

# Exploring the Initial Implementation of Coretax for MSMEs through a Phenomenological Lens

Timothy Tanujaya, Carmel Meiden

Graduate Program in Accounting, Kwik Kian Gie School of Business and Informatics, Jakarta, Indonesia

DOI: <https://dx.doi.org/10.47772/IJRISS.2025.908000565>

Received: 16 August 2025; Accepted: 22 August 2025; Published: 20 September 2025

## ABSTRACT

This study employs a qualitative approach using phenomenological methods to explore the initial experiences of Micro, Small, and Medium Enterprises (MSMEs) and Tax Account Representatives (ARs) in implementing the Coretax system. MSMEs are a strategic sector in Indonesia, contributing over 60% to the national GDP and employing 97% of the workforce. As part of tax administration modernization, Coretax aims to enhance efficiency, transparency, and tax compliance. However, its early implementation has faced several challenges, including technical issues and ineffective socialization efforts. In-depth interviews with two MSME owners and two ARs revealed six key findings. First, an educational background in accounting does not guarantee adequate understanding of evolving tax regulations. Second, initial knowledge of Coretax among taxpayers remains limited. Third, socialization efforts tend to be one-way and are hampered by outdated taxpayer contact data. Fourth, despite the Directorate General of Taxes (DGT) preparing the system internally for 2–3 years, field implementation still encountered many unforeseen obstacles. Fifth, negative early user experiences have left lasting impressions, despite subsequent system improvements. Lastly, ARs' use of Coretax remains limited due to incomplete system integration. The study concludes that Coretax's success is strongly influenced by users' cognitive, emotional, and social readiness, as well as the quality of interaction with the system. Recommendations include two-way communication in socialization efforts, improved digital literacy, regular taxpayer data updates, and continuous system evaluation based on user feedback.

**Keywords:** Coretax, MSMEs, Account Representative, tax digitalization, transcendental phenomenology, system implementation.

## INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a central role in Indonesia's economy. According to data from the Ministry of Cooperatives and SMEs (2018), there were 64.2 million MSMEs, accounting for 99.99% of all business actors in the country. This sector absorbs 97% of the national workforce and contributes more than 60% to the national Gross Domestic Product (GDP). Given this crucial role, MSMEs have become a primary focus of fiscal policy, particularly in the context of tax reform and digitalization.

Despite this immense potential, tax compliance among MSMEs remains a significant challenge. Many business owners, especially newcomers, find it difficult to understand and adhere to complex tax regulations. Resource constraints, low tax literacy, and additional administrative burdens are often seen as obstacles that reduce their profitability. To address these challenges, the government, through the Directorate General of Taxes (DGT), implemented a new digital tax system called Coretax. This system is designed to replace the old one (DJP Online) with advanced features such as automated calculations, data integration, and enhanced information security. Coretax is expected to improve efficiency, transparency, and ultimately, boost tax compliance in the MSME sector.

However, the initial implementation of Coretax has brought about several concerning phenomena. This study aims to explore these key issues in more detail:

1. **System and Infrastructure Immaturity:** In its early phase, Coretax faced numerous technical glitches, including login errors, failed document uploads, and system instability. This tarnished the perception of ease of use and eroded user trust, as acknowledged by the DGT itself in a formal apology (Octavia, 2025).
2. **Insufficient Socialization and Education:** Despite the DGT providing various guides and simulators, many MSME owners felt that the socialization was inadequate and not evenly distributed. The educational materials were often too technical for their level of understanding, leading to confusion and errors in reporting (Alfirdaus & Anas, 2024).
3. **Confusing Procedural Changes:** The transition to Coretax brought significant changes in reporting procedures and data adjustments. MSMEs struggled with NIK-NPWP data validation and a complicated registration process without adequate assistance from tax officers (Rachman, 2025).
4. **Limited Digital Feature Utilization:** Most MSMEs still rely on manual bookkeeping and have limited access to technology or stable internet connections. This exacerbated the digital divide and created an additional cost burden if they had to hire external consultants (Natasa Kumalasah Putri, 2025).
5. **Lack of Personal Assistance:** The role of Account Representatives (ARs) as the front line of tax services was not optimal. Communication was often limited to general broadcasts via email or WhatsApp, which was insufficient to address specific technical needs (DDTC, 2025).
6. **Trust Deficit and Communication Issues:** Negative past experiences and early technical glitches created skepticism and a lack of trust in the new system. Some taxpayers viewed Coretax more as a control mechanism than a tool for compliance facilitation, which could reduce their motivation (Grehenson Gusti, 2025).

These phenomena suggest that the implementation of Coretax is not merely a technical issue but also a social and psychological one, tied to digital literacy, trust, and communication. Therefore, this research aims to explore the initial experiences of MSME actors and Account Representatives (ARs) in dealing with the Coretax system, focusing on adaptation challenges, resistance, and their perspectives on the new digital tax policy.

## LITERATURE

### Coretax System: Concept and Implementation

Coretax is a modern tax administration system developed by the Directorate General of Taxes (DGT) as part of the Core Tax Administration System Renewal Project (PSIAP), regulated under Presidential Regulation No. 40 of 2018.(DJP, 2023). Built on a Commercial Off-the-Shelf (COTS) platform, Coretax aims to streamline tax administration through digital integration. The system's primary objective is to modernize Indonesia's tax administration by consolidating key processes ranging from taxpayer registration and tax return filing to payment, audit, and enforcement into a single, centralized platform (Priyono & DJP, 2025). It enhances operational efficiency, transparency, and data accuracy.

Coretax offers seven main benefits: (1) simplified and valid taxpayer registration; (2) structured and user-friendly tax return filing; (3) flexible and integrated payment channels; (4) AI-based compliance monitoring; (5) centralized access to tax services; (6) real-time taxpayer data transparency; and (7) more efficient audit and collection processes (Faradina & DJP, 2025).

Additionally, Coretax integrates key features such as e-Filing, e-Billing, and e-Invoicing (.xml format), along with digital services for data updates, tax clearance certificates, and refunds. It also includes a Customer Relationship Management (CRM) system to enhance communication between the DGT and taxpayers, supported by compliance risk profiling and business intelligence tools (Nasly, 2024). The system further

supports taxpayer engagement through an interactive portal for education, consultation, and complaint management (DJP, 2025).

### Micro, Small, and Medium Enterprises (MSMEs)

Definition of MSMEs According to the Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs, Micro, Small, and Medium Enterprises (MSMEs) are defined based on specific criteria, particularly annual revenue and number of employees. These enterprises are divided into three categories: micro, small, and medium enterprises, each with distinct thresholds in terms of business assets and revenue (Indonesia, 2008).

#### MSME Classification Based on Asset and Annual Revenue

(Prasetya, 2023) further explains that MSMEs in Indonesia are categorized into micro, small, and medium enterprises based on business capital (assets) and annual revenue, as stipulated in Government Regulation (PP) No. 7 of 2021, as follows:

Table 1 MSMEs Classification

No	Business Scale	Assets	Revenue
1	Micro Enterprise	Up to IDR 1 billion	Up to IDR 2 billion
2	Small Enterprise	> IDR 1 billion to IDR 5 billion	> IDR 2 billion to IDR 15 billion
3	Medium Enterprise	>IDR 5 billion to IDR 10 billion	> IDR 15 billion to IDR 50 billion

Source: (Indonesia Government Regulation (PP) No 7, 2021)

### Transcendental Phenomenology

According to (Adian, 2016), phenomenology is a philosophical method that seeks to return to direct experience as it is lived by consciousness, before being influenced by pre-existing assumptions or theories. Phenomenology was initiated by Edmund Husserl, who argued that philosophy must return to the things themselves as experienced by human consciousness, free from untested metaphysical assumptions.

Husserl developed transcendental phenomenology as a method to uncover the essential structure of experience. He emphasized the importance of epoche or bracketing, a process of temporarily setting aside all presuppositions, beliefs, and judgments about a phenomenon in order to reveal the pure essence of experience as it is directly and consciously perceived. As (Husserl, 1970) stated, “To begin to see the world afresh we must first bracket all presuppositions.”

In the context of this study, this approach is employed to understand how MSME actors interpret and make sense of their initial experiences with the digital Coretax system in a direct and authentic manner, free from external assumptions or prior interpretations.

## METHODS

This study employs a qualitative approach with a field research design, aimed at exploring and understanding the lived experiences and interpretations of individuals regarding the implementation of the Coretax digital taxation system. The research adopts transcendental phenomenology as conceptualized by Edmund Husserl, emphasizing the exploration of the essence of experiences through pure consciousness and reflective analysis. Primary data were collected through in-depth, structured interviews with two MSME taxpayers and two Account Representatives (ARs) from the Directorate General of Taxes (DGT). This approach allowed the researcher to gain a holistic understanding of how users respond to the introduction of Coretax, including their perceptions, challenges, and adjustments during the transition period.

## Data Collection Techniques

Data collection involved two complementary methods:

1. Literature Review – To build the theoretical foundation, the researcher examined books, academic journals, prior research, and official documents related to Coretax and phenomenological approaches.
2. Field Study – Conducted through structured interviews using predetermined key points. This format ensured consistency across interviews while allowing participants to elaborate freely on their experiences.

## Data Processing and Analysis

Data analysis followed interpretive phenomenological procedures to uncover the essence of participants' experiences. The process was iterative and reflective, comprising the following stages:

1. Noema – Capturing the participants' descriptions of their experiences as directly perceived, without initial interpretation.
2. Epoche – Bracketing researcher assumptions and biases to ensure objectivity in interpreting participants' narratives.
3. Noesis – Interpreting the meaning attributed by participants to their experiences.
4. Phenomenological Reduction – Identifying and clustering significant themes related to the research focus (e.g., anxiety in tax compliance).
5. Noetic-Noematic Correlation – Synthesizing the relationship between lived experiences (noema) and the meanings assigned (noesis).
6. Eidetic Reduction – Extracting the core essence of the phenomenon under study.

## Validation through Triangulation

To enhance credibility, data source triangulation was applied by comparing perspectives from MSME taxpayers and ARs. This approach enabled the identification of similarities, differences, and dynamics in their experiences with Coretax. The analysis continued until thematic saturation was reached, ensuring a comprehensive understanding of the phenomenon.

## Research Informants

The study involved four informants: two MSME taxpayers and two Account Representatives. This selection provided balanced insights from both the taxpayer and tax authority perspectives, offering a multidimensional view of Coretax implementation experiences.

Table 2 Research Informant

No	Initials	Occupation	Site	Age
1	Mr. D	Owner	MSME Business	30
2	Mr. S	Director	PT (Limited Company)	55
3	Mr. T	Account Representative	Tax Office	40
4	Mrs. M	Account Representative	Tax Office	32

## DISCUSSION

### Taxpayer and Account Representative (AR) Knowledge of Coretax

This study found that knowledge of the Coretax system varied among both taxpayers and Account Representatives (ARs). Taxpayers such as Mr. D and Mr. S, despite having educational backgrounds in

accounting and economics, admitted to having limited knowledge. Constant changes in tax regulations and the complexity of the Coretax system made them feel that their existing knowledge was no longer relevant. Their understanding tended to be superficial knowing only that there was a system transition, but lacking a deeper comprehension of its features or operational mechanisms. This limitation was exacerbated by negative technical experiences, such as frequent system errors, which created a gap between the promised "ease of use" and the reality encountered in practice.

The research showed that ARs' knowledge was also uneven. Mr. T and Ms. M explained that understanding of Coretax depended heavily on the employee's role and position. Those assigned to service desks or helpdesks were expected to have a comprehensive understanding of the system, whereas staff in other roles might have limited familiarity. Interestingly, Ms. M gained her knowledge of the taxpayer-facing version of Coretax not through internal training but through hands-on experience assisting taxpayers with their issues. This suggests that knowledge is not formed solely through formal channels but also through direct interaction and the challenges encountered in the field.

### **Effectiveness of Coretax Socialization**

The Coretax socialization process faced significant obstacles from various angles. Taxpayers such as Mr. D and Mr. S felt that the socialization they received was very minimal. They felt abandoned and forced to learn independently through online tutorials, social media, and peer discussions. This frustration was further intensified by the perception that tax officers (Account Representatives) only intervened when errors occurred, rather than providing guidance from the outset. This phenomenon reflects a gap in expectations between the DGT and taxpayers. While taxpayers expected more personalized assistance, the DGT relied on taxpayers to take the initiative.

On the other hand, ARs explained that socialization had, in fact, been carried out through various media, including invitations to Tax Offices (KPP), live streaming sessions, and social media platforms. However, its effectiveness was hindered by outdated taxpayer data. Many taxpayers did not receive the information because their phone numbers or email addresses were no longer active. Furthermore, Ms. M highlighted that training using simulation (dummy) systems did not fully represent real-world conditions. As a result, taxpayers who felt confident during training often struggled when using the actual Coretax system. This underlines the importance of valid data and more realistic simulations for effective socialization.

### **User Experience with the Coretax System**

The initial experiences of the taxpayers (Mr. D and Mr. S) were marked by frustration and technical issues such as login errors, failed verifications, and system instability. Mr. S even had to try multiple web browsers to complete his tax filing. However, the swift system improvements implemented by the DGT in the following weeks helped alleviate some of the initial disappointment, although the negative first impression remained. From the AR perspective, Mr. T and Ms. M explained that Coretax could not yet be fully utilized for supervision functions due to its reliance on centralized data synchronization.

### **Concerns Regarding Transparency and Data Security**

Beyond technical challenges, the implementation of Coretax also triggered fundamental concerns among taxpayers, particularly regarding data security and excessive surveillance. These concerns stemmed from two primary aspects: system security and the extent of oversight.

First, in terms of data security, Mr. D explicitly expressed his fear of potential data breaches. He compared the new system to other government institutions, such as the Ministry of Communication and Information Technology (Kominfo), which had previously experienced similar incidents. This experience shaped the perception that his sensitive data—including transactions and financial conditions—was at significant risk. His concern was heightened by the fact that Coretax lacked an established reputation or proven track record

in security, unlike major banks that are already trusted. As a result, he adopted a cautious stance, choosing to wait for positive testimonials and observe the system's performance from other users before fully entrusting his data. This perspective underscores that user trust cannot be purchased but must be built through tangible evidence and consistent data protection.

Second, with its integrated vision, the Coretax system sparked anxiety about overly intrusive oversight. The concept behind Coretax is to make all taxpayer transaction and financial data transparent and easily accessible to tax authorities. While this is well-intentioned, such transparency feels like "living in a glass house" for taxpayers. Mr. S stated that he now feels a greater personal responsibility because his name as a director will be directly linked to all existing reports. This concern arises from the possibility that such a transparent system could open the door to more intensive interventions or audits, ultimately leading to discomfort and anxiety.

Overall, these concerns reflect the dilemma between convenience and surveillance. While Coretax is designed to facilitate processes, its transparency features have instead fostered negative perceptions. To bridge this gap, the DGT must not only focus on technical improvements but also actively build trust by providing strong guarantees of data security and transparent communication about how the data will be used.

### **Perspectives on the Future of Coretax**

Perspectives on the implementation of Coretax reveal an interesting dualism, where the hope for modernization confronts the reality in the field. Taxpayers such as Mr. D and Mr. S generally welcomed the idea behind Coretax. They agreed that integrating various complex tax applications (e.g., DJP Online, E-NOFA, E-Faktur) into a single platform was a much-needed step forward to simplify processes. This idea was seen as an effective solution to reduce the complexities they had long experienced.

However, this support was not unconditional. Deep disappointment arose due to the perception that the implementation was rushed and immature. Mr. D explicitly stated, "the application was not ready to run but was forced to operate." This reflects the view that the Directorate General of Taxes (DGT) failed in its technical preparation and socialization, launching a product that was not yet ready. Mr. S reinforced this by noting that while the old system was more cumbersome, it was at least familiar and comfortable to use. He emphasized that the promised convenience must be truly tangible, not merely a claim. If the system does not function properly, the goal of digitalization becomes meaningless.

From the internal perspective, ARs held a more optimistic yet realistic view. Ms. M saw Coretax as a valuable tool for improving the validity and transparency of tax data. The requirement to match data with the National Identification Number (NIK) was considered a major breakthrough to close loopholes for data manipulation. Meanwhile, Mr. T, while acknowledging that the system was far from perfect, adopted a more pragmatic stance. He likened Coretax to "a baby that needs time to crawl before it can walk." This analogy reflects an understanding that any major innovation will inevitably face initial challenges, and the key lies in continuous improvement. This stance indicates that within the DGT, there is both an awareness of the system's shortcomings and a belief that progress will continue.

## **CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

This study aims to gain an in-depth understanding of the initial experiences of Micro, Small, and Medium Enterprises (MSMEs) and Account Representatives (ARs) in facing the implementation of the Coretax digital taxation system, using Edmund Husserl's transcendental phenomenology approach. The findings indicate that the success of implementing such a system is influenced not only by technological readiness but also by the cognitive, emotional, and social preparedness of its users.

## User Understanding and Experience

MSMEs experienced difficulties navigating Coretax features, even among those with economics and accounting backgrounds. ARs were also unable to fully utilize the system due to limitations in data availability and features for monitoring purposes. This underscores the importance of both technical support and system readiness as critical success factors.

## Impacts and Challenges

The main obstacles identified include low digital literacy, limited system comprehension, and a lack of active interaction between the Directorate General of Taxes (DGT) and taxpayers. Existing outreach efforts have not effectively reached all user segments, exacerbated by outdated taxpayer contact information. Although the DGT had undertaken extensive internal preparations, field challenges remain unresolved.

## User Perceptions

MSMEs tend to feel hesitant and anxious in adopting Coretax, reinforced by unfavorable first impressions. Nevertheless, the DGT's quick corrective actions were appreciated by some users. ARs recognized that successful system adoption requires time, continuous learning, and ongoing improvements. Overall, negative initial experiences have been shown to affect user acceptance and trust levels. Therefore, the success of Coretax implementation requires synergy between technological readiness, the enhancement of digital literacy, sustained user assistance, and the strengthening of taxpayer trust.

## Recommendations

### To the Government and Directorate General of Taxes

Enhance the effectiveness of outreach programs by shifting from one-way communication to two-way interaction through real-time support services, online discussions, or public information booths. (1) Tailor training materials to user characteristics (age, education, digital literacy) to ensure more targeted education. (2) Strengthen data security and transparency by clearly communicating measurable data protection policies. (3) Regularly update taxpayer contact information (email, phone number, address) to ensure smooth information dissemination. (4) Conduct ongoing evaluations of Coretax, incorporating user feedback as the basis for system improvements.

### To Taxpayers

Improve digital literacy independently through training, consultation with tax officers, reading official guidelines, and learning from peer experiences. (1) Be proactive in understanding taxation system updates and reducing dependency on tax officers. (2) Regularly update personal data with the DGT to facilitate effective communication and information access.

### To Future Researchers

Expand the range of informants to include various taxpayer categories, such as employees, large corporations, and tax consultants, to obtain more diverse perspectives. (1) Apply alternative phenomenological perspectives, such as those of Maurice Merleau-Ponty or Hans-Georg Gadamer, to explore experiences from different philosophical standpoints. (2) Combine phenomenological approaches with quantitative methods to statistically measure satisfaction, understanding, and Coretax effectiveness. (3) Conduct comparative research with digital taxation systems in other countries to gain new insights and alternative improvement strategies.

## REFERENCES

1. Adian, D. G. (2016). *Pengantar Fenomenologi*. Penerbit Koekosan.  
[https://www.google.co.id/books/edition/Pengantar\\_Fenomenologi/h1rbDwAAQBAJ?hl=en&gbpv=0](https://www.google.co.id/books/edition/Pengantar_Fenomenologi/h1rbDwAAQBAJ?hl=en&gbpv=0)

2. Alfirdaus, N., & Anas, S. (2024). Analisis Efektivitas Coretax Sebagai Strategi Dalam Peningkatan Penerimaan Pajak Daerah DKI Jakarta. *Jurnal Ekonomika Dan Bisnis (JEBS)*, 4(4), 646–655. <https://doi.org/10.47233/jebbs.v4i4.1934>
3. DDTC. (2025, March). Melihat Sederet Ikhtiar Kuat Otoritas Pajak Atasi Kendala Coretax. DDTC. <https://news.ddtc.co.id/berita/nasional/1809270/melihat-sederet-ikhtiar-kuat-otoritas-pajak-atasi-kendala-coretax>
4. DJP. (2023). Coretax. DjP. <https://www.pajak.go.id/coretax>
5. DJP. (2025). DJP Luncurkan Simulator Coretax | Direktorat Jenderal Pajak. DJPOnline. <https://pajak.go.id/id/siaran-pers/djp-luncurkan-simulator-coretax>
6. Faradina, F., & DJP. (2025). Coretax DJP: 1 Aplikasi 7 Manfaat. DJP. <https://www.pajak.go.id/id/artikel/coretax-djp-1-aplikasi-7-manfaat>
7. Grehenson Gusti. (2025, February). Coretax Masih Bermasalah, Ekonom UGM Sebut Ada 4 Penyebab Utamanya. Universitas Gadjah Mada. <https://ugm.ac.id/id/berita/coretax-masih-bermasalah-ekonom-ugm-sebut-ada-4-penyebab-utamanya/>
8. Husserl, E. (1970). Husserl's crisis of the European sciences and transcendental phenomenology: An introduction. In *Husserl's Crisis of the European Sciences and Transcendental Phenomenology: An Introduction* (Issue January). <https://doi.org/10.1017/CBO9781139025935>
9. Indonesia. (2008). Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang UMKM. 1.
10. Indonesia. (2021). Peraturan Pemerintah (PP) Nomor 7 Tahun 2021 tentang Kemudahan, Pelindungan, dan Pemberdayaan Koperasi dan Usaha Mikro, Kecil, dan Menengah. Database Peraturan BPK. <https://peraturan.bpk.go.id/Details/161837/pp-no-7-tahun-2021>
11. Nasly, S. (2024). Bagaimana Coretax akan Mengubah Layanan Perpajakan DJP? <https://artikel.pajakku.com/bagaimana-coretax-akan-mengubah-layanan-perpajakan-djp/>
12. Natasa Kumalasah Putri. (2025, January 16). Masyarakat Keluhkan Layanan Coretax Kerap Error. Liputan6. <https://www.liputan6.com/regional/read/5883611/masyarakat-keluhkan-layanan-coretax-kerap-error>
13. Octavia, E. C. (2025). Coretax: Transformasi Digital Perpajakan Untuk Masa Depan Indonesia Yang Lebih Efisien. UNESA. <https://ekonomi.feb.unesa.ac.id/post/coretax-transformasi-digital-perpajakan-untuk-masa-depan-indonesia-yang-lebih-efisien>
14. Prasetya, A. (2023). Mengenal Program Pembinaan UMKM Kemenkeu Satu Tahun 2023. Kementerian Keuangan Indonesia. <https://www.djkn.kemenkeu.go.id/artikel/baca/15879/Mengenal-Program-Pembinaan-UMKM-Kemenkeu-Satu-Tahun-2023.html>
15. Priyono, E., & DJP. (2025). Portal Layanan Wajib Pajak: Navigasi Mudah untuk Era Baru Perpajakan. DJP. <https://www.pajak.go.id/en/node/113463?>
16. Rachman, A. (2025). Keluhan Soal Coretax Terus Muncul: Sistem Tak Siap, Sosialisasi Kacau! Suryani Suryanto & Associate. <https://www.ssas.co.id/keluhan-soal-coretax-terus-muncul-sistem-tak-siap-sosialisasi-kacau/>