

Regional Tax Management from the Perspective of Social Justice and Accountability

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ABSTRACT

This study aims to analyze regional tax management from the perspective of social justice and accountability. Regional taxes are a primary source of Regional Original Income (PAD) and play a crucial role in financing development and public services. However, in practice, regional tax management still faces various obstacles, such as low taxpayer compliance, a lack of transparency, and weak oversight. This study used a qualitative approach with library research, analyzing various relevant literature sources, such as scientific journals, books, and official documents. The results indicate that social justice and accountability are two key interrelated principles in regional tax management. Social justice emphasizes the proportional distribution of the tax burden according to community capacity, while accountability emphasizes government transparency and accountability in managing tax funds. The implementation of these two principles can increase public trust and encourage taxpayer compliance. Therefore, improvements are needed through digitalization of the tax system, strengthening oversight, and developing policies oriented toward social justice. Thus, regional tax management is expected to be effective, fair, and accountable.

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INTRODUCTION

Regional taxes are a key source of Regional Original Revenue (PAD), playing a strategic role in supporting development financing and the provision of public services at the local level. In the era of regional autonomy, local governments have been granted broad authority to manage revenue sources, including regional taxes, to improve fiscal independence and public welfare. Therefore, effective and equitable regional tax management is crucial for achieving inclusive and sustainable development (Safitri & Jaeni, 2025).

However, in practice, regional tax management still faces various challenges, such as low taxpayer compliance, regulatory complexity, and limitations in administrative and technological systems. Furthermore, gaps in transparency and accountability in tax management persist, which can impact public trust in local governments. Transparency and accountability are crucial elements in realizing good governance, which requires the government to be open and responsible in all policies and public financial management (Konsensus, 2026).

From a social justice perspective, taxes serve not only as a source of regional revenue but also as a redistributive instrument to reduce social and economic inequality. Fair regional tax management is expected to support equitable development and improve overall public welfare. This also aligns with the principles of sustainable development, which emphasize the importance of social justice in the distribution of public resources (Nasir, 2023).

Furthermore, accountability in regional tax management is a key factor in enhancing public trust. The public tends to be more compliant in paying taxes if they know that the collected funds are managed transparently and used appropriately. Research shows that transparency and accountability significantly influence the level of public trust in tax management institutions (Zanni et al., 2026). Thus, accountability is not only related to administrative responsibility but also serves as a crucial instrument in building government legitimacy.

Furthermore, the principles of fairness and accountability in tax management are also closely related to legal aspects and fiscal governance. Every tax levy must have a clear legal basis and be implemented responsibly to avoid injustice to the public. The principle of fiscal justice requires that the tax burden be distributed proportionally according to the community's ability to pay, while the principle of accountability emphasizes the importance of accountability for the use of public funds (Silalahi, 2025).

Based on this description, it can be concluded that regional tax management is not only related to administrative and technical aspects, but also involves dimensions of social justice and public accountability. Therefore, a comprehensive study is needed to analyze how regional tax management can be implemented fairly, transparently, and accountably to support sustainable regional development and increase public trust in the government.

METHOD

This research employs a qualitative approach with a library research approach, which involves reviewing various literature sources relevant to the topic of regional tax management from a social justice and accountability perspective. The purpose of the library study is to gain a deep understanding of the concepts, theories, and previous research findings related to the topic of study, thereby providing a comprehensive analytical foundation (Sugiyono, 2022). A qualitative approach was chosen because this research focuses on the meaning of phenomena and the interpretation of concepts related to public financial governance and regional taxation (Moleong, 2021).

The data sources used in this study are secondary data obtained from various scientific literature, such as national journals, academic books, laws and regulations, and official government reports related to regional taxes and public accountability. The use of secondary data in library research is considered effective because it provides broad and in-depth information on the issues studied, while also serving as a basis for developing a theoretical framework for the research (Zed, 2018).

Data collection was conducted through documentation studies, which involved identifying, classifying, and reviewing various documents and references relevant to the research focus. This process was conducted systematically to ensure the data obtained was highly relevant and credible. Documentation studies also allowed researchers to access various sources of information without being limited by time and space (Arikunto, 2021).

The data analysis technique used was qualitative descriptive analysis, which systematically described and interpreted data obtained from various literature sources. The analysis was conducted through the stages of data reduction, data presentation, and conclusion drawing, resulting in a comprehensive understanding of the phenomenon under study. Furthermore, this study employed content analysis techniques to identify and understand the meaning contained in each piece of literature analyzed (Miles, Huberman, & Saldana, 2014).

To ensure data validity, this study employed source triangulation, comparing various references from different sources to obtain valid and reliable data. Furthermore, researchers emphasized the use of relevant and up-to-date sources and maintained consistency between theory, data, and analysis results. Thus, the research results are expected to have a high level of credibility and can be scientifically accounted for (Creswell, 2018).

RESULTS AND DISCUSSION

A. Concept and Principles of Regional Tax Management

Regional taxes are mandatory contributions paid by the public to the local government, which are enforceable under law, without any direct compensation, and are used for the benefit of the region and to maximize the prosperity of the people. In the context of regional autonomy, regional taxes are a key component of Regional Original Revenue (PAD), which functions to finance the implementation of government and development in the region (Mardiasmo, 2023). The existence of regional taxes demonstrates a region's fiscal independence in optimally managing financial resources.

Conceptually, regional taxes have two main functions: the budgetary function and the regulatory function. The budgetary function relates to the role of taxes as a source of regional revenue to finance government expenditures, while the regulatory function relates to the role of taxes as a tool to regulate and control community economic activity. Through these functions, regional governments can direct economic policies according to regional needs and conditions, such as controlling consumption, income distribution, and protecting certain sectors (Siahaan, 2022).

Regional tax management is not only related to the collection process but also encompasses the planning, implementation, supervision, and evaluation of the regional tax system. Good management must be supported by an effective administrative system, competent human resources, and adequate use of information technology. Furthermore, regional tax management must be based on the principles of good governance, namely transparency, accountability, efficiency, and effectiveness in regional financial management (Halim & Kusufi, 2021).

In its implementation, several important principles must be considered in regional tax management. First, the principle of equity, which states that the tax burden must be adjusted to the taxpayer's ability to pay, so as not to create social inequality. Second, the principle of legal certainty, which states that every tax levy must have a clear legal basis and transparent procedures. Third, the principle of convenience, which states that the tax system must make it easy for taxpayers to fulfill their obligations. Fourth, the principle of efficiency, which states that the cost of tax collection must be lower than the revenue generated (Resmi, 2022).

Furthermore, regional tax management must also adhere to the principle of public accountability, which states that every use of tax funds must be accountable to the public. This is crucial for increasing public trust in local governments and encouraging taxpayer compliance. With transparent and accountable management, regional taxes serve not only as a source of revenue but also as an instrument for creating social justice and equitable public welfare (Darise, 2020).

Therefore, the concept and principles of regional tax management emphasize the importance of a balance between regional revenue and equity for the community. Good management is not only oriented toward increasing revenue but must also consider aspects of justice, transparency, and accountability, thereby supporting sustainable and equitable regional development.

B. Social Justice in Regional Tax Management

Social justice is a fundamental principle in the tax system, including in regional tax management. This concept emphasizes that tax collection must be conducted fairly and proportionally according to the community's ability to pay, so as not to create social inequality or an unequal burden. In this context, taxes serve not only as a source of regional revenue but also as an instrument for creating equitable social welfare (Suandy, 2021).

In tax theory, social justice is often associated with the ability-to-pay principle, which states that each taxpayer should be taxed according to their economic capacity. This principle asserts that people with higher incomes should contribute more taxes than those with lower incomes. Thus, the regional tax system is expected to create a more equitable distribution of the tax burden and not burden certain groups (Waluyo, 2022).

Furthermore, justice in taxation can be viewed from two dimensions: horizontal justice and vertical justice. Horizontal justice means that taxpayers with similar economic conditions should be subject to the same tax burden, while vertical justice means that taxpayers with different economic capacities should be subject to proportionally different taxes. These two dimensions serve as an important basis for formulating regional tax policies to prevent discrimination and social inequality (Pohan, 2020).

In practice, the application of the principle of social justice in regional tax management still faces various challenges. One major challenge is the imbalance between tax potential and the community's ability to pay taxes. Furthermore, poorly targeted tax policies can lead to a disproportionate tax burden, potentially leading to injustice. Therefore, regional governments need to consider the socioeconomic conditions of the community when establishing tax policies (Kurniawan, 2021).

Furthermore, regional taxes also play a role as an instrument for revenue redistribution, namely by using tax funds to finance development and public services that are accessible to all levels of society. In this regard, social justice is seen not only in terms of tax collection but also in terms of their utilization. The appropriate

use of tax funds, such as for infrastructure development, education, and health, can improve public welfare equitably (Tjiptono & Diana, 2020).

Thus, social justice in regional tax management is not only concerned with how taxes are collected, but also how they are redistributed to the community in the form of public services. Therefore, a tax policy is needed that is not only oriented towards increasing regional revenue but also able to create social balance and reduce economic inequality within society.

C. Accountability in Regional Tax Management

Accountability is one of the main principles of good governance, including in regional tax management. Accountability can be defined as the obligation of regional governments to be accountable for every policy, action, and use of public resources to the public as stakeholders. In the context of regional taxes, accountability relates to transparency in the collection, management, and use of tax funds, which must be accounted for administratively and morally (Mahmudi, 2019).

Accountable regional tax management requires a transparent and publicly accessible administrative system. This transparency includes the disclosure of information regarding tax amounts, collection mechanisms, and the use of tax funds for the public interest. Transparency allows the public to understand how their taxes are managed, thereby increasing public trust in the regional government (Bastian, 2021).

In addition to transparency, accountability is also closely related to the internal monitoring and control system in regional tax management. Effective oversight is necessary to prevent irregularities, such as corruption, abuse of authority, and tax revenue leakage. Therefore, local governments need to implement a robust internal control system and involve supervisory bodies, both internal and external, to ensure tax management complies with applicable regulations (Mardiasmo, 2021).

Accountability in local tax management also encompasses financial reporting, which must be prepared systematically, accurately, and in accordance with government accounting standards. Transparent and accountable financial reports are one indicator of a local government's success in managing public finances. Furthermore, these reports serve as an evaluation tool for the government to improve local tax management performance (Nordawan & Hertianti, 2020).

Furthermore, accountability is closely linked to taxpayer compliance levels. The public tends to be more compliant in paying taxes if they have trust in the government, particularly regarding the management and use of tax funds. This trust will increase if local governments demonstrate a commitment to transparency and accountability in every tax management process. Conversely, low accountability can reduce taxpayer compliance and hinder the optimization of local tax revenues (Halim, 2020).

Thus, accountability in regional tax management serves not only as a form of government accountability to the public, but also as a crucial instrument for increasing the effectiveness of tax collection and strengthening public trust. Therefore, the application of sound accountability principles is key to realizing transparent, efficient, and community-oriented regional tax management.

D. Analysis of Regional Tax Management in Indonesia

Regional tax management in Indonesia is a crucial component of supporting regional fiscal independence and enhancing the capacity of local governments to finance development. In practice, regional tax management has undergone various developments, particularly since the implementation of regional autonomy, which granted regional governments broader authority to explore revenue potential. However, the effectiveness of regional tax management still faces various challenges that require comprehensive analysis.

One crucial aspect of regional tax management is the tax administration system used. The lack of a fully modern and integrated administrative system poses a barrier to optimizing regional tax revenue. Many regions still face limitations in the use of information technology, resulting in suboptimal tax collection processes and the potential for revenue leakage (Mardiasmo, 2021). Therefore, innovation in digital-based tax administration systems is needed to improve the efficiency and effectiveness of regional tax management.

Furthermore, the level of taxpayer compliance is also a significant issue. Low public awareness of paying regional taxes is influenced by various factors, such as a lack of understanding of the importance of taxes and low trust in the government's ability to manage tax funds. This demonstrates that accountability and transparency play a crucial role in improving taxpayer compliance (Halim, 2020).

From a supervisory perspective, regional tax management still faces challenges in terms of internal control and external oversight. A weak supervisory system can open up opportunities for irregularities, such as corruption or abuse of authority in tax management. Therefore, a strengthened supervisory system involving various parties, including independent supervisory institutions, is needed to ensure that regional tax management is carried out in accordance with accountability principles (Mahmudi, 2019).

Furthermore, in terms of financial reporting, there are still issues related to the quality of regional government financial reports. Financial reports that are not fully transparent and accurate can hinder efforts to

evaluate regional tax management performance. Yet, good financial reports are one of the main indicators in assessing the level of regional government accountability in managing public finances (Nordiawan & Hertianti, 2020).

Furthermore, efforts to improve regional tax management also need to be supported by increasing the human resource (HR) capacity of regional government officials. Competent and professional HR are essential for managing the regional tax system effectively. Without adequate human resource support, various implemented policies and systems will not run optimally (Bastian, 2021).

Based on this analysis, it can be concluded that regional tax management in Indonesia still faces various challenges, including administration, taxpayer compliance, oversight, financial reporting, and human resource quality. Therefore, comprehensive and sustainable improvement efforts are needed to ensure that regional tax management is more effective and efficient, and in accordance with the principles of social justice and public accountability.

E. The Relationship Between Social Justice and Accountability in Regional Tax Management

Social justice and accountability are two fundamental principles that are interrelated in regional tax management. Social justice emphasizes the proportional distribution of the tax burden according to the community's ability, while accountability emphasizes the government's responsibility in managing and using tax funds transparently and appropriately. These two principles are inseparable, as the success of regional tax management is largely determined by the extent to which both are implemented in a balanced and consistent manner.

In the context of regional tax management, social justice will be difficult to achieve without strong accountability. This is because without transparency and clear accountability, the public cannot know whether the taxes they pay have been managed and used fairly. Therefore, accountability is a crucial prerequisite for realizing social justice in the regional tax system (Mahmudi, 2019).

Conversely, accountability will also lose its meaning if it is not accompanied by the principle of social justice. Transparent tax management but unfair tax impositions still have the potential to cause public dissatisfaction. Therefore, regional governments must ensure that the implemented tax policies are not only transparent but also consider the aspect of fairness in the distribution of the tax burden (Halim, 2020).

The link between social justice and accountability can also be seen in their impact on taxpayer compliance levels. The public tends to be more compliant in paying taxes if they perceive the applicable tax system to be fair and managed transparently and accountably. Conversely, if the public perceives that the taxes paid are not being used appropriately or that there is unfairness in tax collection, compliance levels will decline (Mardiasmo, 2021).

Furthermore, the relationship between social justice and accountability also influences the level of public trust in regional governments. Public trust is a crucial factor in supporting the success of regional tax management. Regional governments that demonstrate a commitment to fairness and accountability in tax management will more easily gain public support, thereby increasing the effectiveness of regional fiscal policies (Bastian, 2021).

Furthermore, from a regional development perspective, the synergy between social justice and accountability can encourage a more equitable distribution of development. Regional taxes that are managed fairly and accountably can be used to finance various development programs that directly benefit the community, such as infrastructure development, improving the quality of education, and providing health services. Thus, regional taxes serve not only as a source of revenue but also as an instrument for improving the overall welfare of the community (Nordiawan & Hertianti, 2020).

Based on this description, it can be concluded that social justice and accountability are two complementary principles in regional tax management. The simultaneous application of these two principles will create a regional tax system that is not only effective in increasing revenue but also capable of realizing community welfare and strengthening public trust in the regional government.

F. Efforts to Improve Fair and Accountable Regional Tax Management

Efforts to improve fair and accountable regional tax management are a strategic step that regional governments need to take to optimize tax revenue while improving public welfare. One effort that can be made is through increasing transparency in regional tax management. Transparency can be achieved by providing the public with open access to information regarding the collection, management, and use of tax funds. With open information, the public can clearly understand how their taxes are being used, thereby increasing public trust in the regional government (Mahmudi, 2019).

In addition to transparency, implementing a digital system in regional tax management is also a crucial step in increasing effectiveness and efficiency. Digitizing the tax system, such as the use of online tax payment applications, can minimize the potential for leakage and expedite the tax administration process. An integrated

system also enables regional governments to conduct more accurate and real-time monitoring of regional tax revenue (Mardiasmo, 2021).

Another equally important effort is improving the quality of human resources (HR) within regional government officials. Competent and professional human resources will be able to manage the regional tax system more effectively and understand the principles of fairness and accountability in tax management. Therefore, continuous training and capacity development of civil servants are necessary to keep pace with the increasingly complex tax system (Bastian, 2021).

Furthermore, increasing public awareness and compliance is also a crucial factor in regional tax management. Regional governments need to conduct outreach and education to the public regarding the importance of regional taxes and the benefits derived from paying them. With increased public understanding, it is hoped that taxpayer compliance will also increase, thereby supporting the optimization of regional tax revenues (Halim, 2020).

Furthermore, strengthening internal monitoring and control systems is also necessary to prevent irregularities in regional tax management. Effective oversight can be carried out through internal and external audits, as well as the implementation of a strict control system in every tax management process. With proper oversight, regional tax management can be carried out in accordance with the principles of accountability and minimize the potential for abuse of authority (Nordriawan & Hertianti, 2020).

Furthermore, regional governments also need to formulate tax policies that are more oriented towards social justice. This policy must take into account the economic conditions of the community to avoid placing an excessive burden on certain groups. Therefore, regional tax management should not only focus on increasing revenue but also on creating a fairer and more equitable distribution of the tax burden.

Based on this description, it can be concluded that efforts to improve fair and accountable regional tax management require a comprehensive approach, encompassing increased transparency, system digitization, human resource development, increased public awareness, and strengthened oversight systems. By consistently implementing these efforts, it is hoped that regional tax management will be more effective, efficient, and equitable, while supporting sustainable regional development.

CONCLUSION

Regional tax management plays a strategic role in supporting regional fiscal independence and financing development and public services. From a social justice perspective, regional taxes must be managed with due regard for the principle of proportionality, namely that the tax burden is adjusted to the community's ability to pay, thus preventing inequality. Furthermore, regional taxes also function as a redistribution instrument that can promote equitable public welfare through inclusive financing of development programs.

On the other hand, accountability is a crucial element in ensuring that regional tax management is carried out transparently, responsibly, and in accordance with applicable regulations. Good accountability can increase public trust in local governments, which ultimately results in increased taxpayer compliance. Thus, social justice and accountability are two interrelated and inseparable principles in creating an effective regional tax management system.

However, in practice, regional tax management in Indonesia still faces various challenges, such as low taxpayer compliance, limited administrative systems, weak oversight, and suboptimal transparency in regional financial management. Therefore, comprehensive improvement efforts are needed, including increasing transparency, digitizing the tax system, strengthening oversight, improving the quality of human resources, and developing more equitable tax policies.

By consistently applying the principles of social justice and accountability, regional tax management is expected to not only increase regional revenue but also achieve equitable community welfare and strengthen public trust in local government.

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