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The Responsibility of The Sleman Regency Government in Providing Tax Education to MSMEs (Study of PT. Sekawan Makkah Madinah)

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ABSTRACT

This study discusses the role of the Sleman Regency Government in providing tax education to Micro, Small, and Medium Enterprises (MSMEs), with a focus on PT. Sekawan Makkah Madinah. The background of this study is based on the importance of tax literacy for MSMEs in improving administrative compliance and supporting the optimization of local tax revenue. The research method used is normative juridical, with a legislative and conceptual approach combined with field data to strengthen the analysis. The results show that the Sleman Regency Government plays a role through the implementation of socialization, training, assistance, and the use of digital technology to encourage tax awareness and compliance among MSME players. This role has had a positive impact, particularly in increasing business actors' knowledge of taxation procedures and legal obligations that must be fulfilled. However, this study also found various obstacles faced by local governments, including low tax literacy among MSME actors, limited human resources, minimal budgets, low business actor participation, and challenges of digitalization and rapid regulatory changes. These obstacles indicate the need for a more systematic strategy, ranging from increasing the capacity of officials, providing applicable educational materials, strengthening digital infrastructure, to improving coordination between relevant institutions.

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1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy, not only driving national economic growth but also playing a major role in the equitable distribution of wealth among the population. According to data from [1], MSMEs contribute around 60% to the national Gross Domestic Product (GDP) and employ more than 97% of the total workforce in Indonesia. This figure shows that MSMEs have a dominant contribution to economic stability, especially in the face of global economic pressures such as financial crises, pandemics, and recessions. The existence of MSMEs is not only capable of creating new jobs, but also strengthening the local economic base through the utilization of regional potential and innovations based on local wisdom.

One crucial aspect in the development of MSMEs is compliance with tax obligations. Taxes are the main source of funding for national development, and the participation of MSMEs in the taxation system is an important indicator for the creation of a fair and sustainable fiscal system. However, despite the significant role of MSMEs in economic activity, their contribution to tax revenue is still relatively low, partly due to low levels of tax literacy and education. Therefore, it is very important for all policy makers, especially local governments, to promote a stronger understanding of taxation among MSME actors. This responsibility is not only to increase state revenue, but also to support the formality and sustainability of MSME businesses in the long term.

Local governments have an important role in promoting tax literacy through education and direct assistance to MSME players. Based on Law Number 23 of 2014 concerning Regional Government, district governments have authority in the field of community economic empowerment, including providing tax education as part of capacity building for local business actors.

One concrete example of taxation challenges at the MSME level can be seen in a case study of PT. Sekawan Makkah Madinah. This company is engaged in the special umrah and hajj departure services sector and has a business structure that has grown from a small scale. However, tax management and compliance with tax regulations are still obstacles in its operations (Interview, 2024). The study of PT. Sekawan Makkah Madinah reflects the condition of many other MSME actors who feel that the tax system is too complex and that they do not receive sufficient assistance from local governments. This problem of " " not only affects business performance but also the potential for local and national tax revenue [2].

In relation to state administrative law, the government is obliged to provide public services that include providing information, education, and legal protection to the community, including in the field of taxation [3]. Therefore, local governments are not only tasked with collecting taxes but also ensuring that the community is able to fulfill their obligations consciously. This study is important considering that taxation is one of the main sources of state and regional financing. Without adequate understanding, MSME players have the potential to experience legal difficulties or even be subject to administrative sanctions due to ignorance in the implementation of their tax obligations [4].

This study aims to evaluate the extent of the Sleman Regency Government's responsibility in providing tax education to MSMEs, with a focus on PT. Sekawan Makkah Madinah. The results of this study are expected to provide an actual picture and policy recommendations for improving tax education strategies in the region. With the increasingly important role of MSMEs in supporting the local and national economy, as well as the urgency to expand the tax base fairly, the role of local governments in providing tax education becomes crucial. This study also contributes scientifically to the fields of administrative law and public policy, particularly regarding taxation and economic empowerment of the people. Referring to the above explanation, the researcher felt compelled to conduct a more in-depth analysis of SMEs' understanding of taxation. Thus, the researcher plans to publish the results of this research in a work entitled "The Responsibility of the Sleman Regency Government in Providing Tax Education to SMEs (Study of PT. Sekawan Makkah Madinah)".

2. RESEARCH METHODS

In legal research, the method used plays an important role as the foundation for determining the direction, approach, and analysis techniques to be applied. Legal research not only serves to understand the content and structure of legal norms, but also to assess the extent to which these laws apply and function in society. Legal research methods are basically divided into two main forms, namely normative (doctrinal) legal research and empirical (non-doctrinal) legal research. Normative legal research focuses on the study of legal norms written in legislation, legal principles, doctrines, and court decisions. Meanwhile, empirical legal research emphasizes observation of how the law works in social reality, with examining the legal behavior of legal subjects in complying with or implementing these legal norms [5].

2.1 *Approach and Type of Research*

This study uses an empirical juridical method, which is an approach that aims to examine the application of positive legal norms in society and evaluate the effectiveness of the law in practice, particularly in relation to the role of the Sleman Regency Government in providing tax education to MSME actors. This approach is relevant because it combines normative legal data (regulations related to taxation and regional government) with empirical data (results of observations, interviews, and field studies at PT. Sekawan Makkah Madinah). This method allows researchers to analyze the extent to which applicable legal norms, such as Law Number 7 of 2021 concerning Harmonization of Tax Regulations and Law Number 23 of 2014 concerning Regional Government, are implemented.

2.2 *Types of Data*

In this study, the types of data used are divided into two, namely primary data and secondary data, as explained below:

1. Primary Data

   Primary data is the main data obtained directly from the field through interviews or observations of subjects relevant to the research object. In the context of this study, primary data was obtained through in-depth interviews with officials or employees of the Sleman Regency Cooperative and SME Office and the Regional Revenue Office; employees of PT. Sekawan Makkah Madinah; and other MSME actors within the Sleman Regency area. This data was used to explore information regarding the extent to which the local government has fulfilled its responsibility to provide tax education, as well as the perceptions and direct experiences of business actors regarding the education process they have received.

2. Secondary Data

   Secondary data is data obtained from literature studies, namely data that is already available in the form of legal documents or academic literature. Secondary data in this study is divided into three categories: (a) primary legal materials, namely relevant laws and regulations such as: the 1945 Constitution of the Republic of Indonesia, Law Number 7 of 2021 concerning Harmonization of Tax Regulations; Law Number 23 of 2014 concerning Regional Government; Law Number 20 of 2008 concerning MSMEs; Minister of Finance Regulations or Sleman Regent Regulations related to education and MSME tax obligations. (b) secondary legal materials, namely literature, books, legal journals, research results, and scientific publications that support analysis and provide theories and concepts about tax education and government responsibility. (c) tertiary legal materials, namely supporting data such as legal dictionaries, legal encyclopedias, or official government documents that explain specific terminology or technical contexts.

2.3 *Data Collection Techniques*

Data collection techniques were carried out through literature studies and in-depth interviews with local government officials, MSME actors, and companies. Data analysis is conducted qualitatively, namely by interpreting the data obtained based on the principles of state administrative law and good governance, to draw conclusions about the legal responsibilities of local governments. As stated by [6], empirical legal research is important to assess the extent to which laws are obeyed and function in society, especially when linked to the effectiveness of public policy.

2.4 *Data Analysis Techniques*

The data analysis technique used is interactive qualitative analysis, which is descriptive and analytical in nature. The data obtained, both primary data from interviews and secondary data from literature studies, is analyzed systematically to understand and explain the legal reality in the field in relation to applicable legal provisions. The analysis was conducted with reference to the concepts of administrative law enforcement, local government responsibility, and the function of tax education for MSME actors. The steps in this qualitative data analysis followed the interactive model of Miles and Huberman [7], which includes three main stages, namely Data Reduction, Data Presentation, and Drawing Conclusions.

3. RESULTS AND DISCUSSION

The role of the Sleman Regency Government in providing tax education to MSME players, including PT. Sekawan Makkah Madinah, has been significant in encouraging increased tax compliance. Based on findings in the field, the local government, through the Cooperative and SME Office, in collaboration with the Sleman Tax Office (KPP), has organized various socialization and training programs. These programs aim to provide technical understanding of simple tax obligations, especially for MSMEs that often still have minimal tax literacy. Tax education based on real-world practices has been able to increase the confidence of MSME players in independently fulfilling their tax obligations [8].

The findings of this study also show that the Sleman Regency Government emphasizes the importance of digital literacy in the tax education process. MSME players are directed to utilize digital platforms, such as e-Filing and e-Bupot, so that they can report and pay taxes more efficiently. With digital assistance, MSMEs at PT. Sekawan Makkah Madinah are able to adapt to a modern technology-based taxation system. It can therefore be concluded that digital tax literacy plays an important role in increasing MSME taxpayer compliance in Indonesia [9].

The research findings also show a digital transformation in the financial habits of MSMEs. By getting used to using online tax applications, MSMEs are also beginning to adapt to digital banking systems, cashless transactions, and electronic financial records. This provides the additional benefit of greater access to formal financial institutions. This proves that the digitization of tax administration has a direct implication on increasing access to MSME financing because their financial reports become more transparent [10].

Overall, the results of this study prove that the role of the Sleman Regency Government in providing tax education to MSME actors at PT. Sekawan Makkah Madinah not only increases tax compliance but also encourages financial literacy, digital transformation, and active participation in regional development. Comprehensive, collaborative, and digital-based tax education has proven to be an effective strategy in strengthening the tax revenue base while empowering MSMEs in a sustainable manner. These findings are consistent with the research by Tira and Daryanto, which confirms that a digital literacy-based tax education approach is an innovative solution in improving MSME tax compliance in the modern era [11].

Table 1. Interview Results with Respondents from PT Sekawan Makkah Madinah

No	Respondent	Interview Results
1	M.H.	Tax education from the Sleman Regional Government greatly helped him understand how to use e-Filing, which he previously considered complicated.
2	B.K.	Before the outreach program, he was afraid of making mistakes in filing his taxes, but after receiving training, he feels more confident.
3	C.M.T	Assistance from the local government made the tax reporting process clearer, especially in understanding MSME tax incentives.
4	D.L.	Helped because the government provides a direct simulation of how to calculate taxes according to business turnover.
5	S	Tax education has made it easier for him to organize his financial records more neatly.
6	R.	Consultation at PLUT Sleman made it easier for him to ask questions when facing tax administration difficulties.
7	A.M.T.	Tax awareness campaigns increased his awareness that taxes are not only a burden, but also a contribution to regional development.
8	D.K.	The training provided is quite practical, although the implementation time is sometimes limited.
9	S.S.	The government is quite responsive in addressing the tax information needs of MSME players like himself.
10	D.M.	Since attending the information session, he has been able to avoid the tax reporting delays that often occurred previously.
11	L.L.	Previously, he did not understand how to calculate MSME taxes, but after receiving education, he can now do it himself.
12	D.K.L.	Tax training made him understand the importance of simple bookkeeping for business.
13	G.P.	The digital-based tax education taught by the government helped him become familiar with online applications.
14	T.R.I.	Feels more at ease because he now understands the tax rights and obligations of MSMEs, especially regarding the 0.5% final income tax incentive.
15	O.S.	With this education, he no longer relies on third-party services to report taxes.
16	M.A.	Feels appreciated because the government provides persuasive assistance, not scare tactics.
17	D.A.	The tax education provided enabled him to teach other MSME colleagues how to file taxes.
18	U.F.K.	The tax education provided by the Sleman Regional Government is quite practical, although the scope of the material needs to be expanded.
19	L.P.	Became more disciplined in recording daily financial transactions after attending tax training.
20	P.A.K.	The tax education provided encouraged him to be more organized and aware of the role of taxes in development.

4. CONCLUSION

The Sleman Regency Government plays an important role in improving tax literacy among MSME players through various educational programs, including direct outreach, training, and the use of digital technology. This role has proven effective in encouraging tax compliance, raising legal awareness, and strengthening the capacity of MSME players, including PT. Sekawan Makkah Madinah. These efforts also reflect the local government's responsibility in supporting national policies in the field of taxation, while making a tangible contribution to optimizing tax revenue and the sustainability of small and medium-sized enterprises.

In its implementation, the Sleman Regency Government faces a number of obstacles, such as low tax literacy, limited human resources, low participation, digitalization constraints, rapid regulatory changes, budget constraints, and suboptimal inter-agency coordination. These obstacles indicate that the success of tax education does not only depend on the provision of materials, but also requires systemic support in the form of capacity building for officials, strengthening of digital infrastructure, regulatory stability, and institutional synergy. Thus, strategic and collaborative steps are key to ensuring that tax education can be effective and sustainable among MSMEs.

5. RECOMMENDATIONS

Theoretically, this study contributes to the development of state administration law and tax law studies, particularly in the context of the role of local governments in implementing tax education obligations to MSME actors. This study shows that the success of tax education is not only influenced by the substance of regulations, but also by the capacity of implementing institutions, the literacy of MSME actors, and digital technology support. Therefore, this study can be used as an academic reference for similar studies that focus on the interaction between taxation policies, the role of local governments, and MSME taxpayer compliance.

In practical terms, the Sleman Regency Government is advised to strengthen its tax education strategy through a more inclusive and sustainable approach. This can be done by increasing the intensity of training, providing simpler and more applicable materials, improving the quality of human resources, and expanding the use of digital platforms that are easily accessible to MSMEs. In addition, coordination between local governments, the Tax Office, and MSME support institutions needs to be improved so that obstacles related to budget, regulations, and community participation can be minimized. With these steps, tax education is expected to not only increase administrative compliance but also strengthen the position of MSMEs as pillars of the regional economy.

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