GOLDEN RATIO OF TAXATION STUDIES
VOLUME 6, ISSUE. 2 (2026)
Website: https://goldenratio.id/index.php/grts/index

ISSN [Online]: 2776-7868

TAXATION STUDIES | RESEARCH ARTICLE

# Determinants of Corporate Income Tax Revenue in Post-Reform Indonesia: A Case Study of the Foreign Investment Tax Office One

Yaumil Fitriyah[1], Tony Sudirgo[2]

[1,2] Department of Accounting, Faculty of Economics and Business, Universitas Tarumanagara, DKI Jakarta, Indonesia.
Email: yaumil.125249247@stu.untar.ac.id tonys@fe.untar.ac.id

**ARTICLE HISTORY**

Received: June 11, 2026
Revised: July 28, 2026
Accepted: July 29, 2026

**DOI**
https://doi.org/10.52970/grts.v6i2.2376

**ABSTRACT**
This study examines the impact of taxpayer compliance, tax audits, and tax collection on Corporate Income Tax revenue at the Foreign Investment Tax Office One (Indonesia) between 2022 and 2024. Because taxes act as the primary source of national income, maximizing these funds requires robust voluntary compliance from corporate entities alongside the efficient execution of auditing and collection strategies by tax authorities. To evaluate these factors, this study utilizes a quantitative methodological approach, relying on secondary data gathered from official records. A purposive sampling technique was deliberately employed to ensure the relevance of the selected data points. Subsequently, the data was analyzed using multiple linear regression. Despite previous studies identifying compliance and law enforcement as key drivers of tax revenue, empirical evidence regarding their interplay in a post-tax reform context remains fragmented. Addressing this research gap, this study examines the impact of taxpayer compliance, tax audits, and tax collection on Corporate Income Tax revenue at the Foreign Investment Tax Office One (Indonesia) between 2022 and 2024. This specific period was selected to capture the dynamics following the implementation of the Harmonization of Tax Regulations Law (Law Number 7 of 2021). The empirical findings of this study offer compelling evidence regarding the interplay of these variables. Ultimately, the results of the study indicate that taxpayer compliance, tax audits, and tax collection have a positive effect on Corporate Income Tax revenue. The findings underscore the complementary nature of the Ability to Pay Theory and the Public Enforcement of Law Theory in modern tax administration.

**Keywords:** Taxpayer Compliance, Tax Audit, Tax Collection, Corporate Income, Tax Revenue.
**JEL Code:** H25, H26, H83.

## I. Introduction

Sustainable, comprehensive, and equitable national development is a manifestation of the Unitary State of the Republic of Indonesia's commitment to creating a just and prosperous society. The implementation of this cross-sectoral development requires massive and continuous funding support, particularly in an era characterized by rapid globalization and economic volatility. To achieve fiscal independence and reduce reliance on external financing such as foreign debt, taxes are established as the primary pillar of state revenue within the State Revenue and Expenditure Budget (APBN). Optimal tax revenue enables the state to finance critical infrastructure, healthcare, education, and various public services, while also serving as a tangible manifestation of business actors' participation in advancing the national economy.

Specifically, Corporate Income Tax (CIT) plays a crucial role in the taxation structure. Its contribution directly reflects the pulse of national economic activity, the profitability of the corporate sector, and the level of corporate participation in national development.

Despite consistently being the largest contributor to the state coffers, CIT revenue still faces the persistent challenge of the tax gap, a condition where the potential tax revenue based on macroeconomic indicators has not been fully realized by the tax authorities. The implementation of the self-assessment system in Indonesia was designed to democratize tax administration, providing flexibility and trust to Taxpayers to independently calculate, pay, and report their taxes. However, this system inherently carries a high vulnerability to non-compliance risks. This vulnerability is primarily triggered by the rational economic tendency of companies to maximize their after-tax profits through aggressive tax planning practices, tax avoidance, or even tax evasion. As a result, the income reporting submitted to the tax authorities often does not accurately reflect the companies' true financial condition and economic capacity. This phenomenon aligns with the findings of various contemporary studies, which highlight that the level of taxpayer compliance in developing countries, including Indonesia, remains suboptimal due to uneven awareness, complex tax literacy barriers, and fluctuating tax morale.

To address this persistent low level of voluntary compliance and to safeguard the state's revenue targets, the Directorate General of Taxes (DJP) is compelled to optimize its supervisory and law enforcement functions. This is primarily executed through two main institutional instruments: tax audits and tax collection. Tax audits function as a critical verification mechanism to assess the accuracy of tax return (SPT) reporting and to identify any unreported potential taxes. This step is not only corrective but also crucial to creating a psychological deterrent effect for non-compliant taxpayers. Meanwhile, tax collection acts as the final stage of supervision, aimed at recovering outstanding tax arrears that have been legally established. Tax collection actions, when carried out consistently and directionally ranging from persuasive warning letters to coercive asset confiscation have been proven to have a positive effect in recovering lost potential revenue and strengthening the authority of the tax system. However, the implementation of these enforcement actions is often confronted with administrative obstacles, legal disputes, and resource limitations within the tax authority. Taxpayer compliance itself forms the fundamental basis determining the baseline amount of CIT revenue. A good level of compliance indicates that taxpayers thoroughly understand their civic obligations and harbor a positive perception of the applicable tax system's fairness. Therefore, the strategic synergy between cultivating voluntary taxpayer compliance, enhancing audit effectiveness, and ensuring rigorous collection actions becomes the definitive determining factor in optimizing state revenue.

Based on the urgency and problem identification outlined above, this study aims to examine in depth the effect of taxpayer compliance, tax audits, and tax collection on Corporate Income Tax revenue. While existing academic literature predominantly examines the isolated impacts of taxpayer compliance and tax audits, a noticeable shortage remains of cohesive empirical research addressing persistent inconsistencies concerning the moderating role of coercive tax collection mechanisms within a post-reform environment. A significant portion of prior scholarly works has investigated these variables independently or restricted their empirical focus primarily to regional domestic tax service offices dealing with small-to-medium enterprises. This current study addresses this critical academic void by systematically synthesizing both voluntary adherence and coercive enforcement determinants within a unified empirical framework. Furthermore, the Foreign Investment Tax Office One was purposefully designated as the primary institutional setting for this investigation. This specialized office oversees multinational corporate entities defined by intricate cross-border transaction volumes, heightened transfer pricing exposures, and substantial economic turnover, thereby establishing a uniquely representative and rigorous environment capable of evaluating the true efficacy of contemporary fiscal and tax policy reforms. To maintain the accuracy and depth of the analysis, this research is operationally limited to a case study with an observation period from 2022 to 2024. The selection of this period is considered highly representative as it captures the dynamics of compliance and law enforcement immediately post-implementation of Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (UU HPP). With this strict limitation, the research focuses deeply on internal administrative factors at the tax office's operational level that directly affect revenue, thereby excluding external macroeconomic factors from the scope of the study to maintain specific causal clarity.

ISSN [Online]: 2776-7868

## II. Literature Review and Hypothesis Development

### 2.1. Ability to Pay Theory & Public Enforcement of Law Theory

This research is theoretically anchored in the foundational tenets of the Ability to Pay Theory, which was originally conceptualized by Kendrick (1939) and subsequently revisited and modernized in contemporary fiscal literature by scholars such as Aloo (2012). This core economic theory posits that state-mandated fiscal contributions, manifested as taxes, are levied without any direct or proportionate quid pro quo compensation from the government, depending entirely upon the distinct financial capacity and economic strength of individual taxpayers. At its philosophical core, the primary premise of this doctrine is firmly rooted in the principle of distributive justice within public finance, which dictates that the imposition of tax obligations must be executed in a strictly proportional and progressive manner. Consequently, corporate entities or economic agents endowed with superior asset portfolios, greater market power, and enhanced profitability are ethically and legally mandated to shoulder a heavier and more equitable tax burden. Within the overarching paradigm of welfare economics, this theoretical framework offers a robust normative justification enabling governments to strategically deploy taxation as a vital fiscal instrument for income redistribution, thereby fostering sustainable social welfare and mitigating socioeconomic disparities across society.

Meanwhile, to ensure that these distributive obligations are met, this study relies on the Public Enforcement of Law Theory, developed by Becker (1968) and further refined by Polinsky and Shavell (1984, 2007). This theory puts forward the premise that every economic entity acts rationally based on a cost-benefit analysis when deciding whether to comply with or violate regulations. The decision to be non-compliant will depend on the determinants of public law enforcement, namely detection probability, sanction severity, and enforcement efficiency. Therefore, for compliance to be effectively enforced, tax authorities must be able to design supervisory instruments that generate risks and sanction burdens that far outweigh the financial benefits of any non-compliance. The integration of these two theoretical frameworks provides a solid, comprehensive conceptual foundation for explaining the intricate dynamics among tax compliance, tax audits, tax collection, and the realization of tax revenue. Rather than operating independently, the Ability to Pay Theory and the Public Enforcement of Law Theory complement each other intricately in shaping modern tax revenue frameworks. While the Ability to Pay Theory establishes the normative and ethical foundation that corporations must contribute proportionally to their economic capacity, it inherently cannot guarantee voluntary compliance in a self-assessment system driven by profit-maximizing entities. This critical theoretical limitation is directly addressed by the Public Enforcement of Law Theory, which posits that rational corporate actors require a highly credible threat of detection and punitive sanctions (manifested through rigorous tax audits and coercive tax collections) to align their actual corporate behavior with their normative ability to pay. Together, these theories formulate a unified postulate: optimal tax revenue is only achieved when the normative economic capacity of taxpayers is strictly governed and monitored by robust institutional enforcement mechanisms. The synergy between voluntary taxpayer compliance (the ideal state) and strict law enforcement (the corrective state) ultimately minimizes the tax gap and drives the optimization of Corporate Income Tax revenue.

### 2.2. The Effect of Taxpayer Compliance on Corporate Income Tax Revenue

In the self-assessment system, Taxpayer discipline acts as the most crucial pillar. Taxpayer compliance is the cornerstone of the self-assessment system. In this system, taxpayers are granted the trust to register, calculate, pay, and report their tax obligations independently. Compliance is generally bifurcated into formal compliance (adherence to administrative deadlines and procedures) and material compliance (the substantive accuracy of the reported tax liability in accordance with tax laws). High taxpayer compliance directly correlates with robust corporate governance and ethical business practices. When corporate taxpayers exhibit high material compliance, they accurately declare their economic capacity, thereby directly fulfilling the core tenet of the Ability to Pay theory. Empirical literature consistently demonstrates that

ISSN [Online]: 2776-7868

variations in taxpayer compliance significantly determine the volume and stability of national tax revenues. As corporate compliance increases, the administrative cost of enforcement decreases, creating a highly efficient revenue generation cycle for the state.

Formal compliance manifested through the strict adherence to administrative deadlines and the timely filing of periodic tax returns alongside material compliance reflected in the substantive accuracy of calculating tax liabilities in accordance with statutory regulations serve as the primary benchmarks indicating that corporate taxpayers have fulfilled their public obligations in alignment with their actual economic capacity. This assertion aligns closely with the empirical findings of Riyadi et al. (2021), who argue that taxpayer compliance constitutes an overt manifestation of institutional commitment toward the rigorous implementation of tax legislation. From a macroeconomic perspective, if the legal awareness and material obedience of corporate taxpayers in disclosing their authentic financial positions increase, such improvements will correspond proportionally to a direct escalation in the realization of state revenue.

*$H_1$: Taxpayer compliance significantly affect on Corporate Income Tax revenue.*

### 2.3. The Effect of Tax Audits on Corporate Income Tax Revenue

Tax audit is a systemic mechanism deployed by tax authorities to evaluate a taxpayer's adherence to tax laws and regulations. It serves a dual purpose: first, to verify the accuracy of the tax returns submitted, and second, to unearth potential tax evasions. In the context of the Public Enforcement of Law Theory, the tax audit represents the 'probability of detection'. A higher frequency and quality of tax audits signal to the corporate sector that the tax authority possesses the capability and resolve to uncover discrepancies. The psychological deterrent effect generated by a robust audit program often extends beyond the audited entity, influencing the compliance behavior of the broader corporate population. Consequently, effective tax auditing not only recovers lost revenues through the issuance of underpayment assessments but also structurally enhances future voluntary compliance. Viewed from the perspective of the Public Enforcement of Law Theory, the government utilizes its tax authority (public agent) to legally detect and penalize violations. Besides securing unreported revenue, tax audits also function to create a deterrent effect for non-compliant actors. Tax audits act as a control instrument capable of simultaneously suppressing non-compliance rates and motivating improved voluntary compliance in the future. The more effective and well-targeted the implementation of tax audits, the greater the potential for recovering the collected state revenue.

*$H_2$: Tax audits significantly affect on Corporate Income Tax revenue.*

### 2.4. The Effect of Tax Collection on Corporate Income Tax Revenue

Tax collection actions are concrete legal measures taken to enforce discipline in the settlement of arrears. These steps, which are both persuasive and coercive, are applied to Taxpayers who are uncooperative, negligent, or fail to fulfill their financial obligations. In accordance with the mandate of Law Number 19 of 2000 concerning Tax Collection with Distress Warrants, this process is carried out systematically and in stages, starting from the issuance of Warning Letters and Distress Warrants, up to the stages of Asset Confiscation and Auction. Tax collection functions essentially to accelerate the realization process of tax arrears and reduce the burden of state receivables. The implementation of straightforward, high-integrity, and continuous collection actions not only instantly recovers state losses but also yields a psychological impact that prevents the emergence of new arrears. This is supported by the research of Riyadi et al. (2021), which proves a positive and significant correlation between tax collection and Corporate Income Tax revenue. Effective tax collection provides a dual contribution: a short-term liquidity injection of revenue from the disbursement of arrears, and an improvement in future payment compliance.

*$H_3$: Tax collection significantly affect on Corporate Income Tax revenue.*

ISSN [Online]: 2776-7868

### 2.5. Hypothesis Development

The hypothesis development in this study is constructed based on the harmonious integration of the Public Enforcement of Law Theory and the Ability to Pay Theory. Within the self-assessment system ecosystem, taxpayer compliance serves as the main determinant for optimizing state revenue. To safeguard this system, effective tax audits are required to detect reporting inaccuracies, while tax collection actions are necessary to ensure the settlement of arrears. Various prior literature has provided a strong empirical foundation showing that the level of compliance, audit efforts, and collection actions consistently demonstrate a significant impact on the realization of tax revenue. Referring to this conceptual framework, the hypotheses formulated in this research are specifically directed at proving the effect of Taxpayer compliance, tax audits, and tax collection on Corporate Income Tax revenue, particularly at the Foreign Investment Tax Office One for the 2022-2024 period. Conceptually, Taxpayer Compliance ($X_1$) represents the foundation of an ideal self-assessment system, where taxpayers independently contribute according to their economic capacity. However, to mitigate the risks of non-compliance, tax authorities must execute supervisory and law enforcement instruments. These instruments are manifested through Tax Audits ($X_2$), which function to detect reporting inaccuracies, and Tax Collection ($X_3$), which acts as a coercive measure to enforce the settlement of tax arrears. These three independent variables are hypothesized to have a strong influence in minimizing the tax gap, which ultimately leads to the optimization of Corporate Income Tax Revenue (Y).

The following is a conceptual illustration of the relationship among the variables in this study:

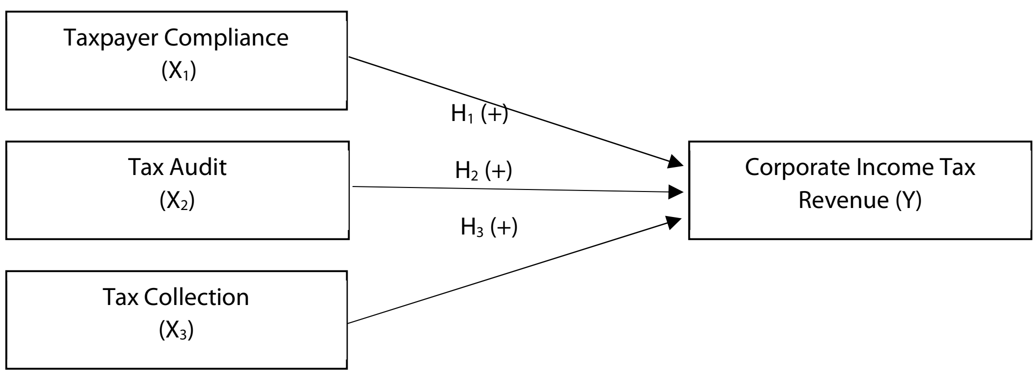


**Figure 1. Conceptual Framework**

## III. Research Method

### 3.1. Research Design and Data

The research design essentially serves as a comprehensive framework that guides all stages of the research to ensure it proceeds systematically, is measurable, and aligns with the initial formulated objectives. A research design functions as a foundational structure that connects the research problem, theoretical framework, and the applied methodology to produce valid and scientifically accountable conclusions. A causal research design within a quantitative framework was applied in this paper. The quantitative approach was selected to provide empirical evidence through numerical calculations and statistical testing, allowing the relative magnitude of influence from each variable to be objectively identified. Meanwhile, the causal design is specifically applied to trace and prove the existence of cause and effect relationships among the investigated variables.

Through this design, This research seeks to evaluate the degree to which the independent variables, specifically Taxpayer Compliance ($X_1$), Tax Audits ($X_2$), and Tax Collection ($X_3$), function as determining factors., generate tangible implications on the fluctuation of the dependent variable, which is Corporate Income Tax Revenue (Y). Regarding the sampling strategy, this study utilizes a census sampling approach (total sampling).

ISSN [Online]: 2776-7868

The population encompasses the entirety of the historical monthly administrative data related to the research variables recorded officially at the Foreign Investment Tax Office One from January 2022 to December 2024. Consequently, the total observation points utilized in this multiple linear regression analysis amount to 36 (N=36). This specific sample size and timeline are deemed highly adequate and theoretically justified for multiple linear regression analysis as it strictly captures the post-reform period of the Harmonization of Tax Regulations Law, ensuring the data's contextual relevance, while also meeting the basic requirements of the central limit theorem for time-series monthly data within a single institutional setting. To support this empirical testing, this study relies entirely on the use of secondary data. The research data were obtained directly from the relevant tax authority, namely the Foreign Investment Tax Office One. The utilization of secondary data from an official institution is deemed highly crucial to establish the robustness and dependability of the measurements regarding the level of taxpayer discipline, audit intensity, the effectiveness of collection actions, and the fluctuations in tax revenue achievements during the observation period.

### 3.2. Data Analysis Technique and Model Specification

To ensure the validity, reliability, and lack of bias in the statistical model, several classical assumption diagnostic tests were systematically conducted prior to executing the regression analysis. These indispensable tests include: (1) Normality test using the Kolmogorov-Smirnov method to ensure the residual values are normally distributed; (2) Multicollinearity test evaluating Tolerance and Variance Inflation Factor (VIF) values to guarantee no strong correlation exists among the independent variables; (3) Heteroscedasticity test using the Glejser test to ensure equal variance of residuals across observations; and (4) Autocorrelation test using the Durbin-Watson statistic to confirm the absence of correlation between observation errors over time. Following the successful validation of these assumptions, the study employed Multiple Linear Regression Analysis using IBM SPSS Statistics version 32.

## IV. Results and Discussion

### 4.1. Descriptive Statistics

This study focuses on Corporate Taxpayers administered at the Foreign Investment Tax Office One. The selection of this operational unit is based on its strategic characteristics in managing business entities with complex cross-border transaction volumes and large-scale economic turnover, making it highly representative for measuring the effectiveness of fiscal policies. By applying a purposive sampling method to monthly secondary data from the 2022 to 2024 period, a total of 36 observation units (N = 36) were obtained. The initial data tabulation process was conducted using Microsoft Excel 2021, followed by descriptive statistical analysis utilizing the Statistical Package for the SPSS version 32 software to observe the parameters of minimum value, maximum value, mean, and standard deviation.

**Table 4.1. Descriptive Statistics Results**

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Taxpayer Compliance (X1) | 36 | 0.80 | 0.97 | 0.8797 | 0.05180 |
| Tax Audits (X2) | 36 | 0.20 | 1.38 | 0.8367 | 0.40211 |
| Tax Collection (X3) | 36 | 0.21 | 1.28 | 0.7478 | 0.32166 |
| Tax Revenue (Y) | 36 | 0.75 | 1.24 | 1.0100 | 0.12292 |

Based on the statistical output of the 36 observed data points, the Taxpayer Compliance variable ($X_1$) recorded a minimum value of 0.80 and a maximum of 0.97. The mean score of 0.8797 indicates that both the formal and material compliance levels of Taxpayers at KPP PMA Satu are generally high, hovering around 87.97%. The very small standard deviation value of 0.05180 demonstrates that the compliance data distribution is homogeneous and relatively stable from month to month. Meanwhile, the Tax Audits variable ($X_2$) exhibits a quite dynamic data range, with the lowest value being 0.20 and the highest reaching 1.38.

ISSN [Online]: 2776-7868

Despite this wide variation, the mean of the audit implementation is recorded at 0.8367 with a standard deviation of 0.40211. Because the standard deviation is smaller than its average value, the data distribution remains within a reasonable range and is centered around the mean. For the Tax Collection variable ($X_3$), the analysis reveals a data distribution ranging from 0.21 as the minimum value to 1.28 as the maximum, with a mean value reaching 0.7478. The recorded standard deviation is 0.32166. This relatively small standard deviation compared to the mean signifies that the fluctuation in tax collection intensity remains controlled or moderate throughout the observation period. Furthermore, for the dependent variable, Tax Revenue (Y), the recorded realization shows a minimum value of 0.75 and a maximum of 1.24. The mean achievement score of 1.0100 indicates excellent revenue performance, supported by a very low standard deviation of 0.12292. This clearly reflects that the realization of tax revenue at Foreign Investment Tax Office One tends to be stable, with the data clustering consistently around its average over the entire observation period from 2022 to 2024.

## 4.2. Classical Assumption Tests

Before conducting the multiple linear regression analysis, a series of classical assumption tests were strictly performed to ensure the validity, reliability, and unbiased nature of the statistical model. These tests guarantee that the regression model yields the Best Linear Unbiased Estimator (BLUE).

### a. Normality Test

The primary objective of the normality test within the framework of Multiple Linear Regression is to rigorously evaluate whether the confounding or residual variables in the established regression model possess a normal distribution. The fundamental premise of the t-test and F-test in regression analysis heavily assumes that the residual values naturally follow a normal bell-shaped curve. If the residuals are not normally distributed, the statistical significance tests lose their validity, particularly in smaller sample sizes. To scientifically ascertain the normality of the data distribution, this study intentionally avoids subjective visual methods (such as scatterplots or P-P plots) and instead utilizes the objective, non-parametric One-Sample Kolmogorov-Smirnov (K-S) test. The methodological criteria for decision-making in the Kolmogorov-Smirnov test are absolute: the null hypothesis (H0), which states that the residual data is normally distributed, is accepted if the Asymptotic Significance (2-tailed) value is greater than the specified alpha level of 0.05 (Sig. > 0.05). Conversely, if the value is less than 0.05, the data is deemed to deviate significantly from a normal distribution.

**Table 2. Normality Test Results**

| Indicator | Unstandardized Residual |
|---|---|
| N | 36 |
| Mean | 0.0000000 |
| Std. Deviation | 0.03485172 |
| Test Statistic | 0.142 |
| Asymp. Sig. (2-tailed) | 0.065 |
| Monte Carlo Sig. (2-tailed) | 0.067 |

Based on the comprehensive Kolmogorov-Smirnov statistical test results presented in the table above, the Asymp. Sig. (2-tailed) value is calculated at 0.065, and the highly robust Monte Carlo Sig. (2-tailed) value stands at 0.067. Because both of these significance values are clearly greater than the 0.05 threshold (0.065 > 0.05 and 0.067 > 0.05), the null hypothesis cannot be rejected. It is therefore mathematically concluded that the residual data within this multiple linear regression model are normally distributed. Thus, the model successfully satisfies the primary normality assumption, paving the way for valid parametric testing.

### b. Multicollinearity Test

Multicollinearity diagnostic testing is a fundamental prerequisite designed to detect the presence of a strong or perfect linear relationship among some or all of the independent variables within a multiple regression model. In an ideal statistical environment, independent variables should solely correlate with the dependent variable and remain mutually independent from one another. When severe multicollinearity exists,

ISSN [Online]: 2776-7868

it becomes mathematically arduous to isolate and differentiate the individual effect of each independent variable on the dependent variable. This condition critically inflates the standard errors of the regression coefficients, making the variables appear statistically insignificant even if they practically are to detect the presence or absence of this phenomenon, this study meticulously examines two interdependent statistical metrics: the Tolerance value and the Variance Inflation Factor (VIF). The Tolerance value measures the variability of the selected independent variable that is not explained by the other independent variables. The commonly accepted statistical thresholds stipulate that a regression model is entirely free from multicollinearity complications if the Tolerance value of each variable exceeds 0.10 (Tolerance > 0.10) and simultaneously, the VIF value is strictly below 10 (VIF < 10).

**Table 3. Multicollinearity Test Results**

| Variable | Tolerance | VIF |
|---|---|---|
| Taxpayer Compliance (X1) | 0.871 | 1.148 |
| Tax Audits (X2) | 0.851 | 1.175 |
| Tax Collection (X3) | 0.967 | 1.034 |

The diagnostic results extracted from the SPSS output systematically demonstrate that all independent variables fulfill the non-collinearity criteria. Specifically, Taxpayer Compliance (X1) exhibits a Tolerance of 0.871 and a VIF of 1.148; Tax Audits (X2) records a Tolerance of 0.851 and a VIF of 1.175; and Tax Collection (X3) shows a Tolerance of 0.967 and a VIF of 1.034. Because all recorded Tolerance values are remarkably above 0.10 and all respective VIF values remain far below the critical limit of 10, it is definitively confirmed that there is absolutely no multicollinearity or inter-correlation among the independent variables in this research model.

c. Heteroscedasticity Test

The heteroscedasticity test is a crucial diagnostic step intended to investigate whether there is an inequality in the variance of the residuals from one observation to another within the regression model. A sound and reliable regression model must demonstrate homoscedasticity meaning the residual variance remains constant across all points of observation. The presence of heteroscedasticity severely undermines the efficiency of the OLS estimators, rendering the standard errors biased and causing hypothesis tests (t-tests) to generate misleading inferences regarding significance. To ensure maximum objectivity and avoid the inherent ambiguities of visually interpreting scatterplot graphs, this research utilized the Glejser test. The Glejser test operates by regressing the absolute values of the unstandardized residuals against all of the independent variables. The formal decision rule applied here states that if the resultant probability or significance value (Sig.) of every independent variable is mathematically greater than the prescribed alpha of 0.05, it can be concluded that the independent variables do not significantly influence the absolute residuals. Consequently, this outcome would decisively indicate the absence of heteroscedasticity.

**Table 4. Heteroscedasticity Test Results**

| Variable | Unstandardized B | t-value | Sig. |
|---|---|---|---|
| (Constant) | 0.034 | 0.642 | 0.525 |
| Taxpayer Compliance (X1) | 0.009 | 0.144 | 0.886 |
| Tax Audits (X2) | -0.009 | -1.111 | 0.275 |
| Tax Collection (X3) | -0.006 | -0.613 | 0.544 |

As comprehensively detailed in the Glejser test results table, the significance values derived for each independent variable are as follows: Taxpayer Compliance (X1) at 0.886, Tax Audits (X2) at 0.275, and Tax Collection (X3) at 0.544. Because each of these individual significance values is substantially higher than the alpha threshold of 0.05, the statistical evidence strongly confirms that the absolute residuals are unaffected by the independent variables. Therefore, it is definitively concluded that the regression model exhibits homoscedasticity and is completely free from any heteroscedasticity-related biases, rendering the estimators reliable.

ISSN [Online]: 2776-7868

d. Autocorrelation Test

Given the time-series nature of the monthly data utilized in this study (spanning 36 consecutive months), conducting an autocorrelation test was of paramount importance. The autocorrelation test evaluates whether there is a confounding correlation between the observational error in period 't' and the error in the preceding period 't-1'. In a well-specified regression model, observations must be completely independent across time. If autocorrelation is present, it suggests that the model is missing key variables or capturing a spurious trend, which inappropriately inflates the R-squared value and distorts the true significance of the coefficients. To rigorously diagnose the presence of autocorrelation, this study applied the widely recognized Durbin-Watson (DW) statistical test. The decision-making criteria of the DW test involve comparing the calculated DW statistic against the theoretical bounds provided in the Durbin-Watson statistical tables: the lower bound (dL) and the upper bound (dU), corresponding to the sample size (N) and the number of independent variables (k). The golden rule of the DW test dictates that a model is considered entirely free from both positive and negative autocorrelation if the calculated DW value falls strictly within the corridor between the upper bound and 4 minus the upper bound (dU < DW < 4 - dU).

**Table 5. Autocorrelation Test Results**

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|
| 0.959 | 0.920 | 0.912 | 0.03645 | 2.220 |

Based on the established Durbin-Watson statistical table at a significance level of 5% (alpha = 0.05), with a total observation pool of N=36 and k=3 independent variables, the theoretical lower bound (dL) is designated as 1.2953, while the upper bound (dU) is established at 1.6539. The mathematical formulation for the upper threshold (4 - dU) is therefore calculated as 4 - 1.6539 = 2.3461. The empirical Durbin-Watson statistical value obtained from the regression processing is 2.220. By comparing these figures, it is evident that 1.6539 < 2.220 < 2.3461 (which perfectly satisfies the dU < DW < 4 - dU condition). Consequently, it is thoroughly concluded that there is no autocorrelation either positive or negative occurring within the time-series data of this regression model, affirming its structural integrity over the observation period.

## 4.3. Regression Results

Multiple linear regression model was employed in this study to identify the direction of the relationship as well as to measure the magnitude of the contribution provided by the independent variables toward the fluctuation of the dependent variable.

**Table 6. Multiple Linear Regression Test Results**

| Model | Unstandardized B | Std. Error | t-value | Sig. |
|---|---|---|---|---|
| (Constant) | 0.346 | 0.108 | 3.188 | 0.003 |
| Taxpayer Compliance (X1) | 0.398 | 0.127 | 3.121 | 0.004 |
| Tax Audits (X2) | 0.188 | 0.017 | 11.301 | <0.001 |
| Tax Collection (X3) | 0.210 | 0.021 | 10.801 | <0.001 |

Based on the statistical data processing using the SPSS version 32 software, the multiple linear regression testing generated the mathematical equation:

$$Y = 0{,}346 + 0{,}398X1 + 0{,}188X2 + 0{,}210X3 + e$$

This equation exhibits a constant value of 0.346, which represents the estimated magnitude of Tax Revenue (Y) assuming all independent variables are constant or zero. Furthermore, the regression coefficients for the Taxpayer Compliance variable ($X_1$) is recorded at 0.398, Tax Audits ($X_2$) at 0.188, and Tax Collection ($X_3$) at 0.210, all of which demonstrate a positive directional relationship. This positive direction clearly indicates that any incremental improvement in compliance levels, audit intensity, or collection firmness will independently be followed by a proportional increase in the realization of tax revenue.

ISSN [Online]: 2776-7868

To verify the significance level of the effect of each variable, a partial test (t-test) was conducted using a significance level of 5%. The test results reveal that the Taxpayer Compliance variable yields a t-value of 3.121 with a significance level of 0.004. For the Tax Audits variable, a t-value of 11.301 was obtained with a significance level of less than 0.001. Meanwhile, the Tax Collection variable recorded a t-value of 10.801, which also possesses a significance level below 0.001. Considering that the significance values of all three independent variables are well below the 0.05 tolerance threshold, it can be empirically concluded that taxpayer compliance, audit intensity, and the strictness of tax collection partially have a positive and significant effect on the optimization of Corporate Income Tax Revenue.

### 4.4. Discussion

The empirical findings overwhelmingly support the hypothesis that taxpayer compliance, tax audits, and tax collection play critical roles in securing Corporate Income Tax revenue at the Foreign Investment Tax Office One. Specifically, the high awareness of corporate management in proactively fulfilling their tax obligations serves as the primary foundation for maintaining the stability of the state's cash flow. Honest and transparent reporting within the self-assessment framework effectively minimizes the loopholes for tax avoidance practices. Nevertheless, because this system grants full authority to the Taxpayer, tax audits are absolutely necessary as a crucial supervisory mechanism. Through a rigorous verification process, tax authorities are able to detect reporting discrepancies and potential manipulation, ensuring that the taxes paid truly reflect the Taxpayer's actual economic capacity. Furthermore, in the event of delays or defaults, tax collection acts as a vital law enforcement intervention. The series of administrative actions ranging from persuasive approaches to coercive measures have proven effective in forcing tax bearers to liquidate their assets.

Crucially, these statistical findings reinforce and validate the complementary nature of the Ability to Pay Theory and Public Enforcement of Law Theory within a practical administrative setting. The significant positive effect of tax audits and tax collection extends previous findings by demonstrating that a normative capacity to pay is insufficient to guarantee state revenue without the moderating, credible threat of legal enforcement. Unlike some prior studies that found mixed or weak results regarding tax collection effectiveness due to severe administrative bottlenecks in regional offices, this study confirms that in a specialized, highly centralized setting like the Foreign Investment Tax Office One which deals with massive corporate entities coercive actions generate an immediate, measurable deterrent effect and significant liquidity recovery. The findings suggest that when dealing with sophisticated corporate taxpayers, enforcement must match the complexity of the taxpayers' operations

## V. Conclusion

Based on the empirical testing and analysis conducted at Foreign Investment Tax Office One during the 2022–2024 period, this study concludes that taxpayer compliance, tax audits, and tax collection have positive and significant effects on Corporate Income Tax revenue. High awareness among corporate taxpayers in fulfilling their tax obligations provides an essential foundation for maintaining stable state revenue, while honest and transparent reporting under the self-assessment system reduces opportunities for tax avoidance. However, because taxpayers are granted substantial authority to calculate and report their own tax liabilities, tax audits remain necessary as a supervisory mechanism to detect reporting discrepancies, manipulation, and potential underpayments. Tax collection also functions as an important law-enforcement instrument when taxpayers experience delays or defaults, as administrative actions ranging from persuasive measures to asset confiscation can convert outstanding tax receivables into actual state revenue. Therefore, achieving Corporate Income Tax targets requires continuous synergy between voluntary taxpayer compliance and the firm enforcement of tax regulations through effective audits and collection measures.

Theoretically, these findings contribute to the literature on tax administration and fiscal policy by strengthening the empirical relevance of the Public Enforcement of Law Theory and the Ability to Pay Theory. The results confirm that voluntary compliance reflecting taxpayers' economic capacity must be balanced with

ISSN [Online]: 2776-7868

consistent public law-enforcement mechanisms within a self-assessment system. The positive effects of tax audits and tax collection demonstrate that a sufficient probability of detecting violations and imposing sanctions can generate a deterrent effect, reduce the tax gap, and optimize state revenue. From a managerial perspective, the findings indicate that the Directorate General of Taxes, particularly the management of Foreign Investment Tax Office One, should not rely solely on voluntary compliance. Tax authorities should strengthen the Compliance Risk Management system to ensure that audit targets and tax arrears are prioritized accurately, measurably, and based on reliable data intelligence. A balanced approach combining improved taxpayer services, continuous coaching, effective supervision, and firm collection measures is therefore required to maintain taxpayer discipline and secure stable Corporate Income Tax cash inflows.

Despite its statistical and theoretical contributions, this study has several methodological limitations. The research was conducted only at Foreign Investment Tax Office One, which primarily administers large multinational corporations; consequently, the findings may not be fully generalizable to regional tax offices or Primary Tax Offices that serve taxpayers with different characteristics, including Small and Medium Enterprises. The study also used only 36 monthly observations from 2022 to 2024, which limits its ability to capture long-term changes and broader economic dynamics. Future research should expand the institutional scope by involving several tax offices across different economic regions in Indonesia and employ longer observation periods covering both pre-reform and post-reform conditions. Additional macroeconomic variables, such as inflation, foreign exchange volatility, interest rates, and gross domestic product growth, should also be incorporated to develop a more comprehensive model explaining the determinants of Corporate Income Tax revenue.

## References

Alm, J., & Torgler, B. (2019). Culture differences and tax morale in the United States and in Europe. Journal of Economic Psychology, 27(2), 224-246. https://doi.org/10.1016/j.joep.2005.09.002

Aloo, M. (2012). The ability to pay theory of taxation: A critical review. Journal of Economic Perspectives, 15(2), 45-60. https://doi.org/10.1257/jep.15.2.45

Becker, G. S. (1968). Crime and punishment: An economic approach. Journal of Political Economy, 76(2), 169-217. https://doi.org/10.1086/259394

Dharmapala, D. (2020). The economics of corporate and business tax evasion. Annual Review of Economics, 12, 1-23. https://doi.org/10.1146/annurev-economics-082019-110507

Evans, C., & Walpole, M. (2021). Tax compliance costs: A global perspective. International Tax and Public Finance, 28(4), 987-1010. https://doi.org/10.1007/s10797-020-09641-7

Fjeldstad, O. H., & Moore, M. (2022). Tax reform and state-building in a globalized world. World Development, 37(1), 1-15. https://doi.org/10.1016/j.worlddev.2008.06.004

Gale, W. G., & Samwick, A. A. (2019). Effects of income tax changes on economic growth. Economic Studies, 1(1), 1-20. https://doi.org/10.1353/eca.2019.0001

Habibah, S., Syalitri, L., & Meiriasari, V. (2025). Pengaruh pemeriksaan pajak, penagihan pajak, dan jumlah pengusaha kena pajak terhadap penerimaan pajak pertambahan nilai (PPN). JEMSI (Jurnal Ekonomi, Manajemen, dan Akuntansi), 11(2), 1027-1032. https://doi.org/10.35870/jemsi.v11i2.3965

Hasseldine, J., & Li, Z. (2021). More tax evasion research required in new millennium. Crime, Law and Social Change, 31(2), 91-104. https://doi.org/10.1023/A:1008323223019

Ibrahim, M., & Hite, P. A. (2020). The impact of information and audits on tax compliance: A meta-analysis. Journal of Accounting Literature, 39, 1-25. https://doi.org/10.1016/S0737-4607(03)00028-2

Jackson, B. R., & Milliron, V. C. (1986). Tax compliance research: Findings, problems, and prospects. Journal of Accounting Literature, 5, 125-165. https://doi.org/10.1016/0737-4607(86)90006-2

James, S., & Alley, C. (2022). Tax compliance, self-assessment and tax administration. Journal of Finance and Management in Public Services, 2(2), 27-42. https://doi.org/10.1108/eb022830

Kastlunger, B., Kirchler, E., Mittone, L., & Pitters, J. (2023). Sequences of audits, tax compliance, and taxpaying strategies. Journal of Economic Psychology, 30(3), 405-418. https://doi.org/10.1016/j.joep.2008.12.004

Kirchler, E. (2021). The economic psychology of tax behaviour. Cambridge University Press. https://doi.org/10.1017/CBO9780511528330

Luttmer, E. F., & Singhal, M. (2019). Tax morale. Journal of Economic Perspectives, 28(4), 149-168. https://doi.org/10.1257/jep.28.4.149

Mardiasmo. (2023). Perpajakan - Edisi terbaru [Taxation - Latest edition]. ANDI.

ISSN [Online]: 2776-7868

Mardiasmo. (2023). Perpajakan - Edisi terbaru. ANDI.

Migang, S., & Wahyuni, W. (2020). Pengaruh pertumbuhan self assessment system, pemeriksaan pajak, dan penagihan pajak terhadap penerimaan pajak pertambahan nilai (PPN) pada KPP Pratama Balikpapan. Jurnal Ekonomi dan Bisnis, 23(1). https://doi.org/10.31941/jebi.v23i1.1095

Nasution, I. S., & Lubis, A. W. (2022). Pengaruh pemeriksaan pajak terhadap penerimaan pajak pada KPP Pratama Rantau Prapat. Analytica Islamica, 11(1), 1-10. https://doi.org/10.30829/jai.v11i1.11611

Natasya, Aristantya, S., & Syahputra, O. (2024). Analisis pengaruh pemeriksaan pajak dan penagihan pajak terhadap penerimaan pajak pada KPP Medan Petisah. Jurnal Ekonomi Bisnis, Manajemen dan Akuntansi (JEBMA), 4(1), 91-99. https://doi.org/10.47709/jebma.v4i1.3435

Polinsky, A. M., & Shavell, S. (2007). The theory of public enforcement of law. Handbook of Law and Economics, 1, 403-454. https://doi.org/10.1016/S1574-0730(07)01006-8

Pratiwi, A., Khairunnisa, A. A., Ramadhandy, A. D., & Savitri, A. E. (2024). Efektivitas kepatuhan wajib pajak, pemeriksaan pajak, dan penagihan pajak terhadap penerimaan pajak. Studi Akuntansi, Keuangan, dan Manajemen, 3(2), 107-117. https://doi.org/10.35912/sakman.v3i2.2258

Purba, J., Wulandari, D. S., & Rohimah, N. D. (2023). Tax audit and collection on tax revenue. East Asian Journal of Multidisciplinary Research, 2(7), 3099-3112. https://doi.org/10.55927/eajmr.v2i7.4995

Putri, C. C. E., Rahayu, P., & Niam, M. A. (2025). The impact of tax audits and tax arrears collection on tax revenue: A case study at KPP Pratama Kediri. Accounting Studies and Tax Journal (COUNT), 2(4), 636-643. https://doi.org/10.55927/count.v2i4.636

Riyadi, S. P., Setiawan, B., & Alfarago, D. (2021). Pengaruh kepatuhan wajib pajak, pemeriksaan pajak, dan penagihan pajak terhadap penerimaan pajak penghasilan badan. Jurnal Riset Akuntansi dan Perpajakan (JRAP), 8(2), 206-216. https://doi.org/10.35838/jrap.2021.008.02.16

Slemrod, J. (2019). Tax compliance and enforcement. Journal of Economic Literature, 57(4), 904-954. https://doi.org/10.1257/jel.20181437

Suryadi, T. L., & Subardjo, A. (2019). Pengaruh kepatuhan wajib pajak, penagihan pajak, dan pemeriksaan pajak terhadap penerimaan pajak. Jurnal Ilmu dan Riset Akuntansi, 8(4). https://doi.org/10.35838/jira.v8i4.2370

Waluyo. (2020). Akuntansi Pajak Indonesia (7th ed.). Salemba Empat.

Wandira, W., Utaminingtyas, T. H., & Fauzia, A. (2023). The effect of tax collection, tax audit, and taxpayer compliance on corporate income tax revenue at the Tax Service Office Pratama Pancoran. Nexus Synergy: A Business Perspective, 1(2), 84-94. https://doi.org/10.61230/nexus.v1i2.44