





## PRACTICE-BASED ARTICLE



## Enhancing tax compliance through literacy training in rural communities

Ella Rahmayanti<sup>1</sup>, Khairul Aswadi<sup>2</sup>, Murni<sup>1</sup>, Imam Malik<sup>1</sup>, Mai Simahatie<sup>2</sup>, M. Ferdiananda Chadafi<sup>2</sup>, Ivon Septina Bella<sup>2</sup>, Fajrinur<sup>2</sup>, Sutoyo<sup>2</sup>

<sup>1</sup>Department of Accounting, Faculty of Economics of Business, Universitas Islam Kebangsaan Indonesia, Bireuen, Aceh, Indonesia

<sup>2</sup>Department of Management, Faculty of Economics of Business, Universitas Islam Kebangsaan Indonesia, Bireuen, Aceh, Indonesia

### ABSTRACT

Taxes are the primary source of state revenue, contributing more than 75% of Indonesia's total annual income. However, various problems often occur in the field, such as mismatches in tax reporting, errors in calculation and payment, and even income concealment that leads to underpayment of taxes. This community service activity aims to enhance tax literacy and improve taxpayers' ability to report taxes accurately and efficiently. The training was conducted for residents of Blang Bladeh Village, Bireuen Regency, with a focus on introducing the procedures and benefits of online tax reporting. The results indicate increased awareness among participants, who are now able to carry out their tax obligations through the available digital platforms. Continued training and assistance are necessary to further strengthen taxpayer compliance and understanding.

### KEYWORDS

Tax literacy; online tax reporting; taxpayer compliance; community service

### ARTICLE HISTORY

Received: 25 July 2025

Accepted: 1 August 2025

Published: 1 August 2025

### CITATION (APA 7<sup>TH</sup>)

Rahmayanti, E., Aswadi, K., Murni, Simahatie, M., Chadafi, M. F., Bella, I. S., ... Sutoyo. (2025). Enhancing tax compliance through literacy training in rural communities. *International Review of Community Engagement*, 1(3), 207-212. <https://doi.org/10.62941/irce.v1i3.162>

## 1. Introduction

Taxes are the main source of state revenue that can be directly used to finance various needs (Maulida et al., 2023). Taxes are the main source of state revenue in the State Budget (APBN) of the Republic of Indonesia, contributing more than 75% of the total state revenue (Alwi et al., 2023). Its contribution is expected to continue to increase every year, especially as the role of the oil and gas sector in state revenue is projected to decline (Maulida et al., 2023). Therefore, public participation through awareness and concern to pay taxes, including income tax, is needed. To continue to increase tax revenue as the number of taxpayers increases, the government through the Directorate General of Taxes has made various efforts, including tax reform.

**CORRESPONDING AUTHOR** Ella Rahmayanti ✉ [ellarahmayanti77@gmail.com](mailto:ellarahmayanti77@gmail.com) 📧 Department of Management, Faculty of Economics and Business, Universitas Islam Kebangsaan Indonesia, Bireuen, Indonesia

© 2025 The Author(s). *International Review of Community Engagement* published by Pelita International Publishing.



This is an open access article distributed under the [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/) (CC BY 4.0).

The government continues to carry out tax reform to increase state revenue, create justice, simplify administration, and encourage economic growth. Tax reform is crucial because taxes are the largest source of revenue and the backbone of the state budget. The form of tax reform that has been carried out by the government varies, such as; updating the tax law, simplifying procedures and administration, revising tax rates, expanding the tax base, improving the quality of tax human resources (HR), improving services to taxpayers, and strengthening law enforcement.

One source of state revenue comes from Income Tax (PPh) paid by individuals and business entities or often referred to as taxpayers, including Micro, Small and Medium Enterprises (MSMEs) (Alwi et al., 2023). Since tax reform in 1983, the Ministry of Finance of the Republic of Indonesia has continued to improve tax services and modernize its administrative system. One of its main pillars is the self-assessment system, which gives taxpayers the confidence to calculate, remit, and pay their own taxes (Febrianti et al., 2023; Maulida et al., 2023). Under the self-assessment system, all taxpayers who meet the requirements must register at the Directorate General of Taxes office to be recorded and obtain a Taxpayer Identification Number (NPWP).

Tax contributors will not directly benefit from the tax payments that have been made, except for local taxes. The benefits of the tax will return to the community in the form of public services. Examples are the sense of security provided by the Indonesian Police, road construction, public transportation, and other public facilities. With the Income Tax Law, every income is subject to tax collection by the state.

The government has tried hard to provide convenience and trust to taxpayers to calculate their own income tax payable. However, in practice, this still creates a dilemma. Many taxpayers do not understand the contents of the tax payment letter, even the filling technique, so there are still mistakes in tax reporting.

Some of the problems that often arise are the amount of tax reported does not match what it should be, errors in calculating, depositing, and reporting taxes payable, as well as the possibility of concealing part of the income which results in less tax payment. Therefore, training on tax calculation, filing, and reporting, especially Income Tax Article 21, is urgently needed.

Although the government has tried to provide convenience in taxation, there are still many people who do not fully understand how to fill out and report the Income Tax Return Article 21 for individuals. This shows that personal tax information is still minimal among the public. In addition, not all citizens have an NPWP.

## 2. Methods

This service activity began with several stages. First, FGD (Focus Group Discussion), briefing with partners and team, demonstration phase, and question and answer session were conducted (Rahmayanti et al., 2024). FGDs were conducted before the activity started to ensure coordination between the service team and partners. During the FGD, the service team presented materials on tax, as well as how tax literacy should be, covering both theoretical and technical aspects.

Next, a briefing was held to deliver the theoretical content related to the service activity program. This content is presented in discussions or presentations to the communities to be trained.

The demonstration phase involves hands-on training, where the implementation team provides practical guidance on how to create and compile their tax reports, in this case PPh 21 (tax withholding on income in connection with work, services, or activities by whatever name and in whatever form received or obtained by domestic individual taxpayers must be done by employers, government treasurers, pension funds, bodies, companies, MSMEs). The team also demonstrated how to prepare tax reports, including hands-on practice on what needs to be reported in taxes in everyday life.

A question and answer session was conducted to enable participants to resolve any problems or difficulties that the community may be experiencing.

## 3. Results

### 3.1. The most authors public policy in Islamic education

The Implementation Team of the Community Service Program (KPM), consisting of lecturers from the Faculty of Economics and Business, Universitas Islam Kebangsaan Indonesia, carried out community service activities. The stages of the activity - listening, understanding, trying, and practicing - were delivered in an easy-to-understand language.

Before starting the activity, we held an FGD to ensure good coordination between the service team and business partners. In this FGD, the service team presented material related to taxation, especially regarding tax reporting of Income Tax Article 21 for taxpayers.

The activity continued with a lecture that explained the theoretical material of the service program using PowerPoint. After the lecture, it was followed by a demonstration and hands-on practice by the team.

The participants were taught how to create and compile tax reports using the chart of accounts provided by the community service team. There was also a question and

answer session to help participants overcome problems and confusion that arose during the training. All activities were documented, including taking photos and video recordings at important moments as shown below:



Figure 1. Demonstration and Q&A during FGDs. *Source:* Author's documentation

The program was implemented on 25 April 2025 for one day at the Tax Centre of Universitas Islam Kebangsaan Indonesia located in Blang Bladeh Village, Jeumpa Sub-district, Bireuen Regency. Each activity session lasted two hours at the designated community service location. People who are trained on PPh21 and its reporting make it accurately and are able to determine the taxation category for PPh21 properly and correctly. As a result, the community that is the target of the training has done the reporting well.

#### 4. Conclusion

All taxpayers who have registered and have an NPWP are required to report the Annual Tax Return (SPT). This Annual Tax Return is a tool for taxpayers to account for their tax obligations. There are two types of Annual Tax Return: Annual Income Tax Return for Individual and Annual Income Tax Return for Corporate. Keep in mind that individual taxpayers can earn income from work or business activities. Currently, the government makes it easier for taxpayers to deposit and pay taxes through two electronic systems: e-billing and e-filing.

E-billing is an electronic tax payment system by creating a tax billing code on the online djp page, and making the payment process using the billing code through a perception bank or post office. E-filing is a way of submitting SPT online through the website available at DJP online or through an application provided by PJAP (Tax Application Service Provider).

Although the Annual Tax Return reporting is easier thanks to the online system, taxpayers still have to understand the procedure for filling it out correctly. This is important to avoid mistakes, because the information submitted in the Annual Tax Return will be a form of accountability for their tax obligations.

This training activity is carried out continuously by expanding the topic of discussion, namely discussing the obligations of individual taxpayers and MSMEs. Then it can strengthen the e-taxation system by continuing training on how to use e-spt, e-form, and e-tax invoices, by registering taxpayers online (e-registration).

### Conflict of interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

### ORCID

Khairul Aswadi  <https://orcid.org/0000-0003-3832-6447>

Mai Simahatie  <https://orcid.org/0009-0000-4843-8923>

M. Ferdiananda Chadafi  <https://orcid.org/0009-0005-4657-4362>

### References

- Alwi, M., Yudha S., I. D. K., Fadliyanti, L., Negara, I. K., & Satarudin, S. (2023). Training on calculating, depositing and reporting income tax for individual and corporate taxpayers in Gomong village, Selaparang sub-district. *Journal of Abdimas Sangkabira*, 3(2), 141-149. <https://doi.org/10.29303/abdimassangkabira.v3i2.314>
- Aryanie, I., Rahmayanti, E., Murni, Mardiaton, & Aswadi, K. (2024). Optimizing readiness and challenges of the accounting profession in the Industrial Revolution 4.0: A study on accounting students in Aceh Province, Indonesia. *Review of Business and Accounting Research*, 1(4). <https://doi.org/10.62941/rbar.v1i4.79>
- Lekettey, E., Sari, M., & Dzobo, R. M. (2025). A bibliometric analysis of local government finance: Trends, themes, and prospective directions. *Review of Business and Accounting Research*, 2(2), 113–138. <https://doi.org/10.62941/rbar.v2i2.139>
- Febrianti, M., Christina, S., Akhadi, I., Rosyadi, M. E., Fung Jit, T., Joni, E., Bagus, I., & Sukadana, N. (2023). Training on Individual and Corporate Income Tax Return Filling and the Use of E-Billing and E-Filing. *Indonesia Berdaya*, 4(2), 595-600.
- Maulida, S., Indah Sari, W., & Rusman, H. (2023). Personal taxation in jatinegara family, Jakarta Timur. In *August* (Vol. 2, Issue 2). <http://repository.untag-sby.ac.id>
- Rahmayanti, E., Aswadi, K., Agustian, H., Murni, Bella, I. S., Bariah, C., & Simahatie, M. (2024). Empowering viral microenterprises: Financial literacy and cost of goods sold strategies to

enhance culinary business profitability and efficiency. *International Review of Community Engagement*, 1(1), 11-16. <https://doi.org/10.62941/irce.v1i1.33>

Rahmayanti, E., Aryanie, I., Murni, & Aswadi, K. (2024). Green economy in tourism village development for sustainable development goals: A case study in Bireuen, Indonesia. *Review of Business and Accounting Research*, 1(4). <https://doi.org/10.62941/rbar.v1i4.78>