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An Analysis of the Impact of Tax Regulation Changes and Tax Supervision on MSME Sector Tax Revenue: A Case Study at KPP Pratama Bandar Lampung Satu

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Abstract

This study aims to analyze the effect of tax regulation changes and tax supervision on tax revenue from the Micro, Small, and Medium Enterprises (MSMEs) sector at KPP Pratama Bandar Lampung Satu. A quantitative approach was employed using secondary monthly time-series data covering the period from January 2022 to December 2025, resulting in 48 observations. Tax regulation changes were measured using a dummy variable based on the implementation of Government Regulation No. 55 of 2022, while tax supervision was proxied by the number of Reports on the Results of Requests for Explanation of Data and/or Information (LHP2DK), with MSME tax revenue serving as the dependent variable. The data were analyzed using dummy variable regression with the assistance of SPSS, supported by classical assumption tests and hypothesis testing. The results indicate that changes in tax regulations have a positive and significant effect on MSME tax revenue, with a regression coefficient of 231,785,834, a *t*-value of 3.855, and a significance level of 0.000. Tax supervision through LHP2DK also has a significant effect on MSME tax revenue following the implementation of Government Regulation No. 55 of 2022, with a coefficient of 1,625,824.920, a *t*-value of 3.250, and a significance level of 0.003, while its effect before the implementation of the regulation was not statistically significant. These findings indicate that regulatory changes and strengthened tax supervision play an important role in increasing MSME tax revenue. Therefore, consistent policy implementation, effective tax supervision, and continuous dissemination of tax regulations are necessary to support the optimization of MSME tax revenue.

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Keywords: Tax Regulation Changes, Tax Supervision, MSME Tax Revenue, Government Regulation No. 55 of 2022, LHP2DK.

INTRODUCTION

Micro, small, and medium-sized enterprises (MSMEs) constitute an important component of economic activity, particularly in developing countries where they contribute to employment generation, business development, and the expansion of the domestic economic base. Despite their substantial economic role, integrating MSMEs effectively into the formal tax system remains a persistent policy challenge. Small businesses often face limitations in accounting capability, tax knowledge, administrative resources, and technological readiness, all of which may increase the cost and complexity of complying with tax obligations. Previous evidence indicates that tax compliance among SMEs is influenced not only by economic considerations but also by tax knowledge, perceptions of fairness, audit probability, and the institutional environment surrounding taxpayers (Inasius, 2019). Likewise, the adoption of tax-compliant information systems among SMEs is closely associated with regulatory pressure, perceived complexity, compatibility, and compliance costs (Azmi et al., 2016). These conditions suggest that the effectiveness of MSME taxation depends substantially on how tax regulations are designed and how compliance is monitored.

Tax policy reform is therefore expected to play a strategic role in improving both taxpayer compliance and tax revenue. A regulatory framework that is clear, simple, and proportionate to the administrative capacity of small businesses may reduce compliance burdens and encourage greater participation in the formal tax system. The development of digital tax administration has further strengthened this process by simplifying reporting and payment procedures while improving the ability of tax authorities to collect and process taxpayer information. Alm and Malézieux (2021) argue that digitalization has become increasingly relevant to tax compliance because technological transformation can simultaneously reduce administrative frictions and improve the capacity of tax authorities to monitor taxpayer behavior. More recent evidence also demonstrates that digital tax administration may increase reported revenue and tax payments by improving information availability and limiting opportunities for strategic misreporting (Information Economics and Policy, 2026). In the Indonesian context, digital transformation and changes in tax policy have similarly been associated with improvements in SME taxpayer compliance (Kristiana et al., 2025; Rukmana et al., 2026).

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However, regulatory reform alone may not be sufficient to ensure sustainable tax compliance. In a self-assessment tax system, taxpayers are generally responsible for calculating, paying, and reporting their own tax liabilities. Consequently, effective supervision remains necessary to identify inconsistencies, reduce underreporting, and maintain the credibility of the tax system. Empirical research shows that the probability and effectiveness of tax audits can influence taxpayer behavior and subsequent compliance decisions (Kasper & Alm, 2022). Evidence from a large cross-country dataset also indicates that tax enforcement and compliance vary systematically according to firm size, demonstrating the importance of designing supervisory strategies that account for the characteristics of smaller businesses (Bachas et al., 2019). Furthermore, research on small firms has shown that targeted compliance programs can increase reported taxable income and generate additional tax revenue, although firms may still respond strategically to enforcement mechanisms (Best et al., 2021).

The relationship between tax supervision and compliance is particularly relevant for MSMEs because this sector is characterized by heterogeneous business capacity and varying levels of tax literacy. In Indonesia, evidence indicates that audit probability, tax knowledge, perceived fairness, and social influences significantly affect SME tax compliance (Inasius, 2019). Studies of MSMEs have also reported that tax audits and enforcement mechanisms may strengthen compliance, particularly when taxpayers perceive that the supervisory system is credible and consistently implemented (Zelmiyanti & Suwardi, 2019). These findings imply that supervision should not be viewed solely as a coercive instrument. Rather, effective tax administration requires an appropriate combination of regulatory simplicity, technological support, information-based monitoring, and enforcement capacity. Such an approach is increasingly important as tax administrations undergo digital transformation and seek to balance voluntary compliance with more effective detection and enforcement mechanisms (Tambunan & Rosdiana, 2020; Li & Yuan, 2026).

In Indonesia, reforms in MSME taxation have included changes in the regulatory framework governing final income tax and the subsequent adjustment of tax policy through Government Regulation No. 55 of 2022. These reforms were intended to create a more adaptive and administratively manageable tax environment for eligible taxpayers. Nevertheless, the effectiveness of regulatory changes ultimately depends on their interaction with the implementation of tax administration and supervisory activities. Within the Indonesian tax administration system, supervisory instruments may involve compliance research, data analysis,

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requests for clarification regarding taxpayer data and/or information, and follow-up activities based on identified discrepancies. Therefore, changes in tax regulations may alter not only taxpayers' incentives and compliance costs but also the effectiveness of tax supervision itself.

This issue is particularly relevant to the case of KPP Pratama Bandar Lampung Satu. According to the data presented in the thesis, MSME tax revenue in this jurisdiction increased from approximately IDR 12.47 billion in 2022 to IDR 14.09 billion in 2025. Nevertheless, the contribution of MSME tax revenue to total tax revenue remained relatively limited, indicating that opportunities for further revenue optimization still exist. The thesis therefore positions changes in tax regulations and tax supervision as two important factors that may explain variations in MSME tax revenue.

A further motivation for this study arises from the existing research gap. Previous studies have generally examined tax policy reforms, digital tax administration, tax audits, or supervisory mechanisms separately and have frequently focused on taxpayer compliance rather than actual tax revenue. In contrast, the present study considers changes in tax regulations and tax supervision within a single analytical framework and evaluates their relationship with realized MSME tax revenue. This distinction is important because increased compliance does not automatically translate into measurable changes in tax revenue, particularly when taxpayers differ in their economic capacity and reporting behavior. The thesis specifically identifies this gap by noting that earlier research has tended to examine regulatory change and tax supervision independently, while the present study focuses on their combined relevance to MSME tax revenue at KPP Pratama Bandar Lampung Satu.

Accordingly, this study investigates the effect of changes in tax regulations and tax supervision on MSME tax revenue at KPP Pratama Bandar Lampung Satu. The analysis uses monthly time-series data from January 2022 to December 2025, comprising 48 observations. Changes in tax regulations are represented by the implementation of Government Regulation No. 55 of 2022, while tax supervision is proxied by the number of Reports on the Results of Requests for Explanation of Data and/or Information (LHP2DK). By integrating regulatory and supervisory perspectives, this study is expected to contribute empirical evidence regarding how tax reform and tax administration interact in supporting the optimization of tax revenue from the MSME sector.

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LITERATUR REVIEW

Changes in Tax Regulations

Tax regulation changes are an important component of tax reform aimed at adapting the taxation system to economic developments and taxpayer characteristics. Simplified and understandable tax regulations may reduce compliance costs and encourage voluntary compliance among small businesses. Satyadini and Rosid (2023) found that tax simplification in Indonesia contributed positively to several dimensions of small-business tax compliance. Likewise, Inasius (2019) identified tax knowledge and perceived fairness as important determinants of SME tax compliance.

Empirically, changes in tax regulations may not automatically result in increased tax payments because their effectiveness depends on taxpayers' understanding and the quality of policy implementation. The implementation of new regulations therefore requires adequate dissemination and administrative support. Furthermore, Paramadina et al. (2024) emphasized that institutional and technological factors play an important role in supporting MSME tax compliance. Thus, regulatory reform should be supported by effective administration and supervision to generate a stronger contribution to tax revenue.

Tax Supervision

Tax supervision is one of the essential functions of tax administration aimed at ensuring that taxpayers fulfil their tax rights and obligations in accordance with applicable regulations. Under the *self-assessment* system, taxpayers are entrusted with the responsibility to calculate, pay, and report their own tax obligations. Therefore, tax supervision is necessary to identify potential discrepancies, improve compliance, and encourage taxpayers to fulfil their obligations accurately and on time. Tax supervision may involve the use of taxpayer data, compliance reviews, requests for explanations regarding data and/or information, tax audits, and follow-up actions concerning potential non-compliance. In this study, tax supervision is measured by the number of completed Reports on the Results of Requests for Explanation of Data and/or Information (LHP2DK). The thesis uses the number of completed LHP2DK documents as an indicator of the intensity of tax supervision.

The effectiveness of tax supervision is closely associated with the ability of tax authorities to detect and follow up on potential taxpayer non-compliance. In the context of MSMEs, effective supervision may increase taxpayers' perception of the likelihood that non-compliant behaviour

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will be detected, thereby encouraging greater compliance. Inasius (2019) found that the probability of tax audits was among the factors influencing tax compliance among small and medium-sized enterprises in Indonesia. Furthermore, developments in information technology have created opportunities for more effective supervision through data integration and the digitalisation of tax administration. Paramadina et al. (2024) emphasised the importance of institutional factors and information systems in supporting MSME tax compliance. In addition, Satyadini and Rosid (2023) demonstrated that the effectiveness of tax policy for small businesses is closely related to changes in taxpayer compliance behaviour. Therefore, consistent tax supervision supported by technological development may contribute to improved taxpayer compliance and, ultimately, the optimisation of tax revenue. This discussion is consistent with the thesis, which uses LHP2DK as a proxy for tax supervision in analysing MSME tax revenue.

MSME Tax Revenue

Tax revenue refers to the actual revenue collected by the government from taxpayers' tax payments in accordance with applicable tax regulations. Tax revenue from the MSME sector specifically reflects the contribution of micro, small, and medium-sized enterprises to the fulfilment of tax obligations. The level of MSME tax revenue may be influenced by various factors, including the economic performance of MSMEs, taxpayer compliance, changes in tax policy, the quality of tax administration, and the effectiveness of tax supervision conducted by tax authorities. In this study, MSME tax revenue serves as the dependent variable and is measured based on the actual amount of tax payments collected from MSME taxpayers at KPP Pratama Bandar Lampung Satu from January 2022 to December 2025. The thesis recorded an average monthly MSME tax revenue of IDR 1,129,124,733, with considerable variation throughout the observation period.

An increase in MSME tax revenue does not depend solely on the amount of tax obligations imposed on taxpayers but also on the ability of the tax system to promote compliance and facilitate the fulfilment of tax obligations. Satyadini and Rosid (2023) found that tax simplification could improve several dimensions of small-business tax compliance, particularly tax reporting behaviour and the reduction of penalties. Similarly, Inasius (2019) demonstrated that tax knowledge, perceived fairness, and the probability of tax audits are important factors influencing SME tax compliance. Furthermore, Paramadina et al., (2024) highlighted the importance of institutional factors and information systems in supporting MSME tax compliance. Therefore, an

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increase in MSME tax revenue can be understood as the outcome of the interaction between effective tax policies, taxpayer compliance, administrative convenience, and optimal tax supervision.

Framework

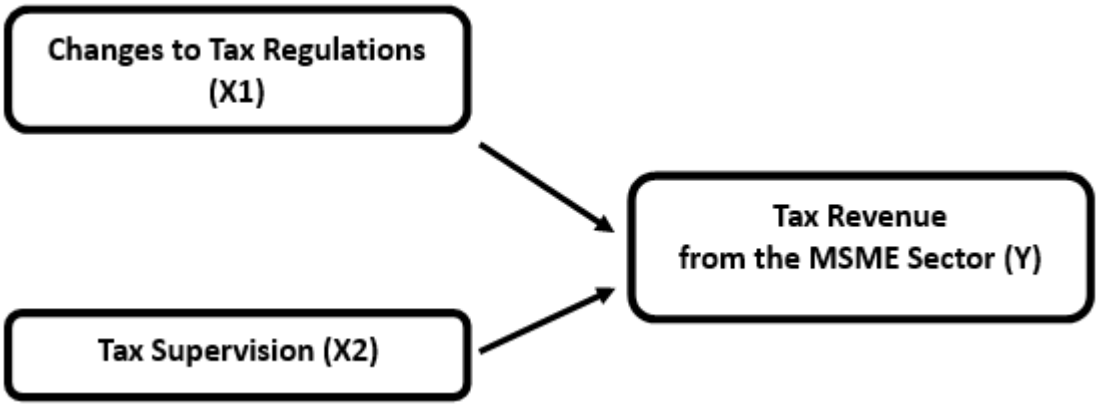


Figure 1. Framework

Hyphotesis

H_1: Changes in tax regulations have a positive effect on MSME tax revenue at KPP Pratama Bandar Lampung Satu.

H_2**:** Tax supervision has a positive effect on MSME tax revenue at KPP Pratama Bandar Lampung Satu.

RESEARCH METHODS

This study employed a quantitative approach using a causal associative and explanatory research design to examine the effects of changes in tax regulations and tax supervision on tax revenue from the Micro, Small, and Medium Enterprises (MSMEs) sector at KPP Pratama Bandar Lampung Satu. The quantitative approach was applied to obtain empirical evidence regarding the relationships among variables through systematic measurement and statistical analysis. The study used secondary monthly time-series data covering the period from January 2022 to December 2025, resulting in 48 observations. Data were collected through documentation from

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KPP Pratama Bandar Lampung Satu, the Directorate General of Taxes, MSME tax revenue realization reports, tax supervision reports, and relevant tax policy documents. All available data within the observation period were included as the unit of analysis; therefore, no sampling procedure was applied.

The dependent variable was MSME tax revenue (Y), measured by the monthly realization of tax revenue generated from the MSME sector. The independent variables consisted of changes in tax regulations (X1) and tax supervision (X2). Changes in tax regulations were operationalized using a dummy variable distinguishing the periods before and after the implementation of Government Regulation No. 55 of 2022, where 0 represented the period before implementation and 1 represented the period after implementation. Tax supervision was proxied by the monthly number of completed Reports on the Results of Requests for Explanation of Data and/or Information (LHP2DK). This indicator was considered relevant because effective tax administration and supervision constitute important mechanisms for encouraging tax compliance among small and medium-sized businesses. Data analysis was conducted using descriptive statistics, classical assumption tests, dummy variable regression analysis, and hypothesis testing. Descriptive statistics were used to describe the characteristics of the data based on minimum values, maximum values, means, and standard deviations. The classical assumption tests included normality, multicollinearity, heteroscedasticity, and autocorrelation tests. The relationships among variables were subsequently analyzed using a dummy variable regression model expressed as $Y = \alpha + \beta_1 D + \beta_2 X_2 + \varepsilon$, where Y represents MSME tax revenue, D represents the dummy variable for changes in tax regulations, X_2 represents the number of LHP2DK as a proxy for tax supervision, and ε represents the error term. Hypothesis testing was conducted at a 5% significance level using the t-test to examine partial effects, the F-test to assess the simultaneous significance of the model, and the coefficient of determination (R^2) to determine the explanatory power of the independent variables on MSME tax revenue. Supporting the relevance of tax administration and enforcement in the context of small businesses, Swistak (2016) emphasized that SME tax compliance requires specific attention and that tax enforcement measures should be designed to encourage effective compliance rather than merely impose punitive measures. This perspective supports the inclusion of tax policy changes and tax supervision as relevant factors in examining MSME tax revenue.

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RESULT AND DISCUSSION

Normality Test

Table 1. Normality Test Results

Variable	N	K-Statistics	Sig.	Description
Unstandardized Residual	48	0,078	0,200	Normal

Source: Data processed using SPSS, 2026.

The Kolmogorov–Smirnov test showed a significance value of 0.200 > 0.05, indicating that the regression model residuals were normally distributed.

Table 2. Multicollinearity Test Results

Variable	Tolerance	VIF	Description
X1 (*Dummy* PP 55 Tahun 2022)	1,000	1,000	Free from multicollinearity
X2 (Total LHP2DK)	1,000	1,000	Free from multicollinearity

Source: Data processed using SPSS, 2026.

The test results show that all independent variables have *Tolerance* values > 0.10 and VIF values < 10, indicating no multicollinearity in the regression model.

Heteroskedasticity Test

Table 3. Heteroskedasticity Test Results (Glejser)

Variable	T	Sig.	Description
X1 (*Dummy* PP 55 Years 2022)	0,475	0,637	No Heteroskedasticity
X2 (Total LHP2DK)	-1,763	0,085	No Heteroskedasticity

Source: Data processed using SPSS, 2026.

The significance values for X1 (0.637) and X2 (0.085) were both > 0.05, indicating no heteroscedasticity in the regression model.

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Autocorrelation Test

Table 4. Autocorrelation Test Results (Durbin-Watson)

Model	Durbin-Watson	Description
Regression	2,705	Autocorrelation Is Present.

Source: Data processed using SPSS, 2026.

A Durbin–Watson value of 2.705 indicates negative autocorrelation in the regression model, suggesting that residuals in one period tend to have an opposite relationship with those in the preceding period.

Summary of Classical Assumption Test Results

Table 5. Summary of Classical Assumption Test Results

No	Classical Assumption Test	Metode	Results	Description
1	Normality	Kolmogrov-Smirnov	Sig. = 0,200 > 0,05	Met
2	Multicollinearity	VIF& Tolerance	VIF = 1,000 < 10; Tolerance = 1,000 > 0,10	Met
3	Heteroskedasticity	Glejser	X1 = 0,637; Sig. X2 = 0,085 > 0,05	Met
4	Autocorrelation	Durbin-Watson	DW = 2,705	Not met

Source: Data processed using SPSS, 2026.

The test results indicate that the assumptions of normality, multicollinearity, and heteroscedasticity were satisfied. However, negative autocorrelation was indicated; therefore, the regression results can still be used but should be interpreted with caution.

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Dummy Variable Regression Analysis Results

Table 6. Regression results of X2 on Y for the period where X1 = 0.

Model	R	R^2	Adjusted R^2	Std. Error
1	0,469	0,220	0,142	177.764.945,169

Source: Data processed using SPSS, 2026.

Table 7. Regression coefficient for period X1 = 0

Variable	B	Std. Error	t	Sig.
Constant	888.412.002,927	103.531.319,555	8,581	0,000
X2 (LHP2DK)	1.591.240,913	947.343,452	1,680	0,124

Source: Data processed using SPSS, 2026.

Before the implementation of the policy, tax supervision through LHP2DK had no significant effect on MSME tax revenue (Sig. = 0.124 > 0.05). Although the regression coefficient showed a positive direction, the effect was not statistically significant. The R^2 value of 0.221 indicates that LHP2DK explained 22.1% of the variation in tax revenue.

Table 8. Regression results of X2 against Y in period X1 = 1

Model	R	R^2	Adjusted R^2	Std. Error
1	0,487	0,237	0,215	214.614.432,311

Source: Data processed using SPSS, 2026.

Table 9. Regression Coefficient in period X1 = 1

Variable	B	Std. Error	t	Sig.
Constant	1.002.847.699,735	46,024	16,742	0,000
X2 (LHP2DK)	1.625.824,920	500.203,027	3,250	0,003

Source: Data processed using SPSS, 2026.

Regression equation:

$$Y = 1{,}002{,}847{,}699.735 + 1{,}625{,}824.920\ X2$$

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After the implementation of Government Regulation No. 55 of 2022 and the HPP Law, tax supervision through LHP2DK had a positive and significant effect on MSME tax revenue (Sig. = 0.003 < 0.05).

The regression coefficient of 1,625,824.920 indicates that each additional LHP2DK was associated with an increase in tax revenue of IDR 1,625,824.920.

The R^2 value of 0.237 indicates that LHP2DK explained 23.7% of the variation in MSME tax revenue, while the remaining variation was influenced by other factors outside the model.

Table 10. Comparison of Regression Results of X2 against Y

Aspect	X1=0	X1=1	Change
Total of Observations	12	36	Increase
Coefficient (LHP2DK)	1.591.240,913	1.625.824,920	Increased 2.17%
t count	1,680	3,250	Increase
Significance	0,124	0,003	Become Significant
R^2	0,220	0,237	Increase
Adjusted R^2	0,142	0,215	Increased 51.4%
Constant	888.412.002,93	1.002.847.699,74	Increa

Source: Data processed using SPSS, 2026

The regression comparison shows that the effect of tax supervision through LHP2DK on MSME tax revenue increased after the implementation of Government Regulation No. 55 of 2022. Before the policy, the effect of LHP2DK was not significant (Sig. = 0.124 > 0.05), whereas after the policy, it became positive and significant (Sig. = 0.003 < 0.01). The regression coefficient, R^2, and Adjusted R^2 also increased. These findings indicate that tax supervision became more effective following tax regulatory reform and simplification.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) measures the ability of the independent variables to explain variations in the dependent variable. The R^2 value increased from 0.220 before the policy to 0.237 after the policy, while the adjusted R^2 increased from 0.142 to 0.215. This improvement indicates that the regression model had better explanatory and generalization capabilities after

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the implementation of Government Regulation No. 55 of 2022. However, the R^2 values, which remained below 30%, suggest that other factors outside the model also influenced MSME tax revenue.

t-test (Partial)

Table 11. t-Test Results (Partial)

Hypothesis	Period	t count	t table	Sig.	Conclusion
H_1	Both periods	3,855	2,012	0,000	Has a significant effect
H_2	X1=0, before Government Regulation No. 55 of 2022	1,680	2,228	0,124	Does not have a significant effect
H_2	X1=1, after Government Regulation No. 55 of 2022	3,250	2,032	0,003	Has a significant effect

Source: Data processed using SPSS, 2026

The results indicate that changes in tax regulations had a positive and significant effect on MSME tax revenue during the 2022–2025 period (t = 3.855; Sig. = 0.000 < 0.05). Meanwhile, tax supervision through LHP2DK had no significant effect before the policy implementation (t = 1.680; Sig. = 0.124 > 0.05). However, after the implementation of Government Regulation No. 55 of 2022, its effect became positive and significant (t = 3.250; Sig. = 0.003 < 0.05). These findings suggest that regulatory changes and strengthened tax supervision jointly contributed to increased MSME tax revenue.

DISCUSSION

The Effect of Changes in Tax Regulations on MSME Tax Revenue

The findings indicate that changes in tax regulations had a positive and significant effect on MSME tax revenue. The implementation of Government Regulation No. 55 of 2022 and related tax reforms contributed to increased revenue through simplified administration, greater legal certainty, improved digital services, and enhanced taxpayer compliance and business formalization. This finding is consistent with the *Theory of Planned Behavior*, which suggests that simpler and more understandable regulations can encourage taxpayers to fulfill their tax obligations, thereby increasing tax revenue.

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The Effect of Tax Supervision through LHP2DK on MSME Tax Revenue

The findings show that tax supervision through LHP2DK had a positive and significant effect on MSME tax revenue after the implementation of Government Regulation No. 55 of 2022, whereas its effect was not significant in the earlier period. This suggests that the effectiveness of tax supervision increased with the support of simpler regulations, greater legal certainty, and digitalized tax administration. The use of technology and data integration made tax supervision more effective in improving taxpayer compliance and MSME tax revenue.

CONCLUSION

1. Changes in tax regulations have a positive and significant effect on MSME tax revenue.
2. Tax supervision through LHP2DK has a positive and significant effect on MSME tax revenue in the period following the implementation of Government Regulation No. 55 of 2022.

IMPLICATION

This study contributes to the literature on MSME taxation by highlighting the importance of tax supervision and other supporting factors in improving taxpayer compliance and tax revenue. Practically, the Directorate General of Taxes and local tax offices should optimize supervision through LHP2DK and digital technology, while MSME taxpayers should improve their understanding of and compliance with tax obligations. The government should also develop simpler regulations supported by effective dissemination and supervision. These findings may serve as a reference for future studies by incorporating additional variables, expanding the research area and observation period, and applying more robust analytical methods.

SUGGESTION

1. Recommendations for the Directorate General of Taxes and KPP Pratama Bandar Lampung Satu

The Directorate General of Taxes and KPP Pratama Bandar Lampung Satu should strengthen their tax supervision function by optimizing the issuance and completion of LHP2DK, supported by digital technology. In addition, the effectiveness of tax policy dissemination should be improved to ensure that regulatory changes are easily understood by MSME taxpayers. Better coordination among supervision, service, and outreach functions is also needed to enhance taxpayer

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2. Recommendations for MSME Taxpayers

MSME taxpayers are encouraged to improve their tax awareness and compliance by understanding applicable tax regulations and utilizing digital tax services, such as DJP Online, *e-filing*, and *e-billing*, to facilitate tax reporting and payment processes.

3. Recommendations for the Government

The government should improve the effectiveness of MSME tax policies through simpler, fairer, and more adaptive regulations supported by an effective tax supervision system. In addition, tax dissemination and education should be strengthened to help MSME taxpayers understand and properly implement policy changes, thereby improving tax compliance and revenue.

4. Recommendations for Academics and Future Researchers

Future studies may develop the research model by incorporating additional variables affecting MSME tax revenue, expanding the research area and observation period, and using longer time-series data. Furthermore, considering the regulatory change from Government Regulation No. 55 of 2022 to Government Regulation No. 20 of 2026, future research may examine the effects of these regulatory changes on tax revenue and taxpayer compliance in the MSME sector.

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