Article

Empowering MSMEs in Tax Digitalization: Outreach and Hands-on Assistance for Individual Tax Reporting via the Coretax System

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Abstract: This community engagement project aims to enhance tax compliance and digital literacy among Micro, Small, and Medium Enterprises (MSMEs) regarding annual individual income tax return (SPT Tahunan) reporting using the newly implemented Coretax Administration System in Indonesia. The transition to digital tax administration presents challenges for MSME actors due to limited digital skills, unfamiliarity with the Coretax platform, and improper financial record-keeping. To address these barriers, an integrative action-oriented program combining educational outreach, interactive discussions, live system demonstrations, and personalized hands-on assistance was conducted in Bogor, West Java. The results demonstrate that direct step-by-step mentoring significantly improved participants' understanding of tax regulations, system navigation, and accurate data entry. Furthermore, the individual assistance model successfully mitigated technical obstacles—such as credential recovery and validation errors—enabling MSME owners to independently complete their electronic tax filings. Overall, this initiative fosters a culture of voluntary tax compliance and highlights the crucial role of academic-led community assistance in supporting the digital transformation of national tax administration.

Keywords: Coretax System, Digital literacy, MSMEs, Tax assistance, and Tax compliance

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) constitute the primary backbone of the Indonesian economy, playing a pivotal role in driving national economic growth, fostering job creation, accelerating local income distribution, and strengthening regional economic resilience. As active participants in the economic ecosystem, MSME actors carry statutory civic obligations, particularly regarding national taxation. Tax compliance—specifically the accurate and timely filing of the Individual Annual Income Tax Return (*Surat Pemberitahuan* or SPT Tahunan)—is a crucial mechanism for generating state revenue required to fund public infrastructure, social welfare, and national development programs.

In recent years, tax administrations globally have undergone profound digital transformations to increase administrative efficiency, reduce compliance costs, and minimize revenue leakage [1,2]. In alignment with this global trajectory, the Directorate General of Taxes (DGT) under the Ministry of Finance of the Republic of Indonesia introduced the Coretax Administration System (Coretax) pursuant to Presidential Regulation and Minister of Finance Regulation Number 81 of 2024 [3]. Coretax represents a landmark shift toward an integrated, automated, and user-centric digital tax ecosystem. By consolidating registration, taxpayer profile management, payment processing, and electronic return filing into a single platform, Coretax aims to modernize administrative infrastructure and optimize tax compliance across all taxpayer segments.

Despite the strategic advantages offered by Coretax, the transition from legacy systems to a fully digitalized administration presents significant operational hurdles for individual taxpayers, particularly small business owners operating within the MSME sector [4,5]. MSME taxpayers frequently exhibit heterogeneous levels of digital literacy and vary widely in their technical competencies regarding electronic governance tools. Many small business operators encounter difficulties navigating digital interfaces, understanding complex tax terminology, performing multi-factor authentication, and executing accurate electronic data submission. Furthermore, formal tax compliance among MSMEs is persistently constrained by inadequate internal accounting practices. A substantial proportion of micro-entrepreneurs operate without standardized financial records or systematic turnover bookkeeping, making the calculation of gross income and tax liabilities for SPT Tahunan reporting a daunting and error-prone endeavor [6].

The digital divide and administrative barriers are visibly pronounced at the community level. In residential and commercial pockets such as RW 12, Villa Mutiara Housing Complex, Mekar Wangi Village, Tanah Sareal District, Bogor City, West Java, a diverse array of MSMEs operates across trade, culinary, handicraft, and personal service sectors. While these entrepreneurs demonstrate strong local economic productivity and high enthusiasm for community development, their engagement with formal digital tax mechanisms remains suboptimal. Initial field observations and consultations with community leaders revealed widespread ambiguity regarding the shift toward the Coretax system, fear of making technical reporting errors, and a reliance on informal or delayed compliance behavior. The absence of structured, localized support mechanisms exacerbates taxpayer anxiety and leads to persistent non-compliance or administrative penalties.

Prior scholarly literature underscores that technological innovation alone is insufficient to guarantee voluntary tax compliance; it must be coupled with continuous educational socialization, targeted technical training, and direct institutional support [7,8]. When digital systems are introduced without accessible guidance, taxpayer non-compliance often stems not from deliberate tax evasion, but from cognitive overload, technical friction, and procedural confusion. Higher education institutions, driven by their academic mission of community service (*Tridharma Perguruan Tinggi*), are uniquely positioned to bridge this execution gap by translating abstract tax policies into practical, actionable skills for local communities.

To address these empirical challenges, this community engagement project implemented an integrative outreach and direct assistance model tailored specifically for individual MSME taxpayers in RW 12 Villa Mutiara, Bogor City. Moving beyond conventional theoretical lectures, the program combined structured conceptual orientation, interactive policy dialogue, live Coretax system demonstrations, and personalized, one-on-one technical mentoring. The overarching objective of this initiative was threefold:

1. To elevate taxpayers' conceptual understanding of individual tax obligations, the legal framework governing SPT Tahunan reporting, and the broader societal benefits of tax compliance;
2. To build practical digital competencies in navigating the Coretax platform, including account verification, identity authentication, financial data input, and electronic filing submission; and
3. To diagnose and resolve real-time technical and administrative bottlenecks—such as forgotten credentials, incomplete financial summaries, and platform navigation errors—thereby empowering MSME operators to achieve independent, accurate, and timely tax compliance in subsequent tax cycles.

By documenting the design, implementation, and evaluative outcomes of this community-based intervention, this paper contributes to the growing literature on digital tax adoption and community empowerment in emerging economies. It highlights how academic-led, hands-on assistance can effectively mitigate the digital tax gap at the grassroots level, serving as a scalable model for supporting national administrative transformation.

2. Methods

To achieve a meaningful and sustainable improvement in tax compliance and digital literacy among Micro, Small, and Medium Enterprise (MSME) actors, this community engagement program adopted a participatory, educational, and action-oriented methodology. The program integrated theoretical orientation with practical, hands-on assistance to ensure that taxpayers not only comprehended their statutory obligations but also acquired functional autonomy in operating the Coretax Administration System. The overall execution framework was structured into four systematic phases: *Location and Target Identification*, *Preparation Phase*, *Implementation Phase*, and *Evaluation and Technical Resolution Phase*.

2.1. Program Location, Target Audience, and Field Context

The community service initiative was carried out in RW 12, Villa Mutiara Housing Complex, Mekar Wangi Village, Tanah Sareal District, Bogor City, West Java, Indonesia. This location was selected through purposive sampling in collaboration with local community leadership (Pengurus RW) based on three primary criteria:

1. **Economic Density:** A high concentration of active micro and small-scale commercial enterprises operating across diverse sectors, including retail trade, culinary services, home-based production, and personal services;
2. **High Administrative Need:** A significant proportion of individual taxpayers who are registered or potential individual taxpayers (*Wajib Pajak Orang Pribadi*) but lack formal guidance on transitioning to digital tax platforms; and
3. **Community Readiness:** Strong institutional support and enthusiasm from local administration and business operators toward community-based educational empowerment.

The target participants comprised individual MSME business owners residing or operating within RW 12 Villa Mutiara. A total of active MSME proprietors participated in the structured activities, reflecting a diverse demographic profile in terms of educational background, business tenure, and baseline digital literacy. The sessions were conducted in the community multipurpose hall (*Ruang Serbaguna RW 012*) during flexible weekend hours agreed upon by community leaders to avoid disrupting regular business operations.

2.2. Four-Stage Implementation Workflow

The program followed a rigorous, sequential workflow designed to maximize participant engagement and ensure systematic skill acquisition, as illustrated in the step-by-step methodology below.

2.2.1. Stage 1: Preparation Phase

The preparation phase established the operational, logistical, and conceptual foundations necessary for effective program delivery. Key activities included:

- **Needs Assessment and Baseline Mapping:** Conducted preliminary consultations and focus group discussions with local community officers and representative MSME owners to map existing knowledge gaps, assess baseline digital hardware accessibility, and identify specific administrative bottlenecks regarding annual return (*SPT Tahunan*) reporting.
- **Training Materials:** Synthesized complex tax regulations—including Minister of Finance Regulation No. 81 of 2024 and DGT Coretax technical guidance [3,6]—into simplified, user-friendly training modules, visual step-by-step navigation guides, and summary infographics.
- **Technical and Digital Infrastructure Setup:** Prepared hardware and connectivity resources, including laptops, high-speed wireless internet access points, digital projectors, and Coretax simulator environments to facilitate real-time practical demonstrations.

- **Task Allocation and Team Mentoring:** Division of responsibilities among the academic execution team (faculty members and trained student assistants) into specialized roles: lead presenters, technical troubleshooting facilitators, and one-on-one hands-on mentors.

2.2.2. Stage 2: Implementation Phase (Outreach, Demonstration, and Hands-on Assistance)

The execution phase was structured to balance conceptual foundation with direct technological interaction. The session progressed through three integrated modules:

1. **Interactive Educational Outreach (*Penyuluhan*):** Delivered an interactive seminar covering fundamental principles of individual income tax (*PPh Orang Pribadi*), rights and statutory responsibilities of taxpayers, civic benefits of national revenue generation, and the structural architecture of the Coretax system. The session encouraged two-way dialogue, allowing participants to express concerns regarding tax privacy, calculation methods, and legal obligations.
2. **Live System Demonstration:** Demonstrated real-time navigation of the Coretax platform via multimedia projection. The facilitation team walked participants through account access, identity authentication, multi-factor security setup, income classification input, gross revenue summary (*rekapitulasi omzet*) entry, deduction verification, and electronic receipt (*Bukti Penerimaan Elektronik*) generation.
3. **Personalized Hands-on Assistance (*Asistensi Individual*):** The core operational component involved direct, one-on-one mentoring. Facilitators were assigned to individual participants or micro-groups to assist them in accessing their personal Coretax profiles on their mobile devices or provided laptops. Mentors guided participants step-by-step through logging in, resolving account access errors, inputting financial data accurately, verifying tax liabilities, and submitting their *SPT Tahunan* electronically.

2.2.3. Stage 3: Evaluation Phase

Immediate post-implementation evaluation was conducted to assess program effectiveness, measure skill acquisition, and gather structured participant feedback:

- **Participatory Feedback and Questionnaires:** Administered post-activity survey instruments and conducted open feedback sessions evaluating material clarity, mentor helpfulness, ease of Coretax platform comprehension, and overall participant satisfaction.
- **Observational Competency Assessment:** Mentors systematically observed and recorded participants' ability to perform key platform operations independently, such as menu navigation, revenue data input, and submission validation.

2.2.4. Stage 4: Technical Bottleneck Resolution and Strategy Refinement

During field execution, several technical and administrative obstacles were systematically categorized and addressed through immediate mentoring interventions, as summarized in Table 1.

2.3. Approach Method and Analytical Framework

The overarching pedagogical philosophy governing this engagement project combined three mutually reinforcing approaches:

- **Educative Approach:** Ensuring taxpayers understand the legal, economic, and moral foundations of taxation rather than viewing compliance as a purely mechanical burden.
- **Participatory Approach:** Fostering open communication where MSME operators actively share practical challenges, facilitating peer learning within the local business community.

Table 1. Field Technical Bottlenecks and Corresponding Mentoring Interventions

Category	Identified Bottleneck/Challenge	Mentoring Intervention/Solution
Account Access & Credentials	Participants experienced forgotten passwords, unverified tax identification numbers (NPWP/NIK integration), or outdated email profiles.	Assisted in online password recovery, email validation, and profile synchronization on the DJP/Coretax portal.
Digital Literacy Divide	Variable familiarity with smartphone interfaces, browser navigation, and multi-step digital authentication.	Provided patient, step-by-step individual coaching, allowing participants to perform physical screen actions themselves.
Financial Record Quality	Absence of organized business bookkeeping or turnover summaries required for accurate SPT filing.	Guided participants through quick daily/monthly revenue aggregation using simplified calculation worksheets.
Infrastructure & Network	Intermittent local wireless network latency and server response delays during peak usage.	Deployed portable high-speed mobile hotspots and staggered execution times across subgroup clusters.

- **Practical-Experiential Approach:** Emphasizing "learning by doing" (*praktik langsung*), ensuring that participants gain tactile confidence by operating the digital platform themselves under expert supervision.

Data gathered from field observations, pre/post engagement interactions, and questionnaire responses were analyzed using descriptive qualitative and comparative methods. Changes in participant knowledge, software proficiency, and independent filing readiness were synthesized to derive actionable recommendations for policy makers, tax authorities, and academic institutions seeking to scale digital tax outreach programs.

3. Results

The execution of the community engagement program entitled *"Empowering MSMEs in Tax Digitalization: Outreach and Hands-on Assistance for Individual Tax Reporting via the Coretax System"* yielded significant positive outcomes across multiple dimensions. The program successfully achieved its targeted educational, technical, and operational objectives in empowering Micro, Small, and Medium Enterprise (MSME) actors in RW 12 Villa Mutiara, Bogor City. This section details the quantitative and qualitative empirical findings categorized into four primary streams: *Participant Demographics and Baseline Profiles*, *Evaluation of Tax Knowledge and Digital Skill Acquisition*, *Direct Outcomes of Hands-on Assistance and SPT Reporting*, and *Participant Feedback and Behavioral Transformation*.

3.1. Demographic Profile and Baseline Characteristics of MSME Participants

A total of 30 active MSME business owners representing diverse commercial activities participated in the structured outreach and assistance program. To ensure targeted delivery of technical assistance, preliminary baseline data were compiled regarding participants' educational backgrounds, primary business sectors, prior experience with electronic tax filing, and existing financial recording practices. Table 2 provides an overview of the participant cohort profile.

The demographic data reveal that the majority of participants operated within retail trade (40.0%) and culinary services (33.3%), reflecting the typical informal economic structure of urban residential neighborhoods. Notably, 70.0% of the targeted business owners had either never filed their Annual Income Tax Return (*SPT Tahunan*) electronically

Table 2. Demographic Profile and Baseline Characteristics of MSME Participants ($N = 30$)

Demographic Variable	Classification Category	Frequency (n)	Percentage (%)
Business Sector	Retail & Grocery Trade (*Perdagangan*)	12	40.0%
	Culinary & Food Services (*Kuliner*)	10	33.3%
	Personal Services (*Jasa*)	5	16.7%
	Home-Based Production (*Usaha Rumahan*)	3	10.0%
Educational Attainment	Senior High School / Equivalent	18	60.0%
	Diploma / Undergraduate Degree	8	26.7%
	Junior High School or Below	4	13.3%
Prior Tax Filing Mode	Legacy e-Filing Platform	9	30.0%
	Manual / Never Filed / Non-Compliant	21	70.0%
Financial Record Keeping	Unstructured / Informal Notes	22	73.3%
	Systematic Ledger / Digital App	8	26.7%

or relied on manual, irregular reporting methods prior to the intervention. Furthermore, 73.3% lacked structured bookkeeping practices, highlighting that administrative fragility was a fundamental barrier to digital tax compliance.

3.2. Evaluation of Tax Knowledge and Digital Skill Acquisition

To rigorously evaluate the efficacy of the outreach (*penyuluhan*) and direct mentoring sessions, a comparative assessment of participants' conceptual understanding and operational skills was conducted. Pre-test and post-test instruments were deployed across five core competency indicators:

1. **Tax Regulatory Awareness (C_1):** Understanding individual income tax obligations, filing deadlines, and statutory rights;
2. **Coretax Platform Architecture (C_2):** Familiarity with the interface, user menu navigation, and authentication mechanisms of the Coretax system;
3. **Gross Revenue Calculation (C_3):** Ability to compile and aggregate annual gross business turnover (*rekapitulasi omzet*) accurately;
4. **Electronic Data Input Proficiency (C_4):** Competency in executing accurate multi-step data entry on the Coretax platform; and
5. **Autonomous Verification and Submission (C_5):** Capability to independently verify tax liabilities and generate electronic filing receipts (*Bukti Penerimaan Elektronik*).

The comparative analysis demonstrates a dramatic shift in participant proficiency scores following the integrative intervention, as detailed in Table 3.

As illustrated in Table 3, the overall composite understanding and technical skill score rose substantially from a baseline of 25.0% to an impressive 83.8%, representing an overall skill gain of 58.8% (235.2% relative increase). The most pronounced improvements occurred in digital operational indicators C_4 and C_5, where baseline competencies were initially minimal (18.5% and 15.0%, respectively) due to unfamiliarity with the Coretax system. This outcome underscores the critical importance of combining conceptual lectures with live practical simulation and hands-on assistance.

Table 3. Comparative Pre-Test and Post-Test Evaluation of Participant Competencies

Evaluated Competency Indicator	Pre-Test Mean (%)	Post-Test Mean (%)	Absolute Gain (%)	Percentage Increase
C_1: Tax Regulatory Awareness	38.5%	88.0%	+49.5%	128.6%
C_2: Coretax Platform Architecture	22.0%	84.5%	+62.5%	284.1%
C_3: Gross Revenue Calculation	31.0%	79.0%	+48.0%	154.8%
C_4: Electronic Data Input Proficiency	18.5%	82.0%	+63.5%	343.2%
C_5: Autonomous Verification & Submission	15.0%	85.5%	+70.5%	470.0%
Overall Composite Score Average	**25.0%**	**83.8%**	**+58.8%**	**235.2%**

3.3. Direct Outcomes of Hands-on Assistance and SPT Reporting Success

The core practical objective of the community engagement program was to ensure that participating MSME owners successfully completed their *SPT Tahunan* reporting through the Coretax system during the assistance session. Through direct one-on-one mentoring, the academic execution team guided participants through the complete digital filing lifecycle. The step-by-step reporting outcomes are summarized in Table 4.

Table 4. Step-by-Step Reporting Success and Technical Resolution Milestones

Reporting Execution Milestone	Technical Requirement & Task Completed	Completed (n)	Success Rate (%)
1. Account Verification & Access	Identity verification (NPWP/NIK integration), password resetting, and platform login.	30 / 30	100.0%
2. Turnover Reconciliation	Aggregation of 12-month gross turnover using simplified calculation sheets.	28 / 30	93.3%
3. Electronic Data Input	Inputting income data, non-taxable income deductions (*PTKP*), and tax liabilities.	27 / 30	90.0%
4. Submission & BPE Receipt	Final verification, electronic submission, and issuance of official submission receipt.	26 / 30	86.7%

The empirical data demonstrate a high rate of operational success. Out of 30 participating business owners, 100% successfully established or verified their Coretax access credentials. Furthermore, 26 participants (86.7%) successfully submitted their *SPT Tahunan* electronically and generated their official Electronic Receipt (*Bukti Penerimaan Elektronik / BPE*) during the workshop. The remaining 4 participants (13.3%), while completing account access and data entry, required additional time post-workshop to gather secondary financial documentation before final submission.

3.4. Qualitative Field Observations and Participant Feedback

The qualitative feedback collected through post-activity surveys, open discussions, and field observations provided deep insights into the subjective impact of the program. Participants expressed that the personalized, one-on-one assistance method was instrumental in eliminating their apprehension toward tax digital platforms. Key qualitative themes identified during the evaluation phase include:

> "*Previously, we felt intimidated by tax reporting and assumed that digital systems like Coretax were overly complex for small business owners like us. The direct assistance provided by the university team made the steps clear, simple, and manageable. We now*

feel confident that we can perform our tax filings independently in the future".
— Representative Feedback from Local MSME Participant

The qualitative findings highlight three principal shifts in participant perspective:

- **Demystification of Digital Tax Systems:** Practical exposure to Coretax reduced cognitive friction and transformed perceived systemic complexity into manageable, routine administrative tasks.
- **Heightened Civic Responsibility:** Educational lectures effectively communicated how local tax contributions directly fund public services and regional economic development, elevating voluntary compliance motivation.
- **Empowerment through Academic Partnership:** Participants highlighted that academic institutions provide a trustworthy, supportive, and non-punitive environment for learning digital statutory compliance.

In summary, the results demonstrate that the academic outreach and hands-on assistance initiative achieved immediate operational success while establishing a sustainable foundation for ongoing digital tax compliance among MSMEs.

4. Discussion

The results of this community engagement program demonstrate that an integrative model combining structured outreach, live platform simulation, and direct one-on-one technical assistance significantly elevates tax compliance, digital literacy, and platform operating confidence among Micro, Small, and Medium Enterprise (MSME) actors. Beyond immediate operational achievements—such as achieving an 86.7% successful electronic submission rate for annual tax returns (*SPT Tahunan*)—the findings provide critical empirical insights into the socio-technical dynamics of tax digitalization at the community level. This discussion contextualizes these empirical outcomes within the broader theoretical framework of administrative transformation, comparative scholarly literature, field operational challenges, policy implications, and long-term sustainability models.

4.1. Contextualizing Findings within Global and National Digital Tax Trends

The digital transformation of tax administration represents a global imperative driven by the need to optimize revenue collection, diminish administrative overhead, and enhance transaction transparency [1,2]. International evidence syntheses by the OECD [1] and the World Bank [2] emphasize that while automated e-tax platforms reduce administrative friction for sophisticated corporate taxpayers, they frequently generate unexpected digital exclusion barriers for informal micro-entrepreneurs in emerging economies. The structural introduction of the Coretax Administration System under Minister of Finance Regulation No. 81 of 2024 [3] aligns Indonesia with international best practices. However, as observed in RW 12 Villa Mutiara, technological modernization alone does not automatically translate into universal voluntary compliance.

Our empirical observation that 70.0% of baseline participants previously used manual reporting or remained non-compliant aligns with studies evaluating digital tax adoption in Indonesia. Existing research reports that the implementation of core tax administration systems can encounter resistance or administrative inertia because small taxpayers have varying levels of digital readiness [4,5]. The marked improvement in post-test competency scores observed in our intervention (25.0% to 83.8%) also supports findings that tax socialization and direct technical support can bridge the gap between technological innovation and actual taxpayer compliance [7,8].

4.2. Efficacy of the Hands-on Assistance Model vs. Traditional Socialization

A pivotal theoretical and practical insight derived from this engagement project is the effectiveness of personalized, hands-on technical assistance compared with passive, lecture-based educational socialization. Traditional tax outreach typically relies on unilateral information dissemination via seminars or distributed pamphlets. While such methods can elevate general legal awareness (C_1), they may not build operational self-efficacy when taxpayers face complex software interfaces.

As demonstrated by Latifah et al. [8] in their evaluation of Coretax education in Semarang, interactive and direct practical mentoring supports independent filing capabilities and administrative efficiency. In our project, the combination of live system demonstrations and one-on-one mentoring addressed specific psychological and cognitive friction points:

1. **Mitigation of Technological Anxiety:** Individual business owners frequently expressed fear of incurring administrative fines or making irreversible data errors on government digital portals. Academic facilitators provided real-time verification, helping transform fear into active engagement.
2. **Individualized Problem Diagnosis:** Field technical bottlenecks—such as credential recovery, NIK/NPWP synchronization errors, and turnover estimation—were heterogeneous. One-on-one assistance enabled customized troubleshooting that generic lectures could not address.
3. **Tactile Learning and Skill Retention:** By encouraging participants to input their own data rather than merely observing facilitators, the program reinforced practical skills and functional autonomy for future tax cycles.

4.3. Addressing the Root Causes of MSME Tax Non-Compliance

The qualitative and quantitative data gathered during the field activities indicate that non-compliance among participants stemmed primarily from administrative fragility, cognitive overload, and infrastructural constraints:

4.3.1. Informal Bookkeeping and Turnover Estimation

Over 73% of participating MSME actors operated without standardized financial ledgers, relying on unorganized physical receipts or memory. Because Coretax requires structured annual turnover inputs, the absence of clean financial data represented a primary point of compliance friction. By introducing simplified 12-month revenue aggregation worksheets during the assistance session, the project demonstrated that basic financial accounting tools should accompany tax digital literacy initiatives.

4.3.2. The Digital Divide and Technological Literacy

The demographic profile of participants revealed varying degrees of digital literacy. Some participants navigated the Coretax web application intuitively, whereas others experienced difficulties with multi-factor authentication, digital receipt downloads, and browser navigation. Bridging this digital divide required adaptive mentoring strategies, including simplified terminology, enlarged step-by-step visual guides, and paired peer mentoring.

4.4. Policy Implications and Multi-Stakeholder Collaboration Framework

The findings of this community service project carry policy implications for the Directorate General of Taxes (DGT), local government authorities, and higher education institutions. To ensure that national digital tax modernization supports small business communities, a collaborative governance framework is required.

ACADEMIA-GOVERNMENT-COMMUNITY TRIANGLE

Tax Authority (DGT) ⟷ **Higher Education (Universities)**
(Platform & Policy) *(Outreach, Mentoring & Field Capacity)*
↕ ↕
Local Community & MSME Actors (RW Level)
(Voluntary Compliance, Local Economic Growth)

Figure 1. Synergistic Triple-Helix Model for Sustainable Community Tax Literacy

As illustrated conceptually in Figure 1, sustainable tax compliance relies on three mutually reinforcing pillars:

- **Tax Authority (DGT):** The authority should continue refining the user-experience (UX) design of Coretax, simplifying mobile access, and integrating accessible helpdesk support for small taxpayers [6].
- **Higher Education Institutions:** Acting under the mandate of *Tridharma Perguruan Tinggi*, universities can provide decentralized faculty and student mentors capable of conducting localized, low-cost workshops [7,8].
- **Community Leadership (RW/Village Level):** Local community heads provide administrative access, foster social trust, and mobilize business actors, establishing a supportive norm of community-wide tax awareness.

4.5. Limitations and Future Directions for Community Engagement

While the immediate operational and educational impacts of this project were positive, certain limitations should be acknowledged. First, the geographic scope was concentrated within a single urban residential area (RW 12 Villa Mutiara, Bogor City), which limits the direct statistical generalizability of the empirical scores to rural or remote MSME cohorts. Second, the post-test evaluation measured immediate skill acquisition and filing success during the workshop; longitudinal tracking over subsequent tax years is necessary to assess long-term retention and voluntary compliance without academic supervision.

Future community engagement initiatives should expand along three strategic vectors:

1. **Longitudinal Compliance Tracking:** Establishing multi-year monitoring protocols to measure whether participants maintain independent Coretax reporting habits in subsequent filing periods;
2. **Integration with Digital Bookkeeping Tools:** Coupling Coretax assistance with training on accessible mobile financial accounting applications to address unorganized revenue records; and
3. **Institutional Tax Center Expansion:** Formalizing university-led tax centers in partnership with regional DGT offices to provide year-round assistance services for local MSMEs.

In conclusion, the discussion highlights that academic-led, hands-on assistance is a socio-technical mechanism that can translate top-down administrative digitalization policies into grassroots, voluntary tax compliance. By building digital competencies and reducing operational fears, community engagement projects can help strengthen tax culture and foster inclusive economic development.

5. Conclusion

The community engagement program successfully elevated tax compliance and digital literacy among MSME actors in RW 12 Villa Mutiara, Bogor City, through an integrative model combining theoretical outreach, live Coretax platform demonstrations, and personalized hands-on assistance. The intervention achieved substantial empirical gains, increasing participants' average competency score from a baseline of 25.0% to 83.8% and enabling 86.7% of business owners to successfully complete and submit their annual individual income tax returns (*SPT Tahunan*) electronically. By effectively mitigating key operational bottlenecks—such as credential recovery, digital interface anxiety, and unstructured revenue record-keeping—the program demonstrated that direct academic mentorship is an essential bridge for translating national tax administration digitalization into grassroots voluntary compliance. To sustain these outcomes and reinforce a culture of tax compliance, future initiatives should establish permanent university-based tax assistance centers, incorporate simplified digital bookkeeping tools for small business owners, and foster long-term collaborative partnerships between higher education institutions, local community leaders, and the Directorate General of Taxes.

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