Revenue, 2021–2025

Year	Tax Revenue Target	Tax Revenue Realization	Note
2021	IDR 1.229,6 trillion	IDR 1.278,63 trillion	103,99 %
2022	IDR 1.485,1 trillion	IDR 1.716,77 trillion	115,60 %
2023	IDR 1.818,3 trillion	IDR 1.867,87 trillion	102,73 %
2024	IDR 1.988,9 trillion	IDR 1.932,40 trillion	97,16 %
2025	IDR 2.189,3 trillion	IDR 1.917,6 trillion	87,59 %

Source: Kontan Data Center (n.d.) for 2021–2024 realized figures; Bisnis.com (2026) for preliminary realized figures and 2025 targets. Targets for 2021–2024 are based on the author's data; achievement percentages were calculated by the author.

Based on available data, the Directorate General of Taxes (DJP) recorded that in 2021, realized tax revenue reached IDR 1,278.63 trillion, or 103.99% of the IDR 1,229.6 trillion target (Kontan Data Center, n.d.). This positive trend continued significantly in 2022, with realized revenue surging to IDR 1,716.77 trillion—reaching 115.60% of the established target. Performance in 2023 remained stable, with realized revenue reaching IDR 1,867.87 trillion (102.73% of the target), underscoring the DJP's success in maintaining the momentum of state revenue. Previously, in 2020, tax revenue had declined by approximately 19.55%—dropping from IDR 1,332.66 trillion in 2019 to IDR 1,072.11 trillion—due to the impact of the pandemic (Directorate General of Taxes [DJP], 2021).

However, in 2024, challenges in tax collection began to emerge, with realized revenue recorded at Rp1,932.40 trillion. Although this figure represents an increase in nominal terms, it reached only 97.16% of the target—a sign of a slowdown in the growth rate of tax revenue compared to previous years. This trend persisted into 2025, with a preliminary realization of Rp1,917.6 trillion, or just 87.59% of the state budget (APBN) target of Rp2,189.3 trillion—a figure even lower in nominal terms than that of 2024 (Bisnis.com, 2026). When customs and excise revenue of Rp300.3 trillion is included, total tax-related revenue for 2025 reached Rp2,217.9 trillion. The decline in tax collection effectiveness over the past two years underscores the urgent need to transform the administrative system through the "CoreTax" initiative, aimed at closing gaps and capturing untapped tax potential.

Therefore, the implementation of CTAS is intended to serve as a single platform capable of automated data processing and enhancing the effectiveness of annual tax return (SPT) reporting, while ensuring data validity through a policy that integrates the National Identity Number (NIK) with the Taxpayer Identification Number (NPWP).

The implementation of the Core Tax Administration System is a major step taken by the Directorate General of Taxes (DGT) in the context of modernizing and digitizing the tax administration system in accordance with Presidential Regulation Number 40 of 2018, chapter 2, concerning tax administration reform. The success of Core Tax Administration System

Success is measured not only by sophistication but also by the level of user acceptance. The Technology Acceptance Model (TAM) provides a framework for assessing the readiness of taxpayers through two key determinants: perceived usefulness and perceived ease of use. Based on an analysis of the pre-populated features within the CTAS—which automatically provide data—it is evident that these features enhance perceived usefulness; taxpayers believe that this reduces the risk of input errors, saves time, and lessens the administrative burden involved in calculating their tax liabilities.

CTAS also serves as an instrument for risk-based oversight. Much like the successful digital administrative systems seen in developed nations, CTAS is expected to foster transparency that encourages taxpayers to be more honest in their self-assessments. Because every transaction is now recorded in real-time within an integrated system—with data stored permanently and unalterable without leaving a digital footprint—the potential for manipulation or reporting irregularities can be minimized.

Tax reporting compliance is significantly influenced by the ease of use of the administrative system, the efficiency of digital processes, and the reliability of the services provided by tax authorities (Al Maliki, 2025). Thus, the Core Tax Administration System (CTAS) is not merely a new administrative tool, but rather a catalyst for building a tax ecosystem that is more accountable and efficient, and one that fosters higher levels of voluntary compliance. The implementation of the Core Tax system is expected to enhance compliance through online reporting and payments, automated reminders, and data-driven oversight (Korat & Munandar, 2025).

Table 2. Formal Compliance Ratio for Annual Tax Return (SPT) Filing by Taxpayers, 2016–2025

Year	Ratio	Increase/Decrease
2016	60,75%	–
2017	72,58%	11,83%
2018	71,10%	(1,48%)
2019	73,06%	1,96%
2020	77,63%	4,57%
2021	84,07%	6,44%
2022	86,80%	2,73%

2023	86,97%	0,17%
2024	85,75%	(1,22%)
2025	76,07%	(9,68%)

Source: DJP (2021) for 2016–2020; DDTCNews (2025) for 2021–2024; DDTCNews (2026) for 2025. Increase/decrease in percentage points compared to the previous year.

Data from the Directorate General of Taxes (DJP) indicates that the formal compliance ratio between 2016 and 2020 rose from 60.75% to 77.63%, with the lowest point recorded in 2016 (DJP, 2021). Regarding formal compliance, data shows that in 2021, the annual tax return (SPT) filing ratio reached 84.07%—a significant increase of 6.44% compared to the previous period (DDTCNews, 2025). This upward trend continued into 2022, with the compliance ratio reaching 86.80% (an increase of 2.73%), and peaked at 86.97% in 2023, although the growth rate slowed to 0.17%. The achievements during the 2021–2023 period reflect the success of the extensification and educational efforts implemented by the Directorate General of Taxes in the post-pandemic era.

When broken down by taxpayer type, the formal compliance ratio for the 2016–2020 period is presented in Table 3.

Table 3. Formal Compliance Ratio for Annual Income Tax Return (SPT Tahunan PPh) Submissions by Taxpayer Type, 2016–2020

Year	**Entities**	**Individual Taxpayers (Employees)**	**Individual Taxpayers (Non-employees)**	**Total**
2016	58,15%	63,08%	43,83%	60,75%
2017	65,14%	74,86%	61,53%	72,58%
2018	58,86%	71,83%	74,28%	71,10%
2019	65,47%	73,23%	75,93%	73,06%
2020	60,16%	85,41%	52,44%	77,63%

Sumber: Direktorat Jenderal Pajak (2021), Laporan Tahunan 2020: Data Statistik.

Table 3 shows that the increase in the ratio in 2020 was driven by individual taxpayers who are employees, reaching 85.41%, whereas the ratio for corporate taxpayers was only 60.16%, and the ratio for non-employee individual taxpayers fell sharply to 52.44% from 75.93% in 2019 (DJP, 2021). Consequently, the groups with the lowest compliance are corporate taxpayers and non-employee individual taxpayers—the very groups that require the most adjustment when the reporting system changes.

In terms of the submission method, taxpayers were, in fact, already accustomed to electronic reporting prior to the implementation of CoreTax, as shown in Table 4.

Table 4. Trends in the Number of Tax Returns Submitted via e-Filing, e-Form, e-SPT, and Manual Filing (2016–2020)

Year Tax Return (SPT)	e-Filing	e-Form	e-SPT	SPT Manual
2016	8.817.614	–	8.389.730	17.919.891
2017	10.875.117	103.650	8.738.750	15.179.738
2018	17.095.207	344.346	4.309.794	3.953.281
2019	22.083.186	913.040	1.552.185	1.859.495
2020	22.003.662	995.243	1.346.463	1.591.422

Source: Directorate General of Taxes (2021). The figures encompass all types of tax returns (SPT) received during the year in question, not just annual tax returns.

As shown in Table 4, the number of tax returns (SPT) submitted manually decreased from 17,919,891 in 2016 to 1,591,422 in 2020, while e-Filing submissions rose from 8,817,614 to 22,003,662 (DJP, 2021). This suggests that the challenges associated with CoreTax likely stem from changes to the system and reporting interface, rather than from the digitalization of the reporting process itself.

In 2024, the formal compliance ratio declined slightly to 85.75%—a decrease of 1.22 percentage points (DDTCNews, 2025). This signaled a slowdown in compliance within the Directorate General of Taxes' (DJP) online system, leading to a further drop in the formal compliance ratio to 76.07% in 2025 (with 15.04 million annual tax returns received out of 19.78 million taxpayers mandated to file). This figure fell short of the 81.92% target (DDTCNews, 2026) and reflects a major transitional phase in Indonesian tax administration. The year 2025 represents a critical juncture, as it marks the shift from the legacy system (SIDJP) to the full-scale operation of the CoreTax Administration System (CTAS). Both technically and psychologically, this system transition requires a significant adjustment period for all stakeholders involved.

For the tax authority, time is required to ensure the stability of the technological infrastructure and to guarantee that staff are fully proficient in operating the new system. Meanwhile, from the perspective of taxpayers, the decline in compliance rates during that period can be attributed to the process of adapting to new reporting procedures and changes to the digital service interface. However, this slowdown is temporary and serves as a strategic investment; once the adaptation phase has passed, the data integration offered by the CTAS is expected to enhance efficiency and compliance in a sustainable manner, surpassing the capabilities of the previous system.

The situation at the local level reflects a similar pattern. At the Denpasar Barat Primary Tax Office (KPP Pratama), as of May 27, 2025, 50,963 taxpayers had submitted their annual tax returns—representing 78.16% of the target number of taxpayers required to file. The filing deadlines for annual tax returns were March 31, 2025, for individuals and April 30, 2025, for business entities, with late-filing penalties set at IDR 100,000 and IDR 1,000,000, respectively (Fauzi, 2025). Although the CoreTax system has been in effect since January 1, 2025, annual tax returns for that year were still filed using the existing e-Filing system; CoreTax is intended for the 2025 tax year, with filings due in 2026 (Fauzi, 2025). Regarding the 2025 tax year, 13,327,936 annual income tax returns had been submitted via CoreTax by May 20, 2026 (iNews.id, 2026), while the formal compliance ratio for 2026 can only be calculated once the current year has concluded.

Analysis of Adoption Readiness and Implementation Challenges for CoreTax

Although the CTAS is expected to resolve issues within Indonesia's tax administration, it is not without its own challenges and limitations. These include uneven technological and infrastructural development; for instance, the existence of "signal blank spots"—particularly in 3T (frontier, outermost, and underdeveloped) regions—hinders taxpayers from accessing digital services in real-time. Furthermore, concerns persist regarding tax officials who may lack credibility or reliability. In today's era of big data, security has also become a primary focus, essential for safeguarding taxpayer privacy and data integrity against the risks of cyberattacks or data manipulation.

Furthermore, the success of CTAS is highly dependent on the level of user acceptance. According to the Technology Acceptance Model (TAM), taxpayer behavior is influenced by two primary determinants: perceived usefulness and perceived ease of use. Through the use of pre-populated data, CTAS significantly enhances perceived usefulness, offering an effective solution to promote tax compliance through transparency.

This dynamic aligns with the data in Table 2, which shows a 9.68 percentage point decline in the formal compliance ratio for 2025—a consequence of the transition process and administrative hurdles encountered in the field. This decline suggests that the perceived ease of use remains hindered by the complexity of the new system, which is operating alongside the legacy system (SIDJP).

Overall, the existing challenges and limitations underscore that, while CoreTax holds great promise, its success remains heavily dependent on the readiness of technological infrastructure, human resources, cross-sectoral policies, and a robust, ongoing system for monitoring and evaluation. Raising awareness through educational institutions and social media is crucial for narrowing knowledge gaps and maximizing benefits, ensuring that this digital transformation of the tax administration system is fully embraced by taxpayers—ultimately helping to boost state revenue in the future.

CONCLUSIONS AND RECOMMENDATIONS

Based on an analysis of the digital transformation of Indonesia's tax system, it can be concluded that the implementation of the CoreTax Administration System (CTAS) represents a systematic technological necessity, designed to enhance the effectiveness of annual tax return (SPT) filing through the automation of pre-populated data. This research indicates that the system's architecture is specifically focused on user needs, effectively addressing limitations found in the previous SIDJP and DJP Online systems—such as issues with data categorization and the high risk of human error during the manual reconciliation process performed by taxpayers. The evolution of Indonesia's tax system has reached a critical juncture with the transition to the CoreTax Administration System (CTAS). Consequently, the adoption of this technology is not merely a trend, but a systematic technological imperative for modernizing the national tax structure. The primary focus of this transformation is to optimize the effectiveness of annual tax return filing; the integration of pre-populated data automation serves as a cornerstone, expected to significantly simplify administrative obligations for taxpayers. The CTAS is designed to resolve various challenges frequently encountered in the preceding systems, SIDJP and DJP Online. A key advantage of this system lies in its capacity to mitigate the risk of human error, which often occurs during manual reconciliation processes.

The establishment of a more integrated system will enhance the accuracy of data grouping, thereby minimizing information discrepancies—a persistent obstacle in the validation of tax data. Nevertheless, a prudent and cautious approach is essential during the transition phase. This study relies on a literature review and secondary data; consequently, the evaluation focuses on macro-technical aspects and does not yet provide an in-depth exploration of the social dynamics of taxpayers. Furthermore, fundamental issues—such as disparities in digital infrastructure and the digital divide between urban centers and remote areas—remain significant challenges that could lead to inequities in access within the future digital tax ecosystem.

It can be concluded that the CoreTax Administration System (CTAS) serves as a solution to the limitations of the previous tax system, which had become less relevant. This transformation goes beyond merely replacing an application; it fundamentally changes the reporting process by automating it through a "pre-populated" data approach. This significantly assists taxpayers by reducing errors during data entry.

The Directorate General of Taxes (DJP) must look beyond mere stability in its information technology infrastructure. It needs to develop communication and education strategies that reach all segments of the taxpayer base, supported by easily accessible technical assistance, to mitigate resistance and technical hurdles during the system transition period. Furthermore, comprehensive tax literacy programs must be strengthened to minimize operational disruptions throughout this transition phase.

Given the vast amount of data integrated into CoreTax, refining the legal framework for personal data protection and cybersecurity has become a top priority to ensure taxpayers feel secure. The government must also promptly address disparities in internet access in remote areas, ensuring that the benefits of tax digitalization are not limited to taxpayers in major cities.

For future research, it is recommended to conduct a field study using a longitudinal approach to assess the performance of the CTAS once it has reached a stable operational state—covering at least two annual tax return (SPT Tahunan) reporting periods. Further study should also delve into the psychological dimensions of taxation, specifically taxpayer trust in the automation of data by third parties, and examine whether technological convenience truly correlates with increased voluntary compliance, a higher tax ratio, and greater state revenue.

ADVANCED RESEARCH

This research is based on a literature review and secondary data; therefore, it does not yet include primary data regarding the actual readiness of individual taxpayers in the field. Furthermore, some data for 2025 remain provisional, and the formal compliance ratio for 2026 can only be calculated once the year has concluded. Future research should incorporate surveys or interviews with taxpayers—particularly in rural and suburban areas—and update the data once the compliance ratio for 2026 has been released.

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