



The Effectiveness of Tax Law Enforcement Against Tax Evasion Crimes in Indonesia

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Abstract

Tax law enforcement in Indonesia is an important effort to reduce tax evasion practices that are detrimental to the state. Although Indonesia has adequate regulations, its effectiveness is still hampered by various factors, such as limited human resources at the Directorate General of Taxes (DGT), complexity of tax regulations, and low levels of taxpayer compliance. The growing use of information technology provides opportunities to improve transparency and effectiveness of supervision, but challenges related to implementation and lack of understanding by some taxpayers are still obstacles. This study aims to analyze the effectiveness of tax law enforcement in reducing tax evasion as well as the factors that support and hinder tax law enforcement in Indonesia. The results show that despite progress, further reforms are still needed in the tax system, strengthening the capacity of DGT human resources, and increasing public tax awareness to achieve a more effective and fair tax system.

I. INTRODUCTION

Taxes are one of the main instruments in the state financial system which has a strategic function not only as a source of revenue, but also as a means to realize state goals as mandated in the 1945 Constitution of the Republic of Indonesia (Aqmarina & Furqon, 2020). As the backbone of state revenue, taxes play an important role in financing the administration of government, infrastructure development, public services, and social welfare programs. The state's dependence on tax revenues makes the stability and effectiveness of the tax system a key factor in maintaining the sustainability of national development and the country's fiscal resilience (Ardin et al., 2022).

In the context of Indonesia as a developing country with increasing financing needs, optimizing tax revenue is a strategic agenda of the government. Vital sectors such as education, health, transportation, and social protection are highly dependent on the state's ability to collect taxes effectively and fairly (Revelation, 2023). Therefore, taxpayer compliance is a fundamental element in the success of the tax system. The low level of compliance not only has an impact on declining state revenue, but also reflects the weak legitimacy and trust of the public in the tax legal system itself.

However, tax collection efforts in Indonesia are still faced with various structural and cultural challenges, one of which is the rampant practice of tax evasion. The crime of tax evasion is a form of serious violation of tax law that directly harms the state's finances. Tax evasion is generally carried out through various modes, such as falsification of financial statements, unlawful reduction of taxable income, not reporting all tax objects, and taking advantage of loopholes or weaknesses in tax regulations. These practices not only hurt the principle of fiscal justice, but also create inequality in the tax burden between taxpayers (Sulaiman & Yusuf, 2024).

Tax evasion is basically not just an administrative problem, but has developed into a legal problem with criminal, economic, and social dimensions. From a legal point of view, tax evasion reflects a violation of citizens' constitutional obligations to participate in state financing. From an economic perspective, this practice has the potential to hinder growth and development due to reduced fiscal resources. Meanwhile, from a social perspective, tax evasion can reduce public trust in the legal system and foster a culture of systemic non-compliance (Situmorang & Lyanthi, 2025).

In dealing with these problems, tax law enforcement plays a very crucial role. Law

enforcement not only serves as a repressive means to punish tax evasion perpetrators, but also as a preventive and educational instrument in building legal awareness and taxpayer compliance. The effectiveness of tax law enforcement is an important indicator in assessing the extent to which the state is able to protect its fiscal interests while ensuring legal certainty and justice for the community (Qinayya et al., 2024).

In Indonesia, the regulation of tax evasion and its law enforcement mechanism is normatively regulated in Law Number 6 of 1983 concerning General Provisions and Tax Procedures as amended several times, most recently by Law Number 7 of 2021 concerning the Harmonization of Tax Regulations. The regulation gives authority to the Directorate General of Taxes as the tax administration authority to carry out supervision, examination, investigation, and the imposition of administrative and criminal sanctions. In addition, other law enforcement officials, such as the prosecutor's office and the courts, also play a role in the overall tax law enforcement process.

Although a legal framework has been available, the effectiveness of tax law enforcement in practice is still often questioned. Various obstacles such as the complexity of tax regulations, limited resources of law enforcement officials, low coordination between institutions, and resistance and non-compliance of taxpayers are factors that affect the success of law enforcement. In addition, the existence of an approach that prioritizes state revenue through administrative mechanisms and tax amnesty in several policies also raises debates about the consistency and firmness of law enforcement against tax evasion perpetrators.

This condition raises fundamental questions about the extent to which tax law enforcement in Indonesia has run effectively in dealing with tax evasion crimes. The effectiveness of law enforcement can not only be measured by the number of cases handled or the amount of state revenue that has been successfully restored, but also by the ability of the legal system to create a deterrent effect, increase voluntary compliance, and uphold the principles of justice and legal certainty.

Based on this background, this study focuses on examining the effectiveness of tax law enforcement against tax evasion crimes in Indonesia. This study aims to analyze the extent to which law enforcement efforts carried out by the

Directorate General of Taxes and other law enforcement officials are able to overcome tax evasion practices optimally. In addition, this study also seeks to identify factors that affect the effectiveness of tax law enforcement, both normative, institutional, and sociological.

Through this study, it is hoped that a comprehensive picture of the condition of tax law enforcement in Indonesia can be obtained, as well as constructive recommendations for strengthening tax policies and law enforcement systems. Thus, this research not only has academic value, but also practical relevance in supporting the realization of a fair, effective, transparent, and accountable tax system, as an important foundation for state financial management and sustainable national development.

II. RESEARCH METHODS

This study uses a descriptive qualitative approach with the aim of analyzing the effectiveness of tax law enforcement in dealing with tax evasion crimes in Indonesia (Scott, 2017). The qualitative approach was chosen because this study seeks to understand in depth the phenomenon of tax law enforcement, both from the normative aspect and the practice of its application, as well as examine various factors that affect the success or obstacles in the process. Through this approach, the research focuses not only on the final outcome of law enforcement, but also on the dynamics, processes, and context behind it (Mahmud Marzuki, 2005).

This research was conducted by focusing on agencies that have a strategic role in tax law enforcement, especially the Directorate General of Taxes as a tax administration authority, and the Tax Court as an institution authorized to resolve tax disputes. The selection of the research locus was based on the consideration that the two institutions are the main actors in the implementation and enforcement of tax laws in Indonesia, so it is relevant to be analyzed in the context of the effectiveness of handling tax evasion crimes.

The data collection technique in this study was carried out through literature studies and case studies. The literature study includes a review of laws and regulations in the field of taxation, legal doctrine, scientific journals, textbooks, and other legal sources relevant to tax law enforcement and tax evasion crimes. Meanwhile, the case study focuses on tax evasion cases that have been

processed and decided by the courts, in order to obtain an empirical picture of the application of tax law in practice.

The data obtained were then analyzed using thematic analysis, namely by identifying, grouping, and interpreting the main themes related to the effectiveness of tax law enforcement. This analysis is directed to uncover the legal, institutional, and technical factors that affect tax law enforcement, as well as to assess the extent to which existing mechanisms have been effective, fair, and consistent. With this method, the research is expected to produce comprehensive findings and provide a clear picture of the effectiveness of tax law enforcement in dealing with tax evasion crimes in Indonesia.

III. RESULTS AND DISCUSSION

A. Definition and Conceptualization of Tax Embezzlement

Tax evasion is a form of criminal act in the field of taxation that has a significant impact on state revenue and the sustainability of the public financial system. In general, tax evasion can be understood as an unlawful act committed by individuals or business entities by deliberately reducing, concealing, or avoiding tax obligations that should be fulfilled based on the provisions of applicable laws and regulations. These actions are carried out through various modes that aim to reduce the amount of tax owed or even eliminate tax obligations as a whole (Sulaiman & Yusuf, 2024).

In Indonesia's positive legal framework, tax evasion is regulated in Law Number 6 of 1983 concerning General Provisions and Tax Procedures as last amended by Law Number 28 of 2007. This law affirms that any act that deliberately violates tax obligations and results in losses to state revenue can be qualified as a tax crime. Thus, tax evasion is not only seen as an administrative offense, but also as a criminal act that has serious legal consequences, including prison sentences and fines (Situmorang & Lyanthi, 2025).

Conceptually, tax evasion is included in the category of economic crime because it is directly related to economic, financial, and state resource management. From the perspective of criminal law, tax evasion contains an element of intentionality (*dolus*), namely the intention and will of the taxpayer to avoid legal obligations that have been determined. This element of intentionality distinguishes tax evasion from

administrative errors that arise due to the taxpayer's negligence or ignorance of tax provisions (Ocean & Purwati, 2025).

Theoretically, tax evasion can be described as an illegal act carried out through manipulation of the tax reporting system, concealment of income, falsification of documents, or the unlawful use of loopholes. These forms reflect a systematic attempt to obscure the true financial condition of taxpayers so that the tax burden imposed becomes smaller than it should be. The basic principle of tax evasion lies in the violation of the principles of honesty and good faith in the implementation of tax obligations, which is essentially a manifestation of citizen participation in state financing (Indrawan et al., 2024).

In tax practices in Indonesia, tax evasion can appear in various forms and *modus operandi*. One of the most common forms is the manipulation of financial statements, either by not recording all transactions, reducing the actual value of income, or exaggerating operational costs to reduce the amount of tax payable. This practice is often carried out by business entities that have a complex financial structure and access to professional resources, so that they are able to systematically engineer financial statements (Nurhayati & Year, 2025).

In addition to manipulating financial statements, tax evasion is also often carried out through falsification of tax documents or submitting incorrect data to tax authorities. This mode includes the use of fictitious tax invoices, fake proof of transactions, or other supporting documents intended to reduce tax liability or obtain tax refunds unlawfully. In addition, there are also practices of abuse of tax facilities that are normatively provided by the state, such as filing excessive tax refunds or claiming tax incentives that do not meet legal requirements (Nurhayati & Year, 2025).

All forms of tax evasion ultimately not only cause financial losses for the state, but also have an impact on the creation of injustice in the tax system. Taxpayers who are compliant and honestly fulfill their obligations are at a disadvantage because they have to bear a greater fiscal burden due to reduced state revenue from tax evasion perpetrators. In the long term, this condition has the potential to reduce the level of public trust in the tax system and weaken the state's legitimacy in carrying out the tax collection function.

Therefore, a comprehensive understanding of the definition and characteristics of tax evasion is an important foundation in formulating effective and fair tax law enforcement policies. By understanding tax evasion not only as a violation of the law, but also as a structural and moral problem in the tax system, efforts to counter it can be directed more comprehensively, both through repressive, preventive, and educational approaches (Ocean & Purwati, 2025).

B. Tax Law Enforcement in Indonesia

Tax law enforcement in Indonesia is an integral part of the state's efforts to ensure the optimization of tax revenue while maintaining the integrity of the national tax system. As the main instrument of state financing, taxes require legal certainty, taxpayer compliance, and effective and fair law enforcement mechanisms. Therefore, the legal framework governing the enforcement of tax laws is designed to not only assert tax obligations, but also to provide adequate authority to tax authorities in supervising and cracking down on violations (Qinayya et al., 2024).

The main juridical basis for tax law enforcement in Indonesia is contained in Law Number 6 of 1983 concerning General Provisions and Tax Procedures which has undergone several changes, most recently with Law Number 28 of 2007. This law comprehensively regulates the rights and obligations of taxpayers, procedures for fulfilling tax obligations, examination mechanisms, objections, appeals, and criminal provisions in the field of taxation. Through this regulation, the state places the tax law as a controlling instrument as well as a coercive instrument to ensure taxpayer compliance.

In the Indonesian tax system, the Directorate General of Taxes (DGT) plays a central role as an institution mandated to carry out the administration and enforcement of tax laws (Fitrah et al., 2021). The DGT is under the Ministry of Finance and has broad authority, ranging from supervising taxpayer compliance, tax audits, determining administrative sanctions, to investigating criminal acts in the field of taxation. This authority places the DGT not only as an administrative institution, but also as a major actor in the tax law enforcement system.

Tax audits are one of the main instruments in tax law enforcement. Through the audit, the DGT can assess the correctness and compliance of taxpayers in carrying out their tax obligations. If an investigation finds indications of tax violations

or evasion, the DGT is authorized to issue tax determinations and impose administrative sanctions in the form of fines, interest, or increases in taxes payable. In the event that the violation meets the elements of a criminal act, the DGT can increase the handling process to the investigation stage (Rossa et al., 2024).

Investigation of tax crimes is a form of repressive law enforcement that aims to provide a deterrent effect for tax evasion perpetrators. The investigation is carried out by civil servant investigators (PPNS) within the DGT who have special authority under the law. After the evidence is considered sufficient, the case can be transferred to the prosecutor's office to be processed through the criminal justice mechanism (Sulaiman & Yusuf, 2024). Thus, tax law enforcement does not stop at the administrative realm, but can also lead to criminal liability.

In addition to a repressive approach, tax law enforcement in Indonesia also prioritizes a preventive and persuasive approach. The DGT actively conducts tax education and socialization to the public to increase awareness and voluntary compliance of taxpayers. This approach is based on the understanding that sustainable tax compliance cannot rely solely on sanctions, but also requires public understanding, trust, and active participation (Sulaiman & Yusuf, 2024). In this context, the use of information technology such as e-filing, e-billing, and core tax systems is an important part of modernizing tax administration and increasing transparency.

Although the legal and institutional framework for tax law enforcement in Indonesia is relatively strong, its implementation still faces various challenges. The level of non-compliance by taxpayers, both intentional and due to regulatory complexity, is still relatively high. Many taxpayers, especially business entities, take advantage of legal loopholes or manipulate transactions to reduce their tax liabilities. The complexity of the tax system and the dynamics of modern economic transactions also make it difficult for tax officials to detect and prove tax evasion practices that are increasingly sophisticated and organized.

Limited human resources and technology are also serious obstacles in tax law enforcement. The number of tax officers that is not proportional to the number of taxpayers, as well as the disparity in the level of competence and technological literacy, has an impact on the effectiveness of supervision and audits. On the other hand,

taxpayers with large resources often have the ability to devise tax avoidance and evasion strategies that are difficult to detect.

In response to these challenges, the Indonesian government has carried out a number of policy reforms, one of which is through the tax amnesty program. This policy aims to encourage voluntary disclosure of unreported assets, expand the tax base, and improve long-term compliance. In addition, the government also continues to strengthen cooperation between the DGT and other law enforcement officials, such as the police, prosecutor's office, and financial supervisory agencies, to handle large-scale and cross-sectoral tax evasion cases.

Ultimately, tax law enforcement in Indonesia must be carried out consistently, fairly, and transparently in order to foster public trust in the tax system. Strict law enforcement without discrimination, accompanied by professional and accountable administrative services, is the main prerequisite for the creation of a healthy tax climate. Thus, the effectiveness of tax law enforcement is not only determined by the power of regulation, but also by the integrity of law enforcement officials, the quality of institutions, and the legal awareness of the public as taxpayers.

C. Tax Embezzlement in Indonesia

The crime of tax evasion in Indonesia is a serious problem that directly threatens the sustainability of the national tax system and the country's financial stability. In practice, tax evasion is no longer understood as an individual violation that is sporadic, but has developed into a systemic phenomenon involving various actors, ranging from individual taxpayers to large-scale business entities. Tax evasion is carried out through various *modus operandi* that are increasingly complex and organized, thus posing a major challenge for tax authorities in carrying out effective supervision and law enforcement (Nurhayati & Year, 2025).

In general, tax evasion is carried out by deliberately not reporting actual income, manipulating financial statements, recording fictitious transactions, or abusing available tax facilities. One of the most common modes is the use of fictitious tax invoices to reduce taxes owed or obtain tax refunds illegally. In addition, unreasonable transfer pricing practices and transaction engineering between affiliated companies are also often used by large corporations to divert profits and minimize tax

liability. These practices not only cost the state a significant amount of money, but also hurt the principle of fairness in the tax system (Ocean & Purwati, 2025).

The phenomenon of tax evasion in Indonesia is influenced by various interrelated factors. The first factor is the low level of tax compliance among the public. Although the government has implemented various tax reforms and policy programs such as tax amnesty, voluntary compliance of taxpayers is still a major challenge. Some taxpayers view taxes as a mere financial burden, not as a form of collective contribution to national development. Low understanding of the functions and benefits of taxes also strengthens the attitude of ignorance of tax obligations (Yonani, 2023).

The second factor relates to the limited supervision and enforcement capacity of the tax authorities. The Directorate General of Taxes (DGT) does have the authority to conduct examinations and investigations of tax crimes, but in practice it is still faced with limited human resources, technology, and the scope of supervision. The huge number of taxpayers, the complexity of modern economic transactions, and the overlapping tax regulations make the process of detecting and proving tax evasion not simple (Yonani, 2023).

The development of digital technology also provides a new dimension in the practice of tax evasion. On the one hand, the digitalization of the economy and financial system opens up opportunities for taxpayers to hide transactions through the manipulation of electronic data, the use of foreign accounts, or the use of cross-border digital platforms that are difficult to trace. The technological gap between tax evaders and tax authorities further complicates law enforcement efforts. But on the other hand, technology also holds great potential to strengthen tax supervision through data integration, information system-based risk analysis, and the use of artificial intelligence in detecting patterns of violations (Sulaiman & Yusuf, 2024).

Economic factors are also the drivers of tax evasion, especially among small and medium enterprises and the informal sector. Operational cost pressures, the perception of high tax burdens, and uncertainty in economic conditions often encourage business actors to avoid tax obligations in order to maintain business continuity. This condition is exacerbated by fluctuations in fiscal and regulatory policies that are considered to

have not fully provided legal certainty for business actors.

In addition to economic and institutional factors, social and cultural factors also play a significant role in tax evasion practices. In some levels of society, there is still a permissive culture of tax violations, where tax evasion is considered commonplace and has no serious consequences. The low level of trust in the government and the perception that taxes are not managed transparently for the public benefit also weaken the moral awareness to pay taxes correctly. This creates a cycle of disobedience that is difficult to break if it is not balanced with firm and fair law enforcement (Sulaiman & Yusuf, 2024).

The impact of tax evasion on the national economy is widespread. In addition to directly reducing state revenue, tax evasion also creates horizontal injustice between compliant and non-compliant taxpayers. In the business world, this practice causes distortions of competition, because business actors who evade taxes obtain illegal profits compared to business actors who comply with tax provisions. At the macro level, tax evasion contributes to the state budget deficit and has the potential to hinder development financing and the quality of public services.

Therefore, the prevention of tax evasion must be carried out comprehensively and continuously. These efforts not only rely on repressive law enforcement, but must also be balanced with a preventive approach through tax education, increasing transparency in tax management, and providing incentives for compliant taxpayers. Synergy between the government, law enforcement officials, the business world, and the community is the main key in creating a fair, effective, and sustainable tax system. Thus, controlling tax evasion is not only a legal issue, but also part of efforts to build a legal culture and collective awareness in the life of the state.

D. Law Enforcement against Tax Emersion

Law enforcement against tax evasion crimes in Indonesia is an integral part of the state's efforts to maintain state revenue stability and ensure fiscal justice. Normatively, tax law enforcement is based on various laws and regulations, especially Law Number 28 of 2007 concerning General Provisions and Tax Procedures (KUP Law), which gives broad authority to the Directorate General of Taxes (DGT) to supervise, inspect, investigate, and take action against tax violations (Rosmawati & Darmansyah, 2023). This provision emphasizes

that tax evasion is not only seen as an administrative offense, but as a criminal act that can be subject to criminal sanctions if it is done with an element of intentionality.

In the framework of tax law, the law enforcement mechanism begins from the process of tax audit of reports submitted by taxpayers. This audit aims to test the formal and material compliance of taxpayers with the tax obligations that have been set. If in the audit process there are data discrepancies, indications of report manipulation, or attempts to conceal tax objects, the DGT is authorized to conduct a follow-up examination to assess potential state losses. At this stage, law enforcement is still in the administrative realm, which can lead to the issuance of sanctions in the form of fines, interest, or tax increases (Ayem & Listiani, 2019).

However, if the results of the investigation find sufficient preliminary evidence of criminal elements, such as the use of false documents, fictitious transactions, or other acts that are deliberately carried out to avoid tax obligations, the DGT can escalate the process to the investigation stage. In this context, the DGT has special authority as a civil servant investigator (PPNS) in the field of taxation, in collaboration with other law enforcement officials, such as the Police and the Prosecutor's Office. This investigation process aims to collect evidence comprehensively to prove the existence of elements of guilt (*mens rea*) and unlawful acts (*actus reus*) in the crime of tax evasion (Ayem & Listiani, 2019).

The role of the Directorate General of Taxes is very central in the overall tax law enforcement process. The DGT not only functions as a tax collection agency, but also as a supervisory and law enforcement institution responsible for maintaining the integrity of the national tax system. In addition to taking action, the DGT also carries out preventive functions through coaching and socialization to taxpayers, with the aim of increasing awareness and voluntary compliance. This preventive effort is important considering that tax law enforcement does not only rely on a repressive approach, but also on the development of a culture of tax compliance in society (Laoh, 2019).

Although the legal and institutional framework for tax law enforcement has been built in a relatively comprehensive manner, in practice there are still various challenges that hinder the effectiveness of law enforcement against tax

evasion. One of the main challenges is the limitation of human resources within the DGT, both in terms of number and competence. The growing complexity of tax evasion modes, especially those involving cross-sector and cross-border transactions, requires tax officials to have technical expertise and a deep understanding of the law. This limitation has the potential to cause many cases of tax evasion to not be detected optimally or to be followed up late (Yonani, 2023).

In addition to the human resource factor, the complexity of the tax system is also a serious obstacle in law enforcement. The many types of taxes, dynamic regulatory changes, and the existence of legal loopholes in tax regulations are often used by taxpayers to avoid their obligations. This condition requires the harmonization of regulations and the simplification of the tax system so that it is easier to understand, both by law enforcement officials and by the taxpayers themselves.

The use of information technology is one of the strategic instruments in strengthening tax law enforcement. The DGT has developed various digital systems, such as e-filing, e-billing, and electronic-based tax reporting systems, aimed at improving the transparency and accuracy of tax data. Through an integrated system, the DGT can conduct data analysis more effectively to detect irregularities in tax reporting and identify potential embezzlement early. Technology also enables surveillance of cross-border transactions, which is particularly relevant in the context of economic globalization and international tax avoidance practices (Situmorang & Lyanthi, 2025).

However, the implementation of technology in tax law enforcement also faces its own challenges, especially related to the gap in access and technological capabilities among taxpayers, especially small and medium business actors. Therefore, strengthening technology must be accompanied by increasing digital literacy and adequate assistance so that the system built can function optimally and inclusively.

As part of the tax law enforcement policy, the Indonesian government has also implemented a tax amnesty program aimed at increasing compliance and expanding the tax base. This program provides an opportunity for taxpayers to disclose unfulfilled tax obligations without being subject to criminal sanctions. Although this policy has proven to have a positive impact on state revenue in the short term, the challenge ahead is

to ensure the sustainability of taxpayer compliance so that they do not return to embezzlement after obtaining a pardon.

Overall, law enforcement against tax evasion in Indonesia is a complex and multidimensional process, involving legal, institutional, technological, and cultural aspects of the community's legal culture. The success of tax law enforcement is not only determined by the firmness of sanctions, but also by the consistency of law enforcement, capacity building of officials, and the development of collective awareness of the importance of taxes for the sustainability of national development. With effective, transparent, and fair law enforcement, tax evasion can be suppressed, so that Indonesia's tax system can function optimally in supporting state goals.

E. Effectiveness of Tax Law Enforcement

The effectiveness of tax law enforcement in Indonesia is a crucial aspect in efforts to suppress tax evasion practices that have a direct impact on the reduction of state revenue. Effective tax law enforcement not only aims to ensure the correct and fair fulfillment of tax obligations, but also functions as a preventive and repressive instrument that is able to create a deterrent effect for tax evasion perpetrators. In this context, the effectiveness of law enforcement can be measured through several indicators, including an increase in the level of taxpayer compliance, a decrease in the amount and value of state losses due to tax evasion, and the consistency of the application of sanctions against tax violations (Fitrah et al., 2021).

Normatively, Indonesia already has a relatively complete legal framework in regulating tax obligations and its law enforcement mechanisms. Various implementing laws and regulations have given adequate authority to the Directorate General of Taxes (DGT) to supervise, inspect, investigate, and take action against tax violations. However, the existence of comprehensive regulations has not been completely proportional to the effectiveness of its implementation in the field. This is reflected in the still rampant cases of tax evasion involving both individual taxpayers and business entities, including large-scale corporations (Hiariej, 2021).

The effectiveness of tax law enforcement is not solely determined by the strictness of the rule of law, but is highly dependent on the capacity and performance of law enforcement officials in implementing the rules consistently and

professionally. Effective enforcement of tax laws requires good coordination between the DGT, other law enforcement officials, and judicial institutions. In addition, public participation in building a culture of tax compliance is also a determining factor, considering that the modern tax system basically relies on the principle of self-assessment that relies on the honesty and awareness of taxpayers (Pulungan et al., 2025).

In recent years, tax law enforcement in Indonesia has shown a number of positive developments, especially through tax administration reforms and increased use of information technology. Electronic-based tax reporting and payment systems, such as e-filing and e-billing, have improved the transparency and accuracy of tax data. Despite this, the effectiveness of tax law enforcement still faces structural and cultural barriers. One of the main obstacles is the limited comprehensive supervision of all taxpayers. Although tax information systems are becoming more integrated, there are still loopholes that allow tax evasion practices to go undetected for a long period of time, especially in certain sectors of the economy and complex transactions.

The low level of compliance of some taxpayers is also a significant factor that hinders the effectiveness of tax law enforcement. Some taxpayers still view the legal risks of tax evasion as relatively small compared to the profits obtained. This perception is strengthened by low tax awareness and lack of understanding of the function of taxes as a source of financing for state development. As a result, even though criminal sanctions have been strictly regulated, tax evasion still occurs on a sizable and recurring scale (Putu & Sugiantari, 2021).

On the other hand, there are a number of factors that support increasing the effectiveness of tax law enforcement. Improving the quality and capacity of human resources within the DGT and other law enforcement officials is a key factor. Officials who have technical competence and adequate legal understanding will be better able to identify increasingly complex modes of tax evasion and conduct professional examinations and investigations. Ongoing training is an urgent need given the dynamics of regulations and the development of increasingly sophisticated tax avoidance practices (Dewi et al., 2025).

The use of information technology also contributes significantly to increasing the effectiveness of tax law enforcement. An

integrated tax administration system allows the DGT to conduct more accurate data analysis to detect irregularities in tax reporting. With this technology, the potential for data manipulation can be minimized as the tax reporting and payment process becomes more transparent and well-documented. However, the effectiveness of technology is highly dependent on the availability of infrastructure and user capabilities, so it needs to be balanced with increasing tax literacy and digital literacy for taxpayers.

On the other hand, some factors that hinder the effectiveness of tax law enforcement still need serious attention. The limited number of tax officers is the main obstacle, especially in the implementation of field inspections which require time, energy, and special expertise. In addition, the ever-evolving complexity of tax regulations often makes it difficult for taxpayers to understand their obligations, which can ultimately lead to violations, both intentional and unintentional. This condition shows the importance of simplifying regulations and improving the quality of tax socialization.

The Indonesian government has made various efforts to overcome these obstacles, including through tax policy reform and administrative system improvements. The tax amnesty program is one of the strategic policies that aims to expand the tax base and increase taxpayer compliance. In addition, providing incentives for compliant taxpayers and applying firm and consistent sanctions against violators is an important step in building a fair and authoritative tax system.

Overall, the effectiveness of tax law enforcement in Indonesia has progressed, but it is not fully optimal. Challenges in the form of limited resources, regulatory complexity, and low tax awareness still need to be addressed in a sustainable manner. Therefore, increasing the capacity of law enforcement officials, strengthening technology-based supervision systems, and building a culture of tax compliance in the community are the main prerequisites for realizing effective, fair, and sustainable tax law enforcement in Indonesia.

IV. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Tax law enforcement in Indonesia has shown significant developments through regulatory reforms, tax administration reforms, and the use of information technology in the tax supervision and service process. The legal framework that

regulates tax obligations and its enforcement mechanism has basically provided a strong basis for the Directorate General of Taxes in carrying out its supervision and law enforcement functions. However, these efforts have not been fully able to suppress tax evasion practices optimally. The main challenges still stem from limited human resources, the complexity of tax regulations, and the low level of compliance of some taxpayers. This condition is exacerbated by the existence of gaps in the implementation of the supervisory system, which allows tax evasion practices to continue, both conventionally and through the use of digital technology. Low tax awareness among the public also contributes to the weak effectiveness of law enforcement, as tax obligations have not been fully understood as a constitutional responsibility to support state development. Therefore, it can be concluded that the effectiveness of tax law enforcement in Indonesia is not only determined by the completeness of regulations, but also highly depends on the quality of implementation, the capacity of law enforcement officials, and the support of a culture of tax compliance in the community.

B. Suggestions

The government needs to continue tax reform in a sustainable manner by focusing on simplifying regulations so that they are easier for taxpayers to understand and comply with. Increasing the capacity of human resources in the Directorate General of Taxes must be a priority, both through increasing the number of officers and improving technical competence and professionalism. Optimizing the use of information technology also needs to be strengthened to narrow the gap in tax evasion. In addition, tax education and socialization to the public must be improved to foster awareness and culture of tax compliance, accompanied by the application of strict and consistent sanctions and the provision of incentives for compliant taxpayers.

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