
Strategic Alignment of Accounting, Taxes, and Digital Economy for Indonesia's Economic Development

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Abstract

This community service aims to provide a comprehensive understanding of integrated strategies in accounting, taxation, and the digital economy as an effort to face economic challenges in Indonesia. In the increasingly developing digital era, businesses and economic actors need to adapt to technology and understand dynamic tax regulations. This training is designed to help participants, especially those from the MSME sector and accounting professionals, integrate a strong understanding of accounting, compliance with tax regulations, and the application of digital technology in their business operations. Through a practical approach, participants will be invited to develop effective and efficient solutions to increase the competitiveness and stability of the national economy. The main focus of this training is to combine conventional accounting and taxation concepts with digital economic innovations, which are increasingly relevant in the industrial era 4.0. In addition, this training also discusses various tax challenges faced by businesses in the digital economy, such as e-commerce taxation, cross-border transactions, and evolving digital tax regulations. Participants will be taught how to utilize digital technology, such as cloud-based accounting software and tax applications, to facilitate more accurate and timely financial reporting and management.

Keywords: tax accounting, digital economy, globalization, digitalization, tax system.

INTRODUCTION

Indonesia's economy has undergone significant transformation in the past few decades, particularly with the emergence of a rapidly growing digital economy. This digital economy is changing the way people interact, transact, and access information, both at the individual and business levels. With the development of technology, various industrial sectors in Indonesia have begun to adopt digital-based business models, which have driven the growth of e-commerce, fintech, and other digital services. These changes have not only changed consumption and production patterns but have also affected the overall structure of the national economy. However, with the growth of the digital economy, new challenges have also emerged in the tax system. Many digital business models are different from traditional models, both in terms of transaction processes and revenue characteristics. For example, revenue from cloud-based services, digital advertising, or sales of virtual products is often difficult to track conventionally. As a result, the government needs to update tax regulations to accommodate these changes and ensure that the digital economy sector can contribute fairly to state revenues. This is where tax accounting in the digital era is important.

Tax accounting is one of the important financial management components closely related to the company's tax obligations. In the context of the digital economy, tax accounting must adapt to technological developments and changing business models. Accurately tracking, measuring, and reporting digital transactions is becoming increasingly important. In addition, business actors must also understand that conventional accounting models may no longer be sufficient to manage tax obligations in this digital-based economy. Therefore, the adoption of technology that can support digital tax accounting is a top priority

for companies that want to remain compliant with applicable tax regulations. Integrating tax strategies and the digital economy is not just about technical adjustments but also includes changes in the financial management and reporting approach. Given the increasing complexity of digital business models, tax accountants need to develop deeper analytical skills and use sophisticated accounting software to facilitate the reporting process. In addition, closer collaboration between the government and the business sector is needed to create relevant and fair regulations. The Indonesian government has begun implementing various initiatives to update tax regulations in the digital era, such as a digital tax for large technology companies and new rules on value-added tax (VAT) for digital goods and services.

In facing this challenge, every economic actor in Indonesia needs to understand that digital economic transformation is not just a temporary trend, but a profound and sustainable change. Therefore, tax accounting must continue to evolve along with this economic change. By integrating the right tax strategy and utilizing digital technology, companies will not only be able to improve operational effectiveness and efficiency but will also be better prepared to fulfill their tax obligations better. The digital economic transformation offers great opportunities for economic growth but also requires wise adaptation in various aspects, including the tax system.

METHOD

The Community Service (PKM) activity of the Unsoed PPAK Study Program involves a collaborative approach that is carefully designed through several strategic stages: The first stage, namely program socialization, begins with receiving complete direction and information from Universitas Jenderal Soedirman (Unsoed) about the PKM program that will be implemented. At this stage, the PKM team studies the objectives, targets, and implementation mechanisms of the activity, and designs an efficient task division structure among team members. The PKM team then divides groups for each specific task, ensuring synergy between all parties involved so that the program implementation runs according to plan. At this stage, the importance of role division among team members is also a major factor in the success of the activity.

The second stage, namely internal preparation, involves intensive discussions between the PKM team and the supervising lecturer. In this meeting, the team discusses various options for audiences, themes, and materials to be presented. After going through the consideration process, it was agreed that the audience for this activity would be undergraduate students at the UIN SAIZU campus. The selection of this audience is based on the relevance of the program to the educational needs of students and the potential positive impacts that can be generated from this activity. The selected themes and materials are focused on developing accounting and taxation skills, as well as implementing a digital economy that is in line with current developments. This agreement is very important to ensure that the PKM program provides real benefits to the intended audience.

In the third stage, the PKM team collaborated with the KSEI FEBI UIN SAIZU Team in preparing aspects of external activities. This collaboration focused on determining the time and place of implementation that was following the schedules of both institutions. This

process includes technical coordination regarding the selection of a strategic and convenient location for participants, as well as scheduling that does not interfere with other academic activities. The KSEI FEBI Team as a partner in implementing the activity also played an important role in ensuring that all logistical needs could be met. Through a joint meeting, the two teams succeeded in compiling a mature operational plan so that all activities could be carried out smoothly according to the predetermined schedule.

The fourth stage, namely the implementation of the activity, is the culmination of all the preparations that have been made. At this stage, the entire team carries out their respective tasks based on the roles that have been determined from the start. The implementation of the activity is carried out directly by utilizing the facilities provided by UIN SAIZU and involving students as the main audience. This program takes place with a focus on active interaction between presenters and participants, using presentation methods, discussions, and simulations of actual cases in the field of accounting and taxation related to the digital economy. Active participation from UIN SAIZU students is one indicator of the success of this activity, where they show high enthusiasm and involvement in understanding the material presented.

RESULT AND ANALYSIS

Result

Community Service Activity (PKM) of UNSOED PPAk Study Program held at UIN SAIZU Purwokerto which was attended by 26 participants consisting of students and committee. The event began with participant registration and opening, followed by several material sessions delivered by UNSOED PPAk Study Program students. Each session discussed different aspects of tax accounting, digital economy, and integrated strategies to face economic challenges in Indonesia. The first material focused on tax accounting in the digital economy era, with a discussion of the main functions of tax accounting, including calculating tax liabilities, tax reporting, and tax planning. The challenges faced in the digital era were also highlighted, especially regarding electronic transactions that are difficult to track and the importance of information technology in facing these challenges. Participants were given an understanding of how the digital economy presents new challenges in tax avoidance through digital platforms and the importance of technological solutions in supporting tax compliance. The second material discussed the digital economy and its impact on the Indonesian economy. Participants were invited to understand the rapid growth of the digital economy in Indonesia, especially with the emergence of various e-commerce and fintech platforms. In addition, the positive impacts of this development, such as increasing market access and creating new jobs, were discussed in depth. However, negative impacts such as data security risks and challenges in tax regulation are also major concerns. Participants were actively involved in discussions highlighting how the government can formulate relevant and adaptive policies in regulating taxes in the digital sector. The third material discussed integrated strategies in tax accounting and the digital economy, with an emphasis on the importance of using technology to improve efficiency and compliance in tax reporting. The use of technology such as cloud-based ERP systems and data analytics helps companies monitor tax obligations in real-time. In addition, the role of the government in creating policies that support innovation in the digital sector while maintaining transparency and accountability in taxation was also discussed.



Figure 1. Questions from PKM participants

Participants were invited to understand how the integration of technology and good policies can encourage sustainable digital economic growth. The discussion session that took place after the presentation of the material was an important part of this event. Participants enthusiastically asked questions about the implementation of tax accounting strategies in the digital era and their impact on MSMEs. Various views on how technology can be utilized to facilitate tax compliance for small business actors also became a hot topic in the discussion. The event ended with the presentation of certificates and a group photo session, signifying the success of this program in increasing participants' understanding of the challenges and opportunities of the economy in the digital era. This activity is also expected to be a foundation for the development of other community service programs that focus on economic and technological literacy.



Figure 2. PKM Activity Participants

Tax Accounting in the Digital Economy Era

Important functions that must be carried out by tax accountants in fulfilling tax obligations, as well as the challenges faced amidst the rapid development of technology and economic digitalization. The main functions of tax accounting include calculating tax

liabilities, where accountants must ensure that the amount of tax paid by individuals or companies is in accordance with their income and expenses based on applicable tax provisions. In addition, tax reporting such as the preparation of SPT (Annual Tax Returns) and VAT reports must also be carried out in a timely and accurate manner, to ensure compliance with tax regulations. Tax planning is also an important element in tax accounting, where effective strategies must be implemented to minimize the tax burden by utilizing available tax incentives or deductions. On the other hand, tax compliance ensures that all accounting and tax reporting activities are in accordance with applicable regulations to avoid sanctions or fines. In addition, the preparation and analysis of financial statements also play an important role in accurately reflecting tax obligations and financial conditions, while tax accountants often provide consultation and advice on tax issues and regulatory changes. The audit and monitoring functions carried out by tax accountants also serve to ensure the conformity of tax reporting and make adjustments if errors are found.

However, in the digital era, new challenges arise along with the complexity of digital transactions that are difficult to track and the increasing risk of tax evasion through digital platforms. One of the main challenges is the complexity of tax regulations that may not fully accommodate innovative business models and international transactions that are common in the digital economy. Traditional tax regulations often do not cover new aspects such as crypto transactions or the use of blockchain technology, so that adjustments and updates to regulations are needed. Data and information management is also a challenge in itself, considering that large and diverse data volumes must be managed properly to ensure accuracy in tax calculations and compliance with regulations. In addition, legal uncertainty in the digital sector, especially related to new transactions such as crypto assets, often makes it difficult for companies to carry out tax planning and increases operational risks. Another challenge arises from more complex tax reporting, considering that digital transactions often involve many countries and platforms, so companies must comply with different regulations in various jurisdictions. In the international context, several countries have begun to apply special taxes to digital services from international companies, adding to the complexity of cross-border tax calculations and reporting, which requires international cooperation and new tax treaties. Furthermore, data security and fraud risks are also major concerns in the digital economy, where tax accounting must protect sensitive personal and financial data from cyber threats. To address these challenges, technologies such as artificial intelligence (AI) and blockchain can be used to improve efficiency in tax reporting, although the integration of these technologies requires a deep understanding of their impact on accounting processes and tax compliance. Finally, digital market volatility, such as cryptocurrency fluctuations, can also impact tax calculations and planning, so tax accountants must be able to adapt quickly to changes in the market.

Tax Accounting Challenges in the Digital Economy

Complexity arises from fundamental changes in the way businesses are run and transactions are conducted. One of the main challenges is the complexity of tax regulations, where international transactions and innovative business models are often not covered by existing tax regulations. Traditional tax regulations are often unable to accommodate new aspects, such as cross-border digital transactions or the use of blockchain technology, so regulatory updates are needed that are more responsive to the dynamics of the digital market. In addition, data and information management are important aspects of tax accounting in the digital era. The volume and diversity of data generated are very large, so tax accounting must be able to manage this data well and ensure that the information used for tax calculations is

accurate and integrated. Effective data management is essential to reduce errors and maintain compliance with applicable regulations.

Legal uncertainty is also a serious challenge, where tax regulations often do not cover new aspects of the digital economy, such as crypto transactions and digital platforms. This uncertainty can complicate tax planning and increase risks for companies operating in the digital world. In addition, tax compliance and reporting become more complex, given that digital transactions often involve multiple countries and platforms. Complying with different regulations across jurisdictions is a challenge, especially when these regulations are changing rapidly. In the context of digital tax and international taxation, some countries are starting to impose specific taxes on digital services from international companies. This affects how taxes are calculated and reported, and adds complexity for companies operating in multiple countries. International cooperation and new tax treaties are needed to address these challenges.

Fraud risks and data security are also key concerns, with protection of personal and financial data being critical. Tax accounting systems must be protected from cyber threats to avoid breaches that could negatively impact tax reporting and compliance. On the other hand, new technologies such as artificial intelligence (AI) and blockchain provide opportunities to increase efficiency in tax accounting, but also present challenges in terms of integration with existing systems. A deep understanding of how these technologies impact accounting and compliance processes is critical to their successful implementation. Finally, market volatility and rapid changes in the digital economy, such as fluctuations in cryptocurrency values and changes in digital consumption patterns, can impact tax calculations and planning. Tax accounting must be able to adapt to market changes to ensure accuracy in tax calculations and reporting, which are increasingly complex in the context of this dynamic digital environment.

Strategy Integrated in Tax Accounting and Digital Economy

The use of technology to improve tax compliance shows that the implementation of technologies such as e-filing, cloud-based ERP systems, and data analytics can significantly simplify the process of tax recording and reporting. With an integrated system, real-time monitoring can be carried out, allowing for early detection of errors and reducing potential problems that can arise during the reporting process. This technology not only makes tax reporting easier but also increases the accuracy of the reported data, which in turn can improve overall tax compliance. On the other hand, the role of regulators and government policies is crucial in supporting digital innovation while ensuring compliance and transparency. The Indonesian government needs to develop a tax policy that not only covers traditional aspects but also clearly regulates digital transactions. A good policy must be able to provide a clear framework for reporting and auditing, making it easier for taxpayers to fulfill their tax obligations without feeling burdened by complex or ambiguous regulations.

The importance of education and training cannot be ignored in this context. To ensure that technological advances in tax accounting can be utilized effectively, increasing the capacity of human resources in the fields of tax accounting and the digital economy through relevant training is essential. Professionals in this field must have a deep understanding of tax regulations as well as digital technology to implement integrated strategies that can improve efficiency and compliance. With a combination of technical knowledge and regulatory understanding, tax accountants can be better prepared to face the challenges faced in the digital era, and help businesses adapt to rapid changes in the tax landscape. Thus, technology integration, government policy support, and increased education and training

will complement each other in efforts to create a better and more efficient tax ecosystem in Indonesia, especially in the context of the increasingly rapid development of the digital economy.



Figure 3. Group photo of PKM participants and committee

CONCLUSION

Community service activities have been carried out with a focus on increasing the capacity of MSME actors in various aspects, including the inclusion of nutritional information, product packaging design, entrepreneurship development strategies, Islamic money literacy, clean and healthy lifestyles, and the application of technology in tax accounting, have had a significant positive impact. Through a series of training and interactive discussions, participants not only gain new knowledge but also practical skills that can be implemented in their businesses. Increasing understanding of the nutritional value of MSME products helps business actors to pay more attention to the health aspects of the products they offer, so that they can attract more health-conscious consumers. Second, attractive packaging design training adds value to products, increasing competitiveness in the market. In addition, the entrepreneurship development strategies introduced help MSME actors identify business opportunities and face challenges in the digital era.

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