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## Strategies to Improve Taxpayer Compliance through Regional-Based Supervision Activities at KPP Pratama Pasuruan

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### **Abstract:**

*This study analyzes the implementation of region-based supervision at the Pratama Tax Service Office (KPP Pratama) Pasuruan with the objective of improving taxpayer compliance and revenue realization. Employing a qualitative research approach, data were collected through interviews with tax officials and taxpayers, open-ended questionnaires, observations, and document reviews. The analysis combined descriptive thematic methods with SWOT analysis to capture both internal and external factors influencing supervision effectiveness. Findings reveal that KPP Pratama Pasuruan demonstrates strong employee commitment, effective use of technology, and structured procedures, which contribute to its consistent revenue achievements. However, challenges remain, including limited human resources, weaknesses in IT integration, and insufficient supervision evaluations. The SWOT results position the office in Quadrant I (aggressive strategy), indicating that strengths and opportunities outweigh weaknesses and threats. Consequently, the study recommends growth-oriented strategies such as optimizing information technology integration (CRM, SIDJP, GIS), segmenting taxpayers by compliance risk, intensifying education and outreach programs, strengthening inter-agency collaboration, and enhancing internal supervisory capacity. These findings provide both practical insights for improving regional tax administration in Indonesia and theoretical contributions to the discourse on compliance management, digitalization, and administrative reform.*

**Keywords :** Region-based supervision; taxpayer compliance; qualitative research; SWOT analysis; tax administration; KPP Pratama Pasuruan

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## 1. Introduction

Tax revenues collected from citizens and corporations represent not only a primary source of state income but also one of the most essential pillars for achieving sustainable development and improving public welfare (Cornevin et al., 2024). The role of taxation extends far beyond the mere function of financing government expenditures, as it also serves as an instrument to shape national economic policy and direct economic growth (OECD, 2010). The extent to which a country can optimize its tax collection often determines the pace and inclusivity of its economic development. In Indonesia, taxation plays a central role in supporting infrastructure development, public services, and social welfare, making it a fundamental element of national progress.

Despite its strategic importance, Indonesia's tax ratio remains relatively low compared to global standards and shows signs of stagnation. In 2024, the tax ratio was recorded at only 10.12% of GDP, which was a decline from 10.31% in 2023. For 2025, the government has projected only a modest increase to 10.24%. These figures suggest that the growth of tax revenues has not kept

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pace with the rate of economic expansion, echoing findings that revenue performance often lags behind economic growth in many developing contexts (Cornevin et al., 2024). This condition reflects both structural challenges in the tax system and behavioral issues among taxpayers. It indicates that the government must implement more effective and innovative strategies to ensure that tax collection can grow in line with, or even exceed, economic development while also maintaining fairness and compliance (Prinz et al., 2014).

To address this challenge, the Directorate General of Taxes has introduced several policy measures and strategies aimed at securing national tax revenues, one of which is the expansion of the tax base. This strategy ensures that individuals and businesses who meet the criteria as taxpayers are properly registered and fulfill their obligations. Evidence shows that expanding the coverage of tax registries and improving taxpayer monitoring can significantly enhance compliance outcomes (Almunia & López-Rodríguez, 2018). By focusing resources on targeted monitoring and examination, tax offices aim to uncover hidden tax potential and ensure compliance both in terms of formal reporting and material payment. The expansion of the tax base is not only expected to increase the number of registered taxpayers but also to strengthen the culture of compliance within society (Pomeranz, 2015).

One of the key innovations to strengthen this effort is the implementation of territorial-based supervision. This model emphasizes monitoring taxpayers within defined regions and tailoring oversight methods to the socioeconomic characteristics of each area. Through this localized approach, the Directorate General of Taxes seeks to enhance efficiency and effectiveness in uncovering tax potential, particularly in diverse regions where urban, industrial, rural, and coastal areas coexist. Similar approaches to targeted enforcement have been found to create positive compliance spillovers and promote voluntary participation in formal tax systems (Bellon, Dabla-Norris, & Khalid, 2023). The territorial-based model is expected to enable account representatives to directly penetrate their assigned regions, fostering closer interaction with taxpayers and providing more precise solutions to compliance challenges (OECD, 2017).

Although territorial-based supervision has been implemented since 2020 and further reinforced with updated regulations in 2022, its effectiveness has not been consistently achieved across different regions. Several evaluations have revealed gaps in execution, including insufficient improvement in both formal and material compliance among individual taxpayers, as well as persistent challenges in expanding the tax base. Limitations in regulatory frameworks, human resources, and the integration of digital infrastructure also hinder the program from realizing its full potential. Studies have shown that strong enforcement mechanisms are essential to sustain compliance, but without adequate institutional support, outcomes tend to vary (Slemrod et al., 2001). These inconsistencies highlight a clear research gap regarding how territorial-based supervision can be optimized to deliver stronger and more sustainable outcomes for tax administration (Kirchler et al., 2008).

This study therefore offers novelty by focusing on the case of the Pasuruan Tax Office, a region that presents unique geographic and socioeconomic characteristics. Unlike earlier studies that emphasized general implementation across broader contexts, this research examines variations in taxpayer compliance across urban centers, industrial zones, rural villages, and coastal communities. Such an approach provides a more comprehensive understanding of how local characteristics influence compliance behavior and how supervision strategies may need to be adjusted to suit different taxpayer profiles. This perspective enriches the discussion on tax administration by linking contextual conditions with policy effectiveness and complements

recent evidence that digitalization and context-specific monitoring can significantly improve outcomes (Bellon et al., 2022).

Empirical data further underscore the urgency of this study. Recent figures from the Pasuruan Tax Office show fluctuating patterns in both compliance and revenue realization. For instance, annual tax reporting compliance exceeded 116% of its target in 2022 but dropped to 95.89% in 2023 before recovering to 113.87% in 2024. Similarly, revenue realization has consistently surpassed the target but revealed a declining trend in efficiency, with lower percentages of achievement despite higher nominal revenues. These fluctuations demonstrate the potential benefits of territorial-based supervision but also reveal challenges in sustaining performance over time. They indicate the necessity of conducting a deeper assessment of how such supervision is being implemented and how it can be refined to balance enforcement and trust, a dynamic emphasized in the “slippery slope” framework (Kirchler et al., 2008; Prinz et al., 2014).

Against this backdrop, the objective of this study is to analyze the implementation of territorial-based supervision at the Pasuruan Tax Office. The research seeks to identify the strengths and weaknesses of the current model, assess its impact on taxpayer compliance and revenue realization, and explore strategies that could enhance its effectiveness. By conducting this analysis, the study aims to provide practical recommendations for improving tax administration in Indonesia while also contributing academically to the broader discourse on compliance, supervision models, and administrative reform in the field of taxation (OECD, 2017).

## 2. Theoretical Background

### *Tax Compliance*

Tax compliance refers to the willingness of taxpayers to fulfill their tax obligations in accordance with prevailing regulations, such as submitting tax returns on time, avoiding arrears, preparing financial statements in accordance with standards, and avoiding legal sanctions. Compliance plays a critical role in maintaining fiscal stability, as tax revenues contribute directly to development financing and the provision of public services (James & Alley, 2004). In the literature, two main types of compliance are identified: *voluntary compliance*, which arises from awareness, and *enforced compliance*, which occurs due to audits, sanctions, or penalties. The *slippery slope model* highlights that compliance depends on the balance between trust in tax authorities and the power of enforcement. When the government is perceived as fair and transparent, trust increases and taxpayers are more willing to comply voluntarily (Linawati & Djaddang, 2024; Zainudin et al., 2022). Conversely, compliance that is driven by coercion tends to be unsustainable, as it relies more on fear of audits or fines (Slemrod et al., 2001). Psychological and social factors are also significant determinants of compliance. The *theory of planned behavior* suggests that attitudes, subjective norms, and perceived behavioral control shape compliance behavior (Misra, 2019). This is particularly relevant in Indonesia, where collective norms and perceptions of fairness strongly influence tax compliance (Agun et al., 2022).

### *Tax Supervision*

Supervision is a fundamental instrument for maintaining tax compliance. Through supervision, authorities ensure that obligations related to income tax, value-added tax, and local taxes are properly fulfilled. Its primary goals include detecting irregularities, preventing tax evasion, and ensuring consistency between planned and actual revenue collection (Astuti & Gunadi, 2021).

With advances in technology, supervision systems increasingly adopt data-driven approaches. The implementation of *compliance risk management (CRM)*, for example, allows tax authorities to profile taxpayers and assess compliance risks based on historical data and reporting behaviors (Astuti & Gunadi, 2021). However, the effectiveness of supervision is not only determined by regulations and systems but also by the capacity of human resources to manage data and engage with taxpayers persuasively (Simanungkalit, 2017).

#### *Tax Extensification*

Tax extensification refers to efforts to broaden the tax base by registering new taxpayers and taxable objects that meet legal requirements. This strategy includes public outreach, field data collection, and the issuance of new tax identification numbers, thereby increasing the number of registered taxpayers (Apriliani & Asalam, 2021). Extensification aims to create horizontal equity so that the tax burden is more evenly distributed and not borne solely by already compliant taxpayers. In practice, extensification faces challenges, especially during the COVID-19 pandemic, where restrictions on direct contact slowed registration processes (Hapsari, 2020). Consequently, authorities relied more heavily on intensification, i.e., optimizing revenue collection from existing taxpayers through stricter supervision and enforcement. Prior studies also demonstrate that effective socialization campaigns increase public participation in tax compliance, including in the context of local taxation (Binambuni, 2013; Simanungkalit, 2017).

#### *Regional-Based Supervision*

Regional-based supervision represents an innovation that emphasizes localized approaches to strengthening compliance. In this model, tax officers are assigned responsibility based on geographic areas rather than solely by economic sector. This allows for closer interaction with taxpayers, a deeper understanding of local socioeconomic contexts, and the identification of hidden revenue potential (Satyanugraha & Abbas, 2023). The strength of this approach lies in its adaptability to diverse conditions, whether in urban, rural, industrial, or coastal regions. By tailoring supervision to local contexts, tax authorities can enhance effectiveness and trust. However, implementation challenges remain, including resource limitations, uneven regional capacities, and inconsistent digital system integration across tax offices (Hapsari, 2020).

#### *Compliance and Supervision Strategies*

Strategies to improve compliance combine preventive and corrective measures. Preventive approaches include taxpayer education, simplification of procedures, and improved services to reduce barriers to compliance (Agun et al., 2022). Meanwhile, corrective measures involve audits, fines, and penalties designed to deter noncompliance (Slemrod et al., 2001). In contemporary practice, compliance strategies increasingly adopt data-driven risk management. The CRM model applied in several tax offices has been shown to improve the effectiveness of audits and optimize tax revenue collection (Astuti & Gunadi, 2021). Furthermore, regional-based supervision provides added value by fostering stronger taxpayer–authority relationships, thereby balancing enforcement with trust-building (Satyanugraha & Abbas, 2023; Linawati & Widyastuti, 2024). Ultimately, sustainable tax compliance can be achieved when strategies integrate both deterrence and persuasion in a balanced manner.

### **3. Methodology**

The research was conducted at the Pratama Tax Service Office (KPP Pratama) Pasuruan, which is a vertical unit of the Directorate General of Taxes under the Regional Office of DJP East Java III. Its working area covers both Pasuruan City and Pasuruan Regency, with an additional service unit in Bangil through the Tax Counseling and Consultation Office (KP2KP). This

location was chosen for several reasons. First, there has been no previous study conducted on the same theme in this office. Second, although KPP Pratama Pasuruan consistently achieved revenue targets of more than 100 percent between 2021 and 2023, the percentage of growth declined in the most recent year. Third, compliance levels in the submission of annual tax returns have shown a downward trend in the last few years. Fourth, KPP Pratama Pasuruan has received various awards at both the regional and national levels, reflecting its performance achievements. Finally, the site was also chosen for reasons of efficiency, including considerations of time, resources, and accessibility. The study is scheduled to take place from January 2025 to June 2025, covering the stages of preparation, data collection, and analysis.

This study uses a qualitative research approach with the aim of gaining a deep understanding of the implementation and effectiveness of Region-Based Tax Supervision in improving taxpayer compliance at KPP Pratama Pasuruan. The qualitative method allows the researcher to explore complex phenomena in a contextual manner, capturing the experiences and perceptions of participants. In this study, the main focus is on describing how region-based supervision is applied, the processes that occur in practice, and the interaction between tax officers and taxpayers.

The subjects of this study include the implementation of Region-Based Tax Supervision at KPP Pratama Pasuruan. Primary data are obtained through in-depth interviews with heads of supervision divisions, account representatives, and selected taxpayers. Other methods used include open-ended questionnaires, non-participant observation, and documentation study. Secondary data come from official reports, compliance statistics, fiscal monographs, and internal documents related to supervision activities. Data are analyzed using descriptive thematic analysis and further supported by SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). This approach is expected to describe the current implementation while also providing insights into strategies for improving compliance.

The process of data analysis is carried out in three stages: data reduction, data display, and conclusion drawing or verification. Data reduction is performed by selecting and categorizing interview results, observations, and documentation into relevant themes. Data display is presented in the form of narrative descriptions, tables, and matrices that make it easier to identify patterns and relationships, including the preparation of Internal Factors Analysis Summary (IFAS) and External Factors Analysis Summary (EFAS). The final stage is drawing conclusions, which are verified through triangulation of sources, methods, and findings. The combination of qualitative descriptive analysis and SWOT analysis ensures that the results not only provide a clear description of region-based supervision but also explain the supporting and inhibiting factors that influence taxpayer compliance in Pasuruan.

#### **4. Empirical Findings/Result**

To formulate effective strategies for improving taxpayer compliance through region-based supervisory activities, it is necessary to map the relationship between the organization's internal and external factors. Therefore, an analysis was developed in the form of a SWOT Matrix, which integrates all data findings into a systematic strategic framework.

This SWOT Matrix illustrates the relationship between internal factors (Strengths and Weaknesses) and external factors (Opportunities and Threats), which then serves as the basis for formulating appropriate improvement strategies. The matrix is structured into four strategic quadrants, as follows:

Table 1. SWOT Matrix

		<u>(Strengths)</u>	<u>(Weaknesses)</u>
<div>IFAS</div> <div>EFAS</div>		<ul style="list-style-type: none"> <li>• Commitment of leaders and employees to improving taxpayer compliance</li> <li>• Availability and utilization of taxpayer data based on geographical areas</li> <li>• Utilization of information technology for region-based supervision</li> <li>• Availability of structured Standard Operating Procedures (SOPs) and work systems</li> <li>• Regular implementation of taxpayer education and assistance programs</li> </ul>	<ul style="list-style-type: none"> <li>• Limited number of Account Representatives (AR)</li> <li>• Weaknesses in IT system integration</li> <li>• Lack of technical training and understanding of the latest regulations</li> <li>• Supervision evaluations have not been carried out comprehensively and periodically</li> <li>• Limited tools or systems available to ensure the accuracy of taxpayer data</li> </ul>
	<b>Opportunities</b>	<b>SO Strategy</b>	<b>WO Strategy</b>
	<ul style="list-style-type: none"> <li>• Collaboration with local government agencies and relevant ministries</li> <li>• Regulatory support and tax incentives from the central government</li> <li>• Advances in digital technology for tax services</li> <li>• National financial inclusion and tax literacy programs</li> <li>• Increasing public awareness of tax-based development</li> </ul>	<ul style="list-style-type: none"> <li>• Optimization of regional mapping data based on information technology to support more accurate and targeted supervision.</li> <li>• Strengthening cooperation with local agencies and relevant ministries through data exchange, joint education, and integration of tax literacy programs.</li> <li>• Expanding taxpayer education and assistance programs on a massive scale as part of the national tax awareness campaign.</li> <li>• Utilization of regulations and fiscal incentives to encourage voluntary compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancement of Account Representatives' technical competencies through regular training and updated information on tax regulations.</li> <li>• Modernization and integration of regional supervision IT systems in synergy with the central Directorate General of Taxes' digitalization programs.</li> <li>• Utilization of financial inclusion programs and national tax literacy initiatives to address the limitations in human resources and analytical tools.</li> </ul>
	<b>Threats</b>	<b>ST Strategy</b>	<b>WT Strategy</b>
	<ul style="list-style-type: none"> <li>• Economic fluctuations affecting taxpayers' ability to pay</li> <li>• Growth of the informal sector and digital tax avoidance</li> <li>• Sudden changes in fiscal policies or tax rates</li> <li>• Low level of public tax literacy</li> <li>• Resistance or distrust of taxpayers toward tax authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening digital systems and supervisory dashboards to mitigate the impact of economic fluctuations and to identify potential tax avoidance at an earlier stage.</li> <li>• Implementing an educational approach toward high-risk taxpayer groups to reduce resistance or distrust toward tax authorities.</li> <li>• Reinforcing the integrity and transparency of tax officers to address negative public perceptions and enhance public trust.</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritizing supervision of high-risk areas and taxpayers using data-driven priority scales.</li> <li>• Conducting regular evaluations of the effectiveness of regional supervision SOPs and revising them when necessary to improve efficiency.</li> <li>• Developing internal reporting and feedback systems to enable early problem detection and continuous improvement of supervisory performance.</li> </ul>

**Analysis of Region-Based Supervision Strategy**

Based on the triangulation of internal interviews with tax officers and external interviews with taxpayers, it can be concluded that the implementation of region-based supervision at KPP Pratama Pasuruan has been effective, although several challenges still need to be addressed.

From the internal perspective, strengths such as employee commitment, the use of technology, and the implementation of regular education programs serve as the main advantages. On the other hand, limitations in IT systems and the lack of data validation tools are significant weaknesses, also perceived by taxpayers.

From the external perspective, there are considerable opportunities through the utilization of new taxpayer potential and the support of digital technology. However, threats such as low tax literacy and limited access to online systems must be a primary concern.

Given these conditions, the combined SWOT results indicate that KPP Pratama Pasuruan is positioned in Quadrant I, namely the aggressive strategy. This shows that the organization has dominant strengths and opportunities, and therefore, it is recommended to adopt a growth strategy, such as optimizing data digitalization, intensifying education, and strengthening inter-agency collaboration in regional supervision.

The following are practical strategies based on Quadrant I (aggressive strategy) of the SWOT analysis to improve taxpayer compliance through Region-Based Supervision at KPP Pratama Pasuruan, focused on concrete and implementable actions:

**1. Optimization of Information Technology and Data**

- Integrate CRM, SIDJP, and GIS (regional supervision map) systems for real-time taxpayer profiling.
- Implement daily/weekly taxpayer monitoring dashboards to track compliance dynamics.
- Develop automated notifications for taxpayers (via email/SMS blast) ahead of reporting deadlines.
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**2. Utilization of Regional Data and Taxpayer Segmentation**

- Classify taxpayers based on compliance risk zones (high, medium, low) to apply differentiated supervisory approaches.
- Establish thematic work areas (e.g., industrial zones, shop-house/self-employed zones, elite residential zones) to ensure more focused supervision.
- Develop digital tax potential maps per sub-district/village using external data sources such as OSS, BPJS Employment, and DPMPTSP.

**3. Intensification of Education and Personal Approaches**

- Conduct regular monthly “Tax Classes” in each region with specific topics (e.g., e-SPT, income tax withholding, and reconciliation).
- Assign Account Representatives (AR) as regional facilitators to consistently assist taxpayers in the same area, strengthening personal relationships and ensuring continuous control.
- Provide mobile tax services (tax corners with tax vans) in public areas or potential villages, in collaboration with KPP outreach teams.

#### **4. Cross-Institution and Stakeholder Collaboration**

- Establish data-sharing cooperation with local agencies (Dispenda, DPMPTSP, BPJS Employment) to identify new taxpayers.
- Involve neighborhood leaders (RT/RW) in light regional supervision outreach (specifically for self-employed individual taxpayers).
- Organize periodic open discussion forums between taxpayers and tax officers to foster transparency and openness.

#### **5. Strengthening Internal Capacity of the Supervision Team**

- Design specialized technical training packages for ARs in regional supervision, including field communication and big data utilization training.
- Establish specific Key Performance Indicators (KPIs) for the effectiveness of region-based supervision.
- Provide regular rewards for ARs/Section Heads in regions that achieve the most significant compliance improvements.

### **5. Discussion**

The SWOT analysis of region-based supervision at KPP Pratama Pasuruan demonstrates that organizational strengths and external opportunities provide a solid foundation for adopting an aggressive strategy. The commitment of employees, structured SOPs, and utilization of digital tools are critical assets that align with the opportunities created by technological advancements, inter-agency collaboration, and national tax literacy programs. These findings are consistent with prior research that emphasizes the importance of integrating technology and human resource capacity in tax compliance strategies (Bellon et al., 2022; Satyanugraha & Abbas, 2023).

One of the key strategies identified is the optimization of information technology, particularly the integration of CRM, SIDJP, and GIS systems for real-time taxpayer profiling. The use of dashboards and automated notifications not only enhances monitoring efficiency but also facilitates early detection of non-compliance. Such approaches echo global evidence on the effectiveness of digitalization in improving voluntary compliance, as demonstrated in Peru's VAT e-invoicing reform (Bellon, Dabla-Norris, & Khalid, 2023; Pomeranz, 2015).

Furthermore, the segmentation of taxpayers by risk levels and the establishment of thematic work areas allow for a more targeted supervisory approach. This aligns with the principles of Compliance Risk Management (CRM), which argue that differentiated strategies based on taxpayer profiles can improve efficiency and fairness in tax administration (Astuti & Gunadi, 2021; OECD, 2017). By focusing supervision efforts on high-risk groups, resources can be allocated more effectively while minimizing unnecessary burdens on compliant taxpayers (James & Alley, 2004; Slemrod, Blumenthal, & Christian, 2001).

Another important aspect is taxpayer education and personal engagement through initiatives such as regular "Tax Classes" and mobile tax services. These programs aim to enhance taxpayer knowledge, reduce resistance, and foster trust in tax authorities. The significance of education and socialization in improving compliance has been highlighted in both Indonesian and international studies (Binambuni, 2013; Kirchler, Hoelzl, & Wahl, 2008). In particular, the "slippery slope framework" suggests that strengthening both trust and enforcement capacity is necessary to achieve sustainable compliance (Prinz, Muehlbacher, & Kirchler, 2014; Linawati & Djaddang, 2024).



Cross-institutional collaboration also emerges as a central strategy, particularly through data-sharing with local agencies and community-level involvement. Such partnerships can bridge gaps in taxpayer identification and extend the reach of supervision efforts. Prior studies have found that cooperation between tax authorities and other institutions enhances compliance monitoring and supports broader fiscal policy goals (Hapsari, 2020; Almunia & López-Rodríguez, 2018).

Finally, the strengthening of internal supervisory capacity is essential for sustaining these initiatives. Technical training, KPI-based performance evaluations, and reward systems are expected to enhance the accountability and motivation of tax officers. This finding is consistent with the literature on tax administration, which emphasizes the need for professional competence and organizational integrity in building taxpayer trust (Agun, Datrini, & Amlayasa, 2022; Zainudin, Nugroho, & Muamarah, 2022).

Overall, the positioning of KPP Pratama Pasuruan in Quadrant I (aggressive strategy) highlights the importance of leveraging strengths and opportunities simultaneously. By combining technological innovation, targeted supervision, educational outreach, and inter-agency collaboration, region-based supervision can effectively improve taxpayer compliance while also fostering long-term trust in the tax system.

## **6. Conclusion**

Based on the results of this study, which employed a descriptive qualitative approach and SWOT analysis, several conclusions can be drawn. First, the implementation of region-based supervision at KPP Pratama Pasuruan has been relatively effective. This is reflected in the application of a supervisory system that relies on mapping work areas, utilizing location-based data, and being supported by clear standard operating procedures. Second, internal strengths that serve as key drivers include the commitment of leaders and employees, the availability of regional data, the use of technology, structured SOPs, and taxpayer education programs. Nevertheless, weaknesses remain, such as the limited number of Account Representatives (ARs), suboptimal IT system integration, insufficient technical training, incomplete evaluations, and limited data validation tools. Third, from the external perspective, there are opportunities such as regulatory support, inter-agency collaboration, advances in digital technology, national tax literacy programs, and increasing public awareness of taxation. However, threats also exist in the form of economic fluctuations, potential digital tax avoidance, sudden fiscal policy changes, low tax literacy, and taxpayer resistance. Finally, the SWOT quadrant analysis positions KPP Pratama Pasuruan in Quadrant I, which supports the adoption of an aggressive growth strategy. This indicates that the organization has strong internal capacity and significant external opportunities, enabling it to implement strategies such as optimizing technology for supervision, strengthening collaboration, expanding the scope of region-based supervision, and intensifying taxpayer education.

In line with the conclusions above, several strategic recommendations can be proposed for KPP Pratama Pasuruan in enhancing taxpayer compliance through region-based supervision. First, optimizing information technology and data integration is crucial, including combining CRM, SIDJP, and GIS systems for real-time taxpayer profiling, implementing monitoring dashboards on a daily or weekly basis, and developing automated taxpayer notifications via email or SMS reminders prior to reporting deadlines. Second, the utilization of regional data and taxpayer segmentation should be enhanced by classifying taxpayers according to compliance risk zones, establishing thematic work areas such as industrial, business, and elite residential zones, and creating digital tax potential maps at the village or sub-district level using external sources such

as OSS, BPJS Employment, and DPMPSTP. Third, taxpayer education and personal approaches need to be intensified by organizing monthly “Tax Classes” with specific themes, assigning ARs as regional facilitators to build long-term relationships, and providing mobile tax services in public centers or potential areas in collaboration with the outreach team. Fourth, cross-institutional collaboration must be strengthened by developing data-sharing agreements with local agencies, involving neighborhood leaders (RT/RW) in outreach activities, and hosting regular public discussion forums to promote transparency. Finally, the internal capacity of the supervisory team should be reinforced through specialized technical training for ARs, the establishment of specific KPIs for regional supervision effectiveness, and regular reward mechanisms for ARs or Section Heads in areas demonstrating significant compliance improvements.

The researcher acknowledges that this study has several limitations that should be taken into account in future research. First, the study only involved a limited number of informants from KPP Pratama Pasuruan, such as Section Heads and several Account Representatives, which may not fully capture the perspectives of all employees or external stakeholders such as taxpayers. Second, the findings are exploratory in nature and cannot be generalized quantitatively to all tax offices in Indonesia. Third, the research object was limited to a single tax office, meaning that the results are strongly influenced by local characteristics and may not be directly applicable to other tax offices with different profiles. Fourth, the analysis relied heavily on data provided by internal KPP sources. Fifth, the weighting and scoring in the IFAS–EFAS matrix were based on subjective assessments from informants through questionnaires, which, despite triangulation with interviews, may still contain perceptual bias. Finally, the study did not compare the effectiveness of strategies at KPP Pasuruan with other tax offices that may have adopted different or more innovative approaches to region-based supervision.

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