

The Implementation of the Core Tax System in Indonesia: A Systematic Literature Review

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ABSTRACT

This study aims to systematically review the implementation of the Core Tax System in Indonesia as part of the national tax reform agenda. The research method employed is a Systematic Literature Review (SLR) by examining articles, reports, and relevant documents from various academic databases and official sources covering the period of 2018–2025. The literature selection process was conducted based on inclusion and exclusion criteria using the PRISMA approach (Preferred Reporting Items for Systematic Reviews and Meta-Analyses), resulting in a set of studies analyzed thematically. The findings indicate that the implementation of the Core Tax System in Indonesia is shaped by four key themes: (1) technological readiness and digital infrastructure, (2) human resource capacity and competence, (3) regulatory and policy support, and (4) the impact on tax administration effectiveness and taxpayer compliance. While the system offers significant opportunities to enhance transparency and efficiency, the literature also highlights challenges such as limited digital literacy, resistance to change, and technical risks in the digitalization process. This study emphasizes that the success of the Core Tax System is determined not only by technical aspects but also by change management, public communication, and stakeholder engagement. The literature suggests several recommendations, including strengthening infrastructure, improving human resource capacity, and ensuring consistent policies to guarantee the sustainability of tax reform in Indonesia.

Keywords: Core Tax System, Tax Administration, Tax Compliance, Tax Reform.

ABSTRAK

Penelitian ini bertujuan untuk melakukan kajian sistematis mengenai implementasi Core Tax System di Indonesia sebagai bagian dari agenda reformasi perpajakan. Metode yang digunakan adalah Systematic Literature Review (SLR) dengan menelusuri artikel, laporan, dan dokumen relevan dari berbagai database akademik dan sumber resmi dalam rentang tahun 2018–2025. Proses seleksi literatur dilakukan berdasarkan kriteria inklusi-eksklusi dengan menggunakan pendekatan PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses), sehingga diperoleh sejumlah penelitian yang dianalisis secara tematik. Hasil kajian menunjukkan bahwa implementasi Core Tax System di Indonesia dipengaruhi oleh empat tema utama, yaitu: (1) kesiapan teknologi dan infrastruktur digital, (2) kapasitas dan kompetensi sumber daya manusia, (3) dukungan regulasi serta kebijakan pemerintah, dan (4) dampak terhadap efektivitas administrasi pajak dan kepatuhan wajib pajak. Meskipun menawarkan peluang besar dalam meningkatkan transparansi dan efisiensi, literatur juga menyoroti tantangan berupa keterbatasan literasi digital, resistensi perubahan, serta risiko teknis dalam proses digitalisasi. Studi ini menegaskan bahwa keberhasilan Core Tax System tidak hanya ditentukan oleh aspek teknis, tetapi juga oleh manajemen perubahan, komunikasi publik, serta keterlibatan pemangku kepentingan. Rekomendasi yang muncul dari literatur antara lain penguatan infrastruktur, peningkatan kapasitas SDM, serta konsistensi kebijakan untuk memastikan keberlanjutan reformasi perpajakan di Indonesia.

Kata kunci: Core Tax System, Administrasi Pajak, Kepatuhan Pajak, Reformasi Perpajakan.

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INTRODUCTION

The digitalization of tax administration has become one of the most significant reforms undertaken by governments worldwide in recent decades (Karlinah, Meutia, et al., 2025). Rapid advances in information technology and the expansion of the digital economy have created new demands for tax systems that are transparent, efficient, and adaptable. International institutions such as the OECD and World Bank have consistently promoted digital transformation in tax systems as a necessary step to improve revenue mobilization and support sustainable economic growth. Global experiences illustrate that digital tax systems are not merely technological upgrades but comprehensive reforms that redefine the relationship between governments and taxpayers. Countries such as Brazil, India, and South Korea have successfully implemented integrated platforms that allow for real-time data processing, automated reporting, and improved monitoring. These reforms have reduced administrative costs, minimized compliance burdens, and strengthened public trust in the tax system. The growing momentum for digital transformation demonstrates that governments that fail to modernize risk being left behind in the global competition for efficiency and fiscal sustainability.

Digitalization also addresses broader governance concerns. By reducing the reliance on paper-based processes and face-to-face interactions, digital tax systems limit opportunities for rent-seeking and corruption (Xu et al., 2022). They also enhance accountability by providing transparent audit trails and accessible taxpayer services. In addition, digital platforms enable the use of advanced analytics, which can identify compliance risks more accurately and support evidence-based policymaking. These international lessons underscore the urgency of adopting comprehensive digital systems in countries that are still heavily reliant on fragmented or outdated platforms. Indonesia has been no exception to these global pressures. Despite significant reform efforts since the early 2000s, the country's tax administration has continued to grapple with structural challenges. Data fragmentation across different systems has hampered the ability of the Directorate General of Taxes (DGT) to construct accurate taxpayer profiles. Inefficient monitoring mechanisms and limited interoperability among databases have weakened risk-based supervision. The persistence of these structural issues has contributed to relatively low levels of voluntary compliance and a tax ratio that remains below regional averages (Karlinah, Meutia, et al., 2024b).

Another persistent problem in Indonesia's tax administration is the perception of complexity and inefficiency among taxpayers (Karlinah, Diphayana, et al., 2024). Filing and payment processes have often been criticized as cumbersome, while limited integration with banking and other government systems has created duplication and confusion. These factors have not only discouraged compliance but have also undermined trust in the fairness and effectiveness of the tax system. Such challenges highlight the need for a fundamental shift from fragmented processes to a unified and transparent system. In response to these challenges, the Indonesian government, through the DGT, has embarked on one of its most ambitious reform projects: the Core Tax System (CoreTax). Officially launched in January 2025, CoreTax is designed as an integrated digital platform that unifies the entire spectrum of tax administration processes, including registration, filing, payment, reporting, monitoring, and enforcement. The introduction of this system is regarded as a major milestone in Indonesia's ongoing tax reform agenda.

CoreTax is expected to deliver a range of benefits. By consolidating data into a centralized platform, it aims to create more accurate taxpayer databases that support risk-based audits and enhance compliance monitoring. Automation of administrative functions reduces the scope for human error and minimizes opportunities for discretionary interventions by tax officials. More importantly, CoreTax promises to improve transparency in interactions between taxpayers and the tax authority, thereby strengthening public trust and supporting voluntary compliance. The system also aligns Indonesia's fiscal policies with international standards of modern tax administration. With globalization and digitalization reshaping economic transactions, tax authorities must adapt to increasingly complex compliance environments. CoreTax enables Indonesia to modernize its practices in line with global best practices, thereby enhancing competitiveness, fiscal sustainability, and credibility in the eyes of international investors and partners.

However, the implementation of CoreTax has not been without obstacles. Reports from media outlets, practitioner commentaries, and policy briefs consistently highlight recurring technical disruptions, limited infrastructure capacity, and delays in integrating legacy systems. These technical issues, particularly in the early stages of implementation, have raised concerns among taxpayers regarding the system's reliability (Maulana et al., 2025). Without consistent performance, the reform risks undermining the very trust it seeks to build. Beyond technical concerns, the issue of digital literacy poses a serious challenge. Many taxpayers, especially small and medium-sized enterprises (SMEs), remain unaccustomed to digital platforms and perceive the system as complex. Limited access to reliable internet in some regions further exacerbates the digital divide, making it more difficult to ensure equitable access to CoreTax services. These challenges underline that the success of CoreTax depends not only on technological readiness but also on the ability of institutions to support taxpayers in adapting to the new system.

Resistance to organizational change also emerges as a significant barrier. Tax officials accustomed to traditional procedures often face difficulties adapting to a fully digital environment. On the taxpayers' side, reluctance to abandon familiar practices and skepticism regarding the new system's efficiency complicate adoption (Purnamasari, 2025). These socio-organizational dynamics highlight that reform is not only a technical endeavor but also a matter of institutional culture and public perception. Despite widespread discussion in policy circles, systematic academic research on CoreTax remains limited. Much of the existing discourse is confined to government reports, practitioner commentaries, and media coverage. While these sources provide valuable insights, they often lack the methodological rigor and comprehensive analysis found in academic studies. Consequently, there is still a limited consolidated understanding of the opportunities and challenges associated with CoreTax implementation.

Moreover, the existing academic studies that do address digital tax reform in Indonesia tend to be fragmented. Many focus narrowly on technological aspects such as system architecture or on regulatory frameworks, without considering broader issues of change management, stakeholder engagement, or the system's impact on compliance behavior. This fragmented approach leaves important questions unanswered and fails to capture the multifaceted nature of CoreTax as both a technological and institutional reform. These gaps in the literature call for a systematic effort to synthesize the existing knowledge on CoreTax implementation. A comprehensive review is necessary to consolidate findings, identify recurring themes, and evaluate both opportunities and challenges. Such an approach can provide a more holistic perspective that connects technical, institutional, and behavioral dimensions of reform. It can also highlight best practices and inform strategies for improving the system in the future.

Accordingly, this study seeks to fill the gap by conducting a Systematic Literature Review (SLR) of academic and professional sources related to CoreTax. By systematically analyzing and synthesizing existing studies, this review aims to provide a comprehensive understanding of the implementation of CoreTax in Indonesia. The findings are expected to contribute not only to academic discourse but also to practical policymaking by offering evidence-based insights and recommendations.

Ultimately, the study highlights the significance of CoreTax as a central pillar in Indonesia's tax reform agenda. By situating the analysis within the broader context of global digital tax reform while focusing on Indonesia's unique challenges, this review underscores the transformative potential of CoreTax. At the same time, it emphasizes that success will depend on the alignment of technological capacity, institutional readiness, regulatory consistency, and public trust.

THEORETICAL FRAMEWORK

Technology Acceptance Model (TAM)

The Technology Acceptance Model (Davis, 1989) highlights that the adoption of new technology is determined by users' perceptions of usefulness and ease of use. In the case of CoreTax, taxpayers and tax officers will adopt and effectively use the system only if they perceive it as beneficial and user-friendly (Herawati Khotmi et al., 2025). If the system is considered too complex, unreliable, or difficult to navigate, users may resist adoption, undermining its intended impact. Thus, behavioral and psychological factors play a critical role in the overall success of CoreTax implementation, beyond the technical design of the system itself.

Building on this perspective, recent studies have emphasized that fostering positive user perceptions requires more than simply deploying advanced technological features (Arifin et al., 2025). Effective implementation should also include clear communication about the benefits of CoreTax, ongoing training tailored to different user groups, and the provision of reliable technical support. When users feel supported and informed, their perceptions of usefulness and ease of use are likely to improve, thereby strengthening their intention to adopt the system. This indicates that behavioral strategies such as trust-building, socialization, and user engagement must accompany technological innovation to achieve sustainable adoption of CoreTax in Indonesia.

Institutional Theory

Institutional Theory emphasizes that organizations must adapt not only for technical efficiency but also to comply with regulatory, normative, and cultural pressures. The implementation of CoreTax reflects both global and domestic institutional pressures. Internationally, there is a demand for greater fiscal transparency, digital governance, and cross-border data integration (Rahayu et al., 2025). Domestically, the Directorate General of Taxes faces public expectations to deliver a more modern, accountable, and legitimate tax administration. Hence, CoreTax is not merely a technical solution, but also a symbol of institutional legitimacy and reform in Indonesia's public governance.

In this light, CoreTax can be understood as a response to both coercive and normative isomorphism, where the tax authority aligns its practices with international standards while simultaneously addressing societal expectations at home. The system not only introduces digital infrastructure but also serves as a tool to reinforce legitimacy by demonstrating that the government is responsive to calls for modernization and good governance (Naufal Wala & Tesalonika, 2024). By institutionalizing CoreTax within Indonesia's bureaucratic framework, the DGT strengthens its credibility and aligns itself with broader global practices, thereby ensuring that the reform is perceived as both necessary and legitimate by diverse stakeholders (Kalbuana et al., 2022).

Good Governance in Tax Administration

Principles of good governance transparency, accountability, efficiency, effectiveness, and participation are central to modern tax administration (Karlinah, Meutia, et al., 2024a). CoreTax is designed to operationalize these principles through digital integration, risk-based monitoring, and accessible tax services. Accordingly, the success of CoreTax should not only be assessed from its technical performance but also from its ability to strengthen fiscal accountability and public trust. Previous studies have shown that embedding good governance in tax administration contributes to higher voluntary compliance and an expanded tax base (Cahyadi, 2025).

In this context, CoreTax represents not only a technological upgrade but also a governance reform tool (Karlinah et al., 2023). By ensuring that tax processes are more transparent and inclusive, the system reinforces the government's legitimacy and demonstrates its commitment to fairness, which are crucial foundations for long-term compliance and sustainable revenue growth.

Digitalization and Tax Reform

Tax digitalization has become a global trend, embraced by both developed and developing economies (Karlinah, Sugondo, et al., 2025). It reduces administrative burdens, enhances taxpayer compliance, and mitigates revenue leakages. Indonesia has gradually pursued digital tax reforms since the early 2000s, with initiatives such as e-filing, e-billing, and e-invoicing (Asmoro, Paquita Okfitasari, Antin Suhatmi, 2025). CoreTax represents the next phase of this reform by consolidating all administrative processes into a single integrated platform. It positions Indonesia closer to international standards of digital tax administration and reflects the government's broader strategy to modernize fiscal governance.

As a flagship reform, CoreTax also symbolizes the government's commitment to long-term institutional strengthening (Latif et al., 2022; Widjaja et al., 2025). By embedding digitalization into every aspect of tax administration, the system is expected to create lasting improvements in efficiency, service delivery, and accountability, which in turn can enhance the credibility of Indonesia's fiscal institutions in the eyes of both domestic taxpayers and international stakeholders.

CoreTax and Tax Compliance

Tax compliance is shaped by structural factors (laws, systems, monitoring) as well as individual-level factors (knowledge, attitudes, behaviors). CoreTax addresses structural dimensions by simplifying procedures, improving data quality, and strengthening risk-based enforcement (Ulung & Ekowati, 2025). Ultimately, its effectiveness can be evaluated through measurable outcomes such as increased voluntary compliance, reduced opportunities for tax avoidance, and enhanced state revenue. By bridging the gap between technological advancement and taxpayer behavior, CoreTax has the potential to transform Indonesia's tax compliance landscape.

At the same time, sustained improvements in compliance will depend on how effectively the system builds taxpayer trust (Xiang et al., 2022). When users perceive CoreTax as transparent, fair, and reliable, they are more likely to comply voluntarily, reinforcing the broader goals of Indonesia's tax reform.

RESEARCH METHOD

This study employs a Systematic Literature Review (SLR) to examine the implementation of the Core Tax System in Indonesia (Marchiori et al., 2022). The SLR approach was chosen because it enables a comprehensive, transparent, and replicable review process compared to narrative literature reviews. Beyond collecting studies, SLR critically evaluates and synthesizes findings across multiple sources. The review follows the PRISMA framework (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) to ensure methodological rigor and transparency. This protocol guides the formulation of research questions, search strategy, study selection, and data synthesis, allowing the study to be replicable by other researchers.

The review seeks to address the following research questions: (1) How has the implementation of the Core Tax System been discussed in the academic and professional literature in Indonesia? (2) What are the major challenges identified in its implementation? (3) What implications does CoreTax have for tax administration effectiveness and taxpayer compliance?. Literature was collected from major international databases (Scopus, ProQuest, ScienceDirect, DOAJ) as well as national repositories (Garuda, Neliti, Google Scholar). In addition, official policy documents and professional reports from the Directorate General of Taxes, DDTC, and Ortax were included as supplementary sources. The review covers the period 2018–2025, corresponding to the early conceptualization and subsequent implementation of CoreTax.

The search strategy utilized Boolean operators (AND, OR), truncations, and wildcards to maximize retrieval of relevant studies. Sample keywords included: “Core Tax System” AND “Indonesia”, “Digital tax administration” OR “Tax system reform”, “Administrasi pajak digital” OR “Reformasi perpajakan Indonesia”, “Taxpayer compliance” AND “CoreTax”. Inclusion criteria is published between 2018–2025, directly related to CoreTax or digital tax administration in Indonesia, available in English or Indonesian, full-text accessible. Exclusion criteria is brief news reports or opinion pieces lacking analytical depth, studies not relevant to the Indonesian context, duplicated or redundant publications.

In conducting this Systematic Literature Review (SLR), the PRISMA protocol was applied to ensure transparency and rigor in the process of identifying, screening, and selecting relevant studies. The PRISMA framework provides a structured approach that minimizes bias and improves the reproducibility of the review. The selection process was carried out in four main stages: (1) identification of studies from multiple databases and sources, (2) screening of titles and abstracts, (3) eligibility assessment of full-text articles, and (4) final inclusion of studies that met all criteria. The detailed process is summarized in Table 1 (PRISMA Selection Summary) below:

Table 1 PRISMA Selection Summary

Selection Stage	Number of Records	Description
Identification	256	Records retrieved from Scopus, ProQuest, ScienceDirect, DOAJ, Google Scholar, Garuda, Neliti, DDTC, Ortax, and government policy documents.
Screening	150	Duplicates and records with irrelevant titles/abstracts were excluded.
Eligibility	72	Full-text articles assessed for relevance and methodological quality.
Inclusion	35	Studies that met all inclusion criteria and were included in the thematic analysis.

Source: Authors' adaptation based on PRISMA 2020 Statement

Each included study was evaluated for quality based on: (a) clarity of research objectives, (b) methodological appropriateness, (c) relevance to CoreTax implementation, and (d) contribution to tax administration literature. A thematic coding process was applied, classifying the literature into four categories: (1) technological and infrastructural readiness, (2) human resource capacity, (3) regulatory and policy support, and (4) compliance and effectiveness outcomes. Cross-study comparisons were conducted to identify patterns, contradictions, and research gaps.

RESULT AND DISCUSSION

1. Technological and Infrastructural Readiness

A significant body of literature highlights that technology is the cornerstone of CoreTax implementation. The readiness of digital infrastructure determines whether the system can operate reliably and handle the large volume of national tax transactions. Several studies report that during its initial trials, CoreTax experienced technical disruptions that delayed services, demonstrating the importance of ensuring technological integrity and server capacity before full-scale implementation. These findings underline that without adequate investment in digital infrastructure, the system risks losing taxpayer confidence and undermining reform objectives. In addition to basic technical capacity, integration with supporting systems such as e-invoicing, e-billing, the Online Single Submission (OSS) system, and banking platforms presents further challenges. Misalignment across systems may result in data duplication, reporting errors, or even information leakage. Scholars note that the complexity of Indonesia's multi-layered tax ecosystem requires seamless interoperability between CoreTax and legacy systems. International experiences, such as the digital tax reforms in India and Brazil, suggest that integration failures can significantly delay reform benefits and create distrust among taxpayers.

Cybersecurity also emerges as a critical dimension of technological readiness. As CoreTax centralizes massive amounts of taxpayer data, the system becomes a potential target for cyberattacks and data breaches (Maliki, 2025). Literature emphasizes that robust encryption, secure authentication, and continuous monitoring are essential to safeguard sensitive fiscal information. Without strong cybersecurity protocols, even well-designed infrastructure could expose both taxpayers and the government to reputational and financial risks. Furthermore, scalability and flexibility of the digital infrastructure are frequently mentioned as success factors (Rahmi & Gangodawilage, 2022). A modern tax system must not only handle current transaction volumes but also be prepared for future increases in taxpayer numbers, cross-border transactions, and new forms of digital commerce. Studies highlight that adopting cloud computing solutions and modular architectures allows for greater adaptability, enabling CoreTax to evolve alongside technological advances and taxpayer needs.

Nevertheless, many studies stress that sustained investment in digital infrastructure will yield long-term benefits. With adequate hardware support, advanced cloud computing, and state-of-the-art cybersecurity, CoreTax can enhance service speed, data reliability, and transparency. Beyond technical functionality, improved infrastructure also contributes to better user experience, fostering greater trust among taxpayers. In other words, technological readiness is not only a prerequisite for the system's success but also the foundation upon which institutional legitimacy and taxpayer compliance can be built.

2. Human Resource Capacity and Competence

The second major theme identified in the literature concerns the readiness of both tax officials and taxpayers to adopt and adapt to the CoreTax system. Studies consistently note that even the most advanced digital infrastructure will fail to deliver results if the human resources interacting with the system are not adequately prepared. For tax officials, the transition from manual or semi-digital processes to a fully integrated digital platform requires not only technical training but also a cultural shift in how they perceive their roles and responsibilities. This suggests that organizational change management must accompany technical training in order to foster a supportive environment for reform.

On the taxpayer side, low levels of digital literacy—particularly among small and medium-sized enterprises (SMEs)—emerge as a recurring obstacle. Many SMEs still rely on traditional bookkeeping and often perceive digital applications as complex or intimidating (Li et al., 2022). Literature indicates that this lack of digital readiness can generate resistance to using CoreTax, resulting in decreased compliance or reliance on intermediaries. This highlights the importance of designing CoreTax in a user-friendly manner and ensuring that taxpayer assistance services are widely accessible, particularly for vulnerable groups with limited exposure to digital systems (Rahmad, 2025). Several studies also emphasize the role of continuous training and support programs. For tax officials, training should go beyond technical skills to include soft skills such as taxpayer communication, problem-solving, and adaptive learning. For taxpayers, capacity-building initiatives may include public workshops, online tutorials, mobile-based applications, and collaboration with business associations (Nabila et al., 2024). These initiatives can help create a shared understanding of the system and reduce the “digital divide” that often limits compliance in developing economies.

Another critical aspect is the establishment of responsive and accessible support mechanisms, such as helplines, live chat systems, or on-site assistance at tax service offices. Literature shows that when taxpayers encounter technical issues without adequate support, their trust in the system declines rapidly. Conversely, when support is readily available, taxpayers are more likely to accept new systems despite initial difficulties (Ersamawanti et al., 2025; Tofan, 2023). This implies that human capacity development must be paired with service delivery mechanisms that build confidence and reduce frustration. Ultimately, improving human resource capacity and competence is not merely a supplementary factor but a central pillar of CoreTax implementation. Digital transformation requires both technological readiness and human adaptability. Without skilled tax officials and digitally literate taxpayers, the system risks being underutilized or misapplied. Therefore, investments in training, capacity building, and taxpayer education should be seen as long-term strategies to ensure that CoreTax not only modernizes tax administration but also fosters sustainable compliance and trust in Indonesia’s tax system.

3. Regulatory and Policy Support

The third theme that emerges strongly in the literature is the role of regulation and policy in supporting CoreTax implementation. A recurring finding across studies is that no matter how sophisticated the system may be, it cannot function effectively without a coherent legal and regulatory framework. Clear rules are required to govern how CoreTax integrates with existing tax procedures, how data is managed, and how compliance is enforced. Inconsistent or fragmented regulations can create confusion for both administrators and taxpayers, ultimately reducing trust in the system. Several studies highlight that one of the key challenges in Indonesia is the misalignment between central tax regulations and sectoral policies issued by other ministries or local governments (Dewi Dyah Widyastuti et al., 2025).

For instance, while CoreTax aims to centralize data and streamline processes, local reporting requirements or overlapping regulations may continue to burden taxpayers. This kind of regulatory inconsistency not only undermines efficiency but also creates room for ambiguity in enforcement. Therefore, regulatory harmonization across different levels of government is crucial for ensuring the success of CoreTax. Legal certainty is another important concern raised in the literature. Taxpayers must be assured that the system they use is backed by strong, enforceable laws that provide protection and predictability (Misbahuddin & Kurniawati, 2025). Rapid regulatory changes without proper socialization can lead to confusion, errors in compliance, and even distrust. Scholars argue that reforms such as CoreTax must be introduced with sufficient lead time, accompanied by clear transitional guidelines, so that both taxpayers and administrators have time to adapt. Legal certainty thus functions as the backbone of institutional legitimacy.

Moreover, policy support extends beyond just drafting regulations. The government also needs to ensure that adequate fiscal and institutional resources are allocated to support the implementation of CoreTax. Studies emphasize that without sufficient budgetary allocations for infrastructure, training, and cybersecurity, even well-designed policies may not translate into effective practice. Policy support in this sense requires alignment between regulatory frameworks and resource commitments to guarantee sustainability. Another important aspect is the role of communication and socialization policies. The literature points out that even the best regulatory frameworks will fail if they are not properly communicated to taxpayers. Clear, accessible, and continuous dissemination of policy changes is critical to ensuring smooth adoption. Some studies recommend leveraging digital platforms, public campaigns, and partnerships with professional associations to enhance awareness and minimize resistance to new regulations. This highlights that regulation is not only about what is written in the law but also how it is understood and accepted by the public.

Finally, broader government policy beyond the tax domain also plays a significant role in strengthening CoreTax implementation. For example, national digital transformation strategies, fiscal incentives for technology adoption, and cross-sectoral initiatives on data governance can provide an enabling environment for CoreTax to flourish. In this way, the system becomes part of a larger reform agenda that aligns taxation with economic modernization. The literature suggests that with consistent and proactive policy support, CoreTax can serve not only as a technical tool for tax collection but also as a strategic instrument for sustaining long-term fiscal reform in Indonesia.

4. Impact on Tax Administration Effectiveness and Compliance

The central objective of CoreTax is to improve the effectiveness of tax administration and foster higher levels of taxpayer compliance. Many studies emphasize that by centralizing data, automating procedures, and reducing manual interventions, CoreTax has the potential to streamline processes, reduce compliance costs, and enhance accuracy. A more efficient system not only benefits the tax authority in terms of monitoring and enforcement but also creates a more user-friendly experience for taxpayers, which in turn can encourage voluntary compliance (Purnamasari, 2025). Nevertheless, several studies caution that technical disruptions or unreliable system performance can have the opposite effect. When taxpayers encounter errors, delays, or complex interfaces, they may become frustrated and lose trust in the reform. This can lead to higher reliance on intermediaries, increased complaints, or even non-compliance. The literature highlights that user experience is not a minor issue but a central determinant of whether digital tax systems achieve their intended goals. A system that is technically sound but difficult to use may ultimately discourage compliance rather than promote it.

Another aspect that emerges from the literature is the importance of perceived fairness. Taxpayer compliance is not determined solely by the efficiency of administrative processes but also by whether taxpayers feel that the system treats them equitably. If CoreTax is perceived to disproportionately burden certain groups, such as SMEs or individuals with low digital literacy, this may undermine its legitimacy (Korat & Munandar, 2025). On the other hand, when the system is transparent, consistent, and inclusive, it is more likely to build trust and strengthen compliance.

The impact of CoreTax also extends to risk management and audit functions (Cindy & Chelsya, 2024). By providing integrated databases and real-time reporting, the system enables the tax authority to adopt a more risk-based approach to monitoring compliance. This can lead to more targeted audits, reducing unnecessary administrative burdens on compliant taxpayers while focusing enforcement efforts on high-risk cases. Studies note that such an approach not only improves efficiency but also enhances perceptions of fairness by minimizing arbitrary interventions.

Moreover, CoreTax opens opportunities for long-term improvements in compliance culture. As taxpayers become accustomed to streamlined digital processes, the cost of non-compliance rises in terms of both detection risk and administrative complexity. Over time, this may create a cultural shift toward greater voluntary compliance. However, the literature warns that this process requires consistent system reliability and continuous taxpayer education; otherwise, the potential benefits may not materialize.

Finally, the literature underscores that the success of CoreTax should not be measured solely in terms of revenue collection. Broader indicators such as taxpayer satisfaction, public trust, and the institutional legitimacy of the Directorate General of Taxes are equally important. Continuous evaluation of these factors is necessary to ensure that CoreTax aligns with the broader goals of inclusive and sustainable tax reform. By doing so, the government can ensure that CoreTax becomes not only a tool for raising revenue but also a vehicle for strengthening the social contract between the state and its citizens.

The review of the four themes demonstrates that the implementation of CoreTax cannot be analyzed in isolation. Technological readiness, human resource capacity, regulatory support, and compliance outcomes are deeply interconnected. A weakness in one aspect may undermine progress in others, while strengths across dimensions can create a reinforcing cycle of reform. This interdependence highlights the need for a comprehensive and integrated approach in CoreTax implementation.

From a policy standpoint, the findings suggest that the government must go beyond technical improvements to address broader issues of inclusivity and accessibility (Hendrawati et al., 2025; Tandiono et al., 2025). Taxpayers from various sectors—including small businesses, corporations, and individuals—must be able to interact with the system efficiently. Policies that ensure equal access to digital services, coupled with supportive infrastructure in remote areas, are critical to achieving equitable tax reform.

Academically, this review contributes to the growing body of literature on digital tax transformation in developing countries (Naufal Wala & Tesalonika, 2024). Whereas previous studies often examined technological, legal, or compliance aspects separately, this review integrates them into a single framework. Such synthesis allows researchers to build more comprehensive models for studying the interplay between digital systems and taxpayer behavior.

The challenges identified in this review should also be viewed as opportunities. The government can use CoreTax not only as an administrative tool but also as a foundation for advanced analytics, risk assessment, and predictive modeling. With the integration of big data and artificial intelligence, CoreTax could evolve into a proactive system that anticipates taxpayer behavior rather than merely reacting to it. Finally, the review underscores the importance of ongoing monitoring and evaluation. Tax administration is dynamic and must adapt to shifting economic conditions, technological innovations, and global tax governance trends. Establishing mechanisms for continuous feedback, testing, and iterative policy improvement will ensure that CoreTax remains responsive and aligned with long-term fiscal goals.

CONCLUSION

This study set out to examine the implementation of Indonesia's Core Tax System (CoreTax) through a Systematic Literature Review (SLR). By analyzing 35 selected studies, four key factors were identified as determinants of CoreTax's success: (1) technological and infrastructural readiness, (2) human resource capacity and competence, (3) regulatory and policy support, and (4) its impact on tax administration effectiveness and taxpayer compliance. The synthesis of these studies provides a holistic perspective, underscoring that the success of CoreTax is shaped by the interaction of technical, institutional, and behavioral dimensions rather than by any single factor alone. While CoreTax offers significant potential to enhance transparency, efficiency, and data accuracy, the literature also highlights persistent challenges that cannot be overlooked. Limited digital infrastructure, low levels of digital literacy among taxpayers, resistance to organizational change, and regulatory misalignment emerge as recurring barriers across multiple studies. These findings suggest that the reform should not be interpreted merely as a technical upgrade but as a complex institutional transformation. Effective change management, continuous public communication, and stakeholder engagement are therefore essential to ensure that CoreTax achieves its intended objectives.

From an academic perspective, this review contributes to the growing body of literature on digital tax reforms, particularly in the context of developing economies such as Indonesia. Whereas most prior studies have examined technical readiness, regulatory frameworks, or compliance issues in isolation, this review integrates them into a single thematic framework (Widjaja et al., 2025). Such synthesis provides a valuable foundation for future empirical studies to explore how digital tax systems shape taxpayer behavior, institutional legitimacy, and long-term fiscal performance. From a practical standpoint, the findings provide actionable insights for policymakers. Strengthening infrastructure, investing in digital capacity building, and ensuring regulatory consistency are critical policy priorities. The government should also institutionalize mechanisms for continuous evaluation and feedback to adapt to changing taxpayer needs and technological advances (Sari et al., 2025). Beyond administrative efficiency, CoreTax can be leveraged as a platform for data-driven policymaking, predictive compliance monitoring, and enhanced fiscal transparency.

The main limitation of this review lies in the restricted number of studies included and the exclusive focus on the Indonesian context. While the findings offer valuable insights, they may not capture the full spectrum of challenges and opportunities faced by other jurisdictions implementing similar systems. Future research is therefore encouraged to conduct comparative studies across countries, particularly within the ASEAN region, to identify best practices and lessons learned. Longitudinal studies assessing the long-term impact of CoreTax on compliance rates, revenue performance, and taxpayer trust would also enrich the literature and provide deeper evidence for policy formulation. In conclusion, the implementation of CoreTax represents both a challenge and an opportunity for Indonesia's tax reform agenda. Its success will depend not only on technological improvements but also on the government's ability to align infrastructure, human resources, legal frameworks, and public trust. A continuous and adaptive reform strategy, grounded in transparency and inclusivity, is necessary to ensure that CoreTax fulfills its promise as a cornerstone of Indonesia's modern tax administration.

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