

Understanding Tax Administration Efficiency: The Impact of Core Tax System Implementation in Indonesia

Ratna Puji Astuti^{1*}, Tio Waskito Erdi²

^{1,2} Politeknik YKPN, Yogyakarta, Indonesia

ARTICLE INFO

Article history:

Received: May 05, 2026

Revised: June 06, 2026

Accepted: June 11, 2026

JEL Classification:

H20, H21, O33, M15

DOI:

10.14414/jebav.v29i2.5646

Keywords:

Coretax, system quality, information quality, service quality, tax administration efficiency, user readiness

*Corresponding Author:

ratna_puji_astuti@yahoo.com



This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License.

ABSTRACT

The digital transformation of tax administration through the implementation of Coretax represents a strategic effort to improve tax administration efficiency in Indonesia. However, the success of this system is influenced by both technical factors and user readiness. This study aims to examine the effect of system quality, information quality, and service quality on tax administration efficiency, with user readiness as a moderating variable. This research employs a quantitative approach using a survey method through questionnaires distributed via Google Forms to taxpayers and tax officers. The data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS. The results indicate that system quality, information quality, and service quality have a positive and significant effect on tax administration efficiency. Furthermore, user readiness strengthens the relationship between system quality and service quality with tax administration efficiency but does not moderate the relationship between information quality and efficiency. This study concludes that the success of Coretax implementation is primarily determined by system and information quality, supported by user readiness in optimizing system utilization.

ABSTRAK

Transformasi digital dalam administrasi perpajakan melalui implementasi Coretax menjadi langkah strategis dalam meningkatkan efisiensi layanan perpajakan di Indonesia. Namun, keberhasilan implementasi sistem ini masih dipengaruhi oleh berbagai faktor, baik dari aspek teknis maupun kesiapan pengguna. Penelitian ini bertujuan untuk menganalisis pengaruh kualitas sistem, kualitas informasi, dan kualitas layanan terhadap efisiensi administrasi perpajakan dengan kesiapan pengguna sebagai variabel moderasi. Penelitian ini menggunakan pendekatan kuantitatif dengan metode survei melalui kuesioner berbasis Google Form yang disebarakan kepada wajib pajak dan pegawai pajak. Data dianalisis menggunakan metode Partial Least Squares-Structural Equation Modeling (PLS-SEM) dengan bantuan SmartPLS. Hasil penelitian menunjukkan bahwa kualitas sistem, kualitas informasi, dan kualitas layanan berpengaruh positif dan signifikan terhadap efisiensi administrasi perpajakan. Selain itu, kesiapan pengguna terbukti memperkuat pengaruh kualitas sistem dan kualitas layanan, namun tidak memoderasi pengaruh kualitas informasi. Penelitian ini menyimpulkan bahwa keberhasilan implementasi Coretax sangat ditentukan oleh kualitas sistem dan informasi, serta didukung oleh kesiapan pengguna dalam mengoptimalkan penggunaan sistem.

1. INTRODUCTION

The digital transformation of tax administration has become an inevitable global trend, in accordance with the rapid advancement of information technology and increasing complexity of tax systems. Numerous countries, both developed and developing, have persistently aimed to adopt digital-based tax systems to enhance efficiency, transparency, and taxpayer compliance (Rezaei & Jablonsky, 2025; Rimadhani et al., 2024). Indonesia, as a nation with substantial tax revenue requirements, has also initiated reforms through the implementation of the Core Tax Administration System (Coretax), developed by the Directorate General of Taxes as part of its initiative to modernize tax administration (Tambunan & Rosdiana, 2020). Coretax is an integrated system that consolidates all tax-related processes within a unified digital platform, covering registration, reporting, payment, monitoring, and enforcement activities (Darmayasa & Hardika, 2024). From an academic standpoint, this development aligns with the concepts of digital governance and public administration efficiency; practically, it aims to improve the quality of tax services and optimize revenue collection for the state.

However, the implementation of Coretax in Indonesia still faces various challenges, indicating that the system has not yet operated optimally (Asri et al., 2025; Misbahuddin & Kurniawati, 2025; Muttiwijaya et al., 2025). In the early stages of implementation, several obstacles emerged, including technical system disruptions, data inconsistencies, and difficulties in user adaptation among both tax authorities and taxpayers (Permatasari et al., 2025; Tambunan & Rosdiana, 2020). This condition reflects a gap between the ideal concept of tax digitalization, which emphasizes efficiency, speed, and accuracy, and the reality of implementation in the field, which still encounters various operational challenges. In addition, the complexity of data integration and changes in business processes may create new inefficiencies, particularly during the system transition period (Javidroozi et al., 2019; Yordanova, 2024). Therefore, it is important to empirically examine whether the implementation of Coretax truly improves tax administration efficiency or instead introduces new challenges in practice.

Several international studies indicate that the digitalization of tax administration has significant potential to enhance efficiency and taxpayer compliance. Zulaikhah (2025) revealed that the integration of digital-based tax systems can reduce compliance costs and improve transparency. Okunogbe & Santoro (2023) emphasized that the modernization of tax administration through information technology can increase the effectiveness of tax collection, particularly in developing countries. Furthermore, Okunogbe & Pouliquen (2022) found that the implementation of electronic tax systems can improve administrative efficiency, although its success largely depends on infrastructure readiness and the quality of implementation. However, studies in Indonesia are still predominantly focused on partial digital systems such as e-filing and e-billing, which show positive effects on taxpayer compliance but have not specifically examined the fully integrated Coretax system (Fibriyanti et al., 2026; Mandasari, 2024; Michael, 2026; Shintia & Guspendri, 2025).

In this study, tax administration efficiency is positioned as the dependent variable influenced by the implementation of Coretax as the primary independent variable. The implementation of Coretax is not merely understood as technology adoption but also encompasses the dimensions of system quality, information quality, and service quality as proposed in the DeLone & McLean (2003) model. High system quality, such as reliability and ease of use, can accelerate administrative processes, thereby reducing time and costs. Accurate and timely information quality enhances the effectiveness of tax data management and minimizes administrative errors. Responsive service quality improves user experience and facilitates smoother interactions between taxpayers and tax authorities. Therefore, the better the implementation of Coretax across these three dimensions, the higher the resulting efficiency of tax administration.

Furthermore, the relationship between the implementation of Coretax and tax administration efficiency cannot be separated from the contextual factors that may strengthen or weaken this effect. In this study, user readiness, or digital tax literacy, was proposed as a moderating variable. User readiness reflects the ability, understanding, and preparedness of both taxpayers and tax officers to operate digital systems. Sarfaraz (2017), within the framework of the Unified Theory of Acceptance and Use of Technology (UTAUT), emphasizes that capability and technology acceptance are critical determinants of successful information

system implementation in organizations. When user readiness is high, the implementation of Coretax becomes more effective in improving administrative efficiency, as users can optimally utilize system features (Hidayat & Inayati, 2025). Conversely, when user readiness is low, the benefits of the system may not be fully realized and may even lead to inefficiencies due to misuse or reliance on technical assistance (Kamara & Kamara, 2024; Saragih et al., 2023; Sofia, 2025). Therefore, user readiness functions as a moderating variable that can either strengthen or weaken the relationship between Coretax implementation and tax administration efficiency.

However, there are still significant research gaps. First, empirical studies on the implementation of Coretax in Indonesia are limited, particularly those measuring its impact on tax administration efficiency. Second, prior research has largely focused on partial digital systems and has not comprehensively examined the integrated systems. Third, few studies have incorporated moderating variables, such as user readiness, into tax digitalization models. Fourth, international findings indicate inconsistencies in the success of tax digitalization, which are highly influenced by each country's implementation context. Therefore, this study is important for addressing these gaps and providing more comprehensive empirical evidence.

The urgency of this research is further emphasized by the fact that Coretax represents one of the major reforms in Indonesia's tax system, which is currently in its early stages of implementation. If this system is not implemented optimally, it may reduce taxpayer trust, increase administrative burdens, and disrupt state revenue collection. Conversely, if Coretax is successfully implemented and supported by adequate user readiness, it can serve as a crucial foundation for improving tax administration efficiency, strengthening the tax database, and supporting data-driven fiscal policy. Therefore, this study is expected to contribute theoretically by enriching the literature on integrated digital tax systems and the role of moderating variables, empirically by examining the relationships among variables, and practically and from a policy perspective by providing insights for tax authorities to enhance the implementation of digital tax administration systems in Indonesia.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

2.1 The Effect of System Quality on Tax Administration Efficiency

System quality is a core dimension of information system success models, reflecting the technical characteristics of a system, such as reliability, ease of use, flexibility, and response speed. In the context of Coretax, high system quality enables tax administration processes to be automated, faster, and less prone to errors, thereby improving operational efficiency. According to DeLone & McLean (2003), high system quality enhances system use and user performance, which ultimately leads to improved organizational performance. Okunogbe & Pouliquen (2022) found that reliable digital tax systems can significantly improve administrative efficiency in developing countries. In addition, Javidroozi et al. (2019) demonstrated that integrated information systems reduce process redundancy and enhance operational efficiency. Therefore, higher system quality in the implementation of Coretax is expected to lead to greater tax administration efficiency.

H1: System quality positively affects tax administration efficiency.

2.2 The Effect of Information Quality on Tax Administration Efficiency

Information quality refers to the level of accuracy, relevance, completeness, and timeliness of information generated by a system. In the context of tax administration, high-quality information is essential for decision-making, supervision, and accurate tax reporting. Inaccurate or delayed information may lead to administrative errors and increase operational costs (DeLone & McLean (2003). Emphasize that information quality is a critical determinant of information system success, as it influences user satisfaction and system performance. Research by Okunogbe & Pouliquen (2022) shows that the digitalization of tax administration, which produces high-quality information, can enhance the effectiveness of tax collection. Furthermore, Yordanova (2024) finds that high-quality data in digital systems contribute to the efficiency of public administration. Therefore, the higher the quality of information generated by Coretax, the greater the efficiency of tax administration.

H2: Information quality positively affects tax administration efficiency.

2.3 The Effect of Service Quality on Tax Administration Efficiency

Service quality in information systems reflects the level of support provided to users, including responsiveness, reliability, and availability of technical assistance. In the context of Coretax, high service quality facilitates users in operating the system, reduces technical barriers, and accelerates the completion of tax administrative processes. According to DeLone & McLean (2003), service quality plays a significant role in enhancing user satisfaction and system usage, which ultimately impacts organizational performance. Hidayat & Inayati (2025) indicate that service quality in digital tax systems has a positive effect on system effectiveness. In addition, Saragih et al. (2023) find that adequate service support can improve user performance in utilizing information systems. Therefore, the higher the service quality in Coretax implementation, the greater the efficiency of tax administration.

H3: Service quality positively affects tax administration efficiency.

2.4 The Effect of System Quality, Information Quality, and Service Quality on Tax Administration Efficiency Moderated by User Readiness

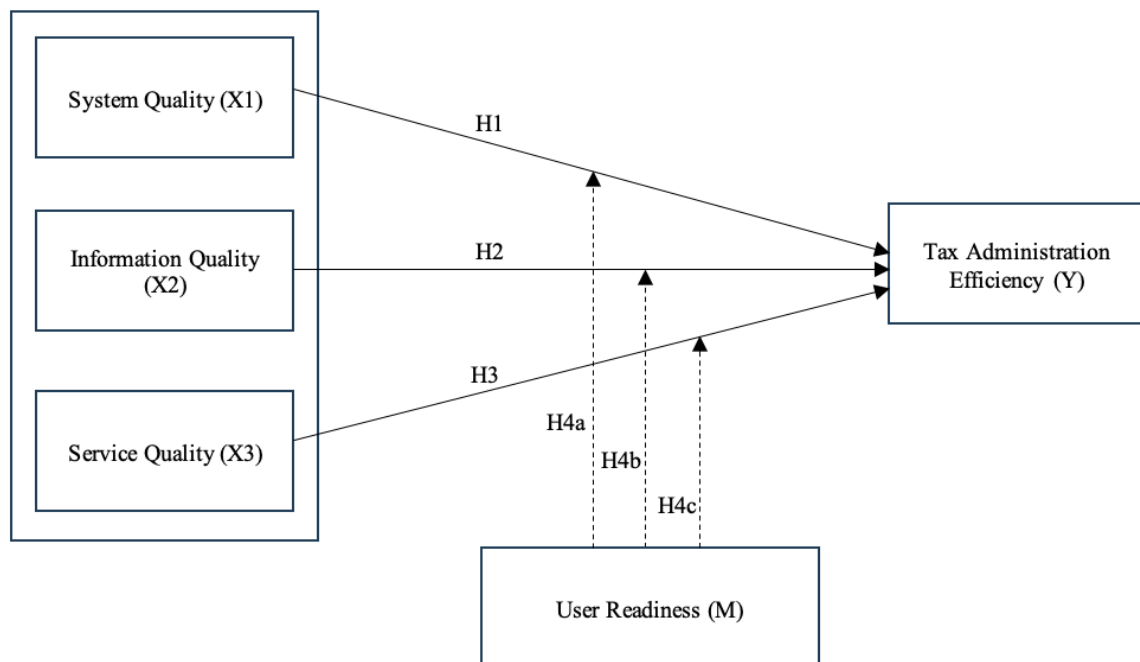
User readiness is a critical factor in determining the success of information system implementation. From the perspective of UTAUT, Sarfaraz (2017) explains that technology acceptance and usage are significantly influenced by users' capabilities and readiness. User readiness reflects the level of digital literacy, experience, and individual ability to operate the system. In the context of Coretax, user readiness acts as a moderating variable that can strengthen or weaken the relationship between system implementation and administrative efficiency. Users with high readiness are more capable of utilizing system features optimally, thereby enhancing efficiency. Conversely, users with low readiness tend to face difficulties in using the system, which may hinder administrative efficiency. Previous studies support this argument. Kamara & Kamara (2024) found that user readiness plays an important role in improving the effectiveness of digital system implementation. Similarly, Saragih et al. (2023) revealed that users' technological readiness strengthens the relationship between information system usage and organizational performance. Therefore, user readiness is expected to strengthen the effect of Coretax implementation on tax administration efficiency.

H4a: User readiness strengthens the effect of system quality on tax administration efficiency.

H4b: User readiness strengthens the effect of information quality on the efficiency of tax administration.

H4c: User readiness strengthens the effect of service quality on the efficiency of tax administration.

Figure 1. Conceptual Model



3. RESEARCH METHOD

This study employs a quantitative research design with an explanatory approach aimed at examining the effect of Coretax implementation on tax administration efficiency, as well as the moderating role of user readiness. A quantitative approach is selected because this study empirically tests the relationships among variables using numerical data and statistical analysis. The research adopts a cross-sectional design, where data are collected at a single point in time through a questionnaire-based survey administered to respondents. The population of this study consists of tax officers (internal to the Directorate General of Taxes), including account representatives (AR), service and supervision staff, and Coretax system operators at Tax Offices (KPP), as well as taxpayers (external), including individual taxpayers, corporate taxpayers, SMEs, and tax consultants. The sampling technique used is purposive sampling, with the following criteria: respondents must have used or interacted with the Coretax system and have at least one year of experience in tax administration. The type of data used in this study is primary data. Data collection is conducted through an online questionnaire distributed via Google Forms (GForm), using a Likert scale ranging from 1 to 5, where 1 indicates “strongly disagree” and 5 indicates “strongly agree.”

Table 1. Definition of variables

Variabel	Definisi Konseptual	Indikator	Skala	Sumber
System Quality (X1)	Users' perceptions of the technical quality of the Coretax system in supporting tax administration performance	Ease of use, speed, reliability, flexibility, system security	Likert 1-5	(DeLone & McLean, 2003)
Information Quality (X2)	Users' perceptions of the quality of information generated by the Coretax system	Accuracy, relevance, completeness, timeliness, information consistency	Likert 1-5	(Saptono et al., 2023; Shim & Jo, 2020)
Service Quality (X3)	Users' perceptions of the quality of services and support provided by the Coretax system	Responsiveness, technical support, service reliability, service empathy, ease of assistance	Likert 1-5	(Salome et al., 2022; Septianingsih & Karnawati, 2026)
Tax Administration Efficiency (Y)	The level of effectiveness in the use of resources in tax administration processes after the implementation of Coretax	Time savings, cost reduction, productivity improvement, process simplification, performance enhancement	Likert 1-5	(Okunogbe & Pouliquen, 2022)
User Readiness (Z)	The level of individual readiness in using the Coretax system	Usage ability, technological experience, system understanding, self-confidence, technology adaptation	Likert 1-5	(Kamara & Kamara, 2024; Saragih et al., 2023; Sarfaraz, 2017)

Data analysis in this study was conducted using the structural equation modeling (SEM) approach based on partial least squares (SEM-PLS) with the assistance of SmartPLS software. The analysis was carried out in two main stages: outer model evaluation and inner model evaluation. The outer model evaluation

aimed to assess the validity and reliability of the research instruments. Convergent validity was examined by evaluating the loading factor values (>0.70) and average variance extracted (AVE >0.50), while discriminant validity was assessed using the Fornell-Larcker criterion and cross-loadings (Hair et al., 2021). Construct reliability was measured using Cronbach's alpha and composite reliability values (>0.70). Furthermore, the inner model evaluation was conducted to examine the relationships between latent variables by analyzing the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). Hypothesis testing was performed using the bootstrapping method by evaluating the t-statistics (>1.96) and p-values (<0.05). To test the moderating variable, an interaction effect approach was applied to the independent variables and the moderating variable to determine whether user readiness strengthens or weakens the relationship between core tax implementation and tax administration efficiency. The use of SmartPLS in this study was based on several methodological considerations relevant to the research model's characteristics. First, SmartPLS is highly suitable for predictive and exploratory research with complex models, including those involving moderating variables. Second, the SEM-PLS approach does not require strict normality assumptions, making it more flexible for analyzing survey data, which is often not normally distributed. Third, SmartPLS can be applied to relatively small to medium sample sizes, making it appropriate for field research conditions. Fourth, this method has strong capabilities for estimating relationships between latent variables simultaneously and for evaluating model quality comprehensively. Moreover, SEM-PLS has been widely applied in information systems and taxation research, thereby providing strong methodological validity.

4. DATA ANALYSIS AND DISCUSSION

4.1 Respondents Demographic

Most respondents in this study were individual taxpayers, indicating that the findings primarily reflect the perspectives of external users of the Coretax system. In terms of education, most respondents held higher education degrees (bachelor's and master's levels), suggesting that they had adequate capacity to understand digital tax administration systems. In addition, most respondents had prior experience using digital tax systems, indicating that their responses were credible and based on practical experience. However, the intensity of Coretax usage remains relatively low, with most respondents falling into the categories of rarely to moderately frequent users. This suggests that the implementation of Coretax is still in its early stages of adoption. This condition is consistent with the respondents' level of understanding, which generally falls within the moderate category, indicating a gap between system implementation and user readiness. From a sectoral perspective, respondents came from diverse backgrounds, with a predominance from the private and education sectors, as well as some representation from government institutions and tax consultants. This diversity indicates that the study has a broad scope. Overall, the characteristics of respondents suggest that the implementation of Coretax is still in a transitional phase, underscoring the importance of system quality and user readiness as key factors in improving the efficiency of tax administration.

4.2 Measurement model

The results of the outer loading test show that all indicators in this study have values above the minimum threshold of 0.70, indicating that each indicator strongly reflects the latent construct being measured (Hair et al., 2021). This suggests that the research instrument met the criteria for convergent validity. Furthermore, the discriminant validity test using the Fornell-Larcker criterion shows that the square root of the AVE for each construct is higher than its correlations with other constructs. This means that each variable in the study, namely, system quality, information quality, service quality, tax administration efficiency, and user readiness, has a strong ability to distinguish itself from other constructs.

Table 2. Respondents demographic

Demographic	Number of Respondent	Percentage	Demographic	Number of Respondent	Percentage
Respondent Type			Experience Using the Digital Tax System		
Tax Officer (DJP)	10	9%	< 1 year	29	25%
Individual Taxpayers	91	78%	1–3 years	27	23%
Corporate Taxpayers	6	5%	3–5 years	22	19%
MSMEs	4	3%	> 5 years	38	33%
Tax Consultants	5	4%		116	100%
	116	100%	Coretax Usage Intensity		
Agency / Sector			Very rarely	28	24%
Private companies	34	29%	Rarely	32	28%
Directorate General of Taxes (KPP)	10	9%	Quite often	23	20%
Education Sector (schools, colleges, lecturers, teachers, etc.)	27	23%	Often	17	15%
Tax Consultant Office Government (local government, ministries, other public agencies)	6	5%	Very often	16	14%
	12	10%		116	100%
MSMEs	2	2%	Level of Understanding of Coretax		
Others (KAP, specialized institutions, individuals, etc.)	25	22%	Very low	13	11%
	116	100%	Low	12	10%
level of education			Currently	38	33%
SMA/SMK	1	1%	Tall	38	33%
Diploma (D3)	21	18%	Very high	15	13%
Bachelor degree (S1)	58	50%		116	100%
Master (S2)	33	28%	Coretax Training		
Doctoral (S3)	3	3%	Yes	74	64%
	116	100%	No	42	36%
				116	100%

Source: Primary Data (Processed, 2026)

Table 3. Outer Loading

	System Quality (X1)	Information Quality (X2)	Service Quality (X3)	Tax Administration Efficiency (Y)	User Readiness (Z)
X1.1	0,779				
X1.2	0,844				
X1.3	0,870				
X1.4	0,801				
X1.5	0,822				
X1.6	0,861				
X1.7	0,805				
X1.8	0,851				
X2.1		0,848			
X2.2		0,783			
X2.3		0,924			
X2.4		0,908			
X2.5		0,847			
X2.6		0,918			
X2.7		0,831			
X2.8		0,887			
X3.1			0,875		
X3.2			0,944		
X3.3			0,863		
X3.4			0,866		
X3.5			0,829		
X3.6			0,902		
X3.7			0,922		
X3.8			0,893		
Y.1				0,886	
Y.2				0,852	
Y.3				0,884	
Y.4				0,807	
Y.5				0,860	
Y.6				0,880	
Y.7				0,880	
Y.8				0,849	
Z.1					0,890
Z.2					0,868
Z.3					0,908
Z.4					0,884
Z.5					0,908
Z.6					0,822
Z.7					0,848
Z.8					0,883

Source: Primary Data (Processed, 2026)

Table 4. Discriminant validity Fornell Larcker

	System Quality (X1)	Information Quality (X2)	Service Quality (X3)	Tax Administration Efficiency (Y)	User Readiness (Z)
System Quality (X1)	0,839				
Information Quality (X2)	0,818	0,870			
Service Quality (X3)	0,830	0,749	0,888		
Tax Administration Efficiency (Y)	0,832	0,837	0,768	0,863	
User Readiness (Z)	0,518	0,605	0,427	0,571	0,877

Source: Primary Data (Processed, 2026)

Table 5. Construct reliability and validity

Variabel	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
System Quality (X1)	0,935	0,937	0,946	0,688
Information Quality (X2)	0,953	0,956	0,961	0,756
Service Quality (X3)	0,961	0,966	0,967	0,788
Tax Administration Efficiency (Y)	0,951	0,952	0,959	0,744
User Readiness (Z)	0,957	0,958	0,964	0,768

Source: Primary Data (Processed, 2026)

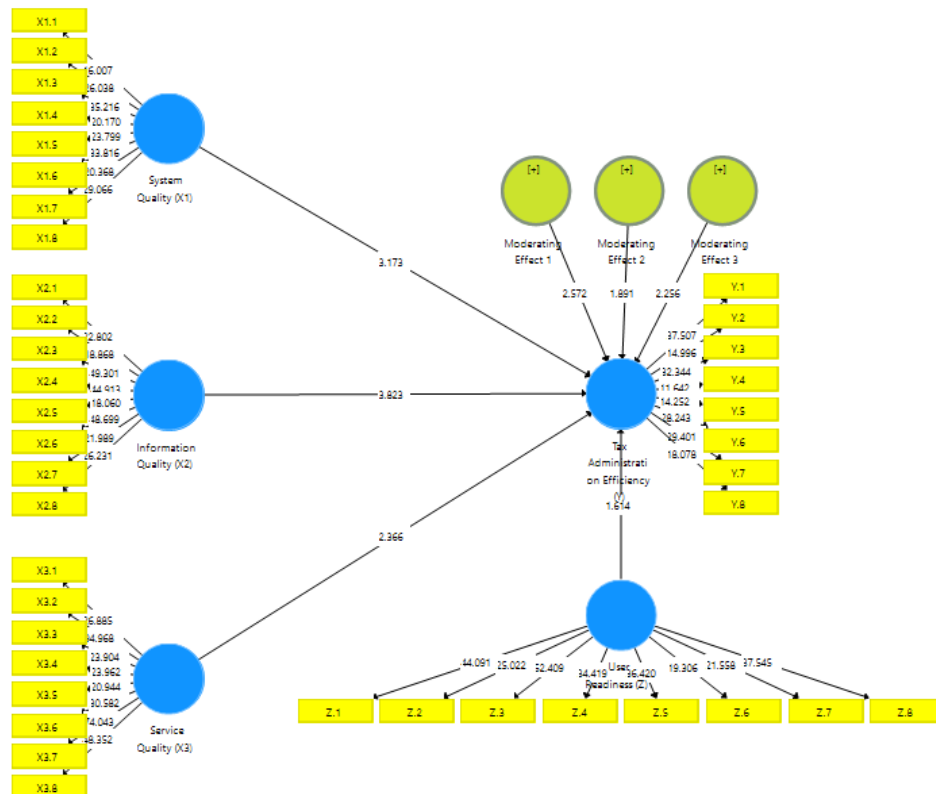


Figure 2. Bootstrapping

Table 6. R-Square

Variabel	R Square	R Square Adjusted	Description
Tax Administration Efficiency (Y)	0,814	0,802	Moderate

Source: Primary Data (Processed, 2026)

Table 7. F-Square Test

Variabel	Tax Administration Efficiency (Y)
System Quality (X1)	0,127
Information Quality (X2)	0,151
Service Quality (X3)	0,057
Moderating Effect 1	0,072
Moderating Effect 2	0,036
Moderating Effect 3	0,065
User Readiness (Z)	0,033

Source: Primary Data (Processed, 2026)

Table 8. Model Fit

Item	Saturated Model	Estimated Model
SRMR	0,064	0,064
d_ULS	3,403	3,391
d_G	3,745	3,753
Chi-Square	1.874,859	1.872,128
NFI	0,711	0,711

Source: Primary Data (Processed, 2026)

Table 9. Results of hypothesis testing

	Original Sample (O)	T Statistics	P Values	Hypothesis
System Quality (X1) --> Tax Administration Efficiency (Y)	0,346	3,443	0,001	H1 Accepted
Information Quality (X2) --> Tax Administration Efficiency (Y)	0,344	3,896	0,000	H2 Accepted
Service Quality (X3) --> Tax Administration Efficiency (Y)	0,185	2,362	0,019	H3 Accepted
SysQ (X1) * UR (Z) --> TAE (Y)	0,279	2,458	0,014	H4a Accepted
IQ (X2) * UR (Z) --> TAE (Y)	- 0,149	1,820	0,069	H4b Rejected
SerQ (X3) * UR (Z) --> TAE (Y)	- 0,218	2,289	0,022	H4c Accepted

Source: Primary Data (Processed, 2026)

4.3 Structural model analysis

The evaluation of the structural model shows that the R-Square (R^2) value for tax administration efficiency is 0.80, indicating that 80% of the variation in tax administration efficiency can be explained by system quality, information quality, service quality, and user readiness, while the remaining 20% is influenced by other variables outside the model. This result suggests that the model has a moderate to strong

explanatory power. Furthermore, the F-Square (f^2) results indicate that information quality has the most dominant effect with a value of 0.151 (moderate category), followed by system quality with a value of 0.127 (moderate category), and service quality with a value of 0.057 (weak category) (Correll et al., 2020). These findings suggest that information and system quality are key factors in improving tax administration efficiency. In terms of model fit, the results show that the SRMR values of 0.064 for both the saturated and estimated models were below the 0.08 threshold, indicating a good fit.

The results of hypothesis testing demonstrate that system quality ($\beta = 0.346$; $p = 0.001$) and information quality ($\beta = 0.344$; $p = 0.000$) exert a positive and statistically significant impact on the efficiency of tax administration; consequently, hypotheses H1 and H2 are supported. This outcome indicates that technical system attributes and information quality serve as primary determinants of administrative efficiency. Furthermore, service quality ($\beta = 0.185$; $p = 0.019$) also exhibits a positive influence, albeit to a lesser extent; hence, hypothesis H3 is affirmed. From a moderation perspective, user readiness enhances the relationships between system quality ($\beta = 0.279$; $p = 0.014$) and service quality ($\beta = -0.218$; $p = 0.022$) with tax administration efficiency, resulting in the acceptance of hypotheses H4a and H4c. However, user readiness does not significantly moderate the relationship between information quality and tax administration efficiency ($\beta = -0.149$; $p = 0.069$); therefore, hypothesis H4b is rejected. Overall, these findings suggest that user readiness is a crucial factor in optimizing system utilization, particularly concerning system and service quality, whereas its impact on information quality is not statistically significant.

5. DISCUSSION

System quality positively affects tax administration efficiency.

The hypothesis testing results indicate that system quality has a positive and significant effect on tax administration efficiency ($\beta = 0.346$; $p = 0.001$); therefore, Hypothesis (H1) is accepted. This positive relationship suggests that improvements in the Coretax system's quality, as reflected in its ease of use, access speed, reliability, flexibility, and system security, directly enhance tax administration efficiency. Operationally, a high-quality system reduces processing time, minimizes input errors, and automates administrative procedures that were previously performed manually, thereby generating time and cost savings as well as improving work productivity.

This finding can be explained through the Information System Success Model developed by DeLone & McLean (2003), which positions system quality as a key determinant in producing net benefits, including operational efficiency. In this context, system quality serves as a fundamental enabler that facilitates effective interaction between users and technology. In addition, this finding is also consistent with the Technology Acceptance Model (TAM) perspective and its extension by Granić & Marangunić (2019), where high system quality enhances perceived ease of use, which in turn promotes optimal system utilization and improves performance outcomes.

Empirically, this result aligns with Saptono et al. (2023), who found that e-tax system quality significantly affects system effectiveness and taxpayer compliance. Furthermore, Okunogbe & Pouliquen (2022) demonstrated that digitalization of tax administration through reliable systems improves efficiency by reducing compliance costs and increasing service speed. Other studies in public information systems confirm that higher system quality is positively associated with improved administrative service efficiency.

In relation to the respondent characteristics, most respondents in this study had a higher education background (Bachelor's and Master's degrees) and experience in using digital tax systems, indicating sufficient cognitive ability and experience to critically evaluate system quality. However, the relatively low intensity of Coretax usage suggests an early-stage adoption phenomenon, where the system is already available with good quality but has not yet been fully utilized optimally by users. In this condition, system quality acts as a fundamental factor determining the success of early implementation, as poor system quality would slow down adoption and potentially create user resistance.

Therefore, it can be concluded that system quality is a strategic determinant of improving tax

administration efficiency, particularly in the implementation of Coretax. Accordingly, system development should focus on enhancing technical aspects and user experience, including system stability, accessibility, and service integration. Without adequate system quality, the benefits of tax digitalization cannot be fully realized, even when supported by other factors, such as information and service quality.

Information Quality Has a Positive Effect on Tax Administration Efficiency

The results of the hypothesis testing indicate that information quality has a positive and significant effect on tax administration efficiency ($\beta = 0.344$; $p = 0.000$), thus hypothesis (H2) is accepted. This positive relationship suggests that the higher the quality of information generated by Coretax, the more efficient tax administration processes are. Accurate, relevant, complete, timely, and consistent information enables both taxpayers and tax officers to make faster and more accurate decisions while minimizing errors in tax reporting and data processing.

This finding is consistent with the DeLone & McLean (2003) Information Systems Success Model, which positions information quality as a key dimension determining the success of an information system in producing net benefits, including operational efficiency. In the context of taxation, high-quality information not only serves as a system output but also acts as a foundation for verification processes, reporting activities, and administrative decision-making. Empirically, this result aligns with the study by Saptono et al. (2023), which found that information quality in e-tax systems significantly affects system effectiveness and taxpayer compliance. Similarly, Shim & Jo (2020) emphasize that information quality is a key determinant in enhancing system value, particularly in public service-based digital systems. Other studies in digital tax administration also indicate that real-time and accurate information can reduce compliance costs and accelerate administrative processes.

Regarding respondent characteristics, most respondents in this study had higher education backgrounds (bachelor's and master's degrees) and experience using digital tax systems. Therefore, they tend to have high expectations regarding the quality of information provided by the system. This makes respondents more sensitive to aspects such as accuracy, completeness, and timeliness of information. However, the moderate level of understanding of Coretax suggests that although the information produced is of high quality, its utilization is not yet fully optimal. This indicates a potential gap between the availability of high-quality information and users' ability to interpret it effectively.

Thus, it can be concluded that information quality is a key factor in improving tax administration efficiency, particularly in the implementation of CoreTax. Therefore, system development should focus on enhancing the accuracy, relevance, and timeliness of information and ensuring that the information generated is easily understood by users. Without adequate information quality, even a sophisticated system will not achieve optimal efficiency in tax administration.

Service Quality Positively Affects Tax Administration Efficiency

The results show that service quality has a positive and significant effect on tax administration efficiency ($\beta = 0.185$; $p = 0.019$), indicating that Hypothesis (H3) is accepted. This positive relationship suggests that the better the service quality accompanying the implementation of Coretax, the higher the level of tax administration efficiency. Service quality in this context includes responsiveness, reliability of technical support, ease of accessing assistance, and empathy in user service. Fast and accurate support helps users resolve technical issues efficiently, thereby reducing waiting time, minimizing errors, and streamlining administrative processes. This finding is consistent with the DeLone & McLean (2003) Information System Success Model, which posits that service quality is a key determinant of information system success in generating net benefits. In this context, service quality acts as a supporting factor that ensures that the system can be used optimally by users.

Empirically, these results are consistent with those of Salome et al. (2022) and Septianingsih & Karnawati (2026), who found that service quality in digital taxation systems significantly influences system performance and user satisfaction. Other studies in the context of digital public services also show that

adequate technical support and responsive services can improve administrative efficiency by reducing barriers in system usage. When linked to respondents' characteristics, most respondents in this study have experience in using digital tax systems; however, the intensity of Coretax usage remains relatively low. This indicates that high-quality service is particularly important during the early stage of implementation, as users still require guidance and assistance in understanding the system. In addition, respondents' moderate level of system understanding further strengthens the role of service quality in bridging the gap between the system and its users.

Nevertheless, the effect size of service quality is relatively smaller than that of system quality and information quality, indicating that service quality functions as a supporting factor rather than a primary driver. In other words, good service alone cannot replace the importance of system and information quality, but it plays a crucial role in ensuring that both are utilized effectively by users. In conclusion, service quality plays an important role in enhancing tax administration efficiency, particularly in supporting the effective use of the CoreTax system. Therefore, tax authorities should ensure the availability of responsive, reliable, and easily accessible services so that system implementation can run optimally and deliver maximum benefits to the users.

The Effect of System Quality, Information Quality, and Service Quality on Tax Administration Efficiency Moderated by User Readiness

The moderation test results indicate that user readiness plays different roles in moderating the relationship between system, information, and service quality and tax administration efficiency. Specifically, the interaction between system quality and user readiness had a positive and significant effect, indicating that user readiness strengthens the influence of system quality on tax administration efficiency. This means that the higher the user readiness in understanding and using the Coretax system, the more optimal the utilization of system quality to improve efficiency.

A similar finding was observed in the interaction between service quality and user readiness, which also had a significant effect, indicating that user readiness strengthens the influence of service quality on tax administration efficiency. This suggests that good service quality becomes more effective when supported by users with adequate ability, experience, and confidence in using the system. However, a different result was found in the relationship between information quality and tax administration efficiency, where the interaction with user readiness was not significant, indicating that user readiness does not moderate this relationship. This implies that information generated by the system can generally be utilized directly by users without depending heavily on their level of readiness. In other words, accurate, relevant, and easily understandable information provides benefits regardless of variations in user readiness.

These findings can be explained through technology adoption theory and the information systems success model, where user readiness plays an important role in maximizing system utilization, particularly for aspects requiring active interaction, such as system features and service utilization. In contrast, for information-related aspects, as long as information quality is high and well-presented, users can still benefit from it even with lower levels of readiness. In relation to respondent characteristics, the majority of respondents in this study had relatively high educational backgrounds and experience in using digital systems, but with relatively low intensity of Coretax usage and moderate levels of understanding. This condition indicates that user readiness is not evenly distributed, making it a crucial factor in enhancing the benefits of system and service quality. This also explains why moderation is significant for system and service quality, but not for information quality.

Overall, these findings indicate that user readiness is a critical factor in the successful implementation of Coretax, particularly in maximizing the benefits of system and service quality (Kamara & Kamara, 2024). Therefore, in addition to improving technical and service aspects, tax authorities should also focus on enhancing user readiness through training, socialization, and assistance programs to ensure that system implementation runs more effectively and produces optimal administrative efficiency.

6. CONCLUSION AND SUGGESTION

This study shows that system, information, and service quality have a positive and significant effect on tax administration efficiency in the implementation of Coretax. Overall, system and information quality are the most dominant factors in improving efficiency, whereas service quality plays a supporting role. In addition, user readiness strengthens the relationship between system and service quality and tax administration efficiency, but it does not significantly moderate the relationship between information quality and tax administration efficiency. These findings indicate that the success of Coretax implementation is determined not only by the technical aspects of the system but also by users' readiness to utilize the technology effectively. The results of this study are consistent with the DeLone and McLean Information System Success Model, which emphasizes that system, information, and service quality are key determinants in generating system benefits, including operational efficiency. Furthermore, the role of user readiness supports technology adoption theory, which highlights the importance of individual factors in maximizing the use of information systems.

The contribution of this study lies in enriching the literature on digital tax system implementation, particularly by incorporating user readiness as a moderating variable within the information system success model. Practically, this study implies that tax authorities should focus not only on system development but also on improving service quality and user readiness through continuous training and socialization programs. However, this study has several limitations, including a relatively limited respondent scope and low intensity of Coretax usage, which may not fully represent the overall implementation conditions. Therefore, future research is recommended to expand the sample size and diversity of respondents, as well as include additional variables such as user satisfaction or tax compliance levels, to gain a more comprehensive understanding of the success of digital tax system implementation.

REFERENCES

- Asri, I. A. T. Y., Edwindra, R., & Dewinta, I. A. R. (2025). The Strategic Role of Coretax System as a Pillar of Tax Digitalization In Indonesia. *SIMAK*, 23(02), 81–92.
- Correll, J., Mellinger, C., McClelland, G. H., & Judd, C. M. (2020). Avoid Cohen's 'small', 'medium', and 'large' for power analysis. *Trends in Cognitive Sciences*, 24(3), 200–207.
- Darmayasa, I. N., & Hardika, N. S. (2024). Core Tax Administration System: The Power and Trust Dimensions of Slippery Slope Framework Tax Compliance Model. *Cogent Business & Management*, 11(1), 2337358. <https://doi.org/10.1080/23311975.2024.2337358>
- DeLone, W. H., & McLean, E. R. (2003). The DeLone and McLean model of information systems success: A ten-year update. *Journal of Management Information Systems*, 19(4), 9–30.
- Fibriyanti, Y. V., Kurniyawati, I., & Munawaroh, K. (2026). Coretax Use, E-Billing Use, and Taxpayer Understanding on Annual Tax Reporting Compliance. *Jurnal Multidisiplin Sahombu*, 6(01), 1–7.
- Granić, A., & Marangunić, N. (2019). Technology acceptance model in educational context: A systematic literature review. *British Journal of Educational Technology*, 50(5), 2572–2593.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage publications.
- Hidayat, A. K. W., & Inayati, I. (2025). Implementation of the Core Tax System: Impacts and Challenges on Tax Revenue in Indonesia. *Journal Transnational Universal Studies*, 3(6), 1–8.
- Javidroozi, V., Shah, H., & Feldman, G. (2019). A framework for addressing the challenges of business process change during enterprise systems integration. *Business Process Management Journal*, 26(2), 463–488. <https://doi.org/10.1108/BPMJ-03-2019-0128>
- Kamara, A. K., & Kamara, S. (2024). Exploring the implementation and benefit of digital reforms in tax administration: National Revenue Authority (NRA) Sierra Leone. *European Journal of Management and Marketing Studies*, 8(3).
- Mandasari, N. (2024). The Effect of Taxation Digitalization (electronic System) on Increasing Individual Taxpayer Compliance. *Advances in Taxation Research*, 2(3), 153–167.
- Michael, M. (2026). E-Commerce Tax: From e-Filing to Coretax (A Bibliometric Analysis). *Owner: Riset Dan Jurnal Akuntansi*, 10(1), 134–147.
- Misbahuddin, M. H., & Kurniawati, Y. (2025). Analisis Implementasi Penerapan Pajak di Indonesia Melalui

- Sistem Coretax Administration System. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(2), 1281–1287.
- Muttwijaya, G. T. P., Padang, R. R., Yasa, I. N. P., & Adiputra, I. M. P. (2025). Digital Transformation in Tax Administration: The Role of Coretax, Service Quality, and Morality in Enhancing MSME Compliance in Indonesia. *The Indonesian Journal of Accounting Research*, 28(2), 359–410.
- Okunogbe, O., & Poulighen, V. (2022). Technology, taxation, and corruption: Evidence from the introduction of electronic tax filing. *American Economic Journal: Economic Policy*, 14(1), 341–372.
- Okunogbe, O., & Santoro, F. (2023). Increasing tax collection in African countries: The role of information technology. *Journal of African Economies*, 32(Supplement_1), i57–i83.
- Permatasari, A. A., Ramadhan, P., Wahono, P., & Pahala, I. (2025). An Analysis of Challenges and Strategic Optimization in the Implementation of Coretax for Tax Reporting in Indonesia. *TOFEDU: The Future of Education Journal*, 4(6), 1820–1828.
- Rezaei, E., & Jablonsky, J. (2025). *Government Digitalization and Tax Collection Efficiency in Emerging Economies*. 3–27.
- Rimadhani, P. N., Mardikaningsih, R., Issalillah, F., Sulani, S., & Gautama, E. C. (2024). The Impact of Tax Regulation on Taxpayer Compliance in the Micro, Small, and Medium Enterprises Sector: A Legal Literature Review. *International Journal of Service Science, Management, Engineering, and Technology*, 6(3), 17–26.
- Salome, I. O., Ayotunde, O. A., Samuel, O. O., & Samuel, O. O. (2022). From Service Quality to E-Service Quality: Measurement, Dimensions and Model. *Journal of Management Information and Decision Sciences*, 25(1).
- Saptono, P. B., Hodžić, S., Khozen, I., Mahmud, G., Pratiwi, I., Purwanto, D., Aditama, M. A., Haq, N., & Khodijah, S. (2023). *Quality of e-tax system and tax compliance intention: The mediating role of user satisfaction*. 10(1), 22.
- Saragih, A. H., Reyhani, Q., Setyowati, M. S., & Hendrawan, A. (2023). The potential of an artificial intelligence (AI) application for the tax administration system's modernization: The case of Indonesia. *Artificial Intelligence and Law*, 31(3), 491–514.
- Sarfaraz, J. (2017). Unified theory of acceptance and use of technology (UTAUT) model-mobile banking. *Journal of Internet Banking and Commerce*, 22(3), 1–20.
- Septianingsih, G., & Karnawati, Y. (2026). The Effect of Tax Knowledge, Tax Awareness, Tax Sanctions, and Digital Tax Technology on Individual Taxpayer Compliance in West Jakarta. *TOFEDU: The Future of Education Journal*, 5(1), 1378–1395.
- Shim, M., & Jo, H. S. (2020). What Quality Factors Matter in Enhancing the Perceived Benefits of Online Health Information Sites? Application of the Updated DeLone and McLean Information Systems Success Model. *International Journal of Medical Informatics*, 137, 104093. <https://doi.org/10.1016/j.ijmedinf.2020.104093>
- Shintia, H., & Guspendri, N. (2025). Implementation of Coretax in Improving Compliance and Efficiency of Tax Administration at KP2KP Batusangkar. *Jurnal Akuntansi Syariah (JAKSYA)*, 5(2), 71–82.
- Sofia, I. (2025). Analisis Perspektif Pengguna Terhadap Implementasi Coretax Administration System (CTAS) Dalam Meningkatkan Efisiensi dan Akurasi Pada Sistem Administrasi Perpajakan. *Musytari: Jurnal Manajemen, Akuntansi, Dan Ekonomi*, 23(8).
- Tambunan, M. R. U. D., & Rosdiana, H. (2020). Indonesia Tax Authority Measure on Facing the Challenge in Taxing Digital Economy. *The International Technology Management Review*, 9(1), 1. <https://doi.org/10.2991/itmr.k.200203.001>
- Yordanova, Z. (2024). *Tax Technology as a Catalyst for Globalization of Companies and Digital Transformation*. 215–226.
- Zulaikhah, S. (2025). Transforming Tax Compliance in Optimizing State Revenue: Innovation and Challenges in the Digital Era. *International Journal of Economics (IJECE)*, 4(1).