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BUILDING SUSTAINABLE TAX COMPLIANCE THROUGH DIGITAL TRANSFORMATION AND ACCOUNTING TRANSPARENCY: EVIDENCE FROM INDONESIA

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Abstract

Maintaining taxpayer compliance over the long term remains a significant challenge in efforts to strengthen public revenue. This challenge has become increasingly important as taxpayers expect tax services that are efficient, accurate, transparent, and accessible. This study examines the association between Digital Transformation, Accounting Transparency, and Sustainable Tax Compliance in the context of Indonesia's Core Tax Administration System (Coretax). The study focuses on taxpayers within the jurisdiction of Kanwil DJP West Java I, where Coretax represents an important shift toward integrated and technology-based tax administration. Using a quantitative approach, data were analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess the relationships among the research constructs. The findings indicate that Digital Transformation and Accounting Transparency are positively associated with Sustainable Tax Compliance, with Digital Transformation demonstrating a more prominent role. These findings suggest that effective digital tax administration, supported by reliable and transparent accounting information, can create a more efficient, accountable, and sustainable environment for taxpayer compliance. From a theoretical perspective, the study contributes to the literature by integrating Digital Transformation and Accounting Transparency within the Coretax reform context and relating these dimensions to Sustainable Tax Compliance through the Slippery Slope Framework. This perspective extends the understanding of tax compliance by considering not only administrative capacity and digital technology but also transparency and trust-related perceptions. The findings have practical policy implications for the Directorate General of Taxes (DGT). Policy priorities should focus on improving Coretax system reliability and integration, strengthening transparent information management, and providing targeted assistance to taxpayers during digital adoption. These measures can enhance taxpayer confidence and facilitate more consistent and sustainable tax compliance.

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INTRODUCTION

Tax is a fiscal instrument that plays a strategic role in supporting the sustainability of national development because it is the main source of state revenue for funding public services, infrastructure development, and social welfare programs. However, the success of a modern tax system is determined not only by the government's ability to increase tax revenue, but also by its ability to build taxpayer compliance consistently and sustainably (sustainable tax compliance) (Aulia et al., 2022). In Indonesia, the transformation of tax administration through the Core Tax Administration System (Coretax) has become an important part of efforts to improve administrative integration, efficiency, and the quality of tax information management.

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This transformation is particularly relevant in the context of Kanwil DJP West Java I, which has substantial tax administration and revenue activity. As of 28 February 2025, tax revenue collected by Kanwil DJP West Java I reached IDR 14.29 trillion, equivalent to 11.32% of its annual target, indicating the significant scale of tax activity within the region (DGT, 2025a).

Beyond digital transformation, Kanwil DJP West Java I has also demonstrated an institutional commitment to transparency and accountability in its relationship with taxpayers. This commitment is reflected, among other initiatives, in the launch of the Taxpayer Charter in August 2025, which emphasizes fair, transparent, and accountable tax services as well as the rights and obligations of taxpayers (DGT, 2025b). These developments provide a relevant empirical setting for examining the relationship between Digital Transformation, Accounting Transparency, and Sustainable Tax Compliance. Accordingly, the selection of Kanwil DJP West Java I is not based solely on geographical considerations, but on its relevance to the ongoing transformation of tax administration in Indonesia. The region combines substantial tax activity with the implementation of digital tax administration and an increasing emphasis on transparency and accountability. This context therefore provides an appropriate setting for examining how digital technology and the quality and transparency of accounting information are associated with sustainable tax compliance. Digital tax transformation and accounting transparency have a complementary relationship in building sustainable tax compliance. Digitalization provides the technological infrastructure that enables tax administration processes to run quickly and in an integrated manner, while accounting transparency ensures that the information used in the taxation process has adequate quality and reliability (Aulia et al., 2022). Thus, combining an effective digital system with transparent accounting information can increase taxpayer trust and encourage long-term compliance behavior. Taxpayer trust, tax knowledge, and institutional confidence are also important determinants of voluntary tax compliance, as taxpayers who possess adequate knowledge and trust in government institutions are more likely to comply with their tax obligations (Appiah et al., 2024). Although research on tax digitalization and tax compliance has developed, there are still several research gaps. Most previous studies have tested the effect of digitalization on tax compliance directly, while studies on the formation of sustainable tax compliance remain limited (Darmayasa & Hardika, 2024).

Digital transformation in tax administration involves the use of digital technologies to improve efficiency, information quality, monitoring, and taxpayer compliance. In Indonesia, this transformation is reflected in the implementation of the Core Tax Administration System (Coretax), which integrates tax administration through a unified digital platform. Previous studies support the link between digitalization and tax compliance. Alkausar et al. (2022) emphasized taxpayer readiness in adopting e-filing, while Saptono et al. (2023) found that e-tax system quality, service quality, and lower compliance costs are associated with stronger tax compliance intentions. Ariyanto et al. (2024) showed that information-system quality, service quality, and trust in government are relevant to taxpayer compliance among Indonesian MSMEs. Lumbantobing and Adwimurti (2026) also found a positive association between digital tax transformation and corporate tax compliance. More recently, Saptono et al. (2026) reported that Coretax can reduce perceived compliance costs and strengthen tax compliance intentions.

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Furthermore, research on accounting transparency has focused more on financial reporting quality, corporate governance, and tax avoidance, but its role in building sustainable tax compliance has not been widely examined (Bischof et al., 2024). From a broader regulatory perspective, compliance mechanisms supported by transparency, accountability, and institutional controls are also considered important factors in strengthening responsible financial behavior and reducing compliance risks (Fowler, 2021). And other research that integrates digital technology factors and accounting transparency in the context of Indonesia's tax administration remains relatively limited. Thus, the novelty lies in developing an integrative model that examines the effect of digital tax transformation and accounting transparency on sustainable tax compliance. Based on this description, this study aims to analyze the effect of digital tax transformation on sustainable tax compliance, analyze the effect of accounting transparency on sustainable tax compliance, and examine the simultaneous effect of digital tax transformation and accounting transparency on sustainable tax compliance.

The Technology Acceptance Model (TAM) explains that a person's acceptance of technology is influenced by perceived usefulness and perceived ease of use. The Slippery Slope Framework explains that tax compliance is influenced by a combination of the strength of the tax authority and public trust in the tax authority. Digital transformation strengthens the tax authority's capabilities through data integration, automation of oversight, the use of risk analytics, and the creation of a digital audit trail. Meanwhile, a more modern and transparent tax system can improve perceptions of fairness and the effectiveness of tax administration, thereby encouraging voluntary compliance. Digital tax transformation is a change in the tax administration system through the use of digital technology to improve service efficiency, information accuracy, and the effectiveness of tax monitoring. The application of digital technologies such as electronic invoicing and prefilled tax returns can reduce tax administration costs and improve the efficiency of tax compliance processes (Hesami et al., 2024; Kawuri et al., 2024).

Digitalization simplifies the tax process because taxpayers can report and fulfill their obligations more easily through electronic systems. Therefore, the higher the level of digital transformation in tax administration, the greater the likelihood that taxpayers will maintain their tax compliance behavior. Zhang and She (2024) found that corporate digital transformation influences tax behavior because digital technology increases information transparency, improves internal control systems, and changes tax risk management mechanisms. These findings show that digitalization is not only related to technical aspects, but also plays a role in shaping compliance behavior toward tax regulations. Digital tax policy also improves administrative convenience and helps increase compliance behavior (Sibarani et al., 2024). Accounting transparency is an organization's ability to provide relevant, accurate, and reliable financial information to interested parties. Transparency in accounting plays an important role in reducing information asymmetry between organizations and stakeholders. Transparent accounting information increases accountability so that external parties can assess whether an organization has carried out its obligations in accordance with applicable standards and regulations (Bischof et al., 2024).

Digital transformation can improve tax compliance by simplifying tax procedures, reducing administrative burdens, and increasing service accessibility (Okunogbe & Santoro, 2023). However, digital system availability does not automatically ensure effective implementation, as system quality, integration, reliability, and user

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capability remain important (Darono & Panggabean, 2026). Recent Coretax research also highlights the importance of technology acceptance and digital literacy in supporting taxpayer adoption (Bischof et al., 2024). These findings suggest that digital transformation alone may not fully explain sustainable tax compliance. The effectiveness of digital tax systems also depends on institutional readiness, taxpayer trust, and the ability of users to adapt to technological changes (Decuypere & Van de Vijver, 2025; Abu-Silake et al., 2024). Furthermore, taxpayer trust and perceptions of tax authority effectiveness remain important factors in shaping compliance behavior, indicating that digital transformation should be accompanied by improvements in service quality, transparency, and taxpayer confidence (Kogler et al., 2023).

Accounting transparency provides accurate, consistent, and traceable information, thereby reducing information asymmetry and strengthening accountability (Bischof et al., 2024). However, digitalization does not always improve transparency; excessive digitalization may create information overload and reduce information quality (Du et al., 2024). In the tax context, transparency and accountability can strengthen taxpayer compliance (Razen & Kupfer, 2023; Siglé et al., 2022). Fang et al. (2025) show that transparent and high-quality accounting information strengthens corporate monitoring and constrains opportunistic tax behavior. Similarly, Yuan and Bai (2025) find that stronger monitoring of accounting information quality reduces corporate tax avoidance. Together, these findings suggest that accounting transparency can reduce information asymmetry and support sustainable tax compliance. Nevertheless, previous studies have focused more on government fiscal transparency than on the transparency of accounting information maintained by taxpayers.

Previous studies have largely examined digital transformation and accounting transparency separately. Digital tax research emphasizes technology adoption and administrative efficiency, whereas transparency research focuses on information quality and accountability (Bischof et al., 2024; Okunogbe & Santoro, 2023). Although recent Coretax studies have incorporated technology acceptance and the Slippery Slope Framework (Bischof et al., 2024; Telaumbanua et al., 2026), the integration of Digital Transformation and Accounting Transparency in explaining Sustainable Tax Compliance remains limited. This study addresses this gap by integrating both dimensions within a framework supported by TAM and the Slippery Slope Framework.

RESEARCH METHOD

This study uses an explanatory quantitative approach to examine the effect of Coretax digital transformation and accounting transparency on sustainable tax compliance. This approach was chosen because it can explain causal relationships among variables through hypothesis testing based on numerical data (Hair et al., 2022). The study population consisted of 295,618 corporate taxpayers at the West Java I Regional Office of the Directorate General of Taxes (Bandung 1). The sample size was determined using the Slovin formula with a 6% margin of error, yielding approximately 278 respondents, which was then rounded up to 300 respondents to improve the stability of the statistical analysis and strengthen the SEM-PLS model. The use of a 6% margin of error is still within the commonly accepted range for survey research with large populations, especially when population variance is not yet known with certainty (O'Neill, 2022; Lakens, 2022).

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The population of this study comprised corporate taxpayers registered within the jurisdiction of Kanwil DJP Jawa Barat I. The sampling frame was established based on the relevant taxpayer population records available from the tax administration authority. This sampling frame served as the basis for identifying eligible corporate taxpayers and conducting the sample selection process. The sample size was determined using a 6% margin of error, which was considered an appropriate balance between statistical precision and the practical feasibility of collecting data from a large corporate taxpayer population. The use of this margin of error enabled the study to obtain an adequate number of respondents while maintaining a reasonable level of sampling precision. The sampling process was conducted using simple random sampling. First, corporate taxpayers within the defined population were identified from the available sampling frame. Second, taxpayers meeting the study eligibility criteria were retained for the sampling process. The eligibility criteria included corporate taxpayers registered within the jurisdiction of Kanwil DJP Jawa Barat I and having relevant experience with the tax administration process examined in this study. Third, each eligible taxpayer was assigned a sampling identifier, after which the required number of respondents was selected randomly. This procedure provided each eligible population unit with an equal opportunity to be selected. After the questionnaires were distributed, the returned responses were screened based on the predetermined eligibility criteria and completeness of responses. Only valid and complete responses were retained for subsequent analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). This procedure was applied to ensure that the final sample was consistent with the research objectives and the defined target population. The sampling technique used was probability sampling with simple random sampling, so that every corporate taxpayer had an equal chance of being selected as a respondent. This method was chosen to minimize bias and improve the representativeness of the research data. Data were collected using a Likert-scale questionnaire (1–5) distributed to respondents, supported by a literature review of scientific journals and institutional reports such as those from the Directorate General of Taxes on digital tax transformation. Data analysis used Structural Equation Modeling–Partial Least Squares (SEM-PLS) because this method is suitable for research models with mediating variables and survey-based data, and does not require a normal distribution (Hair et al., 2022; Sarstedt et al., 2022).

Because all variables in this study were collected through a questionnaire from the same respondents, the possibility of Common Method Bias (CMB) was taken into consideration. To assess this issue, a VIF-based collinearity assessment was conducted using SmartPLS. Following Kock (2015), a VIF value above 3,3 may indicate the presence of problematic collinearity and, consequently, potential common method bias. In this study, all VIF values were below the recommended threshold of 3,3, suggesting that common method bias is unlikely to pose a significant concern and is not expected to substantially affect the results of the research model.

The operational definitions of the variables are as follows:

Table 1
Operational Variables

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Variable	Operational Definition	Indicators	Sources
Digital Transformation (X1)	The use of integrated digital technologies in tax administration to improve efficiency, accessibility, service quality, and information management.	Digital system integration; Accessibility of tax services; Efficiency of tax processes; System reliability; Digital information management	Saptono et al. (2023); Meiryani et al. (2023); Lumbantobing & Adwimurti (2026)
Accounting Transparency (X2)	The openness of accounting information reflected in its accuracy, completeness, consistency, traceability, and accountability.	Information accuracy; Information completeness; Information consistency; Information traceability; Information disclosure	Bischof et al. (2024); Du et al. (2024)
Sustainable Tax Compliance (Y)	The willingness and ability of taxpayers to fulfill their tax obligations accurately, completely, timely, and consistently.	Completeness of tax obligations; Timeliness of tax reporting3. Timeliness of tax payme; Accuracy of tax information; Consistency in fulfilling tax obligations; Prioritization of tax obligations	Saptono & Khozen (2023); Trifan et al. (2023); Saptono et al. (2026)

Source: Researcher-processed data (2026)

RESULTS AND DISCUSSION

The assessment of convergent validity was conducted :

Table 2
Convergent Validity Test

Indicators	Indicators	Loading Factor	AVE Value	Description
Digital Transformation (DT)	DT.1	0,773	0,684	Valid
	DT.2	0,878		Valid
	DT.3	0,864		Valid
	DT.4	0,764		Valid
	DT.5	0,765		Valid
Accounting Transparency (AT)	AT.1	0,709	0,656	Valid
	AT.2	0,954		Valid
	AT.3	0,953		Valid
	AT.4	0,953		Valid
Sustainable Tax Compliance (STC)	STC.1	0,860	0,673	Valid
	STC.2	0,843		Valid
	STC.3	0,874		Valid

Source: Researcher-processed data (2026)

Based on Table 2, all indicators across the three research constructs meet the criteria for convergent validity. In PLS-SEM, convergent validity is assessed using outer loading values (≥ 0.70) and Average Variance Extracted (AVE) values (≥ 0.50). For Digital Transformation (DT), the outer loadings range from 0.765 to 0.878, with an AVE of 0.684. Accounting Transparency (AT) has outer loadings ranging from 0.709 to 0.953 and an AVE of 0.656. Meanwhile, the retained indicators of Sustainable Tax Compliance (STC) show loadings between 0.843 and 0.874, with an AVE of 0.673. All values exceed the recommended thresholds. Overall, the results confirm that the measurement

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constructs demonstrate adequate convergent validity. Therefore, all retained indicators can be used for the subsequent structural model assessment using PLS-SEM.

Table 3
Discriminant Validity Test : Cross loading test

	Digital Transformation	Accounting Transparency	Sustainable Tax Compliance	Description
DT.1	0,773	0,541	0,560	Valid
DT.2	0,878	0,700	0,752	Valid
DT.3	0,864	0,568	0,713	Valid
DT.4	0,764	0,499	0,659	Valid
DT.5	0,765	0,580	0,625	Valid
AT.1	0,866	0,709	0,729	Valid
AT.2	0,563	0,954	0,683	Valid
AT.3	0,552	0,953	0,684	Valid
AT.4	0,548	0,953	0,674	Valid
STC.1	0,692	0594	0,860	Valid
STC.2	0,718	0,810	0,843	Valid
STC.3	0,703	0,581	0,874	Valid

Source: Researcher-processed data (2026)

Based on Table 3, the results of the discriminant validity assessment using the cross-loading approach indicate that all indicators within each research construct have satisfied the criteria for discriminant validity. The cross-loading test is conducted by comparing the loading factor value of each indicator on its intended construct with its loading factor values on other constructs. The results demonstrate that all Digital Transformation (DT) indicators have the highest loading factor values on the Digital Transformation construct compared to the Accounting Transparency and Sustainable Tax Compliance constructs. Specifically, DT.1 has a loading value of 0,773; DT.2 of 0,878; DT.3 of 0,864; DT.4 of 0,764, and DT.5 of 0,765. These values are higher than their respective cross-loading values on other constructs, indicating that all Digital Transformation indicators are capable of appropriately representing their underlying construct.

Similarly, the Accounting Transparency (AT) construct shows that all indicators achieve the highest loading factor values on their respective construct. The AT.1 indicator has a loading value of 0,709; AT.2 of 0,954; AT.3 of 0,953; and AT.4 of 0,953. Although several indicators exhibit relatively high cross-loading values on other constructs, the primary loading values on the Accounting Transparency construct remain the highest. Therefore, these indicators demonstrate a stronger ability to explain the Financial Performance construct compared to other constructs in the model.

Furthermore, for the Sustainable Tax Compliance (STC) construct, the results of the discriminant validity assessment indicate that all indicators exhibit the highest loading factor values on the Sustainable Tax Compliance construct. Specifically, indicator STC.1 has a loading value of 0,860; STC.2 has a value of 0,843; VTC.3 has a value of 0,874. These loading values are higher than their respective cross-loading values on the Digital Transformation and Accounting Transparency constructs, indicating that these indicators are valid and adequately represent the Sustainable Tax Compliance construct.

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Based on the overall cross-loading results presented in Table 3, it can be concluded that all indicators of the Digital Transformation, Accounting Transparency, and Sustainable Tax Compliance variables have satisfied the criteria for discriminant validity. This finding confirms that each indicator demonstrates a stronger association with its corresponding latent construct compared to other constructs in the research model.

Table 4
Discriminant validity tes : AVE value test

	Accounting Transparency	Digital Transformation	Sustainable Tax Compliance
Accounting Transparency (AT)	0,898		
Digital Transformation (DT)	0,716	0,810	
Sustainable Tax Compliance (STC)	0,780	0,822	0,859

Source: Researcher-processed data (2026)

Based on Table 4, the discriminant validity assessment using the Fornell–Larcker criterion shows that the measurement model meets the required criteria. The square root of AVE for each construct is 0.898 for Accounting Transparency, 0.810 for Digital Transformation, and 0.859 for Sustainable Tax Compliance. These values are higher than the correlations between the constructs, which are 0.716, 0.780, and 0.822, respectively. These findings indicate that each construct has adequate discriminant validity and captures a concept that is empirically distinct from the other constructs. Therefore, Accounting Transparency, Digital Transformation, and Sustainable Tax Compliance can be distinguished empirically, confirming that the discriminant validity requirement based on the Fornell–Larcker criterion is satisfied.

Table 5
Reliability test

	Cronbach's Alpha	Composite Reliability
Accounting Transparency (AT)	0,915	0,943
Digital Transformation (DT)	0,868	0,905
Sustainable Tax Compliance (STC)	0,823	0,894

Source: Researcher-processed data (2026)

Based on the reliability assessment presented in Table 5, all research variables achieved reliability coefficients that satisfied the predetermined criteria. Accounting Transparency (AT) recorded a Cronbach's Alpha value of 0,915 and a Composite Reliability value of 0.943. These results indicate that the indicators employed to measure the Accounting Transparency (AT) construct demonstrate excellent internal consistency. Digital Transformation (DT) obtained a Cronbach's Alpha coefficient of 0,868 and a Composite Reliability score of 0,905. Since both values exceed the recommended minimum threshold of 0,70; the indicators used in this construct can be considered highly reliable in representing the Digital Transformation variable.

Meanwhile, Sustainable Tax Compliance (STC) reported a Cronbach's Alpha value of 0,823 and a Composite Reliability value of 0,894. Although the Cronbach's Alpha coefficient for STC was lower than those of the other constructs, it remained above the acceptable threshold of 0,70. Furthermore, its Composite Reliability score confirms that the indicators measuring Sustainable Tax Compliance possess satisfactory internal consistency.

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Accordingly, the results of the Cronbach's Alpha and Composite Reliability evaluations demonstrate that all constructs examined in this study, namely Accounting Transparency, Digital Transformation, and Sustainable Tax Compliance, meet the required reliability standards.

Table 6
Discriminant Validity Assessment Using HTMT

	HTMT Value	Assessment
Digital Transformation → Accounting Transparency	0,793	Satisfactory
Sustainable Tax Compliance → Accounting Transparency	0,883	Satisfactory
Sustainable Tax Compliance → Digital Transformation	0,866	Satisfactory

Source: Researcher-processed data (2026)

Based on Table 6, discriminant validity was assessed using the Heterotrait–Monotrait (HTMT) ratio to determine whether the constructs in the measurement model are empirically distinct from one another. The results show that all HTMT values are below the recommended threshold of 0.90. Specifically, the HTMT value between Digital Transformation and Accounting Transparency is 0.793, while the values between Sustainable Tax Compliance and Accounting Transparency and between Sustainable Tax Compliance and Digital Transformation are 0.883 and 0.866, respectively. Therefore, all construct pairs meet the HTMT criterion and demonstrate adequate discriminant validity. Although the HTMT value of 0.883 is relatively close to the threshold, it remains within the acceptable range. These findings indicate that Digital Transformation, Accounting Transparency, and Sustainable Tax Compliance represent empirically distinguishable constructs within the measurement model.

Table 7
Collinearity Statistics (VIF) test

	Sustainable Tax Compliance	Remarks
Accounting Transparency (AT)	2,051	No Issue
Digital Transformation (DT)	2,051	No Issue

Source: Researcher-processed data (2026)

Table 7 presents based on the Collinearity Statistics (VIF) assessment, the VIF values for Accounting Transparency and Digital Transformation in predicting Sustainable Tax Compliance were both 2,051, which are below the 3,3 threshold commonly used to assess potential Common Method Bias (CMB). These results indicate that the structural model does not exhibit problematic levels of collinearity. In particular, the relatively moderate VIF values suggest that Accounting Transparency and Digital Transformation do not overlap excessively in explaining Sustainable Tax Compliance. Therefore, the findings provide evidence that CMB is unlikely to pose a serious threat to the structural model or substantially distort the estimated relationships among the constructs.

Tabel 8
Uji t (Partial test)

Hypotesis	Hypotesis Direction	Path Coefficient	t-statistics	p-value	Conclusion
H1 : DT > STC	+	0,541	12,242	0,0000	Supported
H2 : TA > STC	+	0,392	8,981	0,0000	Supported

Source: Researcher-processed data (2026)

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Based on the hypothesis-testing results presented in Table 8, all relationships among the variables in the proposed research model were found to be positive and statistically significant. The first hypothesis (H1), which proposed that Digital Transformation (DT) positively affects Sustainable Tax Compliance (STC), yielded a path coefficient of 0,541, a t-statistic of 12,242, and a p-value of 0,0000. These results confirm that Digital Transformation has a positive and significant influence on Sustainable Tax Compliance; therefore, H1 is supported. This finding implies that more effective implementation of Digital Transformation practices is associated with improved Sustainable Tax Compliance.

The second hypothesis (H2) proposed a positive relationship between Accounting Transparency (GA) and Sustainable Tax Compliance (STC). The analysis produced a path coefficient of 0,392; a t-statistic of 8,981; and a p-value of 0,0000. These findings demonstrate that Accounting Transparency exerts a positive and statistically significant effect on Sustainable Tax Compliance, thereby supporting H2. In other words, strengthening the implementation of accounting transparency may enhance companies' sustainable tax compliance.

Theoretically, digital transformation and accounting transparency are important in supporting sustainable tax compliance by facilitating tax processes and providing reliable information. Empirically, both are positively associated with sustainable tax compliance, with digital transformation showing a more prominent role. These findings suggest that Coretax reform should integrate digitalization with improved accounting transparency to promote more efficient and sustainable tax administration. The study contributes to the tax compliance literature by highlighting the relevance of both dimensions in the context of tax administration modernization.

Table 9
R Square test (Simultant Test)

	R Square	R Square Adjusted
Sustainable Tax Compliance (STC)	0,751	0,750

Source: Researcher-processed data (2026)

Based on the R-squared test results presented in Table 9, the coefficient of determination indicates the extent to which the independent variables account for variations in the dependent variable within the proposed research model. The findings reveal that Sustainable Tax Compliance (STC) has an R-squared value of 0,751. This result suggests that the independent variables included in the model explain 75,1% of the variation in Sustainable Tax Compliance, while the remaining 24,9% is attributable to other factors that are not incorporated into the research model. Therefore, it can be concluded that the structural model possesses a satisfactory explanatory capacity, as both endogenous variables exhibit relatively high R-squared values. This result confirms that the variables examined in the study make a substantial contribution to explaining changes in Sustainable Tax Compliance.

DISCUSSION

Digital Transformation has a positive effect on Sustainable Tax Compliance

The research results show that Digital Transformation has a positive effect on Sustainable Tax Compliance. This finding means that the better digital transformation is

implemented in tax administration, recordkeeping, and reporting processes, the higher an organization's ability to meet its tax obligations consistently and sustainably.
The use of digital technology in tax administration, such as e-registration, e-filing, e-payment, and e-invoicing, can improve administrative effectiveness and support tax collection and compliance (Nose & Mengistu, 2023). And the digitalization of taxation, artificial intelligence, machine learning, and blockchain have the potential to improve tax compliance behavior and reduce tax avoidance and evasion practices (Belahouaoui & Attak, 2024). This finding is also supported by Han et al. (2025), who state that the application of digital technology can improve corporate tax compliance through reducing information asymmetry, strengthening internal governance, implementing automated controls, and synchronizing data in real time. Furthermore, Kotsogiannis et al. (2025) provide empirical evidence that digital transformation through electronic invoicing improves tax compliance by enhancing transaction traceability, strengthening tax audit effectiveness, and reducing opportunities for inaccurate reporting and tax evasion. Thus, digital transformation not only helps organizations meet tax obligations in a given period, but also builds compliance procedures that can be maintained in the long term.

Accounting Transparency has a positive effect on Sustainable Tax Compliance

The research results show that Accounting Transparency has a positive effect on Sustainable Tax Compliance. This means that the higher the transparency of accounting information, the greater an organization's ability to carry out tax obligations correctly, consistently, and accountably. Bischof et al. (2024) explain that transparency is related to the quality of disclosure, accuracy, and clarity of information conveyed between the party producing the information and the party using it. In the context of taxation, transparent accounting information provides a stronger basis for organizations to calculate, determine, and report their tax obligations accurately. There is also the quality of tax disclosure in sustainability reports. Based on research, corporate tax disclosure practices still show a limited level of transparency. Companies that fully comply with financial reporting standards will improve the quality, quantity, and completeness of tax disclosures (Mio et al., 2025), as well as transparency, tax and accounting reporting, and tax governance as important elements in forming a sustainable tax culture (Hauptman & Pavić, 2025). Thus, accounting transparency disclosure can reduce the risk of errors, manipulation, and concealment of information, thereby encouraging more responsible and sustainable tax compliance.

Digital Transformation and Accounting Transparency simultaneously have a positive effect on Sustainable Tax Compliance

The research results show that Digital Transformation and Accounting Transparency simultaneously have a positive effect on Sustainable Tax Compliance. This means that the application of digital technology and the transparency of accounting information together can improve an organization's ability to meet tax obligations consistently, accurately, and sustainably. Pratama et al. (2026) found that the use of digital tax information systems is influenced by perceived usefulness, ease of use, knowledge, awareness, attitude, and trust in e-government services. This was also stated by Cai and Cao (2024), who found that increasing fiscal transparency can hinder corporate tax avoidance through improvements in tax collection and administration.

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Tian and Wang (2026) showed that digital government services can significantly reduce corporate tax avoidance. This effect is related to increased administrative transparency, an improved business environment, and better access to policy information. These results show that digitalization and transparency can create a tax environment that is clearer, easier to monitor, and encourages companies to improve compliance (Bellon et al., 2022; Heinemann & Stiller, 2025). Thus, Digital Transformation and Accounting Transparency have a complementary relationship in reducing recording errors, improving transaction traceability, enhancing reporting quality, and preventing tax avoidance practices.

The coefficient value is 75.1%, which means that the two independent variables (digital transformation and accounting transparency) jointly affect sustainable tax compliance, while the remainder is determined by other variables.

Thus, from the Slippery Slope Framework perspective, the findings suggest that digital transformation and information transparency can support sustainable tax compliance by strengthening administrative capacity and fostering a more transparent and trustworthy tax environment. Although trust and perceived tax authority power were not directly tested, the findings provide a theoretical contribution by highlighting digitalization and transparency as important dimensions of sustainable compliance in the context of Coretax reform.

CONCLUSION

The findings show that Digital Transformation and Accounting Transparency are positively associated with Sustainable Tax Compliance, with Digital Transformation demonstrating a more prominent role. However, the findings are limited by the study's geographical scope, which covers only taxpayers within Kanwil DJP West Java I, as well as the use of self-reported data and a cross-sectional design that may introduce Common Method Bias and limit causal interpretation. The findings indicate that Coretax promotes a more integrated digital tax administration, supporting tax processes, information management, and taxpayer interactions. Digital Transformation and Accounting Transparency are positively associated with Sustainable Tax Compliance by facilitating technology use and ensuring accurate, traceable information. From the Slippery Slope Framework, Coretax may strengthen tax authority power through integration and monitoring, while transparency may foster taxpayer trust. As trust was not directly tested, this remains a theoretical implication rather than empirical evidence of mediation or moderation. Future research should cover multiple Kanwil DJP regions, use longitudinal and actual compliance data, compare taxpayer groups, and examine factors such as tax morale, trust, tax fairness, digital literacy, and tax service quality.

Statement on Artificial Intelligence

The authors declare that artificial intelligence (AI)-based tools were utilized only to support language editing, proofreading, and improving the clarity and readability of the manuscript. AI tools were not used to generate research findings, conduct data analysis, interpret results, develop theoretical arguments, or formulate scientific conclusions. All research processes, including conceptualization, methodology development, data analysis, interpretation of findings, and conclusions, were independently conducted, critically evaluated, and verified by the authors. The authors remain fully responsible for the accuracy, integrity, and originality of the content presented in this manuscript.

Conflict of Interest

The authors declare that there is no conflict of interest, whether financial, professional, institutional, or personal, related to this research. The authors confirm that the research process, data analysis, interpretation of results, and manuscript preparation were conducted independently and without any external influence that could affect the objectivity and integrity of the study.

Author Contributions

The authors made substantial contributions to all stages of the research process. The contributions included research conceptualization, development of methodology, data collection and analysis, interpretation of results, discussion of findings, and preparation of the manuscript. All authors critically reviewed the manuscript, provided intellectual contributions, approved the final version, and agreed to be accountable for all aspects of the research.

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