

PARADIGMATIC STUDY OF THE REGULATION FOR ACCELERATION OF INFORMATION TECHNOLOGY-BASED TAX DISPUTE RESOLUTION IN INDONESIA

Bagus Harie Prabowo

Faculty of Law Universitas Pelita Harapan, Indonesia,
bagusharie@gmail.com

Abstract

The increasing number of tax disputes in Indonesia has created a new problem in the form of tax uncertainty, which this research aims to resolve through a paradigmatic study based on the participatory paradigm in normative studies with empirical support related to regulations and practices, to accelerate tax dispute resolution. Through the self-assessment process, taxpayers are required to register themselves, followed by calculating, paying, and reporting taxes. During the supervision of this process, tax officials can conduct audits that culminate in the issuance of tax assessments, which can trigger disputes. The resolution of tax disputes begins with the administrative stage through a quasi judicial institution called objections under the tax authority, with further legal efforts in the form of litigation at a judicial institution called the Tax Court, where the decision is final and binding, up to extraordinary legal efforts through judicial review to the Supreme Court. Resolving tax disputes can be interpreted as preventing the occurrence of, or resolving existing, tax disputes. Meanwhile, the acceleration of tax dispute resolution, as referred to in the research assumptions, can be interpreted as an effort to improve the quality of tax dispute resolution, in terms of time and decision, thereby reducing further legal efforts. On the other hand, information technology is increasingly developing and promises to accelerate tax dispute resolution. Various information technologies, such as digitalization, the Internet of Things, big data, blockchain, and even artificial intelligence, when used appropriately, have been proven to provide the necessary acceleration in tax dispute resolution. This study concludes with an analysis of the ideal arrangement for accelerating tax dispute resolution based on information technology, through analyzing the gap between current regulations and practices in tax dispute resolution.

Keywords: *Tax Disputes; Information Technology; Tax Dispute Resolution*

1. INTRODUCTION

Indonesia has declared a state of law based on Pancasila and the 1945 Constitution, guaranteeing the realization of a just and prosperous, safe, peaceful and orderly state and nation life system, and guaranteeing equal legal standing for citizens. Furthermore, the 1945 Constitution mandates the establishment of a government capable of realizing these goals through legitimate sources of national financing. One such source of financing is the mandate to manage the land and water and the natural resources contained therein, to be used for the greatest prosperity of the people. Another source, which is also a mandate stipulated in the 1945 Constitution, is taxation.¹

Currently, tax administration in Indonesia adheres to the self-assessment system, which means that the Taxpayers register, calculate, pay and report based on their records or books. Furthermore, the tax office (Directorate General of Taxes, Directorate of Customs and

¹ Article 23A and Article 33 of *The 1945 Constitution of the Republic of Indonesia*.

Excises, or revenue agency in the Regional Government) will supervise the Taxpayer's reporting. It is during this monitoring process that tax disputes begin. The difference in calculation between taxpayers and tax officials is often stated in a legal product called Tax Assessment Letter. If the Taxpayer agrees, the tax payment will be corrected as per the figures stated in the assessment. However, if the Taxpayer disagrees, either in part or in full, a tax dispute arises, which is followed up by an objection request, followed by an appeal request until the final extraordinary effort, namely a request for judicial review.

Reviewing the current condition of tax dispute resolution, Indonesia is facing the problem of the overaccumulation of disputes in the Tax Court to the Supreme Court. Referring to the data published by the Tax Court Secretariat, it can be observed that the number of tax disputes continues to increase from year to year. This trend started in 2017, where the number of new tax disputes reached 9,579 cases. Furthermore, in 2018 to 2020 there were consecutively recorded: 11,436, 15,048, and 16,634 new tax disputes, whereas the number of tribunals deciding cases in the Tax Court is relatively fixed, namely 16 panels. With a relatively fixed number of panels, the number of decisions produced is also relatively fixed, where from 2017 to 2020 it was recorded consecutively: 11,231, 9,963, 10,166, 10,128. This has an impact on the high arrears of tax disputes in the Tax Court, where at the end of 2020, there were 14,035 cases in arrears.²

Studies that have been conducted, including by Pratiwi who concluded that the problems that cause the increase of tax disputes every year are due to the ineffectiveness of the administrative system in resolving disputes at the examination and objection stages and the ability of the Tax Court to produce decisions is not proportional to the increase in the number of incoming dispute files.³ Also, a study conducted by Hadiani concluded that the factors causing the accumulation of tax disputes in the Supreme Court are the large number of incoming tax dispute files, the absence of sanctions against the implementation of inappropriate laws and regulations, the lack of human resources, the lack of a simple system in the dispute examination process in the Supreme Court, and the lack of facilities in the Supreme Court.⁴

On the other hand, the world notes that the 21st century is the century of information and communication technology. This is proven by the emergence of the industrial revolution 4.0 in the range of 2000 to 2005. The era is characterised by digital society, sustainable energy, smart mobility, healthy living, civil security, and technology in the workplace. The changes brought by the industrial revolution had a significant impact on the world economy and quality of life. Information and communication technology dominates people's activities, so the concept of digital society has been introduced. Welcoming the industrial revolution 4.0, the Government has prepared legal regulations related to the Electronic Based Government System (*Sistem Pemerintahan Berbasis Elektronik/SPBE*) through Presidential Regulation Number 95 of 2018, in the form of government administration that utilises information and

² Tax Court Secretariat, "Statistik," www.setpp.kemenkeu.go.id/statistik.

³ Kartika Annisa Pratiwi, "Analisis Faktor Penyebab Timbul dan Meningkatnya Sengketa Pajak di Pengadilan Pajak" (Bachelor's thesis, Universitas Indonesia, 2017), 1, Universitas Indonesia Library.

⁴ Arty Renata Hadiani, "Analisis Faktor-Faktor Penyebab Terjadinya Penumpukan Sengketa Pajak di Mahkamah Agung" (Bachelor's thesis, Universitas Indonesia, 2015), 1, Universitas Indonesia Library.

communication technology to provide services to its users. The legal regulations include governance, management, audit, organizers, acceleration, and monitoring and evaluation.⁵

Indeed, the use of technology must answer the criticism of the high number of tax disputes in the midst of the application of information technology in almost all tax business processes in Indonesia today. The fundamental question that must be answered is the possibility of errors in the implementation of information technology in the field of taxation, or deficiencies in its implementation. Furthermore, the current development of information technology needs to be studied to answer the possibility of its use in accelerating tax dispute resolution. Bringing the application of information technology into legal regulations to accelerate the settlement of tax disputes certainly requires precise and comprehensive legal studies.

2. RESEARCH METHODS

The study of the regulation of the acceleration of information technology-based tax dispute resolution is intended as a philosophical study, and is closely related to the paradigm, which is a set of basic beliefs about the nature of reality and how it can be known; and that these beliefs are indicated by three fundamental and interrelated questions. The three fundamental questions, as the foundation of the paradigm, are ontology, epistemology, and methodology. As a philosophical study, qualitative research methods are applied based on the participatory paradigm, where the view is determined by three questions from a participatory worldview perspective.⁶

First, subjective-objective ontology. There is a certain cosmos, a primordial reality, in which the mind actively participates. It is through this active participation that we encounter something else: the world and human beings are what we encounter, but the encounter is shaped by our own frame of reference.⁷ Second, epistemology as critical subjectivity and four ways of knowing. A participatory worldview, with its notion of reality as subjective-objective, involves an extended epistemology, in at least four ways: experiential, presentational, propositional, and practical; which is referred to as critical subjectivity.⁸

Third, methodology as a form of collaborative inquiry, where all those involved engage together in democratic dialogue as core researchers and co-subjects. This is what is referred to as co-operative inquiry, where people collaborate to determine the questions that they want to explore and the methodology for that exploration (propositional knowledge); together or individually they apply this methodology in their world of practice (practical knowledge); which leads to new forms of encounter with their world (experiential knowledge); and they find ways to represent these experiences in significant patterns (presentational knowledge).⁹

⁵ Chapter II to Chapter VII of *Republic of Indonesia Presidential Regulation Number 95 of 2018 on Electronic-Based Government System*.

⁶ John Heron and Peter Reason, "A Participatory Inquiry Paradigm," *Qualitative Inquiry* 3, no. 3 (1997): 275–278, <https://doi.org/10.1177/107780049700300302>.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ *Ibid.*

The type of research used is empirical juridical, as sociological legal research that examines the applicable legal provisions and what happens in reality in society. The approach used in this research is a statutory approach which is carried out by examining the laws and regulations relating to tax administration issues, especially in the acceleration of information technology-based tax dispute resolution. To enrich the solution, a limited comparative approach was taken by comparing tax dispute resolution practices in Indonesia with Australia.

This research used secondary data obtained from Internet-based literature studies, through the search for documents and articles related to legislation in the field of taxation, including research on the acceleration of information technology-based tax dispute resolution.

3. ANALYSIS AND DISCUSSION

The discussion on the regulation of the acceleration of information technology-based tax dispute resolution will begin with the development of information technology in the effort to accelerate tax dispute resolution. Next, the philosophical study will discuss the participatory paradigm in the issue of accelerating the settlement of information technology-based tax disputes. The philosophical study will be followed by an empirical juridical study in a paradigmatic study of the regulation for acceleration of information technology-based tax dispute resolution, the regulatory practice for acceleration of information technology-based tax dispute resolution, and the ideal for acceleration of information technology-based tax dispute resolution.

3.1. Information Technology Development in Accelerating Tax Dispute Settlement Efforts

Information technology can contribute to the acceleration of tax dispute resolution while maintaining the necessary security standards. Previous research provides empirical evidence that investment in information technology contributes to the performance and productivity of an organization. The application of information technology can provide various benefits, namely speed, consistency, accuracy, and reliability.¹⁰ Information technology trends such as digitalization, big data, cloud computing, blockchain, and artificial intelligence are the most representative examples of the digital revolution.

To understand the extent of the application of information technology in accelerating the settlement of tax disputes, it is necessary to study the use of such technology in the field of taxation, especially in the settlement of tax disputes. In general, most of these information technologies have been utilized by the Government in taxation services. Directorate General of Taxes, for example, started digitalization in 2007, continued with the development of Big Data in the 2014–2019 period, and started

¹⁰ M. Adam Mahmood and Gary J. Mann, "Information Technology Investments and Organizational Productivity and Performance: An Empirical Investigation," *Journal of Organizational Computing and Electronic Commerce* 15, no. 3 (2005): 185–202, https://doi.org/10.1207/s15327744jocel1503_1.

the development of Artificial Intelligence in 2021.¹¹ Similarly, the Directorate General of Customs and Excises started digitalization in 2016, and began developing Big Data in 2021.¹²

The Government's main objective in using information technology as the main facility and infrastructure in taxation services is none other than to increase tax compliance in fulfilling tax obligations.¹³ Although it does not directly contribute to the acceleration of tax dispute resolution, digitalization of tax services provides support for the prevention of tax disputes. Compliant Taxpayers are easy to monitor, while minimizing audit efforts that lead to tax disputes. Similarly, the Directorate General of Customs and Excises, customs and excise services recorded high compliance of importers, taxable goods (*Barang Kena Cukai/BKC*) entrepreneurs, and bonded zone entrepreneurs, above 80% in the last three years, recorded a fairly high Service User Satisfaction Index, reflecting the successful use of services by the public, in this case taxpayers as well as customs, export-import and bonded zone entrepreneurs.

Not only the government, information technology was also developed by the Supreme Court in judicial services. The Supreme Court's search for an ideal information technology-based judicial service led to international references. In this case, the International Consortium for Courts which conducted research on service excellence (court excellence), International Consortium for Court Excellence (ICCE) states that the administration of justice must be carried out effectively and efficiently. A framework called the International Framework for Court Excellence (IFCE) was developed by the ICCE, to serve as a guideline that an effective and efficient judiciary is one of the indicators of a court with excellent service. One factor that is of major concern is the means of supporting the judiciary (court support), including information technology on the inside.¹⁴

By the Supreme Court, the guidelines in the IFCE were implemented through an effective and efficient judicial administration system. This led to the development of the Blueprint for Judicial Reform 2010–2035 by the Supreme Court which sought to modernize case management. The move was intended as a judicial reform agenda to achieve the vision of a great Indonesian judiciary, with excellent service delivery in the judiciary. The modernization of case management is closely related to information technology reform, which is one of the domains of support function reform.¹⁵

¹¹ Gallantino Farman, "Indonesia's Tax Digitisation Notes," *DDTC News*, October 15, 2019, <https://news.ddtc.co.id/catatan-digitalisasi-pajak-indonesia-17440>; Direktorat Jenderal Pajak Kementerian Keuangan, "Laporan Tahunan 2019-2021," <https://pajak.go.id/id/laporan-tahunan-2021>.

¹² Direktorat Jenderal Bea dan Cukai Kementerian Keuangan, "Laporan Kinerja Direktorat Jenderal Bea dan Cukai 2019-2021," last modified June 30, 2025, <https://www.beacukai.go.id/berita/laporan-kinerja-direktorat-jenderal-bea-dan-cukai.html>.

¹³ Direktorat Jenderal Pajak Kementerian Keuangan, "Laporan Tahunan 2021," <https://pajak.go.id/id/laporan-tahunan-2021>.

¹⁴ International Consortium for Court Excellence, *International Framework for Court Excellence*, 3rd ed. (New South Wales: Secretariat for The International Consortium for Court Excellence, 2020), 4–6.

¹⁵ Mahkamah Agung Republik Indonesia, *Cetak Biru Pembaruan Peradilan 2010–2035* (Jakarta: Mahkamah Agung RI, 2010), 1–11.

3.2. Participatory Paradigm on the Issue of Regulation of IT-Based Tax Dispute Resolution Acceleration

Tax dispute shall be defined as a dispute arising in taxation between Taxpayer or Tax Bearer and competent party as a result of the issuance of decision which may be appealed or claimed to the Tax Court under laws and regulations concerning tax, including claim for application of collection in accordance Law of Tax Collection by Forced Letter. Meanwhile, officials authorized to make a decision which may appealed or claimed are the Director General of Taxes, the Director General of Customs and Excise, Governor, Regent/Mayor or any officials appointed to implement tax laws and regulations.¹⁶

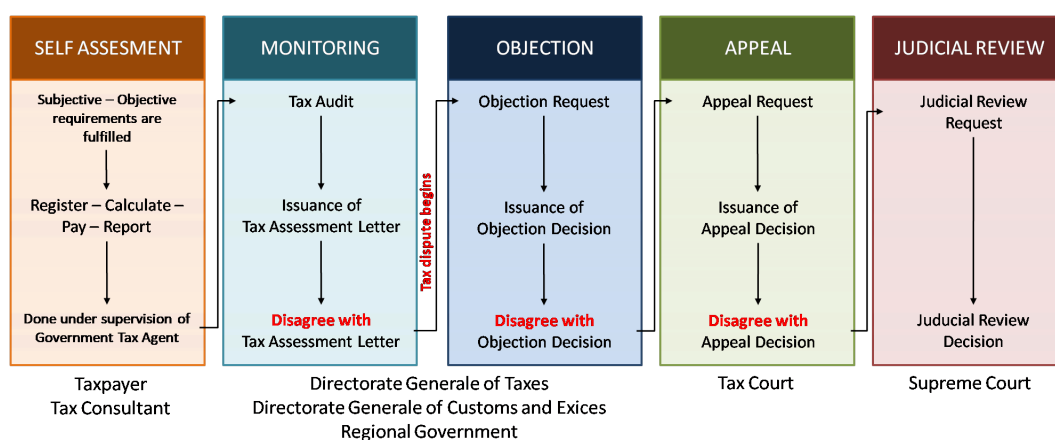


Figure 1. Tax Administration Business Process

Tax administration commenced from self-assessment Tax Payers carry out to register themselves, proceeded with tax calculation-payment-reporting. During observation process, tax apparatus may issue Tax Assessment Letter which may lead to tax dispute. An objection was filed by a famous quasi judicial body in which such body will be used for tax dispute settlement in the preliminary stage. In case that Tax Payer remains to disagree, such tax dispute shall be proceeded with appeal process to the Tax Court up to review of the Supreme Court. Settlement of tax dispute means to prevent any dispute settlement, or to settle the existing tax disputes.¹⁷ Meanwhile, acceleration of tax dispute settlement, as set out in study assumption, it may be concluded as an endeavor to enhance quality of tax dispute settlement.¹⁸

Subsequently, participatory paradigm shall be used as an essential analysis knife to comprehend a phenomenon of regulation of IT-based tax dispute settlement acceleration. There are three fundamental questions namely ontology, epistemology,

¹⁶ Refer to Article 1 of *Republic of Indonesia Law Number 14 of 2002 on Tax Tribunal*.

¹⁷ Victor Thuronyi and Isabel Espejo, *How Can an Excessive Volume of Tax Disputes Be Dealt With?* (International Monetary Fund Publications, 2013), 4–7, <https://www.imf.org/external/np/leg/tlaw/2013/eng/tdisputes.pdf>.

¹⁸ Centre for Tax Policy and Administration, *Improving the Process for Resolving International Tax Disputes* (Organisation for Economic Co-Operation and Development Publishing, 2004), 2–4.

and methodology. Furthermore, ontological question is to obtain a reality or trueness of a knowledge. Then, epistemological question is to obtain findings from the relation of researcher and object or by acquiring knowledge. And lastly, methodological question is to analyze the findings or procedures for gaining knowledge.

Ontological question of participatory paradigm is subjective-objective, in which there is any reality of regulation of IT-based tax dispute resolution acceleration where thoughts actively participate. In order to comprehend various thoughts as referred, an identification of parties engaged in tax dispute, directly or indirectly, hereinafter referred to subject of study. First party is Tax Payer or may be represented by Tax Consultant, submitting tax dispute as a result of disagreement over the issuance of Tax Assessment Letter. The following party is Government, represented by the Directorate General of Taxes, Directorate General of Customs and Excise, as well as Regional Government as a party carrying out surveillance of tax self-assessment as well as quasi judicial by objection service. Next is Judicial Agency, represented by the Tax Court and Supreme Court as an administrator of judicial process through an appeal decision and a review decision. And the last party is Academics as tax observer. In this case, each party engaging, directly or indirectly, in tax disputes shall act in accordance with their interest and be considered as subject of study.

In addition to being subjective, ontological question of participatory paradigm is also objective, in which there is practical realities within IT-based tax dispute resolution (Figure 1), where the thoughts actively participate. Practices aforementioned are among others objection, appeal, as well as review. Any other practice required to be taken into account is an effort of preventing tax dispute through various fulfillment of tax obligations under self-assessment system namely Register-Calculate-Pay-Report. In the event that Tax Payer fulfills his/her tax obligations properly, then during observation process there will be no follow-up of inspection process, and tax dispute may be prevented. Prevention of tax dispute in such a way is referred to as an endeavor to boost tax voluntary compliance. Any application in tax dispute resolution or prevention shall definitely involve information specified information technology which is suitable for use.

Moreover, in case of epistemological question of participatory paradigm, researcher has critical subjectivity in participatory transaction with cosmos; resulting in extended “experiential”, “presentational”, “propositional”, and “practical” knowledge. In which case, experiential, presentational, propositional, and practical knowledge from subject of study in respect of acceleration regulation of tax dispute resolution based on technology information will be a primary study. Each subject of this study offers different knowledge of practices in IT-based tax dispute resolution. Experiential knowledge from time to time is associated with initial feeling of findings, or frequently referred to as experience, while presentational understanding is associated with shared awareness bridge of findings; furthermore, propositional knowledge is associated with intellectual verification of findings; and practical knowledge is linked to compliance of findings.

To complement the ontological and epistemological questions, methodological question in participatory paradigm can be conducted through political participations: practical precedence and grounded language in experiential context shared together. According to such methodological statement, subject of study is in collaboration to explore: jointly or individually apply this methodology to respective practical area; leading to acceleration regulation of tax dispute resolution based on information technology; and discover any method to represent the experience as well as provide feedback of propositional understanding from initial hypothesis in respect of acceleration of tax dispute resolution.

3.3. Paradigmatic Study of the Regulatory for Acceleration of Information Technology-Based Tax Dispute Resolution

Today, information technology has been used in the entire aspect of the life of people and of the nation in Indonesia. Article 28C of 1945 Constitution is a basis of philosophy for technology advancement in Indonesia. It is regulated that everyone serves the right of self-development under such provisions by fulfilling their basic needs, the right to access education and obtain benefit of knowledge and technology, art and culture, to enhance their life quality and human wellbeing. In line with such provisions, thriving information technology globally, commences to get into the foundations of Indonesia's existence as a people and nation.

Promulgation of Law Number 11 of 2008 on Electronic Information and Transaction (hereinafter referred to as ITE Law) leads to enforcement of information technology regulation in Indonesia as well as the introduction of new law practice breakthrough. Regulation of any matter related to electronic system commences to be introduced, identifying national digitalization effort which led to rapid expansion of information technology advancement in Indonesia. Regulation abovementioned offers essential base for the management of electronic system in Indonesia. Various significant terms including electronic document, electronic system, operator of electronic system, electronic agent, electronic certificate up to electronic signature commence to be introduced and regulated. Electronic system misuse for the purpose of any crime is also one of aspect of prosecution set out in such regulation.

In taxation, regulation of information technology utilization is not set out by law, however by implementing regulations thereunder namely government regulation. The latest regulation constitutes Government Regulation Number 9 of 2021 on Taxation Treatment to Support Ease of Doing Business. Under such regulation, regulation of information technology utilization shall be set out in Articles 63A and 63B. Reference of any other regulations in that regulation is described clearly namely laws and regulations on electronic information and transaction, which is confirmed with reference to ITE Law. Therefore, use of electronic signature and electronic certificate shall be one of obligation in the regulation.

Significant matter set out by aforementioned government regulation is that Tax Payer may carry out any right and fulfill tax obligation online. Similarly, Director

General of Tax may also issue a decision or resolution in order to enforce provisions of laws and regulations in taxation online. In the provisions intended, date of delivery or receipt in respect of right implementation and obligation fulfillment of tax carried out online includes date of delivery online on administration system of the Directorate General of Taxes or system integrated therewith. Under this regulation, the use of population data especially Single Identity Number (*Nomor Induk Kependudukan*/NIK) as tax identification number in lieu of Taxpayer Identification Number (TIN), specifically for Personal Taxpayer commences to be introduced.

Furthermore, in connection with practice of right implementation and obligation fulfillment of tax online, as well as the authority of the Director General of Taxes to issue electronic decision or resolution, implementing regulation shall be established by Regulation of the Minister of Finance Number 63/PMK/03/2021 on Procedures of Right Implementation and Obligation Fulfillment of Tax, as well as Electronic Issuance, Signing, and Delivery of Tax Decision or Resolution. Under this regulation, it shall be regulated in more detail regarding implementation of tax rights and fulfillment of tax obligations online, as well as the authority of the Director General of Taxes to issue decision and resolution electronically. One of main regulation includes authority delegation to determine types of implementations of tax rights and fulfillment of tax obligations electronically as well as requirements of electronic document to be attached, types of electronic signature for use, procedures for delivering electronic document and line to be used, as well as follow-up procedures of right implementation and obligation fulfillment to the Director General of Taxes.

Further regulation of the utilization of information technology within the area of taxation shall be regulated further by regulation of the director general of taxes. One of the latest of digitalization effort and simplification of report is reflected in the Regulation of the Director General of Taxes Number PER-24/PJ/2021 on Form and Procedures for Providing Proof of Unification Withholding/Collection, and Form, Substance, Procedures for Filling out, as well as Delivery of Unification of Periodic Income Tax Return. Under that regulation, simplification of income tax withholding/collection proof reporting previously in wide range, subject to income tax type, becoming one reporting, called as notification letter of unification, shall be introduced. Regulation of information technology is performed through a requirement to use application developed by the Directorate General of Taxes namely e-Bupot (Proof of Income Tax Withholding and/or Collection) Unification Application. It is coupled with the use of that app, the use of electronic signature and electronic certificate is also regulated pursuant to the provisions set out under the ITE Law. Model of regulation of information technology utilization in taxation beforehand, for instance in the Regulation of the Director General of Taxes Nomor PER-01/PJ/2017, it also follows similar pattern: tax application, electronic signature, and electronic certificate.

The regulation patterns of information technology utilization in taxation shall also be set out in customs, excise, and regional tax. In customs and excise, the Directorate General of Customs and Excise has released various apps namely Customs Excise Information System and Automation (CEISA), Excise Service and Information System

(ExSIS), and Electronic Customs Declaration National. Aforementioned regulation commences with the Government Regulation Number 24 of 2018 on Electronically Integrated Business Licensing Service, then it is further regulated by the Regulation of the Minister of Finance Number 71/PMK.04/2018 on Electronically Integrated Business Licensing Service in Customs, Excise, and Taxation. In such provisions, basic features of integration and its role in the improvement of tax compliance shall be set out. In which case, businessperson shall be verified electronically by tax administration system managed by the Directorate General of Taxes, legal entity administration system managed by the Directorate of General Legal Administration, as well as administration system of customs and excise managed by the Directorate General of Customs and Excise, central and regional licensing system managed by each ministry and local government, all by using Online Single Submission (OSS) system under the portal of Indonesia National Single Window (INSW).

Within regional government, the use of information technology for taxation is found out in each local government with their respective peculiarity. For instance, Government of DKI Jakarta Province has released an Online Tax app, by Regulation of Governor of DKI Jakarta Number 98 of 2019 on Online Reporting of Taxpayer's Business Transaction Data as amended by the Regulation of Governor of DKI Jakarta Number 2 of 2022. In that regulation, any Local Taxpayers especially for Hotel Tax, Restaurant Tax, Entertainment Tax, and Parking Tax, shall be obliged to report their business transaction data to the one managing administration of regional tax. Such obligation includes imposition of heavy sanctions to Local Taxpayers which are not in compliance, ranging from warning letter, license suspension, up to criminal sanctions. It is slightly different from central tax managed by the Directorate General of Tax and the Directorate General of Customs and Excise, supervision of regional tax shall be carried out by monitoring any transaction using specified tools installed on information system of Local Taxpayers. Therefore, Government of DKI Jakarta Province shall invest in information technology as much as the number of business premises Local Tax Payer possess.

In connection with the acceleration of tax dispute resolution by quasi judicial, the regulation shall be applied through Regulation of the Director General of Taxes Number PER-14/PJ/2020 on Procedures for Filling Objection Letter Electronically, in which the Directorate General of Taxes commences to provide online tax objection service, as an implanting rule of Regulation of the Minister of Finance Number PMK-9/PMK.03/2013 on Procedures of Objection Submission and Resolution. Subsequently, online quasi judicial service is also expanded in customs and excise by Regulation of the Minister of Finance Number PMK-136/PMK.04/2022 on Amendment to Regulation of the Minister of Finance Number 51/PMK.04/2017 on Objection within Customs and Excise. Unfortunately, electronic tax objection service has not been identified to exist within regional government. Government of DKI Jakarta Province remains to use printed document through service counter.

Within Tax Court, commencing from e-Court, regulation of information technology for administration of tax dispute resolution is also carried out. By Decision of Chairman

of Tax Court Number KEP-016/PP/2020, Tax Court commences to hold online hearing. Under that provision, it shall be accommodated with the use of information technology for the hearing needs in the form of electronic document and video conference by consent of online hearing implementation. Despite it remains simple, however the system is effectively operated during Covid-19 and it remains in use to date.

Within the higher judicial body, Supreme Court as a parent of Tax Court has commenced one of essential endeavor under Judicial Renewal Blueprint 2010-2035 namely new era of modern IT-based judiciary in 2018. One of the greatest reformation is to maximize disputed services in the Court by using instrument of information technology, marked with Regulation of the Supreme Court Number 3 of 2018 on Electronic Administration of Case in the Court and then followed by providing a breakthrough for case administration in the court with the release of e-Court application implemented in the entire judicial body particularly in civil case.

According to ontological question of participatory paradigm, a wide range of reality the subject of this study experienced could be analyzed with the narration of information technology regulation in taxation accelerating tax dispute resolution. Taxpayers and Tax Consultants are aware of the reality that regulation of IT-based tax dispute resolution acceleration is dominated by tax digitalization effort, to improve voluntary tax compliance, while endeavors to accelerate existing tax dispute remain to have not been impactful. This can be seen from the fact that dispute resolution by litigation which is not efficient in terms of cost as resulting in high compliance and administrative cost. One of the causes is that Taxpayers domiciled outside capital city shall be encumbered by hearing cost at Tax Court which only situated in Capital City and several major cities in Indonesia. The remaining is when Taxpayer is considered lost, then Taxpayer should be imposed ever-tighter sanction. Moreover, resolution through litigation takes approximately 12–15 months. However, condition on site indicates that many cases the decision of which has not been read out exceeding such period event it takes three years.¹⁹

Government, organizing tax administration, is aware of that regulation of IT-based tax dispute resolution acceleration has produced quite important results, however it needs improvement. Various prominent accomplishments including fairly well Organizational Performance Value and User Satisfaction Index for the services of the Directorate General of Taxes and the Directorate General of Customs and Excise proves that Government valuable capital to maintain tax compliance at the higher level. However, Government is also aware of the reality that there are many complaints in respect of tax uncertainty the users suffer. The fact that majority of Tax Court Oder granted Taxpayers' demand, proves that such uncertainty issue is real.²⁰

¹⁹ Lukmanul Hakim Al Khoiry and Ning Rahayu, "Analisis Sidang Sengketa Pajak oleh Pengadilan Pajak yang Dilaksanakan Diluar Daerah Jakarta Ditinjau dari Azas Ease of Administration," *Jurnal Ilmiah Administrasi Publik* 6, no. 2 (2020): 288–296, <https://doi.org/10.21776/ub.jiap.2020.006.02.16>.

²⁰ DDTC News Editor, "Ternyata ini Masalah Ketidakpastian Pajak yang Dirasakan Pengusaha," *DDTC News*, December 19, 2019, <https://news.ddtc.co.id/ternyata-ini-masalah-ketidakpastian-pajak-yang-dirasakan-pengusaha-18161>.

Judicial body is aware of reality that today, regulation of IT-based tax dispute resolution acceleration is vitally needed. It is triggered by the fact that upsurge in tax dispute exceeds Judicial Bodies' capacities, in this case including Tax Court and Supreme Court.²¹ Lastly, Academics are aware of reality that increasing number of tax dispute from year to year proves that there is something wrong with tax administration as well as tax dispute resolution currently. Therefore, academics at all the times submit proposal regarding an outbreak of tax administration or tax dispute resolution. Proposals submitted by Academics are among others the preparation of tax dispute jurisprudence²² and mediation as one of alternative settlement for tax dispute.²³

By using ontological question of participatory paradigm, it also may be identified that there are real practices of tax disputes resolution in the regulation for acceleration of information technology-based tax dispute resolution. From objection case, it can be studied that objection agency is quasi judicial body, as a part of judicial functions, as the implementation of legal politics set out in Article 24 paragraph (3) of the 1945 Constitution.²⁴ In this case, objection agency complies with criteria: any rule that is abstract, binding publicly, enforceable for a dispute, any concrete legal dispute, any parties at least 2, as well as any judicial apparatus authorized to settle the dispute.²⁵ Furthermore, in the practices of appeal and review, the reality that judicial bodies currently face the increasing number of tax disputes arising from year to year may be studied.²⁶ In case it is not of serious concern, such condition shall prolong tax dispute resolution and result in legal uncertainty in taxation. Lastly, practice of tax dispute prevention by wide range of tax obligation fulfillment on self-assessment system provides the insight that regulation of information technology utilization in taxation has enhanced tax compliance, a paradox when it is compared to the increasing number of tax dispute.²⁷

Subsequently, epistemological question in participatory paradigm is used to analyze experiential, presentational, propositional, and practical knowledge of subject of study on IT-based tax dispute resolution acceleration. Taxpayers and Tax Consultant are aware that information technology may accelerate tax dispute resolution, as well as enhance voluntary tax compliance. Such knowledges are supported by any fact that information technology offers security, acceleration, and receptiveness guarantee for tax administration and tax dispute resolution. Therefore, Taxpayers and Tax Consultant

²¹ Fitri H. N., "Sengketa Pajak Cenderung Meningkat," *Hukumonline*, March 13, 2014, <https://www.hukumonline.com/berita/a/sengketa-pajak-cenderung-meningkat-lt53212059c938b>.

²² Andreas Adoe, "Yurisprudensi Hukum dan Sengketa Pajak di Indonesia," *Taxnesia*, March 15, 2016, <https://taxnesia.com/2016/03/15/yurisprudensi-hukum-dan-sengketa-pajak-indonesia/>.

²³ Hamida Amri Safarina, "Mediasi sebagai Terobosan Penyelesaian Sengketa Pajak," *DDTC News*, May 24, 2019, <https://news.ddtc.co.id/mediasi-sebagai-terobosan-penyelesaian-sengketa-pajak-15985>.

²⁴ Muh Risnain, "Eksistensi Lembaga Quasi Judisial Dalam Sistem Kekuasaan Kehakiman di Indonesia: Kajian terhadap Komisi Pengawas Persaingan Usaha," *Jurnal Hukum dan Lembaga Peradilan* 3, no. 1 (2014): 49–58, <http://dx.doi.org/10.25216/jhp.3.1.2014.49-58>.

²⁵ Rochmat Soemitro, *Rancangan Undang-Undang Peradilan Administrasi* (Jakarta: Badan Pembinaan Hukum Nasional, 1978), 4.

²⁶ Tax Court Secretariat, *Op. Cit.*

²⁷ Veronica Ajeng Ayu Laras Gupita, "Minim Sengketa, Meningkatkan Kepatuhan?" *DDTC News*, October 9, 2019, <https://news.ddtc.co.id/minim-sengketa-meningkatkan-kepatuhan-17379>.

except that information technology can be utilized as main facilities and infrastructure for accelerating tax dispute resolution. Digitalized information technology has major impact on tax dispute resolution, particularly in eliminating slow manual process. This technology practicably allows tax dispute prevention by improving voluntary tax compliance when applied to entire process of tax administration.²⁸

On the other hand, Government is aware of that information technology plays a prominent rule in the management tax administration, including the acceleration of tax dispute resolution. It is based on facts that information technology all this time has been a catalyst in tax reformation in order to create credible and accountable tax administration so as to produce tax compliance ecosystem which may minimize tax disputes. Technical facts related to information technology are expected to provide security, acceleration, and ease guarantee in the performance of tax administration as well as the Government has been aware of it, therefore in practice, measures to expand the application of information technology including digitalization, big data, artificial intelligence, as well as blockchain are continuously carried out.²⁹

As the one organizing judicial service, Judicial Body is aware of information technology plays a big role in accelerating tax dispute resolution. This is supported by the fact that information technology offers security, acceleration, and receptiveness guarantee for tax dispute resolution. Therefore, Judicial Body considers information technology as catalyst to bring justice and legal certainty of fast, low cost, and simple tax dispute resolution. Information technology practically including digitalization and Internet of Things became the driving force to build excellent judicial body.³⁰

Academics as tax observer are aware that information play a big role in accelerating tax dispute resolution. This is related to how information technology offers breakthroughs of tax dispute resolution. One of which is jurisprudence, expected to be able to be prepared quickly using information technology.³¹ In practice, information technology, namely artificial intelligence, is believed to be a driving force to arrange tax dispute jurisprudence accelerating tax dispute resolution and reducing disparities of tax dispute decision. Moreover, alternative of resolution, namely mediation, also needs to be of concern.³²

To complete the analysis of ontological and epistemological questions using methodological questions of participatory paradigm, political participation analysis shall be carried out among subjects of study so as to determine methods to accelerate tax dispute resolution. Taxpayers and Tax Consultant are of the opinion that by high tax

²⁸ Jay Rosengard, "Digitalisasi pajak di Indonesia: Faktor keberhasilan dan jalur ke depan" (New York: Better Than Cash Alliance, 2020), 43–44, https://btca-production-site.s3.amazonaws.com/documents/505/english_attachments/Digitalisasi_Pajak_di_Indonesia_Faktor_Keberehasila_n_dan_Jalur_ke_Depan.pdf.

²⁹ Refer to Direktorat Jenderal Pajak Kementerian Keuangan, "Laporan Tahunan 2021," <https://pajak.go.id/id/laporan-tahunan-2021>.

³⁰ Refer to Mahkamah Agung Republik Indonesia, "Laporan Tahunan 2021," <https://www.mahkamahagung.go.id/en/the-annual-reports-of-the-supreme-court-of-the-republic-of-indonesia>.

³¹ Ismail Rumadan et al., *Peningkatan Sengketa Pajak Pada Tingkat Peninjauan Kembali dan Peran Yurisprudensi* (Jakarta Utara: Kencana, 2021), 73–82.

³² Hamida Amri Safarina, *Op. Cit.*

compliance, accelerated by the widespread use of information technology for tax administration, it is expected no issuance of tax assessment which becomes a catalyst for tax dispute. However, Taxpayers and Tax Consultant also expect when tax dispute is inevitable. Therefore, they primarily focus on the expansion of information technology regulation in taxation.

On the other hand, Government also focuses on the development of tax compliance ecosystem through broader regulation of information technology in taxation, including IT-based quasi judicial process acceleration. Furthermore, Judicial Body focuses on the regulation of information technology within judicial area to bring legal justice and certainty for fast, low cost, and simple tax dispute resolution. Lastly, Academics focus on the regulation of information technology to create a breakthrough for tax dispute resolution, among others by preparation of tax dispute jurisprudence. Paradigmatic study of the regulation for acceleration of information technology-based tax dispute resolution can be presented in the table below.

Table 1. Summary of Paradigmatic Study of the Regulation for Acceleration of Information Technology-Based Tax Dispute Resolution

Subject of Study	Ontological Study	Epistemological Study	Methodological Study
Taxpayers and Tax Consultants	Regulation of information technology in taxation improves tax compliance but has not accelerated tax dispute resolution yet	Information technology accelerates tax dispute settlement and improves tax compliance	Focusing on expansion of information technology in taxation
Government	Regulation of information technology in taxation improves tax compliance but many complaints related to tax dispute resolution	Information technology accelerates tax dispute settlement and improves tax compliance	Focusing on expansion of information technology regulation in taxation
Judicial Body	Regulation of information technology in judicial field is required to cope with the increase in tax dispute	Information technology accelerates tax dispute resolution	Focusing on expansion of information technology regulation in judicial area
Academics	Regulation of information technology in taxation and judicial area requires new breakthrough	Information technology accelerates and offers new breakthrough for tax dispute resolution	Focusing on breakthrough of information technology regulation in taxation

3.4. Paradigmatic Study of the Regulatory Practices for Acceleration of Information Technology-Based Tax Dispute Resolution

Since 1984, starting with a shift from official assessment to self-assessment in the tax administration system, the Government has continued to improve through gradual

various information technology advancements carried out in tax reforms. However, on the other hand, the increase in the number of tax disputes over time has disrupted the tax reform process. The increase in the number of tax disputes over time also provides criticism of the quality of tax regulations. Differences of opinion between tax auditors and Taxpayers or tax consultants are triggered by differences in perception of tax regulations. Differences in perception can also be interpreted as a failure in dissemination of tax.³³

As regulated in Article 12 paragraph (2) of the Law on General Provisions and Tax Procedures (hereinafter referred to as KUP Law), the amount of tax payable according to the Notification Letter submitted by the Taxpayer is the amount of tax payable in accordance with the provisions of tax laws and regulations. This rule can be interpreted to mean that the amount of tax payable is determined by the Taxpayer, provided that the calculation must follow the provisions of tax legislation. However, Article 12 paragraph (3) of the KUP Law stipulates that if the Director General of Taxes obtains proof that the amount of tax payable according to the SPT as intended in paragraph (2) is incorrect, then the Director General of Taxes can determine the amount of tax payable. This can be interpreted as a balancing rule for the purposes of monitoring the results of calculating the tax owed by Taxpayers.

The provisions stated in Article 12 paragraph (2) and Article 12 paragraph (3) of the KUP Law above are the bases for the self-assessment system, and the pattern is followed in tax provisions in the field of customs and excise as well as regional taxes. In the Customs Law,³⁴ there are provisions in Article 2 and Article 2A, regarding imports and exports carried out and reported by entrepreneurs, which are regulated in Article 3 paragraph (1) and Article 4 paragraph (1) which explain customs inspection on imports and documents research on exports. Furthermore, in the Excise Law,³⁵ there are provisions in Article 3 paragraph (2) regarding the responsibility of entrepreneurs or importers regarding obligations for Excisable Goods. To monitor this obligation, Article 33 paragraph (1) regulates the authority of Customs and Excise Officials to perform necessary actions, namely stopping, inspecting, preventing and sealing, to implement the law. In the Law on Financial Relations Between the Central Government and Regional Governments,³⁶ as regulated in Article 5, Taxpayers determine the tax owed themselves or through the determination of the Regional Head following a tax notification letter. Supervision of these obligations is regulated in Article 95, specifically through inspection and collection.

³³ DDTC News Editor, "Ternyata ini Masalah."

³⁴ Republic of Indonesia Law Number 10 of 1995 on Customs as amended by Republic of Indonesia Law Number 17 of 2006.

³⁵ Republic of Indonesia Law Number 11 of 1995 on Excise as amended by Republic of Indonesia Law Number 39 of 2007.

³⁶ Republic of Indonesia Law Number 1 of 2022 on Financial Relations Between the Central Government and Regional Governments, as an amendment to Law Number 33 of 2004 and Law Number 28 of 2009.

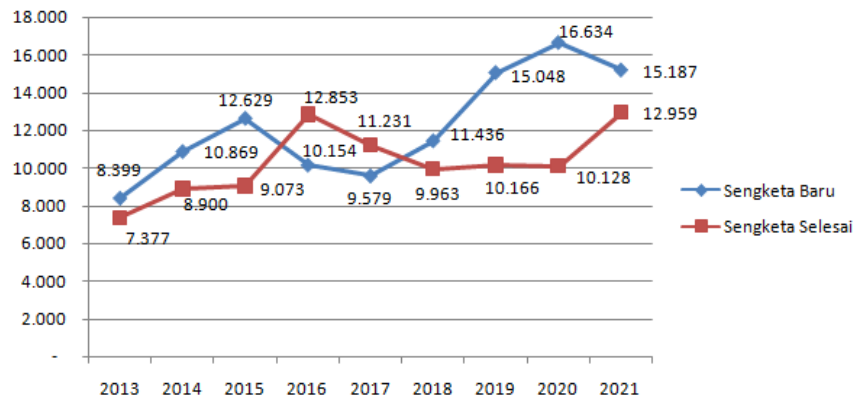


Figure 2. Trend in the Number of New Tax Disputes and Their Resolution in the Tax Court of the Year 2013–2021³⁷

Tax dispute issues are basically disputes over facts (*judex factie*) and/or disputes over differences in perceptions of tax regulations (*judex juris*). In general, the development of tax disputes within a decade can be seen in figure 2. Despite the current regulations on various tax information technologies, it turns out that the number of tax disputes shows a relatively increasing trend in the last decade (blue line). On the other hand, the Tax Court's capacity to resolve tax disputes reaches a maximum of 13,000 cases (red line). This can be interpreted as meaning that in general, the use of information technology in the tax sector is not effective enough to prevent tax disputes and is also not effective enough to accelerate their resolution.

Participatory paradigm ontological questions examine these phenomena in the context of each research subject. Taxpayers and Tax Consultants recognize that in practice, regulation for accelerating the resolution of tax disputes require the assistance of information technology in the tax sector. Meanwhile, the Government recognizes that in practice, regulation for accelerating the resolution of tax disputes that do not hamper State revenues, require the assistance of information technology in the field of taxation. The Judicial Institution recognizes that in practice, regulating the acceleration of fair tax dispute resolution in accordance with tax regulations requires assistance of information technology in the judicial sector. Furthermore, Academicians recognize that in practice, regulating the acceleration of tax dispute resolution which can make it more observable, requires the assistance of information technology in the fields of taxation and justice.

In terms of the practice of resolving tax disputes, the participatory paradigm ontological question provides a study of several realities. Administrative management of tax dispute resolution at the objection, appeal and review stages will be easier using digitalization where documents for tax dispute purposes are available digitally. In these practices, examination of tax dispute cases in the context of resolution can be effectively carried out through the digitization of content and presentation of statistics for case analysis purposes through big data and artificial intelligence. By examining cases based on information technology, making decisions about how to resolve them become much

³⁷ Tax Court Secretariat, *Op. Cit.*

easier. Finally, the practice of preventing tax disputes through fulfilling various tax obligations in the self-assessment system provides an understanding that digitalization in managing tax administration supports tax compliance as much as possible through automation of payments and reporting.³⁸

Next, using epistemological questions in a participatory paradigm, Taxpayers and Tax Consultants have the knowledge that with current information technology in the tax sector, despite the increase in voluntary tax compliance, is still inadequate to accelerate the resolution of tax disputes. This knowledge is supported by the fact that information technology in the tax sector has been proven to manage tax documents digitally safely, easily and quickly to be accessed. Therefore, Taxpayers and Tax Consultants hope that the use of information technology can be expanded as the main means and infrastructure in accelerating the resolution of tax disputes. Digitalization followed by data and information openness policies is deemed to be able to prevent tax disputes, especially through increasing voluntary tax compliance.³⁹

Meanwhile, the Government understands that information technology in the tax sector plays an essential role in managing tax administration, but has not been able to speed up the resolution of tax disputes. This is based on the fact that although information technology in the tax sector has become a catalyst in tax reform to create a credible and accountable tax administration, efforts are still being made to accelerate dispute resolution. The fact that Taxpayers have to wait for tax dispute resolution for up to four to five years⁴⁰ is a challenge for the Government to expand the application of information technology such as digitalization, big data, artificial intelligence and also blockchain.⁴¹

As a judicial service provider, the Judicial Institution understands that information technology in the judicial sector plays a vital role in accelerating the resolution of tax disputes. As evidence in the form of documents dominates in every tax dispute resolution service, the use of information technology has been proven to provide security, convenience, speed and openness. It is deemed that the placement of information technology as a catalyst is appropriate to achieve justice and legal certainty in resolving tax disputes quickly, cheaply and simply. Practically, information technology such as digitalization and the Internet of Things are the driving force in e-Court.⁴²

As tax observers, academicians understand that information technology makes it possible to accelerate the resolution of tax disputes. Through various breakthroughs in tax dispute resolution, information technology has become the focus of research related

³⁸ DDTC News Editor, "Soal Solusi Tekan Sengketa Pajak, Ini Kata Akademisi," *DDTC News*, November 8, 2021, <https://news.ddtc.co.id/soal-solusi-tekan-sengketa-pajak-ini-kata-akademisi-34306>.

³⁹ Jay Rosengard, *Op. Cit.*, 6–14.

⁴⁰ DDTC News Editor, "Ternyata ini Masalah."

⁴¹ Direktorat Jenderal Pajak Kementerian Keuangan, "Laporan Tahunan 2021," <https://pajak.go.id/id/laporan-tahunan-2021>; Direktorat Jenderal Bea dan Cukai Kementerian Keuangan, "Laporan Kinerja Direktorat Jenderal Bea dan Cukai 2021," last modified June 30, 2025, <https://www.beacukai.go.id/berita/laporan-kinerja-direktorat-jenderal-bea-dan-cukai.html>.

⁴² See Mahkamah Agung Republik Indonesia, "Laporan Tahunan 2021," <https://www.mahkamahagung.go.id/en/the-annual-reports-of-the-supreme-court-of-the-republic-of-indonesia>.

to tax dispute resolution. For example, the preparation of jurisprudence, as a breakthrough step, can only be carried out effectively through the use of information technology. In practical terms, artificial intelligence is able to classify cases in tax dispute decisions, which then become much needed material for compiling jurisprudence in a short time.⁴³ Likewise, mediation supported by information technology is able to provide an alternative to accelerate the resolution of tax disputes.⁴⁴

As a final study, the participatory paradigm methodological questions provide direction for accelerating information technology-based tax dispute resolution. Taxpayers and Tax Consultants are of the opinion that tax compliance is the key to accelerating the resolution of tax disputes, so it is highly expected that the expansion of the use of information technology in tax administration will reduce the issuance of tax assessments. Furthermore, Taxpayers and Tax Consultants hope that the resolution of tax disputes that emerge can also be accelerated using information technology. The Government, as the law enforcer, focuses on expanding the implementation of information technology in tax administration, to ensure that information technology-based tax compliance is achieved properly. Then, the Judicial Institution focuses on expanding information technology-based judicial services to realize justice and legal certainty in resolving tax disputes quickly, cheaply and simply. And next, Academicians focus on expanding the implementation of breakthroughs in information technology-based tax dispute resolution. A paradigmatic study of the regulatory practices for acceleration of information technology-based tax dispute resolution can be summarized in the following table.

Table 2. Summary of Paradigmatic Study of the Regulatory Practices for Acceleration of Information Technology-Based Tax Dispute Resolution

Research Subjects	Ontological Studies	Epistemological Studies	Methodological Studies
Taxpayers and Tax Consultants	In practice, regulating the acceleration of tax dispute resolution requires information technology	Although information technology in the tax sector increases tax compliance, it has not been able to accelerate the resolution of tax disputes	Focus on expanding information technology regulation in the tax sector
Government	In practice, regulating the acceleration of tax dispute resolution that does not hamper state revenues requires information technology	Information technology in the tax sector plays a major role in managing tax administration, but has not been able to accelerate the resolution of tax disputes	Focus on expanding information technology regulation in the tax sector

⁴³ Rosita Br. Bangun, "Prediksi Putusan Hukuman Tindak Kriminalitas sengan Menggunakan Algoritma Nearest Neighbor: Studi Kasus Pengadilan Negeri Lubuk Pakam," *Majalah Ilmiah INTI* 6, no. 2 (2019): 241–245.

⁴⁴ Hamida Amri Safarina, *Op. Cit.*

Judicial Institution	In practice, regulating the acceleration of fair tax dispute resolution in accordance with tax regulations requires assistance of information technology in the judicial sector	Information technology in the judicial sector plays an important role in accelerating the resolution of tax disputes	Focus on expanding information technology regulation in the justice sector
Academicians	In practice, regulating the acceleration of tax dispute resolution which can make it more observable requires the assistance of information technology in the fields of taxation and justice	Information technology in the fields of taxation and justice allows the acceleration of the resolution of tax disputes, through various breakthroughs in resolving tax disputes	Focus on information technology regulation breakthroughs in the fields of taxation and justice

3.5. Paradigmatic Study of the Ideal Regulation for Acceleration of Information Technology-Based Tax Dispute Resolution

Taking a careful look at various ontological, epistemological and methodological studies obtained from paradigmatic studies of regulation and its practices for acceleration of information technology-based tax dispute resolution, another paradigmatic study is conducted to obtain ideal regulation for acceleration of information technology-based tax dispute resolution. If the regulation for acceleration of resolution of information technology-based tax dispute resolution is *ius constitutum* and the practice is *ius operatum*, then the ideal regulation for acceleration of information technology-based tax dispute resolution is a study of *ius constituendum* by paying attention to the gap between *ius constitutum* and *ius operatum*. The gap in question is presented in the following table.

Table 3. Gap Analysis Between *Ius Constitutum* and *Ius Operatum* in Acceleration of Information Technology-Based Tax Dispute Resolution

Research Subject	<i>Ius Constitutum</i>	<i>Ius Operatum</i>	Gap Analysis
Taxpayers and Tax Consultants	Regulation of information technology in the tax sector to improve tax compliance	The practice of regulating information technology in the tax sector has increased tax compliance but has not accelerated the resolution of tax disputes	Expansion of information technology regulation in the taxation sector
Government	Regulation of information technology in the tax	The practice of regulating information technology in the tax	Expansion of information technology regulation in the taxation sector

	sector to improve tax compliance	sector has increased tax compliance but has not accelerated the resolution of tax disputes	
Judicial Institution	Regulation of information technology in the judicial sector to support the realization of superior justice	Information technology regulations in the judicial sector have supported the realization of superior justice but have not accelerated the resolution of tax disputes	Expansion of information technology regulations in the judicial sector
Academicicians	Regulation of information technology in the fields of taxation and justice to speed up the resolution of tax disputes	Information technology regulation in the fields of taxation and justice have accelerated the resolution of tax disputes but have not been able to overcome the gradual increase of tax disputes from time to time	Expansion of breakthrough regulations for information technology-based tax dispute resolution in the fields of taxation and justice

Based on the analysis above, it can be concluded that the expansion of information technology regulation in the field of taxation, the expansion of information technology regulations in the field of justice and the expansion of breakthrough regulation for information technology-based tax dispute resolution in the fields of taxation and justice are the main issues of the research subject. Next, the participatory paradigm will examine existing gaps through various ontological, epistemological and methodological questions. Research subjects and tax dispute resolution practice areas are maintained to maintain consistency of review.

Before carrying out further studies, it is necessary to understand the conditions for resolving tax disputes in Indonesia compared to other countries, for example Australia. Comparisons can be made on tax dispute resolution practices: objections, appeals and judicial review. This is to enrich the solution in an effort to correct the gaps found. The comparison starts from the tax audit process, because it is in this process that tax disputes begin as an effort to monitor the self-assessment system. Furthermore, a comparison of tax dispute resolution was also carried out starting from the objection process, appeal, to judicial review. For central taxes managed by the Directorate General of Taxes in Indonesia and the Australian Taxation Office in Australia, this comparison can be seen in the following table.

**Table 4. Comparison of Tax Reviews, Objections, Appeals and Judicial Review
Indonesia-Australia Years 2018–2020⁴⁵**

Description	2018		2019		2020	
	Indonesia	Australia	Indonesia	Australia	Indonesia	Australia
Tax review	78,214	361,107	64,175	530,308	38,079	467,884
Objection	22,258	24,350	23,461	26,276	20,898	22,290
Percentage of Objection to Tax Review	28.46%	6.74%	36.56%	4.95%	54.88%	4.76%
Appeal	7,813	478	22,822	441	14,660	455
Percentage of Appeal to Objection	35.10%	1.96%	97.28%	1.68%	70.15%	2.04%
Percentage of Objection Granted	64.90%	98.04%	2.72%	98.32%	29.85%	97.96%
Judicial Review	3,491		4,578		5,313	
Percentage of Judicial Review to Appeal	44.68%		20.06%		36.24%	

The ontological question of the participatory paradigm regarding the gap above and the comparison of tax dispute resolution practices between Indonesia and Australia, provide a subjective-objective reality on tax dispute resolution practices. Taxpayers and Tax Consultants view that Indonesia needs to make serious changes to the methods of resolving tax disputes or efforts to prevent them. Meanwhile, the Government is of the view that Australia can be an excellent place for comparative studies to prevent the emergence of tax disputes and speed up the resolution of tax disputes. The Judicial Institution also considers that Australia has an excellent strategy to accelerate the resolution of tax disputes. On the other hand, academicians are of the opinion that the performance of tax dispute resolution in Australia cannot be separated from its legal system which is different from Indonesia. However, it is necessary to study Australia's strategy in accelerating the resolution of tax disputes.

Next, the epistemological questions of the participatory paradigm through experiential, presentational, propositional and practical knowledge, provide an overview of the relationship between research subjects and their findings. Based on recorded interviews conducted by the Directorate General of Taxes in the 2020–2024 Directorate General of Taxes Strategic Plan book, the aspirations of external stakeholders were obtained. One of them is the expectations of Taxpayers and Tax Consultants in four areas, namely: professionalism, technology, cooperation and service. In the area of professionalism, Taxpayers and Tax Consultants hope to improve the quality of reviews, objectivity and independence of objection services, as well as certainty of rules that do not have ambiguous interpretations. Next, in the technology area, it is expected that the Government will develop tax technology, increase call center capacity and expand information technology services. Then in the area of cooperation,

⁴⁵ Gunadi, “Webinar ‘Open Huis’ Peninjauan Kembali Kedua dan Yurisprudensi dalam Sengketa Pajak,” *KOSTAF FIA UI*, November 14, 2021, <https://www.youtube.com/watch?v=vUMQK3OC-H8>.

Taxpayers and Tax Consultants hope for collaboration in making tax regulations and increasing Taxpayer compliance, as well as making perceptions of tax regulations uniform. Finally, in the service area, Taxpayers and Tax Consultants hope for ease in carrying out tax obligations, including through tax reporting prepopulation, service standardization and prioritizing a personal approach to Taxpayers over law enforcement.

On the other hand, the Government is aware that tax institutions, in this case the Directorate General of Taxes and the Directorate General of Customs and Excise, are public organizations that prioritize service. Therefore, these institutions are continuously required to gradually improve their service performance. In the mission declared for 2020–2024, the Directorate General of Taxes seeks to create demand for quality and standardized services as well as effective education. For the same years, in its mission declaration, the Directorate General of Customs and Excise sought to facilitate trade and industry, guard borders and protect the Indonesian citizens from smuggling and illegal trade, as well as optimize state revenues in the customs and excise sector. These missions support the implementation of responsive and sustainable fiscal policies, high levels of state income through excellent service and effective supervision and law enforcement, as well as the development of digital-based core business processes and adaptive HR management in line with technological advances. And all these efforts help achieve advanced Indonesia that is sovereign, independent and has a personality based on mutual cooperation.

Judicial institutions, in this case the Supreme Court, have also declared strategic matters in the Judicial Institution Blueprint Book 2010–2035. The mission carried out is to maintain the independence of the judiciary, provide fair legal services to justice seekers, improve the quality of leadership of the judiciary, and increase the credibility and transparency of the judiciary. Everything is in the context of achieving superior Indonesian judicial body, as declared in its vision. One of the important efforts to be achieved is the availability of an organizational management system with integrated information technology that is always connected (interconnected), which is expected to quickly encourage the Supreme Court and its subordinate judicial bodies to become modern organizations. The existence of these systems is very important to ensure the speed and accuracy of data to be able to produce the right decisions in a short time.⁴⁶ This is expected to be a solution to the current condition of the performance of judicial institutions for the January–November 2022 period, where incoming cases have increased by 44.68% even though case decisions have increased by 57.50% and the timeliness of deciding cases has reached 99.50%.

On the other hand, academicians view that information technology in the field of taxation is part of a modern tax administration system. In relation to accelerating the resolution of tax disputes, it is important to strengthen efforts to prevent the emergence of tax disputes. Therefore, Taxpayer's tax compliance is crucial and various efforts need to be reviewed to improve it. From various studies, it is concluded that information technology is one of the factors that influences Taxpayer's tax compliance, along with

⁴⁶ Mahkamah Agung Republik Indonesia, *Op. Cit.*, 24.

tax dissemination and tax knowledge.⁴⁷ Breakthroughs in resolving tax disputes applied through information technology are as equally important and are some of the things proposed by academicians in various forums, one of which is mediation. Furthermore, academicians also highlighted the emergence of disparities in decisions regarding tax disputes. The solution to this problem, according to academicians, is the preparation of tax dispute jurisprudence.⁴⁸

Considering the entire study above, the methodological question of the participatory paradigm provides direction for ideal regulation in accelerating information technology-based tax dispute resolution. Taxpayers and Tax Consultants focus on tax compliance as the key to accelerating tax dispute resolution. Also, Indonesia needs to learn from Australia to get the best strategy in doing the acceleration.⁴⁹ On the other hand, the Government focuses on expanding the information technology implementation in tax administration, to ensure good information technology-based tax compliance. The expansion can also be interpreted as an effort to obtain a single source of truth regarding recording or bookkeeping carried out by Taxpayers, thereby minimizing the occurrence of disputes over facts (*judex factie*) and directing all efforts to minimize differences in perceptions of tax regulations (*judex juris*).⁵⁰ Then, the Judicial Institution focuses on expanding information technology-based judicial services to create superior justice, which prioritizes justice and legal certainty in resolving tax disputes quickly, cheaply and simply.⁵¹ Lastly, academicians focus on breakthroughs in information technology-based tax dispute resolution such as jurisprudence⁵² and mediation,⁵³ as well as narrowing the gap between Indonesian and Australian tax administrations.⁵⁴

The overall results of the study above leave one question regarding what Regional Governments which have the authority to carry out regional tax administration should do to accelerate the resolution of tax disputes, especially the regional ones. The latest mandate for Regional Governments regarding this matter can be seen from the Law on Financial Relations Between the Central Government and Regional Governments, especially in the general part of the explanation. It is stipulated that Regional Governments have the right to regulate and manage government affairs themselves according to the principles of autonomy and assistance duties. Government Affairs which are the responsibility of the Region are carried out based on the principle of autonomy, while Government Affairs which are not the responsibility of the Regional

⁴⁷ Ajat Sudrajat and Arles Parulian Ompusunggu, "Pemanfaatan Teknologi Informasi, Sosialisasi Pajak, Pengetahuan Perpajakan dan Kepatuhan Pajak," *Jurnal Riset Akuntansi dan Perpajakan* 2, no. 2 (2015): 193–202, <https://doi.org/10.35838/jrap.2015.002.02.17>.

⁴⁸ Ismail Rumadan et al., *Op. Cit.*, 84–86.

⁴⁹ Gunadi, *Op. Cit.*

⁵⁰ See Direktorat Jenderal Pajak Kementerian Keuangan, "Laporan Tahunan 2019-2021," 82, <https://pajak.go.id/id/laporan-tahunan-2021>.

⁵¹ Asep Nursobah, "Pemanfaatan Teknologi Informasi untuk Mendorong Percepatan Penyelesaian Perkara di Mahkamah Agung," *Jurnal Hukum dan Peradilan* 4, no. 2 (2015): 323–334, <http://dx.doi.org/10.25216/jhp.4.2.2015.323-334>.

⁵² Ismail Rumadan et al., *Op. Cit.*, 84–86.

⁵³ Hamida Amri Safarina, *Op. Cit.*

⁵⁴ Gunadi, *Op. Cit.*

Government are carried out based on the principle of deconcentration and assistance duties.⁵⁵

Nevertheless, the administration of government affairs from the central to regional levels is part of the government's authority that is in the hands of the President in accordance with the 1945 Constitution so it cannot be run independently. This requires synergistic funding for these matters in order to achieve state goals. In order to allocate national resources more efficiently, the Government hands the authority to the Regions to collect Taxes and Levies by strengthening it through restructuring the types of Taxes, providing new Regional tax sources, simplifying the types of Levy, and harmonization with Law Number 11 of 2020 regarding Job Creation. This restructuring aims to (i) align the Tax Objects between Central Taxes and Regional Taxes to avoid duplication of tax collection; (ii) simplify tax administration so the benefits obtained are higher than the costs of collection; (iii) facilitate monitoring of integrated tax collection by regions; and (iv) make it easier for people to fulfill their tax obligations, while supporting ease of conducting business by simplifying tax administration.⁵⁶

To conclude, the answer to the question above is that Regional Governments take parts in synergistic efforts of the ideal regulation that have been made by the central government in accelerating the resolution of tax disputes based on information technology. This step not only facilitates Regional Government efforts to speed up the resolution of tax disputes, but also maintains harmonization of information technology regulation in the tax sector.

4. CONCLUSION

The philosophical study in the form of a paradigmatic study for the acceleration of information technology-based tax dispute resolution generates several conclusions: *First*, information technology developments in the field of taxation provide a wide range of options of technology that can be implemented in accelerating information technology-based tax dispute resolution, including: digitalization, Internet of Things, big data, blockchain, and artificial intelligence. *Second*, regulation for accelerating the resolution of tax disputes based on information technology contributes to increasing tax compliance. *Third*, the practice of regulating the acceleration of tax dispute resolution based on information technology presents the fact that although tax compliance has increased, tax dispute resolution is still deemed too long. *Fourth*, ideal regulation for the acceleration of information technology-based tax dispute resolution mandates the expansion of regulation for the acceleration of information technology-based tax dispute resolution in the field of taxation and the judicial sector, as well as seeking various breakthroughs in accelerating the resolution of information technology-based tax disputes, including: mediation for resolving tax disputes and drafting tax dispute jurisprudence.

⁵⁵ See General Explanation section of Republic of Indonesia Law Number 1 of 2022 on Financial Relations Between the Central Government and Regional Governments.

⁵⁶ *Ibid.*

REFERENCES

- Adoe, Andreas. "Yurisprudensi Hukum dan Sengketa Pajak di Indonesia." *Taxnesia*, March 15, 2016. <https://taxnesia.com/2016/03/15/yurisprudensi-hukum-dan-sengketa-pajak-indonesia/>.
- Al Khoiry, Lukmanul Hakim, and Ning Rahayu. "Analisis Sidang Sengketa Pajak oleh Pengadilan Pajak yang Dilaksanakan Diluar Daerah Jakarta Ditinjau dari Azas Ease of Administration." *Jurnal Ilmiah Administrasi Publik* 6, no. 2 (2020): 288–296. <https://doi.org/10.21776/ub.jiap.2020.006.02.16>.
- Bangun, Rosita Br. "Prediksi Putusan Hukum Tindak Kriminalitas sengan Menggunakan Algoritma Nearest Neighbor: Studi Kasus Pengadilan Negeri Lubuk Pakam." *Majalah Ilmiah INTI* 6, no. 2 (2019): 241–245.
- Centre for Tax Policy and Administration. *Improving the Process for Resolving International Tax Disputes*. Organisation for Economic Co-Operation and Development Publishing, 2004.
- DDTC News Editor. "Soal Solusi Tekan Sengketa Pajak, Ini Kata Akademisi." *DDTC News*, November 8, 2021. <https://news.ddtc.co.id/soal-solusi-tekan-sengketa-pajak-ini-kata-akademisi-34306>.
- DDTC News Editor. "Ternyata ini Masalah Ketidakpastian Pajak yang Dirasakan Pengusaha." *DDTC News*, December 19, 2019. <https://news.ddtc.co.id/ternyata-ini-masalah-ketidakpastian-pajak-yang-dirasakan-pengusaha-18161>.
- Direktorat Jenderal Bea dan Cukai Kementerian Keuangan. "Laporan Kinerja Direktorat Jenderal Bea dan Cukai." Last modified June 30, 2025. <https://www.beacukai.go.id/berita/laporan-kinerja-direktorat-jenderal-bea-dan-cukai.html>.
- Direktorat Jenderal Pajak Kementerian Keuangan. "Laporan Tahunan 2021." <https://pajak.go.id/id/laporan-tahunan-2021>.
- Farman, Gallantino. "Indonesia's Tax Digitisation Notes." *DDTC News*, October 15, 2019. <https://news.ddtc.co.id/catatan-digitalisasi-pajak-indonesia-17440>.
- Gunadi. "Webinar 'Open Huis' Peninjauan Kembali Kedua dan Yurisprudensi dalam Sengketa Pajak." KOSTAF FIA UI. November 14, 2021. <https://www.youtube.com/watch?v=vUMQK3OC-H8>.
- Gupita, Veronica Ajeng Ayu Laras. "Minim Sengketa, Meningkatkan Kepatuhan?" *DDTC News*, October 9, 2019. <https://news.ddtc.co.id/minim-sengketa-meningkatkan-kepatuhan-17379>.
- H. N., Fitri. "Sengketa Pajak Cenderung Meningkat." *Hukumonline*, March 13, 2014. <https://www.hukumonline.com/berita/a/sengketa-pajak-cenderung-meningkat-1t53212059c938b>.
- Hadianti, Arty Renata. "Analisis Faktor-Faktor Penyebab Terjadinya Penumpukan Sengketa Pajak di Mahkamah Agung." Bachelor's thesis, Universitas Indonesia, 2015. Universitas Indonesia Library.

- Heron, John, and Peter Reason. "A participatory inquiry paradigm." *Qualitative Inquiry* 3, no. 3 (1997): 274–294. <https://doi.org/10.1177/107780049700300302>.
- International Consortium for Court Excellence. *International Framework for Court Excellence*. 3rd ed. New South Wales: Secretariat for The International Consortium for Court Excellence, 2020.
- Law of Republic Indonesia Number 1 of 2022 on Financial Relations Between the Central Government and Regional Governments*.
- Mahkamah Agung Republik Indonesia. "Laporan Tahunan 2021." <https://www.mahkamahagung.go.id/en/the-annual-reports-of-the-supreme-court-of-the-republic-of-indonesia>.
- Mahkamah Agung Republik Indonesia. *Cetak Biru Pembaruan Peradilan 2010-2035*. Jakarta: Mahkamah Agung RI, 2010.
- Mahmood, M. Adam, and Gary J. Mann. "Information Technology Investments and Organizational Productivity and Performance: An Empirical Investigation." *Journal of Organizational Computing and Electronic Commerce* 15, no. 3 (2005): 185–202. https://doi.org/10.1207/s15327744jocce1503_1.
- Nursobah, Asep. "Pemanfaatan Teknologi Informasi untuk Mendorong Percepatan Penyelesaian Perkara di Mahkamah Agung." *Jurnal Hukum dan Peradilan* 4, no. 2 (2015): 323–334. <http://dx.doi.org/10.25216/jhp.4.2.2015.323-334>.
- Nursobah, Asep. "Pemanfaatan Teknologi Informasi untuk Mendorong Percepatan Penyelesaian Perkara di Mahkamah Agung." *Jurnal Hukum dan Peradilan* 4, no. 2 (2015): 323–334. <http://dx.doi.org/10.25216/jhp.4.2.2015.323-334>.
- Pratiwi, Kartika Annisa. "Analisis Faktor Penyebab Timbul dan Meningkatnya Sengketa Pajak di Pengadilan Pajak." Bachelor's thesis, Universitas Indonesia, 2017. Universitas Indonesia Library.
- Republic of Indonesia Law Number 1 of 2022 on Financial Relations Between the Central Government and Regional Governments*.
- Republic of Indonesia Law Number 10 of 1995 on Customs*.
- Republic of Indonesia Law Number 11 of 1995 on Excise*.
- Republic of Indonesia Law Number 14 of 2002 on Tax Tribunal*.
- Republic of Indonesia Law Number 17 of 2006 on Amendment to Law Number 10 of 1995 on Customs*.
- Republic of Indonesia Law Number 28 of 2009 on Local Taxes and Retributions*.
- Republic of Indonesia Law Number 33 of 2004 on Financial Balance Between the Central Government and Regional Governments*.

Republic of Indonesia Law Number 39 of 2007 on Amendment to Law Number 11 of 1995 on Excise.

Republic of Indonesia Presidential Regulation Number 95 of 2018 on Electronic-Based Government System.

Risnain, Muh. “Eksistensi Lembaga Quasi Judisial Dalam Sistem Kekuasaan Kehakiman di Indonesia: Kajian terhadap Komisi Pengawas Persaingan Usaha.” *Jurnal Hukum dan Lembaga Peradilan* 3, no. 1 (2014): 49–58. <http://dx.doi.org/10.25216/jhp.3.1.2014.49-58>.

Rosengard, Jay. “Digitalisasi pajak di Indonesia: Faktor keberhasilan dan jalur ke depan.” New York: Better Than Cash Alliance, 2020. https://btca-production-site.s3.amazonaws.com/documents/505/english_attachments/Digitalisasi_Pajak_di_Indonesia_Faktor_Kebhasilan_dan_Jalur_ke_Depan.pdf.

Rumadan, Ismail, Irine Handika Ikasari, Fadhilatul Hikmah, Tauq Adiyanto, Djangkung Sudjarwadi, and M. Ikbar Andi. *Peningkatan Sengketa Pajak Pada Tingkat Peninjauan Kembali dan Peran Yurisprudensi*. Jakarta Utara: Kencana, 2021.

Safarina, Hamida Amri. “Mediasi sebagai Terobosan Penyelesaian Sengketa Pajak.” *DDTC News*, May 24, 2019. <https://news.ddtc.co.id/mediasi-sebagai-terobosan-penyelesaian-sengketa-pajak-15985>.

Soemitro, Rochmat. *Rancangan Undang-Undang Peradilan Administrasi*. Jakarta: Badan Pembinaan Hukum Nasional, 1978.

Sudrajat, Ajat, and Arles Parulian Ompusunggu. “Pemanfaatan Teknologi Informasi, Sosialisasi Pajak, Pengetahuan Perpajakan dan Kepatuhan Pajak.” *Jurnal Riset Akuntansi dan Perpajakan* 2, no. 2 (2015): 193–202. <https://doi.org/10.35838/jrap.2015.002.02.17>.

Tax Court Secretariat. “Statistik.” www.setpp.kemenkeu.go.id/statistik.

The 1945 Constitution of the Republic of Indonesia.

Thuronyi, Victor, and Isabel Espejo. *How can an Excessive Volume of Tax Disputes be dealt with?* International Monetary Fund Publications, 2013. <https://www.imf.org/external/np/leg/tlaw/2013/eng/tldisputes.pdf>.