



Legal Protection for Taxpayers in Tax Disputes in Court

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Article History Received: 2025-11-19 Revised: 2025-11-29 Published: 2025-12-30 Keywords: <i>Legal Protection; Taxpayers; Tax Disputes; Tax Court; Legal Justice</i>	<p>Tax disputes in Indonesia often pose challenges for taxpayers to obtain fair legal protection in the Tax Court. This research aims to analyze the legal protection mechanism for taxpayers, identify obstacles to its implementation, and propose reforms to improve justice and legal certainty. Using a normative juridical approach with qualitative analysis. This research examines laws and regulations, court decisions, and tax law literature. The results of the study show that the Tax Court provides protection through objection, appeal, and review procedures, supported by the principles of transparency and judicial independence. However, high litigation costs, inconsistencies in judgments, low legal literacy, and complex administrative procedures hinder the effectiveness of protection, especially for small taxpayers. Reforms such as digitization of court processes, legal education, harmonization, judgment, and mediation are proposed to address these constraints. The study concludes that although the legal framework has been robust, more inclusive and efficient implementation is needed to ensure fairness for all taxpayers. Recommendations include digital platforms for easier access and educational programs to improve taxpayer understanding.</p>

I. INTRODUCTION

Tax disputes are one of the crucial problems in the tax system, in Indonesia, which often involve conflicts between taxpayers and, authorities, taxes related to the determination, collection, or implementation of tax obligations. The Tax Court, as a special judicial institution established under Law Number 14 of 2002, has a strategic role in resolving this dispute by ensuring legal protection for taxpayers (Soemitro, 2018: 45). This legal protection is important to ensure that the rights and obligations of taxpayers are respected in accordance with the principles of justice and legal certainty. However, in practice, many taxpayers still face challenges in obtaining justice in the Tax Court.

The main challenges faced by taxpayers include the complexity of legal procedures, high litigation costs, and inconsistencies in tax judges' decisions. According to Santoso (2020: 112), unaffordable litigation costs often hinder taxpayers, especially small and medium-sized

business actors, from accessing justice in the Tax Court. In addition, the lack of understanding of taxpayers on the dispute resolution mechanism also worsens the situation, so that many dispute cases are not resolved optimally (Fitriani, 2018: 34). This phenomenon shows that there are gaps in the implementation of legal protection that need to be addressed immediately.

The urgency of this research is driven by the increasing number of tax disputes in Indonesia, which reflects an in-depth evaluation of the effectiveness of the Tax Court in providing legal protection. Data from the Tax Court's annual report shows that since 2015, the number of cases filed has increased by an average of 10% per year (Siregar, 2019: 78). This improvement not only demonstrates the complexity of the tax system, but also highlights the importance of fair and efficient dispute resolution mechanisms. This research is relevant to identify systemic weaknesses and provide workable solutions.

This study aims to analyze the legal protection mechanism provided to taxpayers in tax disputes in the Tax Court, focusing on procedural and substantive aspects. In addition, this study also aims to identify the main obstacles faced by taxpayers and formulate recommendations to increase the effectiveness of legal protection (Wulandari, 2021: 23). With a normative juridical approach, this study will examine laws and regulations, court decisions, and related literature to provide a comprehensive analysis.

The benefits of this research are divided into two aspects. Theoretically, this research is expected to enrich the study of tax law, especially related to legal protection in tax disputes. Practically, the results of the research can be a reference for policymakers, tax judges, and taxpayers in improving the dispute resolution system (Rahayu, 2021: 88). This research is also expected to increase taxpayers' awareness of their rights and obligations in legal proceedings in the Tax Court, thereby reducing the information gap.

The scope of this research is focused on the analysis of legal protection for taxpayers in the Tax Court in the period 2015-2024, with an emphasis on regulations and practices in Indonesia. This research will also compare practices in Indonesia with other countries, such as the Netherlands, to gain a comparative perspective on more effective resolution of tax disputes (Van der Berg, 2020: 123). This comparative approach is important to understand whether mediation models or other alternative mechanisms can be applied in Indonesia. Conceptually, this research is based on the theory of legal justice and the principle of legal certainty, which are the main basis for evaluating legal protection for taxpayers. Justice theory. The law emphasizes that every individual has the right to fair treatment in the legal process, including equal access to justice (Hidayat, 2022: 56). With this framework, this study will analyze the extent to which the Tax Court is able to realize the principles of justice and legal certainty in resolving tax disputes.

II. RESEARCH METHODS

This study uses a normative juridical approach with qualitative analysis to examine the legal protection of taxpayers in tax disputes in the Tax Court. Data was collected through literature studies that include laws and regulations, such as Law Number 14 of 2002, Tax Court decisions, and scientific literature from journals and books published in 2015-2025. The analysis is carried out by descriptive-analytical methods to evaluate legal protection mechanisms, implementation constraints, and solutions based on the principles of justice and legal certainty. A comparative approach is also used to compare practices in Indonesia with other countries, such as the Netherlands, to enrich research recommendations.

III. RESULTS AND DISCUSSION

A. Legal Protection Mechanism for Taxpayers in Tax Court

The Tax Court, as a special judicial institution regulated in Law Number 14 of 2002 concerning the Tax Court, has the main function of resolving tax disputes by ensuring legal protection for taxpayers. This legal protection mechanism is realized through a series of formal procedures, namely objections, appeals, and reviews. The objection procedure allows taxpayers to submit an application to the Directorate General of Taxes (DGT) to review tax decisions that are considered detrimental, such as tax determinations that are not in accordance with the evidence (Siregar, 2019: 78). If the objection is rejected, the taxpayer can appeal to the Tax Court, where the tax judge examines the dispute independently to ensure procedural fairness. The independence of tax judges is one of the main pillars in the legal protection mechanism. Tax judges, which consist of career and ad hoc judges, are required to be impartial and free from external pressures, including from tax authorities. This principle is strengthened by regulations that ensure that judges do not have a conflict of interest in handling cases (Wulandari, 2021: 25).

In addition, the principle of presumption of innocence is applied to protect taxpayers from arbitrary tax determination. According to Hidayat (2022: 56), this principle ensures that taxpayers

are not considered guilty until proven through a legitimate legal process, thus providing space for taxpayers to defend their rights in court. The review mechanism (PK) is the last option for taxpayers to correct decisions that are considered unfair. A PK can be filed if new evidence (*novum*) or obvious errors are found in previous decisions, such as misinterpretations of facts or laws by the judge (Susanti, 2020: 67).

This procedure, although limited in use, reflects the Tax Court's commitment to maintaining the integrity of judgments and providing maximum protection. However, access to PK is often hampered by stringent requirements, such as filing deadlines and the complexity of proving *novum*, which can limit its effectiveness for taxpayers. In addition to formal procedures, the Tax Court also applies legal principles that support the protection of taxpayers, such as the principle of transparency and the principle of *audi et alteram partem* (hearing both parties). The principle of transparency ensures that the court process is conducted openly, except for certain confidential information, so that taxpayers can monitor the course of the trial (Putra, 2023: 45).

Meanwhile, the principle of *audi et alteram partem* guarantees that taxpayers and tax authorities have an equal opportunity to present arguments and evidence, which strengthens procedural fairness (Darsono, 2019: 89). This combination of procedures and principles suggests that Tax Courts are designed to provide comprehensive legal protection, although implementation challenges remain.

B. Obstacles in the Implementation of Legal Protection

Although the Tax Court has a strong legal framework to protect taxpayers, its implementation faces a number of significant obstacles that hinder the effectiveness of legal protection. One of the main obstacles is the high cost of litigation, which includes administrative costs, legal consultation, and representation in court. Prasetyo (2020: 89) emphasized that this fee is often unaffordable for individual taxpayers or small and medium enterprises (SMEs), so many

choose not to continue disputes to the Tax Court. As a result, access to justice becomes limited, which is contrary to the principle of justice that is the basis of the tax system (Hidayat, 2022: 58). This obstacle is exacerbated by the lack of adequate legal aid schemes for taxpayers with limited resources.

The second obstacle is the inconsistency of the tax judge's ruling, which creates legal uncertainty for taxpayers. Variations in the interpretation of tax regulations by judges often result in different verdicts for cases with similar facts, thus undermining the principle of legal certainty. Nugroho (2023: 101) notes that this inconsistency is largely due to the lack of binding jurisprudence guidelines, which allow judges to have excess discretion in decision-making. In addition, differences in judges' backgrounds (*career vs. ad hoc*) also contribute to variations in legal interpretations (Widodo, 2021: 72). This uncertainty not only reduces taxpayers' trust in the Tax Court, but also hinders fair dispute resolution. The lack of legal literacy among taxpayers is another significant obstacle. Many taxpayers, especially individuals or SMEs, do not understand the legal procedures in the Tax Court, such as how to file an objection, appeal, or review.

Fitriani (2018: 34) highlights that this low understanding often causes taxpayers to fail to meet submission deadlines or to be unable to formulate strong legal arguments. The lack of tax law education from tax authorities or related institutions exacerbates this problem, so taxpayers often rely on expensive tax consultants (Setiawan, 2022: 55). This creates an information gap that hinders taxpayers' access to legal protection.

An additional factor that also hinders is the complexity of administrative procedures in the Tax Court. The process of document submission, verification, and trial is often time-consuming and requires an in-depth technical understanding. According to Hartono (2020: 48), this complicated procedure not only increases the burden on taxpayers, but also extends the duration of dispute resolution, which can be financially detrimental to taxpayers. These inefficiencies demonstrate the need for procedural reforms to ensure that legal

protection mechanisms are accessible and effectively implemented by all taxpayers.

C. Reform Efforts to Improve Legal Protection

To overcome obstacles in the implementation of legal protection for taxpayers in the Tax Court, targeted and measurable reforms are needed. One of the key steps is the digitization of court processes to improve efficiency and accessibility. Kurniawan (2024: 67) suggested the development of a digital platform that allows online document submission, virtual hearings, and real-time tracking of case status. This digitalization can reduce transportation costs and time spent by taxpayers, especially for those who live outside big cities, thereby supporting the principle of fair access (Hidayat, 2022: 58).

The implementation of this technology can also minimize administrative errors and speed up dispute resolution. The second reform is to increase tax law education to increase taxpayer literacy. Lack of understanding of objection, appeal, and review procedures often hinders taxpayers in fighting for their rights (Fitriani, 2018: 34).

Lestari (2022: 45) proposes an ongoing training program organized by the Directorate General of Taxes (DGT) or professional organizations, such as the Indonesian Tax Consultants Association (IKPI), to educate taxpayers about their rights and obligations. In addition, the provision of tax legal guidance in simple and accessible language, including through digital media, can help individual taxpayers and SMEs understand the process in the Tax Court (Suryani, 2023: 62).

Third, harmonization of judges' decisions through the development of jurisprudence guidelines is a solution to overcome inconsistencies in decisions. Rahayu (2021: 90) emphasized that binding jurisprudence can standardize the interpretation of tax regulations, thereby reducing the variation of judgments for similar cases.

To support this, intensive training for tax judges, both career and ad hoc, is needed to harmonize understanding of complex tax regulations (Widodo, 2021: 74). This approach

can also be strengthened by the establishment of a panel of judges for certain cases to ensure consistency in decision-making (Mulyani, 2020: 53).

Fourth, the introduction of mediation as an alternative to dispute resolution can reduce the burden on the Tax Court and litigation costs for taxpayers. Experience in the Netherlands shows that tax mediation is effective for resolving disputes with small values quickly and cost-effectively (Van der Berg, 2020: 123).

In Indonesia, mediation can be integrated as an initial stage before appeal, by involving trained independent mediators (Arifin, 2022: 38). These reforms not only support efficiency, but also strengthen the principle of fairness by providing taxpayers with more affordable and non-confrontational settlement options.

IV. CONCLUSION AND SUGGESTIONS

A. Conclusion

Tax Courts have an important role to play in protecting taxpayers' rights through procedures such as objections, appeals, and reviews, which are designed to ensure fairness in tax disputes. This system is strengthened by the independence of judges and principles such as transparency and fair opportunities for both parties.

However, in reality, many taxpayers still have difficulty obtaining adequate legal protection. Expensive litigation costs, inconsistent judges' decisions, low understanding of legal procedures, and complicated administrative processes are major obstacles, especially for individuals or small business actors. This shows that although the legal framework already exists, its implementation is not yet fully able to provide equal justice for all taxpayers. To address these challenges, various solutions have been proposed, such as speeding up the court process with digital technology, improving taxpayer understanding through legal education, standardizing judges' decisions with clear guidelines, and offering mediation as an alternative to dispute resolution. These measures have the potential to make the Tax Court more accessible, efficient, and fair. With the right reforms, the tax justice system can be better at upholding the principles of justice and providing

legal certainty, so that taxpayers feel more protected and supported when facing tax disputes.

B. Suggestion

The government and the Tax Court need to immediately implement digital technologies, such as applications for document submission and online hearings, to make the process faster and cheaper, especially for taxpayers in remote areas. In addition, simple educational programs, such as free seminars or video guides on how to appeal, can help taxpayers understand their rights without relying on expensive consultants. Finally, introducing mediation for minor disputes and creating rules that guarantee more uniform judges' rulings will make the system fairer and more friendly to all taxpayers.

As a suggestion, in an effort to resolve disputes between the company's shareholders through arbitration, it is necessary to strengthen legal awareness among shareholders regarding the importance of including arbitration clauses in the articles of association or shareholder agreements since the beginning of the company's establishment. In addition, the selection of a credible and experienced arbitration institution is also very important to ensure a fair, fast, and efficient settlement process. The government and relevant authorities are also expected to continue to evaluate existing regulations to support the effective implementation of arbitration, as well as ensure the enforceability of arbitral awards through a responsive national judicial system.

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