

# Evaluation of the Effectiveness of Tax Education Programs in Improving Tax Awareness and Compliance in Indonesia

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## ABSTRACT

Tax education is one of the important efforts in increasing public awareness of tax obligations and the contribution of taxes to state development. The tax education program implemented in Indonesia focuses on educating the public to understand the importance of paying taxes. This study aims to assess the effectiveness of tax education programs in improving public understanding and awareness of tax compliance. The results show that although various tax education programs have been implemented, there is still a gap in understanding among the public regarding the direct benefits of paying taxes. Factors such as the extension methods used, the educational background of the community, and the level of trust in the government affect the effectiveness of the program. Technology-based approaches, such as social media and digital applications, can help reach more individuals, especially younger age groups. Transparency in the use of tax funds is also an important factor to increase public trust in the tax system. Tax education programs that are more inclusive and based on the characteristics of the community will be more effective in achieving the desired goal of significantly increasing the level of tax compliance. This study provides recommendations to improve the existing tax education approach to be more adaptive to the needs and technological developments.

## INTRODUCTION

Tax education in Indonesia is one of the most important aspects in supporting the country's development. People who have a good understanding of taxes will be more aware of their compliance with tax paying obligations and their contribution to the country's economic progress. Effective tax education is expected to foster collective awareness of the importance of taxes as the main source of state revenue used to finance various development programs. Tax education programs implemented by various government agencies and educational institutions aim to introduce the basic concepts of taxation and provide knowledge on the role of taxes in national development.

The level of awareness about the importance of taxes among most people is still relatively low despite efforts to increase. Many individuals do not fully understand how taxes can contribute to social and economic welfare. There are still many people who do not realize their obligations as taxpayers,

which can lead to low levels of tax compliance. Putra (2018) emphasized that important to evaluation the effectiveness of the tax education program that has been implemented to determine the extent to which the program has succeeded in increasing public awareness of taxes.

One of the main problems in improving public understanding of the importance of taxes is the low public awareness of tax obligations. The government has organized various tax education programs to educate the public but the results are still far from expectations. Many individuals do not view taxes as an obligation, but rather as a burden or liability that must be avoided. Widodo (2020) shows that a lack of understanding of the role and benefits of taxes contributes to the low level of tax compliance in community. According to Sinambela and Mardikaningsih (2020), there is also an assumption that paying taxes does not have a direct impact on their lives, thus reducing their sense of responsibility towards these obligations.

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There is still an information gap regarding how the tax system works, and how the taxes paid are used by the state for the welfare of community. This is an obstacle in changing people's perceptions that tend to see tax only as an administrative obligation. According to an analysis by Setiawan (2019), most people are less educated about the transparency of the use of tax funds, which leads to distrust of the government. This further exacerbates efforts to increase tax awareness among the public.

It is important to conduct a more in-depth study of the effectiveness of the tax education program that has been implemented. A proper understanding of taxes will lead to a higher level of compliance, which in turn can increase state revenue. This will improve state finances and help accelerate economic and social development. Measuring the effectiveness of tax education programs is crucial to ensure that such efforts can achieve the desired goals.

The objective of this study is to evaluate the extent to which tax education programs that have been implemented can improve people's understanding of the importance of taxes and encourage their awareness to fulfill tax compliance obligations in a timely manner. The study aims to identify the aspects of tax education programs that are most effective in building public awareness and improving tax compliance in Indonesia.

## RESEARCH METHOD

The research method used in this study is a literature study approach to review various relevant literature related to tax education and public awareness of taxes. The literature study approach allows researchers to explore existing information and research results to gain a deeper understanding of the effectiveness of tax education programs. Research by Dube (2017) revealed that the literature review approach is very effective in identifying knowledge gaps in the field of tax education, as well as in measuring the impact of programs that have been implemented. The literature study provides an understanding of how various educational strategies can improve tax compliance levels, while enriching perspectives on the role of education in shaping people's fiscal awareness.

The literature study approach also allows analysis of various policies and programs that have been implemented by the government and related educational institutions. The literature analysis provides an opportunity to compare the results of previous research on the challenges faced in tax education, including differences in impact based on the social and economic characteristics of the community. This study will explore the effectiveness of different tax extension methods and provide recommendations based on more extensive data.

This approach can reveal factors that influence tax awareness in the community, such as communication methods, proximity to the government, and the education level of the community itself.

## RESULT AND DISCUSSION

Public understanding of taxes is very important because taxes are the main source of state revenue used to finance various development programs. When people are aware of the role of taxes, they will better understand that the taxes they pay contribute directly to the country's economic and social progress. This awareness of tax compliance can increase the level of public compliance, which in turn supports the sustainability of programs that benefit the wider community.

Tax function as an obligation, and as a form of community participation in the country's development. individuals will be more motivated to contribute to the progress of the nation by understanding the importance of taxes. A good understanding of taxes encourages people to be more critical of the use of tax funds. This creates an impetus for the government to improve transparency and accountability in the management of the state budget.

When people are aware of how taxes are used to finance infrastructure, education, and healthcare, they will be more appreciative of their contribution to shared prosperity. This understanding can also help reduce social inequality, as taxes are often used to support programs that improve the welfare of the less well-off. Taxes are thus an important tool in creating social justice.

When people have a good understanding of taxes, trust in the government will increase. People who understand how taxes are used for the public good tend to have a positive view of the government and its policies. It is important to create a harmonious relationship between the government and community, where both support each other in achieving development goals.

Overall, a deep understanding of taxes is essential for community. By realizing the role and benefits of taxes, individuals fulfill their obligations, and actively contribute to the country's development. This will ultimately improve their own quality of life and create a more prosperous community.

Tax education plays an important role in improving people's understanding of their tax obligations. The program serves to educate individuals about the obligation to pay taxes, and to foster awareness that taxes are an important contribution to the country's development. The Indonesian government has implemented various tax education programs, including formal institutions such as schools and universities, and

outreach programs organized by the Directorate General of Taxes. Sipayung and Efendi (2019) showed that an increased understanding of taxes can motivate people to fulfill their tax obligations, which further increases the level of tax compliance in the community.

The effectiveness of tax education programs largely depends on how the information is delivered and received by the public. According to Rahayu (2021), one of the problems faced in tax education is the lack of public understanding of the direct benefits of paying taxes. This leads to distrust and disinterest in tax education. The lack of interesting and easy-to-understand materials is a major obstacle in achieving the goals of tax education. It is important to evaluate whether the extension methods and materials used in tax education programs can be effective in increasing public awareness of the importance of taxes.

One of the factors that can increase the effectiveness of tax education is the selection of appropriate methods in delivering information. Technology-based approaches, such as the use of social media and mobile applications, have been proven to be more effective in attracting the attention of young people who are the productive age group that needs to be educated about tax obligations. According to an analysis by Prabowo and Azhar (2020), the use of digital technology can reach more people, including those who do not have direct access to tax offices or formal educational institutions. This allows tax education programs to be more inclusive and more accessible to various groups.

Evaluation of the effectiveness of tax education programs also needs to consider social and cultural factors. Some community groups may have different views on taxes, which may affect their attitudes towards tax education. Sari (2020) points out that public awareness of tax compliance is often hampered by social factors, such as lack of information or negative perceptions of the government's tax management. People who do not understand how their taxes are used tend to feel no obligation to paying taxes. Tax education programs need to be tailored to the needs and social background of the community to be more effective.

A More in-depth evaluation should also be conducted on the long-term impact of the tax education program. The program is expected to improve people's understanding at the time of counseling, and should be able to create sustainable behavioral changes to tax compliance. Pratama and Kurniawan (2020) found that although many individuals involved in tax education programs, not all changed their behavior related to tax paying.

Factors such as lack of motivation, distrust of the tax system, and ignorance of their rights as taxpayers contributed to the low level of compliance after the program was completed (Sudjai & Darmawan, 2021).

One of the main challenges faced in tax education is the knowledge gap between different layers of community. Those with higher levels of education tend to have a better understanding of taxes and tax compliance. People with lower education levels find it more difficult to accept and understand the information conveyed in tax education programs. Aditya (2018) shows that this education gap can worsen the effectiveness of tax education programs. The preparation of simpler materials and the use of media that are easier to understand are very important to reach all groups.

The level of public trust in the government also affects the effectiveness of tax education. People who feel that their taxes are not managed transparently tend to be less enthusiastic about paying taxes. This is in line with the opinion of Yusuf and Ariyanto (2019), who found that the level of transparency in the use of tax funds greatly affects tax awareness and compliance. Tax education programs that clearly explain how taxes are used for the benefit of the community can help increase their trust and awareness to pay taxes.

The approach used in tax education should also consider demographic differences in community. A face-to-face approach using seminars or hands-on training may be more effective for older groups, while for younger groups, digital approaches such as social media campaigns and internet-based applications may be more appealing to them. Ningsih (2020) points out that demographic diversity in the community affects the way tax education materials are delivered, and therefore, a more personalized and group-based approach is essential to increase their effectiveness.

It is important to integrate tax education in the formal education curriculum so that tax-related values can be instilled early on. Arifin (2020) revealed that tax education provided in schools can form a positive attitude towards tax compliance in the younger generation, which in turn can have an impact on increasing tax compliance in the future. By introducing the concept of taxation from an early age, it is expected that there will be a deeper change in behavior in community regarding the obligation to pay taxes.

The success of tax education programs is greatly influenced by several factors, including the extension methods used, the social and cultural context of the community, and the level of public trust in the government. It is important to conduct in-depth research on effectiveness of tax education program, for it to be continuously improved and adapted to the

needs of the community. Wibowo (2020) illustrates the importance of periodic program evaluation to measure the long-term impact of tax education programs.

## CONCLUSION

Despite significant efforts to increase public awareness of tax obligations, the level of effectiveness is mixed. Factors such as the extension methods used, the education level of the community, and perceptions of tax management play a major role in the success of this program. People who have a better understanding of the importance of taxes tend to be more compliant in paying their tax obligations. There is still an information gap that causes some people to not fully understand the direct benefits of paying taxes so that they feel less obliged to pay taxes.

Improve the effectiveness of tax education programs it is crucial through the approach to the demographic characteristics of the community. Technology-based approaches, such as outreach through mobile apps or social media, can be a more effective tool to reach young people and those who do not have direct access to tax offices. There needs to be an emphasis on transparency in tax management to increase public trust in the government. Integrating tax education in the formal education curriculum from an early age can also help build deeper tax awareness in the future.

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