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How Tax Consultants and E-Commerce Actors Grapple with Evolving Digital Tax Rules

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Abstract

The rapid growth of Indonesia's digital economy has created challenges for tax collection, prompting new regulations. This study explores the on-the-ground effectiveness of these digital tax rules. A qualitative case study was conducted in Greater Jakarta, using interviews and observations with e-commerce actors and tax consultants. Data were analyzed thematically. The implementation is hampered by regulatory complexity, low tax literacy, and technological limitations. Perceptions of fairness strongly influence voluntary compliance, while tax consultants act as essential intermediaries who bridge the gap between regulators and taxpayers. The study advocates for simplified regulations, improved taxpayer education, and robust infrastructure support to enhance compliance and foster a more effective digital taxation system.

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Introduction

The digital transformation of tax systems has become a major focus for many countries, including Indonesia, in an effort to optimize national revenue amid the rapid expansion of the digital economy. A critical indicator of success in this transformation is the effectiveness of digital tax regulation implementation, which reflects the extent to which digital tax policies achieve their intended objectives in a digital economic context (Slemrod, 2021). The effectiveness of digital tax implementation encompasses several dimensions such as taxpayer compliance, the government's capacity to monitor digital transactions, and the clarity of the regulatory framework (Ndulu et al., 2022). Importantly, this effectiveness should not only be measured administratively but also by examining how economic actors especially e-commerce participants and tax consultants respond to regulatory changes (Dziemianowicz, 2022). These two groups play a vital role in either enabling or obstructing the practical execution of tax rules in the digital era. Therefore, to understand what drives or hinders effective implementation, it is necessary to examine several key variables, including potential mediating and moderating factors within the framework of digital taxation governance.

The urgency of this research lies in the increasing gap between the rapid development of digital transactions and the lagging pace of tax regulatory adaptation. In Indonesia, the growth of e-commerce platforms has not been sufficiently matched by comprehensive and responsive digital tax frameworks (OECD, 2021). This mismatch has resulted in fragmented compliance practices, legal ambiguities, and reduced trust in the tax system among digital business actors (Sumartoyo & Prasetyo, 2023). Furthermore, the global discourse on digital taxation has mainly focused on macro-level policy frameworks and technological infrastructures, leaving a gap in empirical investigations into how tax consultants and e-commerce actors experience and interpret these regulations (Yigit & Vural, 2021). This study, therefore, seeks to address a research gap by providing a micro-level understanding of the practical, behavioral, and technological dynamics that influence regulatory implementation. It responds to the need for a more nuanced perspective that incorporates the perceptions and capabilities of private sector actors who serve as both subjects and agents of tax regulation in the digital economy.

One of the main determinants of the effectiveness of digital tax regulation implementation is regulatory complexity. Highly complex and rapidly evolving tax regulations often become a significant obstacle for both tax professionals and digital business operators in interpreting and applying the rules (Bjørnebye, 2020). The technicality and volatility of digital taxation policies, combined with inconsistencies across local and international tax regimes, add layers of confusion, especially for small to medium-sized enterprises (SMEs) in the e- commerce sector (Marques & da Silva, 2021). In developing countries, this complexity is often compounded by weak institutional capacity in tax administration, resulting in inefficient monitoring and enforcement mechanisms (Holter, 2021). Thus, regulatory complexity is a critical variable to investigate in explaining why digital tax regulation often falls short of its intended outcomes.

In addition to regulatory complexity, the level of tax literacy among digital business actors plays an essential role in shaping the success of tax policy implementation. Tax literacy includes an individual's or business's ability to understand digital tax obligations, navigate digital filing systems, and adapt business practices in accordance with tax compliance requirements (Mulyani et al., 2021). Empirical studies have demonstrated that low tax literacy correlates strongly with non-compliance, errors in tax reporting, and even intentional tax evasion (Nurhidayat & Ratri, 2022). Among e-commerce actors, those with higher tax literacy are more likely to comply with regulations, even when the policies are considered complex (Tannady et al., 2021). Enhancing digital tax literacy is, therefore, crucial to support more effective and inclusive policy implementation and is a key component of the digital transformation of public finance.

Another influential factor is the technological capacity of e-commerce actors to integrate and manage digital tax systems. Effective adoption of digital taxation requires adequate IT infrastructure, digital skills, and the ability to integrate internal accounting systems with external tax reporting platforms (Gupta & Keen, 2020). Failure to meet technological standards often leads to delays in reporting, administrative violations, and reduced compliance (Saputra & Wardhana, 2023). For e-commerce businesses, especially those without robust digital infrastructure, integrating technological solutions into tax compliance procedures can be a major challenge (Yuanita et al., 2023). As such, technological capacity stands as a critical independent variable that directly influences the effectiveness of digital tax policy execution.

Perceived tax fairness acts as a mediating variable that influences how taxpayers respond to tax regulations. If digital tax rules are seen as fair—whether in terms of tax burden distribution, access to information, or transparency in enforcement—they are more likely to encourage taxpayer compliance (Alm et al., 2021). Conversely, perceived inequality in tax implementation can lead to resistance, reduced compliance, and growing mistrust of tax authorities (Muliari & Setiawan, 2022). Fairness perception encompasses not only distributive justice but also procedural and informational equity, which are often challenged in complex digital environments (Klepper et al., 2020). Understanding how perceived fairness mediates the relationship between regulation and compliance is essential for designing inclusive digital tax systems that garner voluntary cooperation.

The role of tax consultants is posited as a moderating variable in this study, as they function as critical intermediaries between tax authorities and taxpayers. Skilled tax consultants provide essential services such as education, interpretation of regulatory changes, and assistance with digital tax systems, especially for less technologically adept businesses (Fitrani et al., 2023). Previous studies suggest that the involvement of qualified tax consultants helps mitigate the negative effects of regulatory complexity and boosts compliance among SMEs (Harahap & Marpaung, 2021). Moreover, tax consultants often serve as digital transformation agents by facilitating the integration of tax technology tools and ensuring accurate reporting (Siregar & Wibowo, 2023). Thus, their role is significant in moderating the effect of regulatory complexity and other independent variables on implementation effectiveness.

This study aims to empirically analyze the key factors influencing the effectiveness of digital tax regulation implementation, with specific attention to the roles of tax literacy, regulatory complexity, and technological capacity, while also examining perceived tax fairness as a mediating variable and the role of tax consultants as a moderating variable. Theoretically, this research contributes to the literature on digital taxation by offering a multi-dimensional perspective that integrates behavioral, institutional, and technological elements. Empirically, it provides insights for policymakers on designing and implementing more responsive and adaptive tax regulations in the evolving landscape of digital commerce.

Research Method

This study employs a qualitative approach using a case study method, aiming to gain an in-depth understanding of the dynamics surrounding the implementation of digital tax regulations in Indonesia, specifically from the perspectives of e-commerce actors and tax consultants. This approach is appropriate for exploring subjective experiences, perceptions, and adaptation strategies of business actors in response to the complexity of digital tax policies (Yin, 2023). The case study focuses on two primary groups: e-commerce entrepreneurs as the directly affected subjects and tax consultants who act as intermediaries in the interpretation and execution of regulations.

Data collection was conducted through in-depth interviews and participant observation, allowing the researcher to capture contextual understanding of the challenges and opportunities in digital tax enforcement (Creswell & Poth, 2021). Interviews were held with e-commerce actors across various business scales and with practicing tax consultants. In addition, secondary data were gathered from tax regulation documents, public policy reports, and relevant academic literature.

The data were analyzed using thematic analysis, following procedures of open, axial, and selective coding to identify major themes such as regulatory complexity, tax literacy, technological capacity, perceived tax fairness, and the role of tax consultants (Braun & Clarke, 2021). Data validity was ensured through source triangulation, member checking, and an audit trail documenting the research process.

This approach was selected due to the need to understand complex and underexplored social processes, especially within the context of shifting tax systems toward digitalization (Ndulu et al., 2022; Slemrod, 2021). As such, a qualitative approach is deemed suitable for exploring subjective experiences, constructed meanings, and institutional structures influencing tax compliance behavior in the digital economy ecosystem.

Results and Discussion

This study employed a qualitative case study method to explore the dynamics of digital tax regulation implementation in Indonesia, focusing particularly on e-commerce actors and tax consultants. Data were collected during the third quarter of 2024, targeting the Greater Jakarta area (Jabodetabek), a prominent hub of

Indonesia's digital economy. Data collection methods included in-depth interviews and participant observations, supported by secondary sources such as regulatory documents and public policy reports. Respondents were selected purposively to ensure variation in business scale and experience with digital taxation policies. Data validity was ensured through source triangulation, member checking, and a well-documented audit trail, as recommended by Creswell and Poth (2021).

The field findings reveal that e-commerce actors face substantial challenges in interpreting and applying rapidly evolving and complex digital tax regulations. In contrast, tax consultants play an intermediary role, translating abstract regulatory provisions into practical applications, particularly for small and medium-sized enterprises (SMEs). These findings reinforce the argument made by Slemrod (2021) that implementation effectiveness cannot be fully understood without accounting for the responses of economic actors to institutional pressures. Hence, understanding the interaction between institutional structures and actor capacities is essential to assessing digital tax policy outcomes.

Thematic analysis identified five dominant themes: regulatory complexity, digital tax literacy, technological capacity, perceived tax fairness, and the role of tax consultants. Regulatory complexity emerged as a primary barrier to effective implementation, echoing prior studies by Holter (2021) and Marques & da Silva (2021), which show that ambiguous language and frequent policy changes lead to confusion and inconsistent compliance behavior. This challenge is exacerbated by low levels of digital tax literacy among many e-commerce actors, who often depend on consultants to navigate filing procedures and interpret tax obligations (Nurhidayat & Ratri, 2022).

Moreover, technological capacity proved to be a critical determinant of compliance. Businesses with underdeveloped digital infrastructures struggle to integrate internal systems with government tax platforms. Yuanita et al. (2023) highlighted that SMEs often lack adequate technological resources, making them more reliant on intermediaries to fulfill digital compliance requirements. Additionally, perceived tax fairness emerged as a significant mediating variable; actors who perceived the tax system as transparent and equitable were more likely to exhibit voluntary compliance (Alm et al., 2021). The moderating role of tax consultants was also confirmed: competent consultants helped reduce regulatory ambiguity, bolstered perceptions of fairness, and facilitated smoother adaptation through education and interpretation (Fitrani et al., 2023).

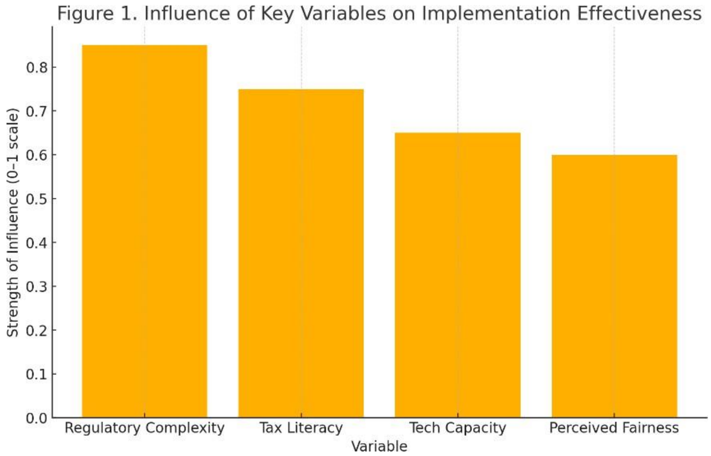

Figure 1. Influence of Key Variables on Implementation Effectiveness
Source: Processed by the Author (2025) based on field interviews and thematic analysis.

Figure 1 presents a visualization of the relative influence of four key variables on the effectiveness of digital tax regulation implementation, as identified through thematic analysis of field data. These variables include regulatory complexity, digital tax literacy, technological capacity, and perceived tax fairness. The vertical axis reflects the strength of influence on a scale from 0 to 1, representing both the consistency of themes across respondents and the intensity of their narratives.

Regulatory complexity appears as the most dominant factor (0.85), indicating that ambiguous, frequently changing policies and inconsistent enforcement practices significantly hinder effective implementation. This finding aligns with the literature, which underscores that convoluted regulatory environments can obscure obligations and reduce taxpayer compliance (Marques & da Silva, 2021; Holter, 2021). Digital tax literacy follows closely (0.75), highlighting the critical role of knowledge and familiarity with e-filing systems, rate calculations, and online reporting procedures. Respondents with low literacy levels often expressed confusion and a heavy reliance on consultants to fulfill their tax duties (Mulyani et al., 2021; Nurhidayat & Ratri, 2022).

Technological capacity ranks third (0.65), illustrating how limited access to digital infrastructure and challenges in integrating internal systems with government tax platforms constrain compliance, particularly among small and medium-sized enterprises (SMEs). Previous studies affirm that digital readiness is essential for successful tax system digitalization (Saputra & Wardhana, 2023; Yuanita et al., 2023). Lastly, perceived tax fairness registers a score of 0.60. Although this value is slightly lower, the variable plays a pivotal mediating role

by influencing taxpayers' willingness to comply voluntarily. When tax policies are viewed as fair whether in terms of burden distribution, procedural transparency, or informational accessibility compliance levels tend to increase (Alm et al., 2021;

Muliari & Setiawan, 2022). Overall, Figure 1 confirms that the effectiveness of digital tax policy implementation is shaped by a complex interplay of regulatory, cognitive, technological, and perceptual dimensions. This visualization underscores the need for a comprehensive strategy that combines regulatory simplification with initiatives to enhance digital tax literacy and technological support for e-commerce actors. Such an integrated approach is crucial for fostering inclusive and sustainable digital tax reforms in an increasingly digitized economic landscape.

Regulatory Complexity and Tax Literacy as Structural Barriers

This subsection addresses how regulatory complexity and tax literacy function as primary structural constraints to the effective implementation of digital tax regulations. The study found that e-commerce actors often experience difficulty navigating through rapidly changing and ambiguously worded regulations. Interview data reveal consistent complaints regarding a lack of clear guidance and insufficient outreach by tax authorities. These findings corroborate studies by Holter (2021) and Marques & da Silva (2021), which argue that excessive regulatory complexity disrupts compliance, particularly among SMEs lacking internal legal or accounting resources. Compounded by frequent updates and policy revisions, the regulatory framework appears disjointed and inaccessible to the average digital entrepreneur.

Digital tax literacy further intensifies this problem. Many respondents expressed limited understanding of digital tax obligations, reporting procedures, and rate structures, often relying on consultants to interpret and comply with legal requirements. This knowledge gap hampers autonomous compliance and raises concerns about asymmetric access to tax-related information. As noted by Mulyani et al. (2021), tax literacy plays a foundational role in aligning taxpayer behavior with policy objectives. In this context, limited tax knowledge contributes to both inadvertent non-compliance and increased operational dependency on external advisors.

Technological Capacity and Digital Integration Challenges

This subsection explores the role of technological capacity in shaping the practical realities of digital tax compliance. The research revealed that a substantial number of e- commerce actors especially those operating small to medium-sized enterprises face considerable challenges in adopting and maintaining adequate IT infrastructure for tax reporting. Respondents noted difficulties in integrating their internal accounting systems with government digital tax platforms, leading to delays, errors, and even administrative penalties. These findings are consistent with those of Saputra & Wardhana (2023) and Yuanita et al. (2023), who emphasized that digital readiness is a critical enabler of compliance in digitally transformed tax systems.

Furthermore, the lack of standardization in application programming interfaces (APIs) and the varying levels of technical support available to businesses exacerbate implementation gaps. Many businesses rely on outdated systems or manual processes, which are ill-suited for digital tax environments. This technological divide not only limits their compliance but also slows the overall modernization of tax governance. Therefore, enhancing digital infrastructure and providing accessible technical support are imperative for improving policy effectiveness and reducing compliance asymmetries.

Perceived Tax Fairness and the Mediating Role of Tax Consultants

This final subsection discusses how perceived tax fairness and the presence of tax consultants influence taxpayer behavior and policy outcomes. The data suggest that when taxpayers perceive the tax system as fair both in terms of burden distribution and enforcement transparency they are more likely to comply voluntarily. Respondents valued equal treatment across business sizes and platforms, expressing frustration when they believed larger or foreign entities received preferential treatment. These perceptions align with findings from Alm et al. (2021) and Muliari & Setiawan (2022), which highlight the significance of perceived fairness in shaping tax morale and behavioral compliance.

Tax consultants emerged as important moderators in this relationship. The presence of competent advisors not only reduced confusion around complex regulations but also bolstered perceptions of fairness through better interpretation and clearer communication. Consultants served as bridges between policy and practice, translating legal jargon into operational actions. This intermediary role, as supported by Fitrani et al. (2023) and Harahap & Marpaung (2021), was particularly vital for SMEs that lack internal resources. In effect, tax consultants not only enhanced compliance but also mitigated the negative effects of both regulatory complexity and low literacy.

Conclusions and Suggestions

This study concludes that the effectiveness of digital tax regulation implementation in Indonesia is significantly shaped by a complex interplay of structural, technological, and perceptual factors. Regulatory complexity, characterized by ambiguous language and frequent updates, emerged as the most influential barrier, particularly among small to medium-sized e- commerce enterprises. In parallel, the level of digital tax literacy was found to be insufficient among many digital entrepreneurs, which in turn heightened their reliance on tax consultants and diminished their independent compliance capability. Technological capacity also played a pivotal role; businesses with outdated or non-integrated systems faced difficulties aligning with government tax platforms, leading to procedural delays and reduced reporting accuracy. Furthermore, perceptions of fairness mediated these dynamics, with voluntary compliance being more likely when tax policies were viewed as equitable and consistently enforced. Importantly, tax consultants were shown to moderate these relationships by providing both interpretive clarity and technological support, thus enhancing overall implementation outcomes.

Based on these findings, the study recommends several practical and policy-oriented actions. Policymakers should prioritize simplifying regulatory language and reducing the frequency of policy changes to improve clarity and accessibility. Parallel efforts must be directed toward improving digital tax literacy through targeted education campaigns, especially among SMEs. Technological support programs, including subsidies for system upgrades and standardized integration tools, should also be developed to support the digital transformation of smaller enterprises. The study acknowledges several limitations, including its regional focus on Greater Jakarta and its reliance on qualitative data, which may limit broader generalization. Future research should explore these dynamics across different regions and business sectors, incorporating quantitative methods to validate and expand the findings. A longitudinal approach could also reveal how digital tax compliance evolves in response to regulatory changes over time, offering deeper insights into policy effectiveness in the context of digital transformation.

Thank-you note

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