



Basic Taxation Outreach to Community Empowerment Institution (LPM) in Rempoa Sub-District, South Tangerang

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Article Info	ABSTRACT
Corresponding Author: Lukmanul Hakim E-mail: 02722@unpam.ac.id	<p>This community service activity aims to increase tax awareness among members of the Community Empowerment Institution (LPM) in Rempoa, South Tangerang. Many small business actors still lack fundamental knowledge about taxation, which leads to low tax compliance and reporting errors. The program provided structured socialization and training, including basic taxation concepts, financial recording practices, and e-filing using the Directorate General of Taxes (DJP) Online system. Through lectures, tutorials, and interactive discussions, participants were guided to understand their tax obligations and how to fulfill them independently. The results show a significant improvement in the participants' ability to perform basic tax calculations, financial documentation, and online reporting. This initiative is expected to promote voluntary tax compliance and support sustainable economic development at the local level. Furthermore, it demonstrates that empowering MSMEs with tax literacy can be an effective strategy to enhance state revenue and build a tax-compliant culture in Indonesia's grassroots economy.</p> <p>Keyword : Tax Awareness, Community Empowerment Institution, Tax Compliance, Tax Literacy.</p>

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INTRODUCTION

One Taxation plays a vital role in the economic development of any country. It serves as a primary source of state revenue, which is used to finance public services and infrastructure. In Indonesia, taxation is a central pillar in supporting national development, reducing economic inequality, and promoting social welfare. However, despite its importance, tax compliance among Micro, Small, and Medium Enterprises (MSMEs) remains relatively low. One of the primary reasons for this issue is the lack of knowledge and understanding of tax regulations, particularly among informal and small-scale business actors. This condition creates a significant gap between the government's expectations and the actual realization of tax revenue from this sector.

The government has introduced various policies to improve compliance, including the issuance of Government Regulation No. 23 of 2018, which simplifies tax obligations for MSMEs. The regulation reduces income tax to 0.5% of gross turnover, providing an incentive for small businesses to comply. However, many business owners still face difficulties in understanding and implementing their tax responsibilities. In this context, community-based institutions such as the Community Empowerment Institution (Lembaga Pemberdayaan

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Masyarakat or LPM) play a crucial role. As a grassroots organization, LPM serves as a bridge between the community and local government. Its members, often consisting of local business actors and community leaders, are in a strategic position to influence broader tax awareness and compliance within their communities.

The LPM in Rempoa, South Tangerang, represents a population of micro and small entrepreneurs who contribute to the local economy. Yet, many of them are unaware of their tax obligations or lack the confidence to fulfill them properly. This situation presents an opportunity for universities to contribute through community service programs that provide tax education and mentoring.

Pamulang University, through its Faculty of Economics and Business, designed a community service program aimed at increasing tax literacy among LPM members. The program was structured to provide practical, easy-to-understand training on taxation, including topics such as basic tax concepts, financial documentation, and digital tax reporting using the DJP Online platform. The goal of the program was not only to educate but also to empower participants to become independent and responsible taxpayers. Through this initiative, the university aimed to contribute to the broader national objective of expanding the taxpayer base and increasing voluntary compliance, especially among informal and small-scale economic actors.

This paper presents the design, implementation, and evaluation of the program. It discusses the challenges faced by participants, the strategies employed by the facilitators, and the impact of the program on participants' tax awareness and compliance behavior. Ultimately, this study highlights the potential of collaborative efforts between higher education institutions and local communities in improving fiscal literacy. By targeting community-based organizations like LPM, such programs can foster long-term behavioral change and contribute to the sustainability of Indonesia's tax system.

METHODS

The implementation of this community service program was carried out through four essential stages: social analysis, program design, implementation, and evaluation. The program targeted members of the Community Empowerment Institution (LPM) in Rempoa, with a particular focus on micro and small business actors who had limited knowledge of taxation. Throughout the program, several key activities were conducted to build participants' tax awareness and capacity. These included the socialization of basic principles of taxation, an introduction to Indonesia's current tax regulations, practical training on how to use the online tax system (DJP Online), and mentoring sessions aimed at enhancing participants' understanding of basic tax concepts and the importance of financial documentation. The overarching goal of this approach was to foster voluntary tax compliance and empower participants to manage their tax obligations more independently.

The primary audience for this initiative consisted of MSME actors within the LPM Rempoa community who generally lacked sufficient understanding of their tax responsibilities. The program was designed to enable them to grasp the legal framework surrounding taxation, including applicable tax types such as Final Income Tax (PPH Final) and Value Added Tax (VAT). Additionally, participants were equipped with the skills to perform simple financial bookkeeping relevant to tax reporting, calculate their own tax liabilities, and independently submit their tax reports through DJP Online. This process was intended to

improve not only their technical competence but also their overall awareness and compliance with Indonesian tax laws.

The activities were carried out over a period of one month and took place at the LPM office located in Rempoa, South Tangerang, Banten Province. The delivery of the program utilized a combination of three instructional methods. First, a lecture method was employed to convey foundational knowledge on taxation and basic financial management in a structured two-hour session. This was followed by a tutorial session lasting four hours, in which participants received hands-on guidance in preparing financial reports and calculating tax liabilities. Lastly, a discussion format was used to encourage interactive learning, allowing participants to engage in problem-solving activities and seek clarification on topics they found challenging.

Prior to the implementation stage, several preparatory activities were undertaken. These included administrative coordination, developing educational materials, and establishing communication with program partners. Problem mapping and interviews with prospective participants were also conducted to better understand their needs and to ensure that the program design was tailored to address their specific knowledge gaps. Ultimately, this initiative integrated education with practical application, thereby contributing to a more informed and tax-compliant entrepreneurial community in Rempoa.

RESULTS AND DISCUSSION

Community Service Results

Initial observations revealed that members of the Community Empowerment Institution (LPM) in Rempoa lacked adequate understanding of taxation. The PKM team conducted training sessions focused on basic financial reporting and taxation practices to address this gap.



Figure 1. Documentation of activities

Discussion

Participants were taught how to create simple transaction recording formats to document both cash and non-cash business activities. Beyond introducing the fundamentals of the Indonesian tax system, the program aimed to equip participants with practical skills in tax calculation and online reporting. This capacity-building effort was designed to prepare MSME actors to face future business competition more confidently. The community service initiative titled “Basic Taxation Socialization for LPM Members in Rempoa” succeeded in fostering greater tax awareness and foundational reporting competence among participants.

CONCLUSION

This community service program has successfully contributed to increasing tax awareness and literacy among members of the Community Empowerment Institution in Rempoa, South Tangerang. Prior to the activity, many participants lacked understanding of basic taxation principles, including financial recordkeeping, applicable tax obligations, and digital tax reporting systems. Through a series of structured interventions—socialization, training, and mentoring—the participants gained practical knowledge and were able to apply it in recording transactions, calculating taxes, and using DJP Online for tax reporting. The training emphasized the importance of maintaining accurate financial records, understanding types of taxes relevant to micro and small enterprises, and complying with legal obligations in a timely and accurate manner. The interactive nature of the program enabled participants to discuss real business issues and receive guidance tailored to their needs. This program demonstrates the vital role of universities in supporting government initiatives to broaden the tax base and improve voluntary tax compliance. By targeting community-based organizations such as LPM, higher education institutions can help bridge knowledge gaps and foster a culture of fiscal responsibility at the grassroots level. It is recommended that similar programs be continued and expanded to reach a wider range of small business actors in other regions.

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