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The Effect Of Tax Technology Reform On Individual Taxpayer Compliance In KPP South Makassar

Nurul Atihra[1], Karmilah[2]

[1,2] Universitas Islam Makassar, Makassar, Indonesia

* Corresponding Author
Email : karmilah.dty@uim-makassar.ac.id

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ABSTRACT
This study aims to analyze the effect of tax technology reform on individual taxpayer compliance at the South Makassar Tax Office (KPP Makassar Selatan). The background of this study is the implementation of a digital tax administration system, which is expected to improve the convenience, effectiveness, and efficiency of tax services. This study uses a quantitative method with a survey approach. Data were collected through questionnaires distributed to individual taxpayers registered at the South Makassar Tax Office, with a total sample of 100 respondents. The data analysis techniques used in this study include validity testing, reliability testing, simple linear regression analysis, coefficient of determination, and hypothesis testing (t-test). The results show that tax technology reform has a positive and significant effect on individual taxpayer compliance at the South Makassar Tax Office. This indicates that better implementation of tax technology reform is associated with higher levels of individual taxpayer compliance. Therefore, tax technology reform plays an important role in improving taxpayer compliance.

A. INTRODUCTION

Taxes are one of the main sources of state revenue used to finance various development needs and government spending. Tax revenue has an important role in supporting the provision of public facilities, such as infrastructure, education, health, and other community needs. Therefore, increasing taxpayer compliance is one of the important things in supporting state revenue. However, in its implementation, taxpayer compliance in Indonesia still faces various problems, one of which is related to the complexity of tax administration and regulations. (Sari & Azwad, 2024) states that the complexity of tax regulations is one of the obstacles in improving taxpayer understanding and compliance. The government continues to carry out tax reforms to improve the quality of services and make it easier for taxpayers to carry out their tax obligations. One form of reform is the use of technology in tax administration. A digital-based tax system is expected to provide convenience in the process of registration, payment, reporting, and tax administration. The application of technology in taxation is also expected to increase efficiency and reduce errors in the tax reporting process.

The acceptance and use of technology by taxpayers can be explained through the Technology Acceptance Model (TAM) developed by (Davis, 1989). This model explains

that a person's acceptance of a technology is influenced by the perception of benefits (perceived usefulness) and perceived ease of use. In the context of taxation, the use of technology is expected to provide convenience for taxpayers in fulfilling their tax obligations. However, the application of technology does not always go easily because there are still taxpayers who have limited digital literacy, lack understanding of the use of tax applications, and experience difficulties in reporting electronically. These conditions can affect taxpayers' compliance in submitting Notification Letters (SPT) (Fajriyah, 2025). This phenomenon is also seen in the South Makassar Pratama KPP. Based on data from 2019–2023, the number of registered Individual Taxpayers (WPOP) has increased every year. In 2019 there were 162,391 registered WPOPs and increased to 231,460 WPOPs in 2023. However, the increase in the number of taxpayers was not followed by an increase in the number of taxpayers who reported their Annual Tax Returns. The percentage of reporting WPOP tax returns has decreased from 30.38% in 2019 to 24.32% in 2023. This condition shows that there is a gap between the growth in the number of taxpayers and the level of compliance in tax return reporting.

Table 1. Individual Taxpayers at KPP Pratama Makassar Selatan in 2019–2023

Year	WPOP Registered	WPOP Reporting Annual Tax Return	Percentage
2019	162.391	49.344	30,38%
2020	193.047	57.937	30,01%
2021	206.046	61.395	29,80%
2022	219.917	65.504	29,78%
2023	231.460	56.285	24,32%

Sumber: KPP Pratama South Makassar, Data and Information Management Section, 2019–2023.

The data shows that there are still problems in the compliance of individual taxpayers, even though the number of registered taxpayers continues to increase. One of the factors that can be related to this condition is the ability of taxpayers to follow changes in tax administration that are increasingly technology-based. Digital literacy is important because taxpayers need to have the ability to understand and use various tax services electronically. (Purwati, 2025) explained that digital literacy is related to taxpayers' compliance in carrying out their tax obligations.

Technology-based tax reform basically aims to provide easier, faster, and more efficient services for taxpayers. However, the success of these reforms is not only determined by the system developed by the government, but also by the ability of taxpayers to accept and use the technology. Thus, it is necessary to see whether the tax technology reform carried out has had an influence on the compliance of taxpayers, especially individual taxpayers. Several previous studies have discussed the application of technology in taxation and its relationship to taxpayer compliance. However, research that specifically looks at the influence of tax technology reform on the compliance of Individual Taxpayers at the South Makassar Pratama KPP is still limited. Therefore, this study was conducted to determine the influence of tax technology reform on the compliance of Individual Taxpayers at KPP Pratama South Makassar. Based on this description, this study aims to analyze and determine the influence of tax technology reform on the compliance of Individual Taxpayers at KPP Pratama South Makassar. The results of the study are expected to provide information on the conditions of the application of tax technology and become a consideration for related parties in improving tax services and compliance.

B. METHODS

This study uses a quantitative approach with a survey method that aims to determine the influence of tax technology reform on the compliance of Individual Taxpayers at the South Makassar Pratama Tax Office. The research population is Individual Taxpayers

registered with the South Makassar Pratama KPP, with a total of 231,460 taxpayers in 2023. The sample was determined using the Slovin formula with an error rate of 10%, so that a sample number of 99.95 was obtained which was rounded up to 100 respondents. The sampling technique uses non-probability sampling with the purposive sampling method, with the respondent criteria, namely Individual Taxpayers who are registered with the South Makassar Pratama Tax Office and have used or interacted with tax technology services. The research data consists of primary and secondary data. Primary data was obtained through the distribution of questionnaires to 100 respondents using the Likert scale, while secondary data was obtained through documentation and supporting data from KPP Pratama South Makassar and relevant literature.

The collected data were analyzed using the SPSS application through validity tests, reliability tests, normality tests, simple linear regression analysis, t-tests, and determination coefficients (R^2). The validity test was conducted using Pearson Product Moment correlation, while the reliability test used Cronbach's Alpha value with an acceptance limit of more than 0.60. The normality test was performed using the Kolmogorov-Smirnov with a significance value criterion greater than 0.05. Furthermore, a simple linear regression analysis was used to determine the influence of tax technology reform (X) on the compliance of Individual Taxpayers (Y) with the equation Y = a + bX + e. The t-test was used to determine the influence of independent variables on the dependent variable partially with a significance level of 5% (0.05), while the determination coefficient (R^2) was used to determine the extent of the ability of tax technology reform to explain the variation in compliance of Individual Taxpayers.

C. Results and Discussion

Descriptive Test

Descriptive analysis is used to provide information about the research data obtained by the respondents who are the same as the researcher. Through descriptive statistical analysis, the daitai daipait analysis is analyzed in more detail. This analysis includes the calculation of several statistical calculations, such as minimum assessment, maiksimum assessment, raitai-raitai (meain), dain staindair deviaisi, so that it provides a general overview of the distribution of research data.

Table 2. Descriptive Test

Descriptive Statistics					
	N	Mini mum	Maxi mum	Mean	**Std. Deviation**
Tax Technology Reform	100	11.00	55.00	43.36	**5.714**
Individual Taxpayer Compliance	100	11.00	55.00	43.24	**6.162**
Valid N	**100**				

Source: SPSS data processing

With a descriptive analysis of 100 respondents, this study shows that the baihwai vairiaibel Reform technology (X) has a rating of 43.36 with a value of 11 with a perception of the quality of the respondents. Vairiaibel Kepaituhain Waijib Paijaik oraing pribaidi (Y) shows raitai-raitai 43.24 and staindair deviaisi 6.162 shows aidainyai vairiaisi yaing quite significant dailaim respondents' perception of WPOP.

Validity Test

Table 3 Validity Test

Variable	Indicator	R Count	R Teble	significan	Remarks
Tax Technology Reform (X)	X1	0,459	0,197	0,01	**Vailid**
	X2	0,638	0,197	0,01	**Vailid**
	X3	0,628	0,197	0,01	**Vailid**
	X4	0,680	0,197	0,01	**Vailid**
	X5	0,678	0,197	0,01	**Vailid**
	X6	0,614	0,197	0,01	**Vailid**
	X7	0,669	0,197	0,01	**Vailid**
	X8	0,617	0,197	0,01	**Vailid**
	X9	0,569	0,197	0,01	**Vailid**
	X10	0,519	0,197	0,01	**Vailid**
	X11	0,551	0,197	0,01	**Vailid**
Individual Taxpayer Compliance (Y)	Y1	0,582	0,197	0,01	**Vailid**
	Y2	0,717	0,197	0,01	**Vailid**
	Y3	0,625	0,197	0,01	**Vailid**
	Y4	0,659	0,197	0,01	**Vailid**
	Y5	0,657	0,197	0,01	**Vailid**
	Y6	0,684	0,197	0,01	**Vailid**
	Y7	0,703	0,197	0,01	**Vailid**
	Y8	0,692	0,197	0,01	**Vailid**
	Y9	0,623	0,197	0,01	**Vailid**
	Y10	0,675	0,197	0,01	**Vailid**
	Y11	**0,687**	**0,197**	**0,01**	**Vailid**

Source: SPSS Processed Data Results.

The test results on variables X (Tax Technology Reform) and variable Y (Personal Taxpayer Compliance) showed that all indicators had a greater calculated r value than the table r value. Thus, all indicators used in the two variables are declared valid and feasible and trustworthy to be used as instruments in research.

Reliability Test

Table 4. Reliability Test

Variabel	Result Cronbach's Alpha	N of Items	Koefisien Cronbach Alpha	Remarks
Tax Technology Reform (X)	0,829	11	0,60	Reliabel
Individual Taxpayer Compliance (Y)	0,875	11	0,60	Reliabel

Source: SPSS Processed Data Results

Based on the results of the reliability test on variables X (Tax Technology Reform) and variable Y (Individual Taxpayer Compliance), it can be concluded that all research instruments are declared reliable. This is shown by Cronbach's Alpha value on variable X of 0.829 and on variable Y of 0.875. Both values are above the set minimum limit, which is $\alpha > 0.60$, so that the research instrument is considered to have a good level of consistency and is suitable for use in the research.

Normality Test

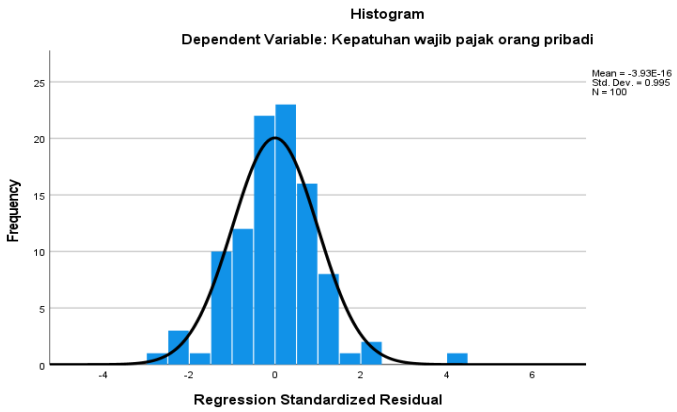
Table 5. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		**100**
Normal Parameters[a,b]	Mean	**.0000000**
	Std. Deviation	**3.48072642**
Most Differences	AIbsolute	**.075**
	Positive	**.075**
	Negative	**-.055**
Test Statistic		**.075**
AIsymp. Sig. (2-tailed)		**.190**

Source: SPSS Processed Data Results

Based on the results of the normality test presented in the table above, a significance value (Sig.) of 0.190 was obtained which is greater than 0.05. These results show that the data on variable X and variable Y meet the assumption of normality, so it can be concluded that both variables have a normal data distribution.

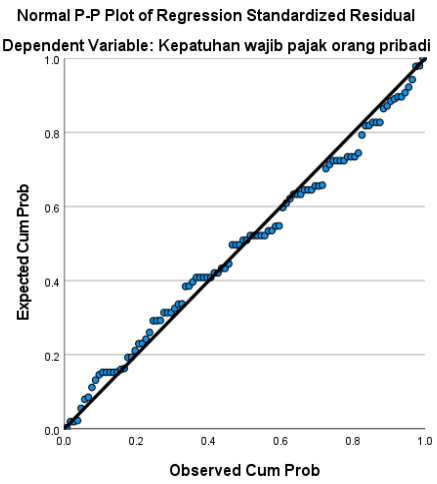
Figure 1. Normality Test Histogram Chart



Source: SPSS Processed Data Results

Based on the residual standardized histogram graph, it can be seen that the residual distribution forms a pattern that resembles a normal curve, which is indicated by a relatively symmetrical spread of the data around the mean value. This condition indicates that the assumption of normality in the regression model has been met, so the model is suitable for further analysis.

Figure 2. Normal Chart P-P Normality Test Plot



Source: SPSS Processed Data Results

Based on the Normal P–P Plot graph, it can be seen that the residual points are spread out and follow the direction of the diagonal line. This condition indicates that the residual distribution is close to the normal distribution and that there are no significant deviations from the expected pattern. Thus, it can be concluded that the assumption of normality in the regression model has been met.

Simple regression analysis & T Test

Table 6 T Test

Model	Unstandardized coefficients	Std. Error	Standardized Coefficients	t	Sig.
(Constant)	4.650	2.691		1.728	.087
Tax technology reform	.890	.062	.825	14.465	.000
Variabel Dependen : Individual Taxpayer Compliance					

Source: SPSS Processed Data Results

Based on the test results presented in the table above, it is known that Tax Technology Reform has a positive influence on increasing Individual Taxpayer Compliance. This is shown by the Beta Standardized Coefficients value of 0.825 which indicates a positive relationship between the two variables. In addition, the significance value obtained was 0.000, which is smaller than 0.05, indicating that the effect was statistically significant. This result is also supported by a calculated t value of 14.465 which is larger compared to the t table of 1.984. Thus, it can be concluded that the alternative hypothesis (H1) is accepted, while the null hypothesis (H0) is rejected.

Simple regression analysis

Based on the results of the SPSS test above, it was seen that the constant value (α value) was 4,650 and the compliance of individual taxpayers (β value) was 0.890. So that a simple linear regression equation can be obtained as follows

Y= a +BX

Y=4,650+0,890 X

a. The constant value of Increasing Individual Taxpayer Compliance of 4,650 indicates that Tax Technology Reform is equal to 0, then the value of Increasing Individual Taxpayer Compliance is 4,650.
b. The value of the X coefficient is 0.890 where the number is positive which shows that every time there is an increase in the variable of Tax Technology Reform by 1%, the Increase in Individual Taxpayer Compliance will increase by 0.890 (89.0%).

Judging from the description above, it can be concluded that Tax Technology Reform has a positive and significant effect on the Compliance of Individual Taxpayers at the South Makassar Tax Office.

Coefficient Determination

Table 7. Coefficient Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1.	.825[a]	.681	.678	3.498

Source: SPSS Processed Data Results

Based on the results of the test using SPSS presented in the table, an R-Square value of 0.681 was obtained. These results show that the variable Tax Technology Reform is able to explain the variation in Individual Taxpayer Compliance by 68.1%. Thus, tax technology reform has a considerable contribution in improving the compliance of individual taxpayers, while the remaining 31.9% is influenced by other factors outside the variables studied in this study.

Discussion

Based on the results of the research, it was found that Tax Technology Reform has a positive and significant influence on the Compliance of Individual Taxpayers at the South Makassar Tax Office. These findings show that the more optimal the application and utilization of tax technology, the higher the level of taxpayer compliance. This condition is supported by the convenience provided in the online tax reporting and payment process, so that taxpayers can carry out their tax obligations more efficiently in terms of time and cost. This convenience is ultimately able to reduce various obstacles in fulfilling tax obligations. The results of this study are also in line with the Technology Acceptance Model (TAM) developed by Fred D. Davis, which explains that taxpayers' perception of tax technology is influenced by two main factors, namely Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). This shows that when individual taxpayers in the South Makassar KPP view the digital tax system as a system that is easy to use and provides real benefits, the level of acceptance of the technology will increase and have an impact on increasing tax compliance.

The perception of ease of use reduces technical and psychological barriers in tax reporting, thereby encouraging increased formal compliance, particularly in submitting Annual Tax Returns accurately, on time, and in accordance with applicable regulations. The perceived usefulness of tax technology also contributes to material compliance, as taxpayers who perceive digital systems as helping to minimize calculation errors, improve data accuracy, and provide transparency in the tax payment process tend to be more compliant in calculating, paying, and reporting taxes in accordance with applicable regulations. Therefore, the Technology Acceptance Model (TAM) is highly appropriate for explaining how tax technology reform, as a variable representing technological reform in taxation, can improve individual taxpayer compliance.

Obstacles in the use of tax technology among individual taxpayers are consistent with the concept of Perceived Ease of Use (PEOU), whereby some taxpayers still experience difficulties in understanding the procedures for using digital tax systems. Complex system interfaces and limited technological understanding remain major obstacles, thereby reducing taxpayers' interest in using tax technology. Meanwhile, Perceived Usefulness (PU) can also become an obstacle for taxpayers who do not perceive direct benefits from using the tax system, as the system is considered to provide no significant difference compared with manual methods. Consequently, taxpayers who are reluctant to utilize the technology may not use it optimally. Therefore, this study adopts the Technology Acceptance Model (TAM) to identify the factors that hinder the use of technology and their implications for individual taxpayer compliance.

The implementation of digital taxation has proven effective in improving individual taxpayer compliance at the South Makassar Tax Office (KPP Makassar Selatan). This can be observed from the relatively large number of taxpayers who have a good understanding of digital tax systems compared with those whose understanding remains limited. This effectiveness is reflected in the convenience provided by online tax reporting and payment processes, which can be conducted at any time without requiring taxpayers to visit the tax office directly. Such convenience can reduce delays in tax reporting and minimize administrative errors. In addition, the utilization of digital systems improves efficiency in terms of time and cost, thereby encouraging taxpayers to be more compliant in fulfilling their tax obligations.

Although digital taxation provides substantial assistance, not all taxpayers at the South Makassar Tax Office consistently report their taxes through digital systems. Several problems remain, including limited understanding of how to use the system. Some taxpayers have insufficient technological knowledge or lack confidence in the security of online systems. Although the system is generally effective and helpful, several aspects still need to be improved to ensure that all taxpayers can utilize digital taxation effectively. Therefore, socialization and technical training on the use of digital taxation are needed for taxpayers, along with strengthened information technology infrastructure.

D. CONCLUSION

Based on the results and discussion regarding the effect of tax technology utilization on individual taxpayer compliance at the South Makassar Tax Office (KPP Makassar Selatan), it can be concluded that tax technology reform has a positive effect on the level of individual taxpayer compliance. The implementation of digital-based tax systems provides various conveniences and benefits for taxpayers, particularly in facilitating the timely filing and payment of taxes. Nevertheless, this study also shows that the implementation of tax technology still faces several challenges, one of which is the relatively low level of digital tax literacy among some individual taxpayers. These challenges include the perception that the system is not sufficiently easy to use and does not yet provide optimal benefits, as well as technical issues related to the system and network connectivity. In addition, the lack of socialization and assistance from tax authorities, along with concerns regarding data security and confidentiality, also affects the level of acceptance of tax technology. This study has a limitation in terms of its relatively small sample size, meaning that the findings do not yet have strong external validity. Furthermore, this study only uses one independent variable, namely Tax Technology Reform.

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