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Evaluation of Employee Income Tax Reporting (PPh Pasal 21) Compliance at PT Asia Hakarya Abadi Tegal Through Coretax System

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Abstract— This study aims to evaluate the compliance of employee income tax reporting (Article 21 Income Tax or PPh Pasal 21) at PT Asia Hakarya Abadi Tegal through the Coretax Administration System. The evaluation focuses on the accuracy of tax calculations and withholding, the completeness of electronic withholding tax documents, the timeliness of tax payments and reporting, and the effectiveness of Coretax in supporting the company's tax administration processes. The study examines the importance of employee payroll data accuracy, reconciliation procedures, supporting documentation, and internal controls in ensuring compliance with applicable tax regulations. The implementation of Coretax provides a digital platform for tax administration; however, its effectiveness depends on the quality of the data entered, users' understanding of the system, and the consistency of verification procedures. Therefore, companies need to establish systematic reconciliation procedures, provide training for personnel responsible for payroll and taxation, and maintain complete tax documentation to minimize reporting errors. The findings of this evaluation are expected to provide insights into the implementation of Coretax in corporate tax administration and serve as a basis for improving the accuracy, timeliness, and reliability of PPh Pasal 21 reporting. The final assessment of the company's compliance level must be supported by verified company records and the tax regulations applicable during the research period.

Keywords — *Tax Compliance; PPh Pasal 21; Coretax Administration System; Tax Reporting; Tax Administration..*

I. INTRODUCTION

Tax revenue plays a fundamental role in supporting government expenditure, financing public services, and promoting national economic development. An effective taxation system enables the government to generate sustainable revenue while ensuring that tax obligations are fulfilled fairly and transparently. In Indonesia, income tax constitutes an important component of domestic revenue, including tax collected from employment income. Consequently, accurate tax calculation, withholding, payment, and reporting are essential elements of tax

administration. Effective compliance at the corporate level is particularly important because companies act as intermediaries between employees and the government in fulfilling certain income tax obligations.

Employee Income Tax, known in Indonesia as Pajak Penghasilan Pasal 21 (PPh Pasal 21), is imposed on income received by individual taxpayers in connection with employment, services, or activities covered by the applicable tax regulations. Employers and other designated withholding agents are responsible for calculating, withholding, paying, and reporting the tax in accordance with the relevant provisions. These responsibilities require companies to maintain accurate employee information, payroll records, tax calculations, and supporting documents. Errors in any stage of the process may result in discrepancies between employee income, tax withheld, tax payments, and reported liabilities, potentially affecting both corporate compliance and employees' tax administration.

Tax compliance can generally be examined through formal and material dimensions. Formal compliance concerns the fulfillment of administrative obligations, including the preparation and submission of tax returns within the prescribed deadlines. Material compliance concerns the accuracy and completeness of the reported tax information, including the calculation of taxable income, application of the appropriate tax treatment, and determination of the tax withheld. Adi et al. (2022) examined several factors associated with taxpayer compliance in Indonesia, including taxpayer awareness, tax sanctions, tax socialization, and electronic filing. Their findings demonstrate the importance of considering both administrative mechanisms and taxpayer-related factors when evaluating compliance. In the context of PPh Pasal 21, an assessment should therefore examine not only whether the company submits its tax reports but also whether the reported information is consistent with the underlying payroll and withholding records.

The implementation of tax obligations has become increasingly connected with digital technology as the Indonesian government continues to modernize its tax administration. Electronic tax services are intended to simplify administrative procedures, improve data processing, and facilitate communication between taxpayers and the Directorate General of Taxes. Previous research on electronic tax filing has examined the relationship between system performance, information quality, service quality, user satisfaction, and compliance outcomes. Widyari et al. (2021), for example, applied the DeLone and McLean Information Systems Success Model to examine electronic filing and reported that system use and user satisfaction were positively associated with taxpayer compliance in their research context. These findings provide a relevant theoretical basis for examining how digital tax administration supports corporate tax compliance.

The introduction of the Coretax Administration System represents a further development in Indonesia's digital tax administration. Coretax is designed to integrate tax administration processes into a more connected platform, including registration, tax payment, tax reporting, and the administration of withholding tax documents. Its implementation is intended to improve administrative efficiency, data integration, transparency, and accountability. Daryatno et al. (2025) discussed the implementation of the Coretax Administration System in relation to the efficiency of tax calculation, payment, and reporting. The integration of these processes creates opportunities to improve the management of tax obligations, although its practical benefits depend on system reliability, user competence, data accuracy, and the effectiveness of internal procedures.

In the context of PPh Pasal 21, the use of Coretax requires companies to adapt their tax administration procedures to the applicable electronic reporting processes. These procedures may include preparing employee payroll data, calculating the tax withheld, generating electronic withholding tax documents, validating the information entered into the system, and submitting periodic tax returns. Changes in the administrative platform can also require adjustments to employee identification data, access management, document formats, and reconciliation procedures. Consequently, successful implementation cannot be measured solely by the availability of the digital platform; it must also be assessed through the accuracy, timeliness, and completeness of the company's actual tax reporting activities.

Although digital tax administration offers potential benefits, the transition to an integrated system may introduce operational challenges. Tax personnel may encounter difficulties related to system navigation, data validation, the preparation of electronic withholding documents, transaction reconciliation, or the resolution of technical errors. Research by Nathanael and Widodo (2025) discussed the role of Coretax in PPh Pasal 21 reporting compliance and highlighted the expected contribution of integrated digital services to administrative efficiency and transparency. Meanwhile, Pawitri and Anggara (2025) examined system quality and Coretax user adoption, emphasizing the relevance of system reliability, responsiveness, security, availability, and interoperability. These studies indicate that system implementation should be evaluated by considering both technological characteristics and the ability of users to perform their tax obligations accurately.

Recent empirical research has also begun to examine Coretax implementation in specific organizational settings. Agustin et al. (2026), in their study of PPh Pasal 21 calculation and reporting at PT Hurip Utama, identified the importance of accurate tax calculations, systematic reporting procedures, and employee identification data validation. Their findings illustrate how an organization may achieve consistency in tax calculations while still facing technical and administrative challenges during digital reporting. Saptono et al. (2026) further examined tax professionals' perceptions of Coretax, compliance costs, and compliance intentions. Their study provides an important perspective on how system use and perceived administrative costs may influence compliance-related outcomes. Nevertheless, findings from other organizations cannot automatically be generalized to PT Asia Hakarya Abadi Tegal because organizational procedures, payroll structures, employee data, and levels of digital readiness may differ.

The relationship between electronic tax administration and compliance has also been investigated in studies of earlier digital reporting systems. Erdiansyah and Khoirunurrofik examined formal tax compliance through electronic filing among micro, small, and medium enterprises in Indonesia, while Adi et al. (2022) investigated electronic filing alongside other compliance-related factors in Jepara Regency. Malik et al. (2023) examined how digital tax socialization moderates the relationship between electronic filing and individual taxpayer compliance. These studies offer useful insights into the importance of digital access, taxpayer understanding, and administrative support. However, evidence concerning electronic filing systems that preceded Coretax does not fully explain the practical compliance implications of an integrated tax administration platform, particularly for companies responsible for reporting employee income tax.

The evaluation of PPh Pasal 21 reporting compliance at the company level is therefore important for identifying whether tax administration procedures are implemented in accordance with applicable regulations. Such an evaluation should consider the consistency of employee payroll records, the accuracy of tax calculations and withholding, the completeness of electronic withholding documents, the timeliness of payment and reporting, and the availability of supporting evidence. It should also examine the reconciliation between internal accounting records and information submitted through Coretax. These dimensions allow the assessment to move beyond a general description of system use and provide a more detailed understanding of the company's compliance practices.

Despite the growing literature on electronic tax reporting and the initial implementation of Coretax, further organization-specific research remains necessary. Studies conducted in government institutions, tax service environments, and other private companies provide valuable reference points, but they do not establish whether PT Asia Hakarya Abadi Tegal has fulfilled its PPh Pasal 21 obligations accurately and on time through Coretax. The principal research gap addressed by this study is therefore the need for a case-specific evaluation of employee income tax reporting compliance within the company. The study distinguishes the technical use of Coretax from substantive and administrative compliance, enabling the evaluation to identify whether any discrepancies arise from tax calculations, employee data, reporting procedures, system-related difficulties, or internal controls.

Based on this research gap, this study aims to evaluate the compliance of employee income tax reporting under PPh Pasal 21 at PT Asia Hakarya Abadi Tegal through the Coretax Administration System. Specifically, the study examines the company's procedures for calculating and withholding employee income tax, preparing electronic withholding documents, making the required tax payments, and submitting the relevant tax reports. It also seeks to identify obstacles encountered during Coretax implementation and assess the extent to which the company's procedures conform to the applicable tax regulations. The findings are expected to provide practical recommendations for improving tax reporting accuracy, strengthening internal controls, enhancing staff competence, and supporting consistent compliance with Indonesian tax requirements.

II. METHOD

This study employs a descriptive qualitative approach to evaluate employee income tax reporting compliance under Article 21 Income Tax (PPh Pasal 21) at PT Asia Hakarya Abadi Tegal through the Coretax Administration System. This approach was selected to provide a comprehensive description of the company's tax administration procedures, reporting practices, and challenges encountered during the implementation of the Coretax system. The research focuses on evaluating the conformity of the company's tax reporting activities with applicable Indonesian tax regulations and identifying areas that require improvement.

Data were collected through interviews, observation, and documentation, subject to the availability of access to the company's tax administration activities and records. Interviews with personnel responsible for accounting, payroll, and taxation were intended to obtain information regarding the calculation, withholding, payment, and reporting of PPh

Pasal 21. Observation focused on the procedures used to process employee payroll information and administer tax reporting through Coretax. Documentary evidence included payroll records, employee income tax calculations, electronic withholding tax documents, tax payment receipts, and periodic tax returns, where available and authorized for research purposes.

The data analysis focused on five indicators of tax compliance: the accuracy of PPh Pasal 21 calculations, the consistency of tax withholding with employee payroll records, the completeness of electronic withholding tax documents, the timeliness of tax payments and reporting, and the conformity of administrative procedures with applicable regulations. The analysis also examined operational challenges associated with Coretax, including data validation, system accessibility, reporting procedures, and users' understanding of the system. Information obtained from interviews, observations, and documentary evidence was compared to identify discrepancies and assess the consistency of the company's tax administration practices.

The collected data were analyzed using descriptive qualitative techniques involving data reduction, data classification, presentation, and conclusion drawing. The company's actual procedures and documentary evidence were compared with the relevant tax regulations and administrative requirements applicable during the research period. Where multiple data sources were available, triangulation was used to strengthen the credibility of the findings. The results were then used to assess the extent of the company's PPh Pasal 21 reporting compliance, identify potential administrative weaknesses, and formulate recommendations for improving reporting accuracy, internal controls, and the effective use of the Coretax Administration System.

III. RESULTS AND DISCUSSION

The evaluation of employee income tax reporting compliance at PT Asia Hakarya Abadi Tegal focuses on the implementation of Article 21 Income Tax (PPh Pasal 21) obligations through the Coretax Administration System. The evaluation covers the calculation of employee income tax, tax withholding, preparation of electronic withholding tax documents, payment procedures, and periodic tax reporting. These aspects are essential for determining whether the company's tax administration practices are consistent with the applicable Indonesian tax regulations. The assessment also considers the role of employee payroll data and supporting documentation in ensuring the accuracy and completeness of tax reporting.

The first aspect examined is the calculation and withholding of PPh Pasal 21. Companies must ensure that employee income information is recorded accurately and that the applicable tax calculation method is used in accordance with the relevant provisions. The calculation process requires attention to employee status, income components, applicable deductions, and the tax treatment relevant to the period concerned. Consequently, reconciliation between payroll records and tax calculations is necessary to identify potential differences before the information is submitted through Coretax. The results of this evaluation should establish whether the amounts withheld from employees correspond to the company's payroll records and the applicable tax rules.

The second aspect concerns the preparation and management of electronic withholding tax documents through Coretax. These documents serve as evidence of the tax withheld and provide an important reference for both employers and employees. The reporting process requires accurate taxpayer identification information, employee income data, tax calculations, and other information required by the system. Incomplete employee data, inconsistent payroll information, or errors during data entry may result in discrepancies in withholding documents and subsequent tax reporting. Therefore, the completeness and accuracy of electronic tax documents constitute important indicators in evaluating the company's reporting compliance.

The third aspect relates to tax payment and reporting timeliness. Compliance requires the company to fulfill its payment and reporting obligations within the deadlines established by the applicable regulations. The evaluation should compare the dates and amounts recorded in the company's tax payment receipts with the corresponding tax liabilities and reported information. It should also verify the submission status and reporting dates of the relevant periodic tax returns through Coretax. This comparison is necessary to distinguish between accurate tax calculations and the separate obligation to pay and report the tax on time.

The fourth aspect concerns the operational use of Coretax in the company's tax administration. The system provides a digital environment for managing tax-related processes, but the effectiveness of its use depends on the quality of the data entered, users' understanding of the procedures, and the company's internal controls. The evaluation therefore considers whether personnel responsible for payroll and taxation can perform the required administrative tasks

systematically, maintain supporting documentation, and reconcile information between internal records and the electronic tax administration system. The findings should also identify any technical or procedural difficulties documented during the research period.

The evaluation of PPh Pasal 21 compliance should distinguish between formal compliance and material compliance. Formal compliance concerns whether the company fulfills its administrative obligations, including submitting the required tax reports and completing the necessary procedures within the prescribed deadlines. Material compliance concerns whether the reported information accurately represents employee income and the tax withheld under the applicable regulations. A company may complete the reporting process but still require corrective action if the underlying calculations or employee data are inaccurate. Accordingly, a comprehensive evaluation of PT Asia Hakarya Abadi Tegal should assess both dimensions rather than relying solely on evidence that a tax return has been submitted.

The use of Coretax can support more integrated tax administration by connecting relevant tax reporting activities within a digital system. Nevertheless, the availability of an integrated platform does not automatically guarantee accurate or timely compliance. The quality of the information entered into the system remains dependent on the company's payroll administration, employee data management, and verification procedures. This relationship is consistent with the information systems success framework developed by DeLone and McLean (2003), which emphasizes system quality, information quality, service quality, system use, user satisfaction, and net benefits. In the context of PPh Pasal 21, reliable system use must be accompanied by accurate payroll data and effective internal review.

Another important consideration is the transition to the Coretax Administration System. Changes in tax administration procedures may require companies to adjust their workflows, develop new staff competencies, and revise their internal documentation practices. Personnel responsible for tax reporting need to understand the relevant system functions and the applicable tax requirements to reduce errors during data processing and submission. From a technology acceptance perspective, Davis (1989) explains that perceived usefulness and perceived ease of use influence the acceptance of information technology. This framework provides a useful basis for examining whether users at PT Asia Hakarya Abadi Tegal perceive Coretax as beneficial and manageable in performing their tax administration responsibilities. However, the extent of these effects must be established through the actual research findings.

Internal controls also play a significant role in maintaining PPh Pasal 21 compliance. A structured control process should include the verification of employee data, reconciliation of payroll with tax calculations, review of electronic withholding documents, confirmation of payment transactions, and verification of tax return submission. The segregation of responsibilities, where feasible, can reduce the risk of errors and strengthen accountability. Supporting documents should be organized systematically to facilitate reconciliation, internal review, and future tax examinations. These practices can help the company identify discrepancies before submission and maintain an auditable record of its tax obligations.

Based on these considerations, improvements to tax administration at PT Asia Hakarya Abadi Tegal should be directed toward strengthening employee data accuracy, standardizing payroll-to-tax reconciliation, providing regular training on Coretax procedures, and maintaining complete supporting documentation. The company should also establish a review checklist covering calculation accuracy, withholding documentation, payment confirmation, and reporting status for each relevant tax period. The final assessment of compliance must be based on verified company records and the tax regulations applicable during the period under examination. Through these measures, the company can strengthen its tax administration controls, improve reporting reliability, and support sustainable compliance with PPh Pasal 21 obligations.

IV. CONCLUSIONS

This study evaluates the compliance of employee income tax reporting (PPh Pasal 21) at PT Asia Hakarya Abadi Tegal through the Coretax Administration System. The evaluation focuses on the accuracy of tax calculations and withholding, the completeness of electronic withholding tax documents, the timeliness of tax payments and reporting, and the effectiveness of Coretax in supporting the company's tax administration processes. These aspects are essential for assessing both formal compliance with administrative obligations and material compliance with the applicable tax regulations.

The evaluation highlights the importance of accurate employee payroll data, systematic reconciliation between payroll records and tax calculations, complete supporting documentation, and verification of payment and reporting status. Although Coretax provides a digital platform to support tax administration, the effectiveness of its

implementation depends on data quality, user competency, and adequate internal control procedures. Therefore, the use of Coretax alone does not automatically guarantee accurate and timely tax reporting.

To strengthen compliance, PT Asia Hakarya Abadi Tegal should implement regular reconciliation procedures, provide training for personnel responsible for payroll and taxation, maintain well-organized tax documentation, and establish a verification checklist covering tax calculations, withholding documents, payments, and periodic tax return submissions. The final determination of the company's compliance level must be based on verified company records and the regulations applicable during the research period. These measures are expected to improve the reliability of PPh Pasal 21 reporting, strengthen internal tax controls, and support sustainable tax compliance.

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