

# INCREASING TAX LITERACY OF YOUTH ORGANIZATION (KARANG TARUNA) THROUGH SOCIALIZATION ON THE IMPORTANCE OF TAX COMPLIANCE AND IMPLEMENTATION

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## ABSTRACT

This study evaluates and enhances the tax literacy index among youth organization (Karang Taruna) members in RW.004, Pondok Ronggon Village, East Jakarta. Adopting a community participatory action research methodology, the intervention implemented systematic approaches consisting of preliminary surveys, structured training with localized digital curriculum, hands-on e-billing and e-filing simulation clinics, and interactive focus group evaluation sessions. The primary data collected via pre-test and post-test instruments indicated a substantial lack of initial understanding regarding compliance mechanisms, predominantly driven by administrative anxieties and a profound psychological disconnect regarding fiscal redistribution. Following the comprehensive socialization framework, empirical outcomes revealed an expansive paradigm shift: members demonstrated heightened capabilities in parsing complex tax classifications, calculating basic self-assessed liabilities, and successfully managing online tax instruments. Consequently, bridging the tax literacy gaps within Generation Z accelerates macro-economic integration and cultivates sustainable public compliance patterns (Meylita et al., 2025., Zega et al., 2024). This programmatic intervention provides a foundational benchmark model for scalable civic fiscal education strategies across national emerging urban demographics.

**Keywords:** Community Outreach, Digitalization, Generation Z, Tax Awareness, Tax Literacy

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## 1. INTRODUCTION

Taxes constitute the primary pillar of national development as well as a fiscal policy instrument that plays a crucial role in supporting the state budget (Rahayu, 2023; Sultan & Tirtayasa, 2024). In accordance with the mandate of law Number 28 of 2007 concerning the Third Amendment to law Number 6 of 1983 concerning General Provisions and Tax Procedures Article 1 paragraph (1), tax is rigidly defined as a mandatory contribution to the state owed by

individuals or entities that is coercive based on the Law, without receiving direct compensation and used for state purposes for the greatest prosperity of the people. Based on this legal formulation, the manifestation of revenue from the taxation sector is allocated macroeconomically to finance public facilities, maintain economic stability, and stimulate growth in strategic sectors for the collective welfare of society. Although the significance of taxes toward budgetary sovereignty is very high, empirical reality in the field indicates a structural constraint in the form of a wide tax literacy gap among the general public (Pane & Rachman, 2024). Tax literacy itself is comprehensively defined as an individual's cognitive capacity to understand, analyze, and implement basic tax provisions, regulative and budget functions of taxes, the prevailing collection system, and the classification of types of tax objects and subjects. This low understanding triggers public skepticism and administrative resistance, where taxes are frequently viewed pejoratively as a unilateral financial burden from state authorities, rather than a long-term social investment instrument (Akuntansi et al., 2023; Kepatuhan et al., 2024).

The phenomenon of low tax literacy is clearly identified within the youth community of Karang Taruna RW.004, Pondok Ranggon Village. As part of the Generation Z demographic transitioning into productive age and transforming into potential taxpayers, the members of Karang Taruna in this region face a dilemma. Based on preliminary observations, most youth have actually been exposed to information regarding the existence of tax administration. However, this level of understanding remains merely at a superficial theoretical state. There is a strong indication of apathy and reluctance to fulfill real obligations such as obtaining a Taxpayer Identification Number (NPWP) and reporting the Annual Income Tax Return (SPT) independently. This occurs because they perceive the tax bureaucracy system as overly complex and intimidating.

The urgency of executing this community service program and writing this scientific article rests upon the pressing need to prepare a younger generation responsive to the dynamics of the digital fiscal economy (Zega et al., 2024; Norhasmah et al., 2025). In a modern era where tax authorities enforce digital-based reporting systems, an understanding of tax literacy obtained through non-formal education becomes a necessity to build a compliant and independent taxpayer base (Kesadaran et al., 2023; Ryantini et al., 2022). Therefore, integrated socialization activities targeting the strengthening of literacy and tax compliance at the local level of Karang Taruna RW.004 Pondok Ranggon possess high academic and practical urgency for deeper analysis, in order to formulate effective fiscal education models for urban communities (Sulistiyowati et al., 2025).

## 2. LITERATURE REVIEW

Strengthening tax literacy within the landscape of economic sociology serves as a major driver for voluntary compliance behavior modifications among taxpayers (Akuntansi et al., 2023). In a fiscal ecosystem, a comprehensive understanding of tax rights and obligations can dismantle the public's psychological walls of hesitation (Akun et al., 2021). When taxpayers

comprehend the flow of state income redistribution-where tax money is reallocated in the form of social protection, connectivity infrastructure development, healthcare services, and education sector subsidies-then tax awareness will shift from a forced obligation into a legitimate form of civic responsibility (Ermadiani et al., 2026; Azward et al., n.d.).

//, the implementation of equitable tax collection must refer to the classical principles formulated by Adam Smith in his monumental book, *An Inquiry into the Nature and Causes of the Wealth of Nations*. The principles known as the Four Maxims encompass four main pillars:

1. **Equity Principle:** The tax burden among citizens should be levied in proportion to their respective economic abilities (ability to pay). State authorities are prohibited from conducting regulatory discrimination, so that higher-income groups contribute proportionally more to support social equality (Artikel & Online, 2024).
2. **Certainty Principle:** All collection components encompassing subjects, objects, rates, and payment procedures must be explicitly regulated based on clear statutory legal frameworks. This is crucial so as not to trigger multiple interpretations, abuse of authority by fiscal apparatus, or administrative confusion on the part of the taxpayer (Kesadaran et al., 2016).
3. **Convenience of Payment Principle:** Taxes should be collected at the most conducive momentum that facilitates the taxpayer (pay as you earn). for instance, deductions are carried out when the taxpayer receives income or business profits, so as not to cause shocks to personal cash flow (Penerapan et al., 2018).
4. **Economy Principle:** The proportion of costs incurred to administer and collect taxes must be pressed as small as possible. The collection costs must not distort or exceed the total volume of state treasury revenue successfully gathered, and must not stifle the productivity of the business world.

In Indonesia, the shift in the collection paradigm from the Official Assessment System (where the fiscal authority actively determines tax debt) to the Self Assessment System since the tax reform of 1983 brought massive logical consequences (Rahayu, 2023). The Self Assessment System grants full trust, authority, and absolute responsibility to taxpayers to calculate, reckon, deposit, and report their own amount of tax owed independently in accordance with the prevailing laws and regulations. The primary characteristic of this system demands the availability of a tax-minded society (tax-minded people). If the national tax literacy index is at a low level, systemic failures in the form of tax avoidance and tax evasion will widely manifest, rendering the target for state treasury revenue suboptimal (Nursabrina, 2024; No et al., 2025).

### 3. METHODS

This community service program, integrated with analytical descriptive research, was executed utilizing a participatory action research method focusing on a problem-solving-based educational approach in the field. The primary intervention subjects in this program were the

youths incorporated within the membership of Karang Taruna RW.004, Pondok Ranggon Village, Cipayung District, East Jakarta City. The activity methodology flow was strictly, gradually, and comprehensively designed through a scheme encompassing the stages of Preparation, Implementation of Activities, and Final Evaluation to ensure full clarity of the program flow.

1. **Preparation Stage:** The initial step was manifested through empirical field observations to map the socio-economic characteristics of the area as well as the youths' initial understanding level regarding taxation issues. During this phase, the implementation team executed formal bureaucratic licensing processes and face-to-face audiences with the Chairman of RW 004, Pondok Ranggon Village. After securing the legality of the activity, the team drafted a tactical work plan, scheduled the time and venue for implementation, and formulated a tax education module simplified to match the characteristics of Generation Z.
2. **Activity Implementation Stage:** This operational phase blended theoretical delivery methods, focus group discussions, and direct technical simulations. The team identified foundational constraints faced by residents, then presented essential materials using structured visual presentation media (PowerPoint). The delivered materials encompassed an introduction to the fundamental functions of taxes for the state, classification of central and local taxes, the urgency of possessing an NPWP in the digital era (Pendidikan & Vol, 2019), and guidelines for utilizing modern tax administration applications. Subsequently, participants were requested to complete structured questionnaire forms to measure their psychological responses and practical comprehension levels.
3. **Evaluation Stage:** This closing stage was directed toward conducting real-time monitoring throughout the socialization activity. The evaluation focused on assessing the quality of Q&A interactions, participant activity levels, field operational constraints, and analyzing written feedback from the completed questionnaires. All gathered data were then descriptively analyzed to formulate scientific conclusions and compile a draft of sustainable follow-up action plan (RTL) recommendations for stakeholders.

#### 4. RESULTS AND DISCUSSION

The execution of this community service activity was conducted face-to-face, located at the residence of a local community leader within RW.004, Pondok Ranggon Village. Based on empirical data gathered during initial interviews and pre-activity observations, a sociological profile revealed that the comprehension of most Karang Taruna youths regarding tax procedures was minimal (Putri et al., 2023). This condition was exacerbated by psychological barriers consisting of anxiety toward financial penalty sanctions, a negative stigma that Indonesian tax bureaucracy is overly convoluted, and a false assumption that taxation matters are merely secondary needs for high-income communities (Hidayat & Wati, 2022).

To present comprehensive data regarding the program's progression, the following table details the classification of socialization materials and the identification of audience responses during the educational intervention in the field:

Table 1

| No. | Stage & Material Component                                                                         | Delivery Approach Method                                                                                                         | Response Indicators & Participant Dynamics                                                                                                           |
|-----|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | <b>Introduction to Basic Fiscal Orientation</b> (Functions, Regulatory Aspects, & Law No. 28/2007) | Interactive presentation utilizing PowerPoint (PPT), visualization of state budget allocation graphs, and public case analogies. | Participants were highly enthusiastic; a new awareness emerged regarding the tangible utilization of tax funds for public facilities in DKI Jakarta. |
| 2.  | <b>Technical Simulation of Tax Applications</b> (E-Billing System Mechanisms)                      | Direct demonstration of generating billing codes via internet-connected smartphones and navigating the DJP Online menu.          | Participants showed a highly interested (excited) response because they newly discovered that payments can be accessed digitally (Info, 2020).       |
| 3.  | <b>Discussion Session &amp; Case Sharing</b> (Personal & Family Taxation Problems)                 | Focus group discussion method and two-way interactive Q&A without rigid boundaries.                                              | Forum dynamics were very active; participants openly challenged points, shared family tax issues, and exchanged advice with peers.                   |
| 4.  | <b>Evaluation &amp; Instrument Completion</b> (Filling Out Literacy Questionnaires)                | Personal assistance in completing written questionnaire instruments related to tax literacy indicators.                          | Questionnaire completion contribution reached 100% of total attending participants, producing a valid evaluation database.                           |

Forum dynamics during the taxation digitalization material presentation session showed a massive shift in enthusiasm among participants (Siadari et al., 2026). When the team presented materials concerning the e-billing system application, the Karang Taruna youth paid full attention (Info, 2020). Operational facts indicated that the majority of them initially assumed that fulfilling tax obligations required individuals to sacrifice work hours to visit a Tax Allowance Office (KPP) and face long queues. Explanations regarding the efficiency of e-billing technology-which enables taxpayers to deposit their fiscal obligations from anywhere and at any time using smart devices-successfully eliminated these bureaucratic fears significantly (Akuntansi & Panjaitan, 2023; Melatnebar, 2018; Rusyda et al., 2025).

Although the socialization as a whole was deemed successful and interactive, the implementation team noted several technical obstacles occurring in the execution area, such as limited face-to-face duration due to the youths' packed daily schedules, as well as suboptimal functionality of presentation hardware (the projector). Nevertheless, these constraints did not reduce the educational substance achieved. As a solution for the limited physical presence of some members, educational materials and follow-up information were widely disseminated utilizing the digital platform of the existing RW WhatsApp group, ensuring that the transmission of tax knowledge remained evenly spread across the entire local youth ecosystem.

## 5. CONCLUSION AND LIMITATION

The implementation of the community service program targeting the strengthening of tax literacy among Karang Taruna RW.004 members in Pondok Ranggon Village has been successfully carried out with a clear, systematic, and structured flow. The intervention outcomes prove a positive paradigm shift among the youth, where they began to assimilate the understanding that taxes are not detrimental financial levies, but rather a shared social investment instrument for the sustainability of national macroeconomic development (Development Taruna et al., 2026). The introduction of the digital administrative e-billing system proved effective in dismantling the psychological resistance walls of young people toward past fiscal bureaucratic complexities (Akuntansi & Panjaitan, 2023).

However, this research and community service possess inherent limitations that must be acknowledged, including a micro-local sample area scope, limited time allocation for intensive field simulations, and technical constraints of presentation support facilities. Responding to high expectations from residents and to actualize the long-term sustainability of the program's impact, several concrete follow-up action plan (RTL) recommendations were formulated:

- Shifting the theoretical socialization model into an intensive practical assistance program based on periodic tax consultation clinics (coaching clinics) at the sub-district level.
- Organizing dedicated workshops guiding online NPWP registration and the mechanisms for completing and reporting Annual Income Tax Returns via the e-filing system (Melatnebar, 2018; Suhardi et al., 2024).
- Establishing an internal regeneration forum in the form of "Tax Literacy Cadres" at the RW level to act as information agents, peer counselors, and communication bridges between residents and the Directorate General of Taxes (DJP) authority.

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## 7. DOCUMENTATION



Picture 1. Presentation of The Material



Picture 2. Presentation of The Material



Picture 3. Presentation of The Material



Picture 4. Presentation of The Material



Picture 5. Joint Discussion



Picture 6. Joint Discussion



Picture 7. Joint Discussion

Picture 8. Group Photo /Photos Together



Picture 9. Group Photo /Photos Together

Picture 10. Group Photo /Photos Together