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PERCEPTION OF GENERATION X AND MILLENNIALS TOWARDS TAX COMPLIANCE IN INDONESIA

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Abstract
Digitalization of taxation such as DGT Online is one of the programs from DGT to be able to assist taxpayers in fulfilling compliance properly. In addition, Industrial Revolution 4.0 and Tax Administration 3.0 have almost the same principles as the DGT's tax digitalization program. Apart from the digital side, there is a public trust factor that can affect compliance. The results of this study obtained a conclusion that, the application of tax digitalization in terms of services, especially system convenience and supervision, has not been very effective in increasing tax compliance. This is seen from generation X and millennials. Other factors such as law enforcement and sanctions are prominent. Public trust in DGT's performance has been a consideration for taxpayers to remain tax compliant. The integrity value issued by the DGT is a guide for the community to comply with taxes. In addition, generational perspectives on compliance are generally similar, they remain tax compliant because they are aware of the effects of sanctions. What makes the difference is their response to corruption cases, where the millennial generation is more open and assertive than generation X.
***Keywords**: Tax Compliance, Tax Information System, Tax Digitalitation, Tax Law Enforcement, Tax Sanction*

INTRODUCTION

The escalation of technological development is morning quickly without us realizing it. The Industrial Revolution 4.0, such as the digital industry, has become a turning point and main reference in daily activities (Muliani et al., 2020). One commonly heard aspect is Artificial Intelligence. Just like human interaction with humans, humans interact flexibly with machines (Artono & Putra, 2019), making work processes more efficient and faster. The growth of the industrial world is also rapidly evolving and effective, following the continuously spreading Industrial Revolution 4.0 worldwide (Purba & Yahya, 2021). One example is the system prioritizing artificial intelligence, which continues to be developed over time. All of these aspects aim to facilitate work processes globally. Therefore, it is very reasonable for various parties to compete in operating and utilizing this technology to smooth their performance.

The continuous implementation of futuristic technology by various parties has led to rapid technological advancement. With the improvement in the quality of existing technology, the quality of services and comfort received by their service users can also be enhanced (Tan et al., 2024). The direct impact can increase the company's revenue. The Directorate General of Taxes (DGT) strives to follow these changes by improving information systems and services.

The program is launched by introducing a digital system innovation in tax administration. In 2024, in line with directives, a new system is planned to be launched, namely the Core Tax Administration System (CTAS). According to the official DGT website, the CTAS section will feature a Single Application, facilitating taxpayers to fulfill all their tax obligations within one application. One feature is the Taxpayer Account Management (TAM), and this system is a major breakthrough offering advantages such as tax arrears notifications (Directorate General of Taxes, 2020). These points share similarities with Tax Administration 3.0, a breakthrough in global tax technology, featuring personal tax accounts (Oecd, 2020).

Implementing and applying CTAS will not be easy. Besides advancing technology and increasingly sophisticated systems, the generational factor is also considered crucial. This relates to how the digitalization of the administrative system influences taxpayer compliance. For younger generations, such as generation Z, they generally have high expectations of technological sophistication in their lives (Rachmawati, 2019), pushing for better digitalization. Conversely, applying technology can be hindered when provided to older generations, such as the Baby Boomers and generation X, due to their lack of experience and interaction with digital products (Mardina, 2017). Adaptation to technology adoption is influenced by emerging technologies differing from era to era (Danuri, 2019). The problem is that technology varies significantly across generations. Consequently, when cross-generational technology emerges, the previous generation may struggle to keep up with the developments. Therefore, this issue needs deeper consideration.

Aside from generational issues, public trust in institutions is also a crucial discussion point. In recent months, the tax institution has been in a crisis of trust due to corruption cases. These emerging corruption cases add to the poor record of corruption in the tax sector. This impacts the public's willingness to comply with taxes. From the points of tax digitalization and generational reactions to the public's response to negative tax news, the author finds it interesting to discuss and link these aspects to tax compliance. The study aims to understand the impact of the Industrial Revolution 4.0 and Tax Administration 3.0 on the development of the digital tax system. Additionally, it seeks to understand the relationship between aspects of digital tax administration from a generational perspective on taxpayer compliance. Lastly, it aims to understand public perception of their trust in the tax institution related to taxpayer compliance.

LITERATURE REVIEW

Tax Compliance

An article published in 2008 (Kirchler et al., 2008) describes that compliance can be influenced by several factors, including the calculation by the public that non-compliance costs are too high. Furthermore, it is known that the public complies because they feel obliged to do so as members of society. Based on this theory, there are various perceptions and views regarding the nature of society, in this case, taxpayers, to comply with tax obligations. The discussion highlights that there is no standard definition of tax compliance, so various institutions and academics can have their interpretations of tax compliance (Yusop et al., 2014).

There are two types of tax compliance according to the Directorate General of Taxes: Formal Compliance and Material Compliance (Marfiana, 2019). Formal compliance involves taxpayers fulfilling regulatory obligations, such as registering for a Taxpayer Identification Number (TIN), paying taxes, and filing annual tax returns. Material compliance looks deeper, such as making payments according to regulations or timely filing annual tax returns (Yap & Mulyani, 2022). In the Ministry of Finance Regulation No. 77 of 2020 on the Strategic Plan of the Ministry of Finance, it is mentioned that the first strategic target for the Directorate General of Taxes is to increase the Tax Ratio. The Tax Ratio relates to tax payments. The Tax Ratio calculation is the comparison between tax revenue and Gross Domestic Product (EUROSTAT, 2020).

Another component besides the Tax Ratio, which is micro in nature, is to increase taxpayer compliance. In Law No. 7 of 2021 on the harmonization of tax regulations, in the considerations section, point b, one reason for regulatory changes is to increase voluntary taxpayer compliance. This discusses voluntary compliance without coercion to report or fulfill tax obligations. One form of the intended change is to improve service quality to taxpayers. In the Ministry of Finance's Strategic Plan, it is explained, "These efforts are directed to provide quality tax services and create high taxpayer compliance to achieve tax revenue targets." (Ministry of Finance Strategic Plan 2020-2024, 2020).

Therefore, tax services continue to be improved to create high taxpayer compliance. One form of service improvement is by developing sophisticated tax information technology and an administrative system that facilitates and assists taxpayers in fulfilling their obligations. To achieve this, the implementation of tax information technology that is accepted by taxpayers is necessary. Additionally, understanding the system technology from each generation is needed to benefit from the system being developed.

Cohorts and Generational Characteristics

Based on a report in a study in the United States by the National Endowment of Financial Education (NEFE) in 2015, generations are divided into four parts (National Endowment for Financial Education, 2015):

1. Silent Generation or Traditional Generation: born between 1930 and 1945. Early life events include the Great Depression in America and World War II. Financially, this generation experienced life during colonization and the struggle for independence.
2. Baby Boomer Generation: born between 1946 and 1964. Early life events include economic prosperity and the growth of middle-class suburbs. Financially, they experienced the early years of independence and the Old Order. Television influenced the development of growth in this generation (Dimock, 2018).
3. Generation X: born between 1965 and 1979 or 1981. Early events for Generation X include the Vietnam War and the energy crisis. Financially, this was the start of the New Order era. Research by (Sandeen 2008) identifies this generation with the development of computers at their early emergence. They tend to be more flexible in the workplace compared to the previous generation (Bozavli, 2016).
4. Millennial Generation: born between 1981 and 2000. Some journals refer to them as Generation Y. Early life events for millennials include globalization and the internet era. Financially, this was the transition from the New Order to the Reform Era. Research indicates that people in this generation tend to focus more on education, influenced by their Generation X and Baby Boomer parents who directed them to think about the future. Unlike previous generations like Generation X, which is pessimistic, and Baby Boomers, who are individualistic, millennials tend to be more social (Bencsik & Machova, 2016).

Generational differences relate to understanding and the intensity of Information Technology usage, such as the internet and digital systems. Understanding that existing research applies to developed countries like America and several other more advanced countries than Indonesia is necessary. Hence, there may be discrepancies with the conditions experienced in Indonesia. Besides understanding generations, it is crucial to see whether the public accepts the system being created. One way to assess these achievements or targets is through the Technology Acceptance Model (TAM).

Technology Acceptance Model (TAM)

The DGT's implementation of a system that helps taxpayers easily file reports is certainly not without prior research. This includes gathering feedback from various stakeholders and seeking best practices from abroad, particularly regarding technology use. The Technology Acceptance Model (TAM) is a theory explaining how people can accept technology or the factors supporting its implementation (Davis, 1987). TAM has two key questions to assess how technology implementation in government helps stakeholders. First, why do users accept or reject technology? Second, what is the impact of information technology design on the willingness of society to use it?

These questions aim to understand how far technology implementation helps the public solve their problems, particularly in tax administration obligations. Some explanations of this model include System Design Features, Perceived Usefulness, Perceived Ease of Use, Attitude Toward Using, and Actual Usage Behavior. These five points are a process that needs to be emphasized. It is a determined flow to understand the influence of perceived usefulness and ease of use on behavior while using the application and eventually on daily usage behavior. From user-friendly design to ending with the habit of using the system in their daily lives, users need to be involved to assess the effectiveness of the implemented information technology, especially in (Actual Usage Behavior). In this theory, there are two points: usefulness and ease of use, which affect user attitudes towards the system. Although ease of use has a smaller impact compared to usefulness, this is significant for taxpayers using the digital tax system.

Perceived Ease of Use supports the final acceptance of the system by users, considering users' feelings towards system accessibility. This is crucial since Perceived Usefulness is not delved into further due to the obligation to use the digital tax system for tax reporting. Believing the system is easy for taxpayers becomes a consideration to increase voluntary compliance (Hendayana et al., 2021). This relates to taxpayers' response to accepting and using existing tax information technology. Increased response and willingness to use tax information technology are expected to align with increased taxpayer compliance, from formal to material compliance.

However, technology acceptance is not the only factor supporting a program's smooth operation. Rapid technological development towards autonomous industries like Artificial Intelligence or Machine Learning is an additional emphasis for DGT in technology development. This rapid technological advancement is commonly known as the Industrial Revolution 4.0. Moreover, the OECD has developed new targets to improve the quality of tax technology summarized in Tax Administration 3.0.

Industrial Revolution 4.0, Tax Digitalization, and Tax Administration 3.0

An article published by McKinsey in 2022 explains that the Industrial Revolution 4.0 is a clear step in the development of the manufacturing sector. Driven by "disruptive" trends in a positive sense, with the emergence of good data and connectivity, human and machine interaction, and rapid development of robotics (McKinsey & Company, 2022). They state that the industrial revolution increases the probability of human-machine interaction. The expected impact primarily accelerates processes, as machines work in real-time and non-stop without breaks, processing data with minimal errors. The positive impact on services can be in managing big data and creating applications for its utilization, such as tax applications (Thoben et al., 2017). This impact will be felt by taxpayers if this program is implemented. This program focuses on transitioning from an automatic system to an intelligence system, meaning from machines working according to commands to systems that can process, interpret, and take action independently based on given commands. This program will assist in running government systems, specifically in tax digitalization, facilitated by programs that can "think," integrate with other systems, and process based on existing data. It is hoped that taxpayers can follow system developments well and use this service system to facilitate fulfilling tax obligations.

Many taxpayer services systems are accessed via the internet. Some include registration for tax identification numbers, refund applications, registration for payments, and compliance application certificates (Wasao, 2014). Thus, internet-based digital tax administration plays a vital role in a country's tax system. The government can successfully achieve expected targets to generate optimal tax revenue because tax administration effectively utilizes existing digital systems well (Ermanis et al., 2021).

In implementing the tax system, digital technology is one of the developments currently taking place. Some ongoing systems in advanced countries like Finland with the Commercial off-the Shelf (COTS) tax system update aim to integrate all related systems and streamline administration and costs (OECD, 2019). Additionally, Singapore with its National Digital Identity (NDI) technology concept or state digital identity being used and upgraded is classified as Tax Administration 3.0.

According to the OECD report, Tax Administration 3.0 is one of the breakthroughs in global tax systems. The implementation of technology in the Industrial Revolution 4.0, such as Artificial Intelligence and Integration System, becomes a connector and driver in Tax Administration 3.0. Generally, Tax Administration 3.0 is the automation process and other aspects of tax administration to facilitate processes and reduce the burden of fulfilling tax obligations for the public (OECD, 2020). Several key points need to be implemented in a country to qualify for Tax Administration 3.0:

1. Naturally remembered by taxpayers: Paying taxes will become easier over time with systems integrated into daily life and economic activities. No matter how many activities, they can be managed with the sophistication of the tax technology applied by the state institution.
2. Can become a robust system: There will be many digital platforms becoming "partners" in tax administration. In the future, they will undoubtedly use tax administration processes in their systems. Tax administration will also be operated in a strong and robust network. It consists of credible and competent third parties, so taxpayers do not need to worry about system errors. The impact will also be easier connectivity, with minimal system errors.
3. Reliable real-time tax service providers: To stay connected with daily life and transactions, and business activities, the tax administration process needs to be more real-time or close to the expected conditions by the institution.
4. Transparent and trustworthy: Taxpayers will have the opportunity and ease to check and confirm their tax liabilities, taxes paid, and due taxes in real-time. Tax data will be clearly visible, showing which rules have been applied to the correct data, reflecting facts and circumstances.
5. Integrated part of overall government: Taxation will become more integrated with other government services and functions as well as the private sector. Using the same or common business process system for taxpayers. A digital system will support smooth connection between processes and data sources. Payments of benefits and refunds will be adjusted and balanced from the perspective of citizens and their economic activities.
6. Human touch and high-tech adaptive organizations: The key success factor is the combination of staff and human skills with advanced analytics and decision support tools like Artificial Intelligence. This combination will support taxpayer compliance by reducing the wide monitoring areas where it can be focused on less compliant sectors.

These six points adequately explain the basics or vision to be achieved in Tax Administration 3.0. They are quite concrete points referring to the rapid development of digital technology. The world is filled with digital activities like the Internet and online-based programs. Developing Tax Administration 3.0 can be the basis for implementing tax digitalization that must continue to be developed in Indonesia. Implementing this digitalization is part of the Directorate General of Taxes' commitment according to the 2020-2024 Strategic Plan to improve taxpayer services (Directorate General of Taxes, 2020). The development of DGT's service system also requires public support. Public trust in this case, taxpayers related to system development, is a motivation for DGT to continue improving its quality.

Public Trust

Trust is one of the basic activities or common actions that must exist in society (Warren, 2001). This research focuses on public trust in government performance, particularly the Directorate General of Taxes (DGT). Trust in the government certainly becomes one of the benchmarks for successful governance. When, in practice, the government is trusted by the public, the processes in government will be better and receive much support and feedback to improve existing systems.

Public trust is one of the factors to be considered in increasing taxpayer compliance (Thahir Haning et al., 2018). Therefore, in implementing work systems and services, the government needs to improve the quality of this point. Not only from external aspects like outreach and public relations but also by improving internal systems such as employee risk management and a strict and credible internal compliance unit. The impact is increased public trust in the institution. Subsequently, the yield is that taxpayers become voluntarily compliant without coercion.

Transparency is widely discussed in several articles related to trust in the government. One explanation from (Che et al., 2019) mentions that one contributing factor to trust in the government is transparency. Transparency is a key element influencing public thought and actions towards the government. Transparency can be defined as the availability and clarity of information provided to the public about all government activities.

METHODS

The research method used is the qualitative method. Qualitative research is an in-depth perception of the phenomenon to be studied, examining it in more detail case by case, and the nature of the problem studied can vary (Sekaran & Bougie, 2016). This research uses a qualitative case study approach. In (Suwartono, 2014), the case study method focuses on collecting information related to an object to be studied. This research focuses on the digital tax information system's impact on tax compliance and public trust in DGT, linked to generational differences. The case study is used to understand more deeply the impact of tax digitalization on taxpayers and tax consultants. Are there certain aspects of the current administration system that encourage taxpayers to voluntarily fulfill their tax obligations? And to understand the opinions of digital tax system developers.

Interviews with knowledgeable and competent sources in their fields are useful in case study research. Interviews are expected to reveal the opinions of taxpayers and tax consultants about their experiences with tax digitalization. Additionally, understanding the views of information system developers on the implementation so far. The collected interview results will be processed to answer the research questions.

RESULTS AND DISCUSSION

Industrial Revolution 4.0, Tax Digitalization, and CTAS

In this discussion, the author wants to see if the digital tax process implemented by DGT is an effect of the Industrial Revolution 4.0 or if the concept of changing the National Identity Number (NIN) as an identifier replacing the Taxpayer Identification Number (TIN) shares the same concept with Singapore's National Digital Identity program, in this case, IRAS. This means that the CTAS program has similarities, and the author believes it has the potential to adopt the Tax Administration 3.0 program. Additionally, the CTAS concept, which promotes a Commercial off-the Shelf system, aims to integrate tax-related systems to facilitate administration (OECD, 2019).

According to the tax system developer, it cannot be confirmed whether the Industrial Revolution was a driving factor for DGT system development, particularly CTAS. The developer stated they are more focused on creating systems mandated by other directorates or directives from high-level leaders, in this case, the Director General of Taxes. The developer also emphasized the background for building a digital tax system. Their statement was, "maybe it could be, but for me, the main motivation is to provide services and increase revenue, that's our main goal" (tax system developer). Essentially, the developer aims to facilitate the administrative process for taxpayers and, of course, collect revenue from the tax sector.

Regarding the target of collecting revenue and increasing taxpayer compliance, massive and high-quality data is needed (Directorate General of Taxes, 2020). The tax system developer also stated that one key is collecting quality data. Data from the central office is enriched by vertical units and returned to the central office for analysis. The developer mentioned that establishing the Directorate of Tax Data and Information (DIP) is a significant step for DGT. Through the DIP directorate, data will be analyzed and eventually become information for tax officers to follow up on. This program aligns with the Tax Administration 3.0 concept, which mentions the initial step for system development towards this program is to collect abundant and high-quality data.

Taxpayer respondents generally stated that they had not heard about the development of CTAS. Only academics and tax consultants were aware of it. However, when informed about the alignment of NIN with TIN, some taxpayers, particularly millennial taxpayers, were aware of this information. The response from millennial taxpayer 2 was that they somewhat regretted the NIN replacing the TIN program. They felt that registering for TIN would be less beneficial if it would eventually change to NIN. They did not mention other or negative aspects of the system change. Millennial taxpayer 3 stated that if the CTAS system could facilitate administration, it should be supported and worthy of implementation.

The change from NIN to TIN is part of CTAS, but respondents considered CTAS two sides of the same coin. Academics mentioned that CTAS could increase tax revenue. Through the integrated system network concept, it is expected to make taxpayers compliant. With synchronized tax data connected to many parties, including banks, it means that banking information of taxpayers is obtained by tax officials. Some taxpayers with poor tax records might be afraid to report taxes because their data is already recorded.

On the other hand, they also stated that Indonesian society generally does not realize their mistakes unless "affected." Usually, deterrent effects such as being sanctioned will teach society to comply. This is supported by research from Yulianti (2022), stating that law enforcement affects tax compliance. This means that when the public is reprimanded or sanctioned by the tax institution, it can influence their behavior to comply with taxes.

According to tax consultants, CTAS is considered a driver for tax revenue. The managing institution, in this case, DGT, will receive high state revenue. However, they mentioned that this program could affect the lower society. They worried that small business owners would also be taxed while they still struggle to meet their daily needs. Additionally, they stated that the CTAS concept could undermine the self-assessment principle, thus having more negative effects.

This opinion from tax consultants was refuted by the tax system developer. They said that the NIN to TIN program and other CTAS programs have been discussed. For issues related to less potential taxpayers or even non-taxpayers being taxed due to NIN alignment, they stated there was no need to worry. There is a nominative taxpayer list monitored for compliance. The NIN to TIN application helps monitor taxpayer activities, especially economic activities. The essence of the developer's statement is that there is no need to worry about the injustice of CTAS implementation as it has considered such matters.

Corruption Cases and Public Trust

A survey on public trust in DGT was conducted by an independent survey agency, Indikator Politik Indonesia. The survey took place between June 20-24, 2023, with 1,220 respondents from all provinces in Indonesia. The results showed that 83.7% of Indonesians are quite satisfied with DGT's performance. However, a survey conducted in April 2023 showed a much lower satisfaction rate, with only 53.7% of Indonesians satisfied with DGT's performance. This means that almost half of the sample expressed dissatisfaction with DGT's performance. Sources mention that during that month, a tax official corruption case with the initials RAT was widely reported (Hariani, 2023). This shows that negative news about DGT, particularly corruption, significantly influences public trust.

Negative news about DGT in recent months has become a consideration for taxpayers to remain administratively compliant. This was stated by taxpayer respondents, including academics and tax consultants. Millennial taxpayers mentioned that they reconsider paying taxes when they know their tax money is being embezzled. Each taxpayer, particularly millennials, has experienced perceptions of DGT's image, particularly its officials.

Millennial taxpayer 1 mentioned hearing remarks from business colleagues in the field like "why bother paying taxes." This indicates a lack of trust in the tax institution due to. They also commented on the ongoing corruption cases. The public perceives that the wealth of tax officials, which appears unreasonable, likely comes from tax money. Millennial taxpayer 2 expressed similar views that the image of the tax institution is still closely linked to corruption and bribery practices. Their information came from a colleague's experience revealing collusion between tax officials and entrepreneurs to reduce tax amounts. This practice involved transactions of Crude Palm Oil (CPO). They explained that during CPO shipment to sales locations, there was a regulated evaporation rate of 10% in the shipping documents. However, the case revealed only a 5% evaporation rate, resulting in the loss of 5% of sales tax revenue. Part of this lost tax revenue was channeled as bribes to the involved tax officials. Such events can tarnish DGT's image in the public eye, reducing tax compliance and even lowering the dignity of tax officials.

The experience of millennial taxpayer 3 reflects the complexity of the tax system. Through interactions with neighbors in their community, they discovered a tax official who exhibited a lavish lifestyle. This included frequently changing cars and acquiring luxury properties in the neighborhood. A significant incident was when the official's house was visited by the Corruption Eradication Commission (CEC). However, the official was not present during the inspection. After the situation was deemed safe, the official returned to their residence. This narrative became a topic of discussion in the community, generating rhetoric against tax payment obligations. From the narratives and experiences shared by millennial taxpayers, a negative image of DGT due to some officials is evident. This perception creates a stigma. According to the Indonesian dictionary (KBBI), an "oknum" refers to an individual. Therefore, it is important to note that this view does not encompass all tax officials. As acknowledged by taxpayers, not all tax officials are involved in harmful practices. "People's views have become uniform, even though not all are like that" (millennial taxpayer 3).

However, the fact that a small number of tax officials engage in unethical or corrupt practices is the main cause of non-compliance among the public in tax obligations. The public, especially taxpayers, tend to be reluctant to comply with tax rules in response to the negative image created by some tax officials. Therefore, serious efforts are needed to empower governance and ethics in tax institutions to improve and restore public trust in the tax system. Millennial taxpayers' hopes for improvements in the tax system are reflected in various aspirations expressed. Millennial taxpayer 1 hopes tax officials become entities free from integrity flaws, showing a drive to ensure that sustainable tax services are conducted by individuals upholding ethics and integrity. Millennial taxpayer 2 hopes for a change in DGT's image. This aspiration highlights the awareness of the importance of institutional image in building public trust. Therefore, strategic steps are needed to enhance DGT's image and reputation to gain more support and compliance from taxpayers. Lastly, millennial taxpayer 3 provides a significant suggestion, proposing a generational overhaul of tax officials. This suggestion reflects an understanding of the crucial role human resources play in administering an efficient and fair tax system. Transforming the generation of tax officials is to ensure they possess the ethical qualifications and dedication that meet the demands and expectations of society and taxpayers.

Research supporting this view by (Handayani et al., 2020) states that taxpayers who trust the tax institution are more likely to comply and fulfill their tax obligations. Therefore, DGT is expected to restore public trust, especially from taxpayers. The impact will be increased taxpayer compliance. Feedback from taxpayers can be considered and discussed comprehensively. The tax system developer also shares this view, feeling the negative impact of the emergence and virality of corrupt tax officials. They regret these cases occurred, feeling ashamed of the negative news. They experience it personally, such as when meeting people in their hometown. However, behind this, they remain confident that many honest and integrity-driven tax officials exist. Corrupt officials are only a small fraction of DGT staff. Apart from news and tax cases, the service provided by tax officials is also addressed by taxpayers. Millennial taxpayer 1, who has tried to fulfill administrative obligations but encountered obstacles, has coordinated with the tax institution. When attempting to coordinate with the local tax office, they received a poor response. This caused the taxpayer to be less enthusiastic about continuing to report their taxes. Eventually, they sought help from a friend.

Another experience was shared by millennial taxpayer 3. They mentioned that previously, when still dealing with the former Account Representative, communication was easy and smooth. However, after changing to a new Account Representative, communication became obstructed, leading to not reporting taxes. This is supported by (Nur 'ain & Susila, 2021), stating that service quality positively affects customer loyalty. This can be linked to tax compliance, where taxpayers are more loyal to reporting and paying their taxes if the service is good and professional, despite busy work schedules and lack of understanding from tax officials. Regarding tax services, the transparency of tax payments and their allocation is frequently highlighted by respondents. The government, as the public service provider, always draws public attention, from service performance to bureaucracy and rule implementation. Therefore, the government must always pay attention to every action taken and consider feedback from the public as service users.

Millennial taxpayers focus more on the transparency of tax funds. The media often reports tax money being embezzled, making it difficult for taxpayers to pay their taxes. It is hoped that DGT will be more transparent with information to avoid slander and allow the public to know how much tax is collected and allocated. The public also needs to be involved as supervisors, meaning they function as a check and balance, similar to the role of parliament overseeing the executive. Tax consultants also address transparency-related issues. They relay feedback from the public that tax collection is high, but the impact on them is less visible. They wonder if this is for the construction of the new capital city (IKN). The public still struggles with food, health, and education. Hence, there is a statement from taxpayers, "I don't want to pay taxes, I don't know the benefits."

Research indicates that transparency increases public trust (Sofyani & Tahar, 2021). This means that when the government is open about important information, public trust increases. Millennial taxpayer 1 also states that when the public knows and feels the impact of tax money, it will increase compliance. This, of course, requires clear transparency from DGT and a control function from the public. The public can indeed perform this check and balance function. In Law No. 25 of 2009 on Public Services, it is regulated regarding public reporting on an institution, particularly in Article 35 paragraph (3) letter a, where the public can make complaints or submit reports as a form of oversight. The Directorate General of Taxes itself has published an annual report summarizing tax revenue performance and achievements. Additionally, an academic respondent mentioned DGT's socialization media about 1 million tax money. They considered this a good idea, but it seemed less known by the public, indicating that transparency is still not very visible.

Besides the lack of transparency, the ongoing negative news about DGT, particularly related to corruption cases, has long affected DGT's image. Generally, the news relates to corruption cases like bribery, gratification, extortion, and others. This causes DGT's image to decline. A look back at the case that went viral in 2010, Gayus Tambunan, is still remembered by the public. Some respondents referred to this case. Millennial taxpayer 1 mentioned Gayus, and millennial taxpayer 3 stated that they once visited the correctional facility where Gayus was held, where Gayus had a private room for his family. They even mentioned that Gayus had a private house in front of the prison.

Other views like "corruption has become a culture" were expressed by millennial taxpayer 2. They stated that corruption in DGT is not just an issue of one directorate-general but involves higher-ranking individuals who have organized the corruption system. This means many individuals and institutions are involved in corruption cases. Given these points, it is not surprising that many suggestions and criticisms come from taxpayers. Generation X taxpayers, although not detailing their views on the DGT system, expressed disappointment with the revealed negative cases. They highlighted the negative impact that may arise from unethical or corrupt behavior by tax officials. This disappointment is accompanied by hopes for firm action and appropriate punishment for those individuals. Expressing the desire for fair action and punishment, Generation X taxpayers advocate for efforts to cleanse the tax institution of harmful behavior. Optimism in corruption prevention measures is certainly needed. Public support to achieve a corruption-free state is a positive step (Pahlevi, 2022). They believe that these measures can be a positive step in restoring taxpayer trust in DGT. Therefore, their view emphasizes the importance of justice and accountability as a foundation for rebuilding public trust in the tax system.

CONCLUSION

The development of information systems, especially in taxation, requires all community layers to follow it. The author sees this from the generational differences, where research shows that Generation X does not follow information system developments as closely as millennials. They are considered less aware and find it challenging to follow the existing tax information system developments. However, this is not absolute. In terms of the Industrial Revolution 4.0 and Tax Administration 3.0, for taxpayers per generation, these have not been the main factors in tax system development. The ease of taxpayers and revenue targets are the main factors for tax system development.

Tax digitalization for taxpayers implemented so far has been quite good, and taxpayers feel helped. However, when entering more specific areas, taxpayers find some features difficult to use, affecting ease of use. This certainly impacts tax compliance. However, their efforts to comply are still carried out. Additionally, from the digitalization side, tax officials' supervision is considered insufficient in its application. Aspects like data synchronization are not yet optimal. Moreover, supervision of issued letters related to reporting appeals is not entirely followed up, affecting taxpayer compliance.

Generational differences in system understanding are not the main reason people comply with taxes. Routine use of the system is more influential in understanding. However, differences in digital experience capabilities still pose an obstacle. The way of communicating tax cases like DGT corruption between millennial taxpayers and Generation X differs. Millennials tend to be open and expressive, while Generation X tends to be normative and control their communication.

However, negative news like corruption is a hindrance that lowers public trust in DGT. This applies to both millennials and Generation X. This behavior lowers trust in tax management and fosters a sense of non-compliance with tax obligations. Poor service from tax officials is also a hindrance to taxpayers' intentions to comply with their obligations. Additionally, there are differences in compliance perceptions between DGT and taxpayers, such as taxpayers not being non-compliant intentionally but because of forgetfulness or oversight. Taxpayers will comply if they feel the impact of taxes. This relates to fairness and reciprocity principles..

Suggestion

For a deeper discussion on system development, it is better to consult with higher-ranking officials, starting from echelon III and above or experts. The author emphasizes the philosophical basis of the system development to be applied. Diversifying taxpayers is necessary to get more comprehensive and diverse answers, aiming to gather more complex information for more valid research results. Law enforcement variables are one of the most mentioned by taxpayers, so the author sees the need to strengthen this variable for future tax compliance research.

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