

Improving tax administration knowledge among undergraduate students in Banjarmasin

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Abstract

This community service activity aims to improve the knowledge of tax administration among undergraduate students in Banjarmasin. Tax plays a crucial role in financing government operations, and understanding its administration is essential for future professionals. The activity was motivated by the ongoing tax reform in Indonesia, particularly in the area of tax administration, which emphasizes modernization through information technology. The method used was a socialization session consisting of presentations, discussions, and interactive Q&A, held at Jalan Letjen.S. Parman No.221 Banjarmasin. The participants actively engaged in the session, demonstrating enthusiasm and increased understanding of the key concepts discussed, including the definition, function, and types of tax rates, as well as the principles of tax collection. The results show that the activity effectively enhanced the students' awareness and knowledge of tax administration. It is recommended that similar initiatives be conducted in the future, focusing on other fields within accounting and management to further support academic and professional development.

Keywords: tax administration, undergraduate students, tax reform, community service, Banjarmasin

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1. Introduction

The role of tax revenue is critical in financing the operations and development of a nation. Understanding the concept and importance of taxes is therefore essential. Seligman (1925), in his book *Essays in Taxation*, defines tax as “a compulsory contribution from the person, to the Government to defray the expenses incurred in the common interest of all, without reference to special benefit conferred.” Although this definition is often criticized for the phrase “without reference to special benefit,” in reality, tax funds are used to provide public goods and services such as roads, hospitals, security, and education—benefits that are collectively enjoyed by society, even if not individually attributable.

From various expert perspectives, tax can be viewed economically as the transfer of wealth from the private to the public sector, and legally as a compulsory contribution regulated by law. Universitas Terbuka (2023) summarizes the key characteristics of taxes: they are collected under legal authority, involve the transfer of resources from private individuals to the state, provide no direct quid pro quo, serve the public interest, and arise from specific events such as income generation or asset transfers.

Indonesia has undergone major tax reforms since 1983, involving changes in tax policy, law, and

administration. The reforms encompass laws on income tax, value-added tax, and property tax, with the aim of improving legal certainty and optimizing tax revenues. A core pillar of these reforms is Tax Administrative Reform, which emphasizes the modernization of tax services through information and communication technology (Pajak, 2023).

Modern tax administration now includes systems such as e-Registration, e-Filing, and e-Billing, launched by the Directorate General of Taxes (DJP) to improve efficiency and taxpayer compliance (Online-Pajak.com, 2023). E-registration allows individuals to obtain a Taxpayer Identification Number (NPWP) online without visiting tax offices. E-filing enables taxpayers to submit annual tax returns (SPT) digitally, thus reducing long queues and lowering compliance costs. However, these systems still face challenges, such as delayed delivery of NPWP cards or technical difficulties.

Understanding this modern tax administration system requires a strong foundation in general administrative knowledge. The term administration derives from the Greek word *administrare*, meaning to serve or assist (Gamedia, 2023). In a broad sense, administration refers to coordinated activities among multiple individuals working together toward common goals (Kacaribu, 2020). It encompasses planning, organizing, coordinating, reporting, budgeting, staffing, and directing, which are critical for any organization's effectiveness. These administrative functions support activities ranging from office management to finance, education, business, and government operations.

Specifically in tax administration, administrative processes are vital to ensure effective policy implementation, systematic data handling, accurate financial reporting, and continuous service improvement. A well-functioning tax administration system enables the government to monitor taxpayer compliance, assess revenues, and evaluate public service delivery.

This community service project is therefore designed to improve the knowledge of tax administration among undergraduate students in Banjarmasin. By deepening their understanding of both general administration and tax-specific systems, students will be better equipped to comply with their obligations and contribute to a more informed, law-abiding society. The project also aims to raise awareness of tax principles, legal foundations, types of taxes, and digital tools that simplify tax compliance, aligning academic knowledge with practical civic responsibilities.

2. Research Design and Method

This community service activity targeted undergraduate students in the city of Banjarmasin. The method used in this program was a direct socialization approach designed to increase the participants' understanding of tax administration. The activity was carried out through several structured stages to ensure effective knowledge transfer and participant engagement.

The implementation began with an opening session, followed by participant registration to record attendance. After these initial formalities, the core session was conducted, which included the delivery of material related to tax administration, interactive sharing of ideas, and a question-and-answer discussion to clarify participants' understanding. The session concluded with a closing statement that emphasized the importance of tax compliance and administration literacy among university students.

The event followed a scheduled timeline from 09.00 to 13.00, covering all planned segments in a timely manner. It was held at Jalan Letjen. S. Parman No.221, Banjarmasin, which served as the central location for engaging the students in an informative and collaborative learning environment. Through this method, participants were encouraged to not only absorb theoretical knowledge but also apply it contextually through interactive dialogue.

3. Results and Discussion

Tax, both in its economic and legal context, plays a fundamental role in the financial structure of a country. Economically, tax is defined as the transfer of wealth from the private sector to the public sector. Legally, it is understood as a mandatory levy imposed by law. The pattern of taxation varies from one country to another, influenced by economic conditions, cultural values, and historical background. In developed countries, tax revenues typically account for more than 30% of the gross domestic product (GDP), while in developing countries, the ratio tends to be lower, around 10–20%. Developing nations generally rely more on indirect taxes—such as those on goods and services—than on direct income taxes.

Taxes have several essential characteristics: they are collected by the state (either by central or regional governments) based on laws and implementing regulations; they require the transfer of financial resources from private individuals (taxpayers) to the government (tax administrators); and there is no direct, reciprocal benefit provided to individual taxpayers. Taxes are imposed based on specific events or conditions, such as income acquisition or asset transfers.

Tax collection in Indonesia is regulated by tax laws, with implementing regulations issued by the government. Central taxes are administered by the Ministry of Finance and the Directorate General of Taxes, while regional taxes are managed in cooperation with the Ministry of Home Affairs. Since the implementation of regional autonomy in 2001, the central government has shared certain tax revenues with local governments. For instance, 20% of Income Tax (Article 25 and 29) from individual taxpayers and 20% of Employee Income Tax (Article 21) are allocated to the regions. Additionally, 100% of Property Tax (PBB) and Land and Building Transfer Fee (BPHTB) revenues are granted to the local governments. According to Article 13 of Law Number 33 of 2004 concerning Financial Balance between the Central and Regional Governments, the regional share of income tax is split 60% for regencies/cities and 40% for provinces. Revenue-sharing mechanisms for PBB and BPHTB are similarly structured, with detailed distribution proportions to ensure equity among local governments.

Tax administration can be viewed broadly and narrowly. According to Nurmantu, broadly defined tax administration encompasses several perspectives. As a function, it includes planning (setting short, medium, and long-term fiscal goals), organizing (allocating duties and responsibilities among personnel), directing (motivating staff to perform in accordance with regulations), and supervising (ensuring activities align with pre-established plans). As a system, tax administration functions as a subsystem of national finance, comprising systems for income tax, value-added tax, and property tax. As an institution, it is represented by the Directorate General of Taxes under the Ministry of Finance, which includes regional offices, tax service offices, land and building tax offices, outreach and compliance monitoring units, and audit and investigation offices. Finally, in the context of public management, tax administration involves leadership, staffing, technology, and knowledge systems, acting at a macro level where management, politics, and law intersect.

In its narrow sense, tax administration refers to the clerical and service-related tasks involved in managing taxpayer obligations and rights. These tasks include recording, classifying, and filing taxpayer data and documents—activities typically carried out either in tax offices or directly with taxpayers.

Bird identifies three primary tasks of tax administration: enumeration (identifying taxpayers and issuing Tax Identification Numbers), estimation (calculating the amount of tax owed), and enforcement (monitoring compliance through audits, which may result in tax assessments). These "Three E's"—enumerate, estimate, enforce—form the core operational functions of any effective tax system.

The function of taxation extends beyond revenue generation. Its budgetary function ensures that state expenditures, both routine and developmental, are funded through tax collections. The regulatory function enables the government to shape economic and social policy, for example, by offering tax incentives to

investors or imposing high taxes on alcohol to discourage consumption. Taxation also serves as a means of public participation, reflecting the idea that paying taxes is not just an obligation but also a citizen's right and contribution to national development—captured in the slogan: “Pay your taxes and monitor their use.”

For tax collection to be just and effective, it must fulfill the requirements of equity—both horizontal (equal tax obligations for those with equal economic capacity) and vertical (different tax treatments for individuals with differing personal circumstances, even if their income is similar). According to Brotodihardjo, various theories of justice in taxation include the Insurance Theory, Interest Theory, Ability-to-Pay Theory, and others. Moreover, sound tax legislation must meet legal, economic, and financial criteria to ensure its fairness and feasibility.

Tax rates in Indonesia are structured in several ways. A fixed rate remains constant regardless of the tax base. A progressive rate increases with the amount of the tax base, as defined in Law Number 17 of 2000. A proportional rate, or flat rate, applies a consistent percentage regardless of income level, maintaining a constant relationship between the tax due and the tax base.

Overall, the integration of modern administrative practices with a clear understanding of tax laws and responsibilities is crucial for enhancing compliance and optimizing revenue collection. This knowledge must be disseminated widely, particularly to students and future professionals, to ensure the sustainability and fairness of the taxation system in Indonesia.



Figure 1. Implementation of Community Service Activities

4. Conclusions

The community service activity focused on enhancing knowledge of tax administration among undergraduate students in Banjarmasin yielded positive outcomes. Participants showed enthusiasm and active engagement throughout the session, particularly during the presentation and discussion segments. The activity successfully increased their understanding of essential aspects of tax administration, including the functions and legal requirements of tax collection, as well as the various types of tax rates applicable in Indonesia. This foundational knowledge is expected to be beneficial for the participants in both academic and practical contexts, especially as future professionals who may engage with taxation either as taxpayers or as part of their professional responsibilities.

For future community service programs, it is recommended to organize similar seminars, socializations, or training sessions that focus on other relevant fields within accounting and management—

such as managerial accounting and public sector accounting. Additionally, encouraging broader participation in initiatives organized by the Institute for Research and Community Service (LPPM) would contribute significantly to the development of academic insight and community empowerment.

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