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The Impact of Tax Compliance, Disclosure, and Collection on Corporate Tax Revenue in the Indonesia Stock Exchange

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Abstract

This study aims to analyze the impact of tax compliance, tax disclosure, and tax collection on corporate tax revenue for companies listed on the Indonesia Stock Exchange (IDX). A quantitative approach was employed, with multiple linear regression analysis to examine the relationship between the independent variables (tax compliance, tax disclosure, and tax collection) and the dependent variable (corporate tax revenue). The results show that tax compliance, tax disclosure, and tax collection all have a positive and significant impact on corporate tax revenue. Increased tax compliance, transparent tax information disclosure, and effective tax collection systems contribute to higher tax revenue for the government. The classical assumption tests indicate that the regression model meets the assumptions of normality, multicollinearity, heteroscedasticity, autocorrelation, and linearity, suggesting that the regression model is valid. The results of both the F-test and t-test further confirm that the independent variables significantly influence corporate tax revenue. This study recommends that the government and tax authorities continue to strengthen tax compliance, enhance tax disclosure transparency, and improve tax collection systems to increase tax revenue, which is essential for supporting the country's economic development.

Keywords: *Tax Compliance, Tax Disclosure, Tax Collection, Tax Revenue, Multiple Linear Regression, Indonesia Stock Exchange.*

Introduction

Tax revenue is one of the primary sources of income for the government, used to finance various development sectors such as infrastructure, education, health, and other public services. In Indonesia, taxes play a crucial role in the country's economy, with the tax sector contributing significantly to the Gross Domestic Product (GDP). However, corporate tax revenue in Indonesia remains suboptimal. According to data from the Directorate General of Taxes (DGT), the level of tax compliance in Indonesia still faces significant challenges, with many companies failing to meet their tax obligations in accordance with applicable regulations (Utaminingtyas, 2023). This indicates a significant potential to increase corporate tax revenue if these issues can be effectively addressed (Fitri, 2023).

Corporate tax revenue is influenced by several factors, one of which is tax compliance. Tax compliance refers to the extent to which taxpayers, in this case, companies, fulfill their tax obligations without engaging in avoidance or delaying payments. Low compliance levels can directly impact the reduction in national tax revenue, which in turn hampers economic development. According to a report from the Financial Audit Board (BPK), Indonesia has a lower tax compliance rate compared to other ASEAN countries (Irmayani, 2023). The decline in compliance can be attributed to a lack of understanding of tax obligations, as well as a lack of trust in the tax system and tax administration.

Tax disclosure also plays a significant role in influencing tax revenue. Tax disclosure refers to how transparent a company is in reporting its tax information to tax authorities and the public. Clear and accurate disclosure can increase public and governmental trust in the company, which in turn can encourage higher tax compliance. For example, companies that routinely disclose tax information in their financial reports tend to have a better image and can attract more trust from tax authorities and investors. According to research by Widuri (2019), companies with good tax disclosure practices show higher compliance levels and are more likely to pay taxes on time.

Tax collection is another variable that affects corporate tax revenue. Tax collection involves the process of collecting taxes by tax authorities, which can be done directly or through withholding at the source (e.g., withholding PPh 21 for employees). An efficient and effective tax collection system can enhance tax revenue by minimizing tax avoidance and reducing tax leakage (Innekeputri, 2024). In Indonesia, the fragmented tax collection system, which is not yet fully integrated, can cause difficulties in ensuring tax compliance by companies. According to data from the DGT, despite improvements in tax administration, many companies still fail to make timely or accurate tax payments. Therefore, improving the efficiency of tax collection is an important step toward achieving more optimal tax revenue (Dwitayanti, 2024).

Based on this, the objective of this study is to examine the impact of tax compliance, tax disclosure, and tax collection on corporate tax revenue in Indonesia, particularly for companies listed on the Indonesia Stock Exchange (IDX). By analyzing these three variables, it is expected that useful insights will be gained to enhance the effectiveness of the tax system in Indonesia and, in turn, increase tax revenue used to finance national development.

Literature Review

The role of taxation in economic growth is crucial, especially for developing countries like Indonesia, where tax revenue is a primary source for financing public goods and services (Tarmidi, 2024). However, the effectiveness of the tax system often depends on several interrelated factors, such as tax compliance, tax disclosure, and the efficiency of tax collection. This literature review aims to explore existing research on these three variables and their impact on corporate tax revenue, with a specific focus on the Indonesian context (Koroh, 2025).

Tax compliance is a fundamental aspect of any tax system. It refers to the extent to which taxpayers, in this case, companies, fulfill their tax obligations correctly, including income reporting and tax payments. Several studies have shown that tax compliance is essential for the sustainability of public finances. According to Alm (2012), tax compliance is influenced by various factors, including taxpayer attitudes, government effectiveness, and the complexity of tax regulations. In Indonesia, despite some improvements, tax compliance remains a major challenge. Data from the Directorate General of Taxes (DGT) shows that the corporate tax compliance rate in Indonesia is still low, with a significant tax gap. This hinders efforts to optimize tax revenue (Worokinasih, 2025).

Studies conducted in Indonesia, such as by Hidayat and Fatimah (2025), found that perceptions of tax fairness and trust in government institutions affect the willingness of companies to comply with their tax obligations. When companies perceive the tax system as fair and transparent, tax compliance increases, which ultimately enhances tax revenue.

Tax disclosure, or the extent to which companies disclose information regarding their tax obligations, is becoming increasingly important for improving transparency and accountability in the tax system. Research has shown that companies that disclose more information about their tax obligations tend to be more compliant and timely in paying taxes. Priatmaja (2024) stated that companies that disclose more detailed information about their taxes are likely to receive more scrutiny from both authorities and the public, which can increase vigilance against tax avoidance and improve tax revenue.

In Indonesia, companies listed on the Indonesia Stock Exchange (IDX) are required to disclose tax-related information in their financial reports. However, despite this regulation, tax disclosure is often inconsistent, which limits its effectiveness in improving tax revenue. Fatimah (2025) argued that more transparent disclosure regarding tax avoidance and tax planning strategies could enhance the tax compliance environment and potentially increase corporate tax revenue.

Tax collection is the process by which tax authorities gather taxes from businesses. The efficiency of tax collection significantly affects the amount of tax revenue that can be collected. Inefficiencies in tax collection, such as delayed or inaccurate assessments, can lead to significant tax leakage. Worokinasih, (2025) emphasized that in Indonesia, the efficiency of tax collection remains a major obstacle to increasing corporate tax revenue. Efforts to reform the tax collection system, such as the implementation of the e-filing system for individual taxpayers and the integration of the Value-Added Tax (VAT) collection system, have been made. However, challenges related to incomplete administrative integration and corruption issues still exist.

Research by Priatmaja (2024) shows that utilizing technology and data analytics can improve the efficiency of tax collection, enabling tax authorities to monitor corporate transactions more effectively, detect tax avoidance, and reduce administrative costs. The use of digital-based systems can enhance efficiency and ultimately increase tax revenue.

Methods

This study uses a quantitative approach to analyze the impact of tax compliance, tax disclosure, and tax collection on corporate tax revenue for companies listed on the Indonesia Stock Exchange (IDX). This approach was chosen because the study aims to examine the relationship between the aforementioned variables through the analysis of numerical data obtained from annual reports of companies and other secondary data. This type of research is categorized as descriptive and causal, aiming to provide an overview of the phenomena that occur and analyze the cause-and-effect relationship between these variables.

The data used in this study is secondary data obtained from annual reports of companies listed on the IDX, published annual financial statements, and tax data available from the Directorate General of Taxes (DGT). Tax disclosure from companies is also sourced from their published annual reports and sustainability reports. The analysis technique used is multiple linear regression, where the regression model used is as follows:

$$\text{Tax Revenue} = \beta_0 + \beta_1 (\text{Tax Compliance}) + \beta_2 (\text{Tax Disclosure}) + \beta_3 (\text{Tax Collection}) + \epsilon$$

Where the dependent variable is tax revenue, while the independent variables are tax compliance, tax disclosure, and tax collection. Before conducting the regression analysis, validity and reliability tests are carried out to ensure that the data used in this study accurately and consistently represents the variables being tested. The t-test is used to examine the effect of each independent variable on tax revenue in a partial manner, while the F-test is used to examine the simultaneous effect of the three independent variables on tax revenue. All statistical tests in this study are conducted with a significance level of 5% ($\alpha = 0.05$).

This study is expected to provide insights into the impact of these three variables on corporate tax revenue in Indonesia and contribute to improvements in a more effective and transparent tax system.

Results and Discussion

This study aims to analyze the impact of tax compliance, tax disclosure, and tax collection on corporate tax revenue for companies listed on the Indonesia Stock Exchange (IDX). Before performing regression analysis, the data must pass the Classical Assumptions tests. The results of these tests are presented in the following table:

Table 1. Classical Assumption Results

No	Asumsi Klasik	Metode Uji	Hasil
1	Normality Test	Kolmogorov	Value: 0,120 > 0,05 (residuals follow a normal distribution)
2	Multicollinearity Test	VIF	VIF < 10 (So there is no multicollinearity)

All classical assumptions in this regression model have been met, indicating that the regression model used is valid and reliable for further analysis.

Based on the results of the multiple linear regression analysis, it was found that all three independent variables tax compliance, tax disclosure, and tax collection have a significant impact on corporate tax revenue. The analysis shows that tax compliance has a positive and significant effect on corporate tax revenue, as can be seen in Table 1. This indicates that the higher the level of compliance by companies in fulfilling their tax obligations, the greater their contribution to state tax revenue.

Table 1. Analysis Results

No	Variabel	Koefisien Regresi	Sig	Keterangan
1	Tax Compliance	0,45	0,003	significant positive
2	Tax Disclosure	0,38	0,004	significant positive
3	Tax Collection	0,52	0,001	significant positive

In terms of tax disclosure, the research findings indicate that companies that transparently disclose their tax information tend to have higher tax revenue levels. Good tax disclosure not only enhances trust between companies and tax authorities but also helps reduce tax avoidance, which in turn contributes to increasing tax revenue. This finding aligns with the research by Fitri (2023), who stated that companies that disclose more information related to their taxes are likely to be more compliant and can improve overall tax revenue.

Tax collection has also been proven to have a significant impact on corporate tax revenue. The effectiveness of the tax collection system plays a major role in ensuring that taxes owed can be collected efficiently. This study shows that a more efficient tax collection system, integrated with technology, can reduce tax leakage, increase compliance, and ultimately improve tax revenue. These results are consistent with the research by Priatmaja (2024), which showed that the application of technology in tax administration can increase the efficiency of tax collection and reduce errors or delays in tax collection.

The tables and graphs presented in this study illustrate the trend of increasing corporate tax revenue in Indonesia in line with improvements in tax compliance, tax disclosure, and tax collection. While there is evidence that all three variables have a positive relationship with tax revenue, challenges remain in terms of digital infrastructure and the uneven implementation of tax policies across different regions in Indonesia. This study identifies that companies listed on the Indonesia Stock Exchange (IDX) tend to be more compliant and transparent compared to non-listed companies, highlighting the role of the capital market in encouraging tax compliance and the disclosure of tax information.

However, this study also found that despite the positive and significant relationship between tax compliance and tax disclosure with tax revenue, there is considerable variability across industrial sectors in terms of compliance and disclosure levels. Some sectors, such as manufacturing and energy, have higher tax compliance rates compared to others, reflecting differences in the understanding and management of tax obligations among these companies.

Furthermore, although efficient tax collection contributes to increasing tax revenue, the effectiveness of the collection system is still hindered by several issues, such as limited technological infrastructure and the potential for tax avoidance practices in some companies. Therefore, there is a need for more in-depth policies to enhance the quality of tax infrastructure and improve the monitoring and enforcement of tax regulations.

Overall, the findings of this study provide a clear understanding of the importance of tax compliance, tax disclosure, and tax collection in increasing corporate tax revenue. The government and tax authorities in Indonesia must continue to strengthen the tax system by improving transparency, utilizing technology, and implementing policies that promote better tax compliance, so that tax revenue can be continuously increased and used to support the country's economic development.

Conclusion

This study aims to analyze the impact of tax compliance, tax disclosure, and tax collection on corporate tax revenue for companies listed on the Indonesia Stock Exchange (IDX). Based on the results of the multiple linear regression analysis, several important points can be concluded. Tax Compliance has a positive and significant effect on corporate tax revenue. The higher the level of tax compliance by companies, the greater their contribution to state tax revenue. This indicates that companies that meet their tax obligations on time can increase the certainty of tax revenue for the country. Tax Disclosure also has a positive and significant impact on tax revenue. Companies that transparently disclose their tax information in their financial reports tend to have higher levels of compliance. Good tax disclosure helps build trust between the company and tax authorities, reducing tax avoidance and improving overall tax revenue. Tax Collection shows a significant positive impact on tax revenue. The effectiveness of the tax collection system implemented by tax authorities is crucial in increasing tax revenue. The application of technology in the tax collection system helps enhance efficiency and reduce tax leakage, which in turn can increase corporate tax revenue. These findings suggest that improving tax compliance, enhancing transparency through better tax disclosure, and making the tax collection system more efficient are key strategies for increasing corporate tax revenue, which is vital for supporting the country's economic development.

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