



## Taxpayer Rights and Obligations in Tax Collection According to the General Provisions and Tax Procedures Law (KUP)

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<b>Article History</b> Received: 2025-09-03 Revised: 2025-09-20 Published: 2025-09-30  <b>Keywords:</b> <i>Tax Collection; Legal Protection; KUP Law; Taxpayers</i>	This study aims to analyze the effectiveness of tax collection mechanisms in the Indonesian tax system and assess the extent to which legal protection for taxpayers is implemented in practice. Tax collection, which is divided into passive and active approaches, has direct implications for public fiscal compliance and state revenue. Although the Law on General Provisions and Tax Procedures (UU KUP) regulates taxpayer rights such as objections, appeals, and reductions in administrative sanctions, various normative and practical barriers remain that create legal uncertainty, especially for small taxpayers. This study also examines the role of external oversight through the Indonesian Ombudsman and the importance of an educational approach in increasing voluntary compliance. The results of this study emphasize the need for a more equitable and transparent reformulation of tax collection policies to create a balance between state interests and the protection of citizens' rights.

### I. INTRODUCTION

Tax collection is a crucial instrument for the sustainability of tax revenue, safeguarding the state, particularly the taxation sector, which serves as the backbone of national development funding. The Indonesian tax system regulates collection through the General Provisions and Tax Procedures Law (UU KUP), which contains a series of procedures, from administrative collection to direct enforcement actions such as confiscation and auctioning of goods. This tax collection serves as a bridge between the implementation of tax law and the realization of the public's fiscal responsibility (Hartono & Sulisty, 2022). This process demonstrates how the tax authorities have broad legal powers to guarantee state revenue (Nugroho, 2021). However, this authority must be balanced with legal protection for taxpayers. Various articles of the KUP Law, such as Articles 25, 27, and 36, explain taxpayer rights, including the right to file objections, appeals, and reductions in administrative sanctions. These rights serve as a form of protection to prevent taxpayers from experiencing arbitrary action during the collection process and to maintain access to justice.

In practice, tax collection is divided into two types: passive collection and active collection. Passive collection includes sending Tax

Collection Letters (STP), Tax Underpayment Assessment Letters (SKPKB), and appeal or objection decisions. Meanwhile, active collection is carried out when taxpayers fail to fulfill their obligations after being reprimanded, or when they feel disadvantaged by an inappropriate tax assessment (Rahayu & Prasetyo, 2023). However, the implementation of these rights is not always effective. The absence of a deadline for resolving objections as stipulated in Article 25, the lengthy appeal process stipulated in Article 27, and obstacles in the mechanism for eliminating administrative sanctions create uncertainty under Article 36, which then leads to the issuance of Compulsory Orders, asset seizures, and legal action.

The impact of this system's inefficiency is particularly felt by small taxpayers who have limited resources to navigate lengthy and complex administrative processes. Furthermore, the importance of fair service and equal treatment for all taxpayers is also highlighted. Articles 34 and 34A of the Tax Procedures and Tax Administration Law guarantee the right to good service and protection of taxpayer confidentiality. However, in reality, complaints regarding data leaks and inconsistent treatment between taxpayers continue to be found. This reinforces the urgency of stricter oversight of tax officials in carrying out their duties. In this

context, the role of external oversight bodies such as the Indonesian Ombudsman is crucial. The Ombudsman serves as a channel for complaints regarding alleged maladministration in the tax collection process. Furthermore, an educational and persuasive approach to taxpayers should be prioritized over a coercive approach. By providing taxpayers with a comprehensive understanding of their rights and obligations, voluntary compliance rates can be increased without sacrificing the principle of fairness (Yulianti, 2024).

Therefore, the existence of legal protection mechanisms within the tax collection system must be continuously strengthened to create legal certainty and balanced protection between state interests and citizens' rights. Revisions to articles in the General Taxation Law that remain ambiguous or create inequalities are urgently needed. The goal is to ensure that Indonesia's tax system is not only effective in terms of revenue, but also ensures fiscal justice and strengthens legal legitimacy in the eyes of the public.

## **II. RESEARCH METHODS**

This research uses a normative juridical method, an approach based on a review of applicable laws and regulations and relevant legal literature to understand legal protection for taxpayers in the tax collection process. This approach is carried out by analyzing the legal norms contained 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 (HPP Law), as well as its implementing regulations. Data collection techniques are carried out through document study, namely exploring regulations and legal doctrines that discuss the rights and obligations of taxpayers in the collection process and law enforcement practices by tax authorities. Data analysis techniques are qualitative-descriptive, namely describing and analyzing the obtained data and then systematically organizing it to answer the research problem formulation, particularly regarding the effectiveness of legal protection for taxpayers in the context of tax collection.

## **III. RESULTS AND DISCUSSION**

Tax collection is a series of actions to ensure that the Taxpayer pays off tax debts and tax collection costs by issuing warnings,

carrying out immediate and simultaneous collection, notifying the Taxpayer of a Compulsory Warrant, proposing prevention, carrying out confiscation, carrying out hostage-taking, and selling confiscated goods (Sindik Widati, et., 2022). Tax collection can be grouped into 2 (two), namely passive collection and active collection. Passive collection is carried out through:

- a. Tax Bill (STP).
- b. Tax Underpayment Assessment Letter (SKPKB).
- c. Additional Tax Underpayment Assessment Letter (SKPKBT).
- d. Correction Determination Letter.
- e. Objection Determination Letter.
- f. Appeal Decision.
- g. Judicial Review Decision.

Meanwhile, active collection is carried out through a demand letter, as a continuation of passive tax collection. In active tax collection efforts, the tax authorities play an active role, not only sending billing letters or tax assessment letters, but also carrying out seizure actions, even continuing through to auctions according to the following collection process. (Nur Farida Liyana, et., al, 2019).

Article 29 of the Tax Law (JU KUP) explains that the Directorate General of Taxes (DGT) is authorized to conduct tax audits to test compliance with tax obligations. Tax audits can be conducted on all types of taxes, including income tax, value-added tax, and other taxes administered by the DGT (Cahyo Budi Santoso, et., al, 2024). Tax audits often result in corrections that change the amount of tax payable by taxpayers. These corrections can result in underpayments and are subject to sanctions in accordance with applicable tax regulations.

In Indonesia, taxes are administered in two main categories: by the central government (such as Income Tax, Value Added Tax, Sales Tax on Luxury Goods, and Land and Buildings for Agriculture, Forestry, and Mining) and by regional governments (divided between Level I and Level II Regional Heads). However, tax determinations by tax officials are often not approved by taxpayers due to differing understandings of tax regulations, leading to conflicting views between taxpayers and the tax authorities.

The tax collection process under the Tax Procedures Law (KUP) is regulated through several clear stages, starting with notification via a warning letter and continuing through active collection actions such as asset seizure and auction. Each stage is designed to provide taxpayers with the opportunity to voluntarily settle their tax debts before more stringent law enforcement actions are taken. Nevertheless, taxpayer rights must be protected through the implementation of transparent and fair procedures and by providing taxpayers with the opportunity to resolve any disputes that may arise during the collection process.

The following are the stages in the tax collection process according to the KUP Law:

- a. First, the issuance of a warning letter as regulated in Article 19 paragraph (1) of the KUP Law. The process of issuing a warning letter is: If the taxpayer does not pay the tax owed on time, the tax authority will send a warning letter or a warning letter. This letter is the initial step to remind the taxpayer about the payment of tax obligations that have not been fulfilled.
- b. Second, the issuance of a Compulsory Letter, as regulated in Article 20 of the Tax Law. If a taxpayer fails to pay their tax debt within 21 days of receiving a Warning Letter or Warning Letter, the tax authority may issue a Compulsory Letter. This Compulsory Letter is an order to pay the tax debt and collection costs.
- c. Third, the issuance of a Seizure Order (SPMP), as regulated in Article 21 of the Tax Law, stipulates that if a taxpayer fails to pay their tax debt within 2 x 24 hours of the Letter of Enforcement being issued, the tax authority may issue a Seizure Order. Through the SPMP, tax officials can seize the taxpayer's assets in an effort to settle the tax debt.
- d. Fourth, asset confiscation, as regulated in Article 22 of the Tax Procedures Law. Appointed tax officials will confiscate taxpayers' assets as collateral for unpaid tax debts. This confiscation must be carried out carefully and in accordance with applicable laws to ensure there is no abuse of authority.
- e. Fifth, the Auction of Confiscated Goods is regulated in Article 27 of the Tax Law. If, after the confiscation, the taxpayer still fails to pay their tax debt, the tax authorities may auction the confiscated goods. This auction aims to raise funds to settle the outstanding tax debt.
- f. Sixth. Prevention and Hostage Taking (Gijzeling) as regulated in Article 33 of the Tax Law. Gijzeling is carried out under certain circumstances. If a taxpayer still fails to pay their tax debt despite seizure and auction, the tax authorities may take preventative measures or hostage taking. This action aims to prevent the taxpayer from leaving Indonesia and is a last resort to ensure repayment of the tax debt.
- g. Seventh, Tax Collection through Third Parties, as stipulated in Article 23 of the Tax Procedures Law, also stipulates that tax collection may be conducted through a third party who holds or controls the taxpayer's assets. This can be done if the taxpayer has unpaid tax debts and the third party is obligated to hand over the assets to the tax authorities.
- h. Eighth, Account Blocking. Although the Tax Law does not specifically regulate this, account blocking is part of active collection measures. Tax authorities can request banks to block the accounts of taxpayers who owe taxes in an effort to ensure that the funds in those accounts are used to pay off the tax debt.

In addition to the tax collection processes mentioned above, adequate legal protection will allow taxpayers to feel more secure and comfortable in fulfilling their tax obligations. Tax authorities and supervisory institutions must continue to collaborate to ensure that each stage of tax collection is conducted fairly, transparently, and respects taxpayer rights. Supervisory institutions, such as the Ombudsman, play a crucial role in ensuring the protection of taxpayer rights. The Ombudsman can receive and follow up on complaints from taxpayers who believe their rights have been violated in the tax collection process. Furthermore, this institution can also provide recommendations to tax authorities to improve procedures and policies deemed detrimental to taxpayers.

The KUP Law regulates various taxpayer rights and obligations within the Indonesian tax system. In the tax collection process,

taxpayers are protected under the KUP Law, including:

1. The Right to Legal Certainty. Taxpayers have the right to know the applicable tax provisions. Article 5 of the KUP Law states that everyone has the right to receive an explanation of tax provisions from the Directorate General of Taxes.
2. The Right to Good Service. According to Article 34 of the Tax Procedures Law, taxpayers have the right to good service and equal treatment in fulfilling their tax obligations. This includes fast, efficient, and non-discriminatory service.
3. Right to Confidentiality. Article 34A of the KUP Law states that tax officials are required to maintain the confidentiality of all information provided by taxpayers, except for the purposes of investigation or trial in criminal cases. This information may not be disseminated without the taxpayer's permission.
4. Right to File an Objection. Taxpayers have the right to file an objection against a tax assessment letter. Article 25 of the KUP Law explains that if a taxpayer is dissatisfied with the tax assessment issued or the tax deduction or collection carried out by a third party, the taxpayer can file a legal objection within 3 months from the date of the letter, the date of deduction or collection, unless the taxpayer can show that the time period cannot be met due to circumstances beyond his control (Dewi Mulyanti, et., al, 2025).

The legal basis for the objection mechanism is regulated in Article 25 of the KUP Law and Regulation of the Minister of Finance Number 202 / PMK.03 / 2015 concerning Amendments to Regulation of the Minister of Finance Number 9 / PMK.03 / 2013 concerning Procedures for Submitting and Resolving Objections with the following conditions:

- a. One Objection must be submitted for one type and one tax year/period;
- b. Submitted in writing in Indonesian;
- c. Must state the reasons clearly;
- d. Must state the amount of tax owed according to the Taxpayer's calculations.
- d. 1 (one) objection is submitted only for 1 (one) tax assessment letter, for

1 (one) tax deduction, or for 1 (one) tax collection;

- e. The Taxpayer has paid the tax still owed at least the amount agreed to by the Taxpayer in the final discussion of the audit results or the final discussion of the verification results before the Objection Letter is submitted (Evie Rachmawati Nur Ariyanti, Ita Nailul Mutiah, 2023).
5. Right to Appeal. If a taxpayer's objection is rejected or not resolved within the specified timeframe, the taxpayer has the right to file an appeal with the Tax Court. This is regulated in Article 27 of the Tax Procedures Law.
6. Right to a Tax Payment Deferral. Taxpayers have the right to apply to the Directorate General of Taxes for a tax payment deferral or installment. This can be done if the taxpayer is experiencing liquidity difficulties or certain circumstances that affect their ability to pay taxes.
7. Right to a Refund of Excess Tax Payments. Article 17B of the Tax Procedures Law stipulates that taxpayers have the right to apply for a refund of excess tax payments. The Directorate General of Taxes must refund the excess within 12 months of receiving the request.
8. The Right to Correct a Tax Assessment Letter. Taxpayers have the right to request a correction to a tax assessment letter if there is an error in the calculation or determination of tax. Article 16 of the Tax Procedures Law grants taxpayers the right to request such a correction.
9. Right to Tax Refund. In the event of a tax overpayment, taxpayers are entitled to a tax refund. This is stipulated in Article 17B of the Tax Procedures and Tax Administration Law, which states that overpayments must be made within 12 months of receipt of the request.
10. The Right to Legal Protection. Taxpayers have the right to legal protection if they feel disadvantaged by the actions of the tax authorities. Article 36 of the Tax Procedures Law states that taxpayers may apply for a reduction or elimination of administrative sanctions, correction of typographical or arithmetic errors, or

cancellation of an incorrect tax assessment letter.

The KUP Law provides various protections for taxpayers in fulfilling their tax obligations. These rights include legal certainty, good service, information confidentiality, the right to file objections and appeals, and the right to legal protection. By understanding and exercising these rights, taxpayers can ensure they are treated fairly and in accordance with applicable regulations. This protection also serves to increase taxpayer confidence in the tax system and improve overall tax compliance.

Although the KUP Law is designed to protect taxpayers' rights, there are several weaknesses in certain articles that could impact the protection of taxpayers' rights in the tax collection process. The following explains some of these weaknesses:

1. First, Article 25 of the Tax Law (Right to File Objections) contains a weakness, which stipulates that taxpayers may file objections to tax assessment letters within three months of receipt. However, the mechanism for submitting and resolving objections is not specifically regulated, and there is no clear deadline for the tax authority to issue a decision on the objection. The impact of a protracted and undefined objection resolution process can be detrimental to taxpayers, as they must continue to pay the disputed tax while awaiting a decision on the objection.
2. Second, Article 27 of the Tax Procedures Law (Right to File an Appeal). This article grants taxpayers the right to file an appeal with the Tax Court if an objection is rejected or not decided within the specified timeframe. However, the appeals process at the Tax Court is often lengthy and expensive. Consequently, the lengthy appeals process and high costs can hinder taxpayers from seeking justice, especially small taxpayers with limited resources.
3. Third, Article 34 of the KUP Law (Good Service and Equal Treatment). This article stipulates that taxpayers have the right to good service and equal treatment. However, there is no effective oversight mechanism to ensure that tax authorities comply with this provision. Consequently, without an effective oversight mechanism,

taxpayers may experience unfair or discriminatory treatment in practice.

4. Fourth, Article 34A of the KUP Law (Information Confidentiality). This article requires tax officials to maintain the confidentiality of taxpayer information. However, in practice, there have been cases of data leaks, indicating that data confidentiality protection is not optimal. Consequently, breaches of information confidentiality can harm taxpayers and undermine their trust in the tax authorities.
5. Fifth, Article 16 of the KUP Law (Correction of Tax Assessment Letters). This article stipulates that taxpayers can submit a correction request if there is an error in the tax assessment letter. However, there are no clear provisions regarding the timeframe for completing correction requests. This ambiguity can lead to uncertainty for taxpayers and prolong the tax administration process.
6. Sixth, Article 17B of the Tax Procedures Law (Refund of Tax Overpayments). This article stipulates that refunds of tax overpayments must be made no later than 12 months after the application is received. However, in practice, refunds are often delayed due to cumbersome administrative processes.
7. Seventh, Article 36 of the KUP Law (Reduction or Elimination of Administrative Sanctions). This article stipulates that taxpayers may apply for a reduction or elimination of administrative sanctions. However, the criteria for granting these requests are not detailed, so decisions often depend on subjective judgment. The impact of uncertainty on tax policy authorities is that granting reductions or elimination of administrative sanctions can create feelings of injustice among taxpayers.

Although the taxpayer may appoint, request assistance from, or authorize others, the fulfillment of these tax obligations, particularly those related to direct taxes, remains the responsibility of the taxpayer, and they remain fully responsible for their fulfillment. The taxpayer's obligations are as follows:

1. You are obliged to make tax debt payments before the due date.
2. You are obliged to fulfill your commitments in installments/delays in tax payments.
3. You are obliged to be cooperative in tax collection actions.
4. You are prohibited from engaging in any activity that violates the Tax Collection Law with a Warrant of Distress in Tax Collection, which could result in a criminal transfer, such as concealing, removing, or transferring ownership of confiscated goods. (Widyarti Kusumowardhani, 2021).

Legal protection for taxpayers in the tax collection process is crucial in maintaining a balance between the interests of the state and taxpayers. However, abuse of power by tax collection authorities often occurs in this tax collection process, leaving taxpayers feeling unprotected and disadvantaged. Therefore, legal protection is needed to regulate and protect taxpayers' rights in the tax collection process.

One form of legal protection afforded to taxpayers in the tax collection process is the taxpayer's right to receive clear and transparent information regarding the amount of tax owed and the underlying reasons for it. This is crucial to prevent taxpayers from being subject to taxes that are inconsistent with applicable laws and regulations. Furthermore, taxpayers also have the right to file objections to tax collection requests submitted by authorities. This right provides taxpayers with the opportunity to explain why they are unable to pay the requested tax or if there are errors in the tax collection process.

Legal protection for taxpayers in the tax collection process also protects taxpayers from intimidation and pressure from tax collection authorities. Taxpayers have the right to be served courteously and should not be treated discriminatorily simply because they have unfulfilled tax obligations. In the event of a dispute between a taxpayer and the tax collection authorities, the taxpayer also has the right to file a lawsuit with the tax court to resolve the dispute.

With this legal protection, it is hoped that taxpayers can protect their rights fairly and in accordance with applicable laws and

regulations (Utami, 2024). Therefore, legal protection provided to taxpayers in the tax collection process is crucial to maintaining fairness and balance between the interests of the state and taxpayers. The government needs to ensure that the entire tax collection process is conducted transparently, fairly, and in accordance with the law to maintain taxpayer trust in the applicable tax system.

#### **IV. CONCLUSION AND SUGGESTIONS**

##### **A. Conclusion**

Tax collection is an essential component of the national tax system, serving to guarantee state revenue and support development financing. Through the General Provisions and Tax Procedures Law (UU KUP), the state is authorized to conduct both passive and active collection, including through enforcement measures such as seizure and seizure. While the tax authorities have the legal legitimacy to carry out this function, enforcement of tax obligations must be aligned with respect for taxpayers' rights, as a form of fair and proportional legal protection.

In practice, legal protection for taxpayers stipulated in Articles 25, 27, and 36 of the General Taxation Law often faces obstacles in implementation. Inefficient administrative procedures, lengthy objection and appeal processes, and inconsistent implementation of reductions in administrative sanctions create legal uncertainty, particularly for small taxpayers who have limited access to information and legal assistance. Furthermore, suboptimal protection of personal data and information, as well as the emergence of discriminatory and maladministrative practices by tax officials, demonstrate the continued weakness of internal oversight within tax institutions.

To address these issues, comprehensive reforms are needed, including revising regulations in the General Tax Procedures Law, which remain open to multiple interpretations or weak in implementation. Strengthening the role of external institutions such as the Indonesian Ombudsman is crucial to ensure objective and independent oversight of tax authorities. A repressive approach to collection must also be balanced with educational and persuasive approaches to encourage increased awareness and voluntary compliance among taxpayers.

Thus, Indonesia's tax collection system must move toward greater fairness, transparency, and accountability. Policy reform and capacity building of tax officials are key to creating a tax system that is not solely revenue-oriented but also respects citizens' fiscal rights and strengthens public trust in tax authorities.

## **B. Suggestion**

Hopefully, this material on Taxpayer Rights and Obligations in Tax Collection According to the General Provisions and Tax Procedures Law (KUP) will encourage students to think critically and actively in applying their knowledge and increase their interest in reading journals, especially scientific journals. It is hoped that all students will be adept at searching for information, analyzing, and comparing various journals.

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