

Juridical Analysis of the Application of Administrative and Criminal Sanctions to Tax Evasion Cases

Loso Judijanto^{1✉}, Abd Razak Musahib²

IPOSS Jakarta, Indonesia¹, Universitas Madako Tolitoli, Indonesia²

e-mail: losojudijantobumn@gmail.com*

Entered : August 03, 2025

Accepted : September 18, 2025

Revised : September 03, 2025

Published : September 23, 2025

ABSTRACT

Taxes are the main instrument in the country's financial system because they function as a source of revenue to support national development. However, tax evasion practices are still rampant and cause significant fiscal losses, requiring effective law enforcement. In the context of Indonesian tax law, tax avoidance can be subject to administrative and criminal sanctions in accordance with the provisions of Law Number 28 of 2007 concerning General Provisions and Tax Procedures (KUP Law). Administrative sanctions function as the main instrument that is both preventive and repressive through the mechanism of fines, interest, or increases in taxes owed. However, in cases with the impact of large losses and intentional elements, relevant criminal sanctions are applied as the ultimate remedium. Reform through Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (HPP Law) strengthens aspects of legal certainty, affirms the principle of ultimum remedium, and increases the authority of tax authorities while still paying attention to the protection of taxpayer rights. This study uses a normative juridical method by examining positive norms, the principle of legality, the principle of proportionality, and the principle of justice in the application of sanctions. The results of the analysis show that the integration of administrative, criminal, and regulatory sanctions is able to create a fairer, more transparent, and sustainable tax system, while maintaining legal legitimacy and public trust.

Keywords: Certainty-Law; Criminal Sanctions; Tax-Avoidance

INTRODUCTION

Taxes are a vital instrument in the country's financial legal system because it is the main source of revenue that supports the sustainability of national development. Through the tax collection mechanism, the state gains legitimacy to finance the public interest in accordance with the constitutional principles in Article 23A of the 1945 Constitution. The obligation to pay taxes is compulsory, so every citizen has a legal responsibility to fulfill it. However, in practice, there are still often tax avoidance efforts that are significantly detrimental to the country's fiscal. This phenomenon shows that there is a gap between the binding legal norms and the socio-economic reality faced. Thus, the issue of tax avoidance is not only administrative, but also has criminal legal consequences. Therefore, the urgency of juridical analysis on the enforcement of sanctions against tax evasion is becoming increasingly important.

The phenomenon of tax evasion in Indonesia cannot be separated from the weakness of the tax administration system which is still vulnerable to abusive practices. Legal loopholes that arise in tax regulations are often used by taxpayers to avoid payment obligations.¹ Low legal awareness and tax morality also exacerbate the situation, so tax compliance is pseudo-formal. As a result, the state loses great revenue potential, which has an impact on the state's limited ability to carry out public service functions.² In addition, tax avoidance practices create injustice between obedient taxpayers and those who commit violations. This gives birth to social unrest and lowers the level of legal legitimacy in the eyes of the public. Thus, the aspect of legal justice is the main highlight in the context of tax avoidance.

In Indonesian tax law, tax avoidance must be distinguished between legal *avoidance* and illegal avoidance known as *tax evasion*. *Tax evasion* is a form of violation of the law because it is carried out by hiding income or falsifying documents to reduce tax obligations. This practice clearly contains an element of intentionality, so it falls into the category of unlawful acts. Therefore, the law provides administrative and criminal sanctions instruments as a form of justice enforcement. Administrative sanctions function to encourage compliance through the mechanism of fines, interest, or increases in taxes owed. However, in cases that cause significant losses, criminal sanctions become relevant to be applied. Juridical analysis is needed to weigh the extent to which the application of the two sanctions meets the principle of legal certainty.

Administrative sanctions in tax law are more directed at the aspect of recovering state losses financially. This instrument has a preventive as well as repressive character because it forces taxpayers to fulfill obligations through a fine or interest mechanism. The application of administrative sanctions tends to be faster and simpler, so as to be able to maintain a stable flow of state revenue. However, its effectiveness is often questioned if violations are committed systematically and repeatedly. In such a situation, administrative sanctions are not enough to provide a deterrent effect for tax evasion perpetrators. Therefore, the law provides room for the escalation of enforcement through criminal channels. This shows that there is a hierarchy in the application of sanctions, which must be clearly regulated in the tax law system.

Criminal sanctions in tax law have a broader function, namely as an effort to enforce norms and protect the interests of public worksblik.³ Through criminal threats, the state seeks to provide a deterrent effect to taxpayers who deliberately evade. Criminal instruments are also seen as the *ultimate remedium*, which is the last step after administrative sanctions are considered inadequate. However, the application of criminal sanctions in the context of taxation often raises a dilemma between legal certainty and the efficiency of state revenue. Excessive enforcement of the law is feared to reduce the investment climate and hinder voluntary compliance. On the other hand, excessive leniency can erode the authority of the law and create moral hazards. Therefore, the

¹ Moha, S. W. S., Ibrahim, A. M., Suaib, S. O., & Tunggati, M. T. (2025). Relevansi Sanksi Pidana Dan Denda Administratif Dalam Penindakan Tax Evasion Di Indonesia. *Judge: Jurnal Hukum*, 6(01), 202-217.

² Ladjoma, M. E. (2020). Tinjauan Yuridis Sanksi Terhadap Wajib Pajak yang Melakukan Pelanggaran Pajak. *Lex Administratum*, 8(1)

³ Widagdo, C. D., Putra, S. D., & Rasji, R. (2023). Tinjauan Yuridis Terkait Tindak Pidana Perpajakan Dan Implikasinya Terhadap Penyerapan Dan Pemanfaatan Pungutan Pajak Di Indonesia. *Innovative: Journal Of Social Science Research*, 3(5), 4032-4045.

application of criminal sanctions must be balanced and proportionate by paying attention to the principle of justice.

From a juridical perspective, the application of administrative and criminal sanctions against tax evasion must be in accordance with the principle of legality. All law enforcement actions must be based on the law, especially the provisions in the Law on General Provisions and Tax Procedures (UU KUP). This is in line with the principle of *nullum crimen sine lege*, which emphasizes that no act can be punished without a legal basis.⁴ Thus, legal analysis is needed to ensure that the application of sanctions meets not only formal elements, but also substantial. In this context, the principle of proportionality is very important to avoid excessive criminalization. Sanctions should be seen not only as punishments, but also as instruments to restore social and fiscal balance. Therefore, legal research can contribute to assessing the suitability of tax regulations with the principles of justice.

Tax reform in Indonesia is currently oriented towards improving compliance and transparency in the tax legal system. Strict enforcement of tax avoidance laws is an integral part of efforts to strengthen the credibility of tax authorities. Through the application of appropriate sanctions, it is hoped that higher voluntary compliance will be created. However, law enforcement cannot be separated from the challenges of practice in the field, such as limited apparatus resources and potential abuse of authority. Therefore, a balance is needed between the effectiveness of law enforcement and the protection of taxpayer rights. Juridical analysis can provide an overview of whether the sanctions applied are in accordance with the principles of *due process of law*.⁵ Thus, tax reform not only emphasizes the revenue aspect, but also on sustainable legal justice.

The study of the application of administrative and criminal sanctions in cases of tax evasion has both academic and practical urgency. Academically, this research enriches the tax law literature by providing a critical perspective on the effectiveness of sanctions. Practically, the results of the analysis are expected to be recommendations for policymakers in formulating more responsive regulations. Thus, tax avoidance can be suppressed, while legal compliance is increased. This research also contributes to strengthening the national legal system in order to maintain the country's fiscal sovereignty. The relationship between legal certainty, justice, and usefulness is the main focus in analyzing the application of sanctions. Therefore, this juridical study is not only theoretically relevant, but also supports the tax law reform agenda in Indonesia.

METHOD

This study uses a normative juridical method with an emphasis on the study of positive legal norms that regulate tax avoidance and the application of sanctions. This approach was chosen because the object of the study focuses on Law Number 28 of 2007 concerning General Provisions and Tax Procedures (UU KUP) as the main legal basis, as well as its relevance to Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (HPP Law) which brings significant changes to the tax system. The analysis is carried out through the study of relevant articles, such as provisions regarding

⁴ Hadzil, H., Syahbandir, M., & Hasyim, S. (2019). Juridical Review Due to the Enactment of Law No. 11 of 2016 concerning Tax Amnesty for Tax Criminal Sanctions. *Shia Kuala Law Journal*, 3(2), 222-235.

⁵ Safitri, E. A., Damayanti, R., & Sulistiyono, T. (2025). Batasan Dan Mekanisme Penerapan Sanksi Pidana Perpajakan Di Indonesia Dalam Perspektif Asas Ultimum Remedium. *Jurnal Hukum Statuta*, 4(3), 144-158.

bookkeeping obligations, audit authority, and administrative and criminal sanctions stipulated in Articles 28, 29, 38, and 39 of the KUP Law. Thus, this research is directed to understand the extent to which these legal norms provide legal certainty, justice, and effectiveness in tackling tax avoidance practices.

Normative research aims to examine and understand how the law should apply (*das sollen*), not how the law is practiced in empirical reality (*das sein*), so that the entire analysis process relies on primary and secondary legal materials that are textual and conceptual.⁶

As explained by Peter Mahmud Marzuki, normative legal research is a method that focuses on the study of legal materials as the main object of study, by interpreting and constructing applicable laws to answer certain legal issues.⁷ According to Marzuki, this approach is prescriptive because it aims not only to describe the law, but also to provide normative arguments for the validity of a legal action or act in the legal system adopted.⁸ Meanwhile, Soerjono Soekanto and Sri Mamudji stated that normative legal research includes research on legal principles, legal systematics, legal synchronization, legal history, and comparative law.⁹

In a normative framework, this study uses a descriptive approach to interpret the meaning of the law as written in its implementing laws and regulations. This approach places law as a binding written norm so that every analysis is carried out based on the principle of legality. The principle of *nullum crimen sine lege* is the foundation, because no act can be sanctioned without a clear legal basis. This study also examines the proportionality aspect of the application of sanctions, to ensure that the imposition of fines, interest, and imprisonment is in line with the principles of justice and the protection of taxpayer rights. Thus, this normative juridical method can test the consistency of norms with broader legal principles.

The juridical analysis in this study uses a comparative approach between the 2007 KUP Law and the 2021 HPP Law to assess the consistency and clarity of administrative and criminal sanction arrangements, including the authority of the tax authorities, the expiration of prosecution, and the principle of *ultimum remedium*. This comparison aims to see the extent to which tax reform strengthens legal certainty and prevents moral hazard. The research also enriches normative analysis through the review of literature, doctrine, and jurisprudence to assess the implementation of norms in practice. The results of the research were then compiled systematically by examining the provisions of the KUP Law, comparing them with changes in the HPP Law, and evaluating the effectiveness and fairness of the application of sanctions.

⁶ Novea Elysa Wardhani, Sepriano, and Reni Sinta Yani, *Metodologi Penelitian Bidang Hukum* (Jambi: PT. Sonpedia Publishing Indonesia., 2025).

⁷ Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenada Media Group, 2011).

⁸ Mahlil Adriaman et al., *Pengantar Metode Penelitian Ilmu Hukum* (Padang: Yayasan Tri Edukasi Ilmiah, 2024).

⁹ Rangga Suganda, "Metode Pendekatan Yuridis Dalam Memahami Sistem Penyelesaian Sengketa Ekonomi Syariah," *Jurnal Ilmiah Ekonomi Islam* 8, no. 3 (2022): 2859, <https://doi.org/10.29040/jiei.v8i3.6485>.

DISCUSSION

1. Application of Administrative Sanctions to Tax Evasion Cases in the Perspective of Law No. 28 of 2007

The application of administrative sanctions in cases of tax evasion has a very important position in the national tax system. Law No. 28 of 2007 places administrative sanctions as the main legal instrument to ensure that taxpayers carry out their obligations correctly. The form of sanctions regulated includes fines, interest, and an increase in the amount of taxes owed that have proven to be effective quickly in cracking down on violations. The imposition of this sanction is intended not only as a punishment, but also as a means of fostering voluntary compliance to increase. In practice, administrative sanctions are more widely used than criminal sanctions because the procedure is simple and can be directly applied by tax authorities.¹⁰ This is in line with the purpose of tax law that prioritizes the effectiveness of state revenue. Thus, administrative sanctions have a dual function, namely as a tool of repression against violations and preventive to prevent tax evasion in the future.

The effectiveness of administrative sanctions can be measured from the ability of this regulation to suppress tax evasion practices and recover state losses. The imposition of fine sanctions, for example, can immediately have financial consequences for non-compliant taxpayers. Meanwhile, sanctions in the form of interest provide an additional burden to taxpayers who delay the payment of taxes owed.¹¹ This is designed to create a deterrent effect while increasing taxpayers' awareness of the importance of compliance. However, in practice, this effectiveness still faces challenges in the form of uneven implementation of sanctions. Some large taxpayers are still able to take advantage of legal loopholes to avoid maximum consequences. This condition raises the question of whether administrative sanctions have really had a significant deterrent effect.

From the perspective of the principle of proportionality, the application of administrative sanctions should be in line with the level of error and the impact of violations committed by taxpayers. Sanctions that are too large can cause a sense of injustice, especially for taxpayers who make administrative mistakes without the intention to evade. On the other hand, sanctions that are too light can reduce the deterrent effect and encourage repeat violations. Therefore, it is important to balance the state's fiscal interests with fairness for taxpayers. Law No. 28 of 2007 has provided nominal limits on sanctions, but implementation in the field still requires strict supervision.¹² This proportionality determination must also take into account the economic condition of taxpayers so as not to create unrealistic burdens. With the right balance, administrative sanctions can maintain compliance while protecting the rights of taxpayers.

In addition to proportionality, the aspect of legal certainty is an important principle in the application of administrative sanctions. Legal certainty requires clear, consistent, and predictable rules so that taxpayers understand the consequences of their actions. However, in practice, there are often differences in interpretation between tax authorities

¹⁰ Zaki, F., Ginting, B., Devi, T. K., & Bariah, C. (2019). Analisis Hukum Terhadap Tindakan Penghindaran Pajak (Tax Avoidance) Yang Dilakukan Oleh Perusahaan Berdasarkan Hukum Pajak Di Indonesia. *Usu Law Journal*, 7(6), 1-15.

¹¹ Rasidi, A., & Tanudjaja, T. (2024). Analisis Yuridis Terhadap Praktik Transfer Pricing Sebagai Tindak Pidana Perpajakan di Indonesia. *J-CEKI: Jurnal Cendekia Ilmiah*, 3(4), 1707-1716.

¹² Qasha, M. D. (2024). Penanggulangan Tindak Pidana Perpajakan Menurut Undang Undang No. 28 Tahun 2007 (Studi di Badan Pendapatan Daerah Kota Medan). *Jurnal Pengabdian Masyarakat Pengabdian Pencerahan Bangsa*, 2(2).

and taxpayers regarding the determination of the amount of sanctions. This often leads to tax disputes which actually reduces the effectiveness of the tax law enforcement system. Protracted disputes can lower public trust in tax authorities. For this reason, more detailed regulations and a simple dispute resolution mechanism are needed so that legal certainty is maintained. With legal certainty, taxpayers will be more encouraged to comply because they clearly know their rights and obligations.

In the end, the discussion on the application of administrative sanctions must consider the balance between the state's fiscal interests and the protection of taxpayers' rights. If the orientation of sanctions only focuses on increasing state revenue, then it is feared that taxpayers' rights will be neglected. On the other hand, if it is too soft, then the fiscal goal of financing development will not be achieved. Law No. 28 of 2007 needs to be seen as a legal instrument that not only regulates fiscal obligations, but also guarantees justice in the relationship between the state and citizens.¹³ In this context, administrative sanctions should be developed in a more educative and balanced direction. With this approach, tax law can function optimally as a means of increasing compliance and upholding justice. In turn, the application of administrative sanctions will contribute to the creation of a fair, effective, and sustainable tax system.

2. The Application of Criminal Sanctions as the Ultimate Remedium in Tax Avoidance

The application of criminal sanctions in tax evasion is a fundamental issue in tax law enforcement in Indonesia. Law Number 28 of 2007 concerning General Provisions and Tax Procedures has provided a clear legal basis through Article 38 and Article 39. The two articles regulate in detail the acts that can be subject to criminal penalties, either due to negligence or intentionality in submitting tax reports. However, criminal justice in this context is not placed as the main instrument but as the *ultimum remedium*, that is, the last resort after the administrative instrument is ineffective.¹⁴ This is in line with the doctrine of criminal law which emphasizes that punishment must be used proportionately and only under certain conditions. Thus, tax law is not solely repressive, but still prioritizes the principle of legal certainty. Therefore, it is important to place criminal justice within the framework of a balanced legal policy between the protection of fiscal interests and the compliance of taxpayers.

From the perspective of legal theory, the principle of *ultimum remedium* contains the meaning that criminal justice is a legal instrument that has subsidiarity. This means that a new criminal sentence can be imposed when other lenient legal means are no longer able to provide a deterrent effect or legal certainty. In the context of tax avoidance, this means that administrative sanctions such as fines, interest, and tax increases must be prioritized first. Only when the state's losses are so significant or there is an element of deliberate data manipulation, can criminal penalties be applied. This principle also reflects the principle of proportionality, namely the conformity between the level of error and the type of sanction imposed. In this way, criminalization does not lose the meaning of justice and does not create an excessive impression. Therefore, criminal law in tax law is not the final goal, but a means to strengthen compliance.

¹³ Indrawan, K., Hernawati, R. A. S., & Pranadita, N. (2024). TINDAK PIDANA PENGHELAPAN DALAM PERPAJAKAN BERDASARKAN UNDANG-UNDANG NOMOR 28 TAHUN 2007. *Iustitia Omnibus: Jurnal Ilmu Hukum*, 5(2), 121-140.

¹⁴ Chiarini, B., & Marzano, E. (2019). A strategic approach for the crime of tax evasion. *Journal of Financial Crime*, 26(2), 477-487.

However, the application of criminal sanctions often poses a dilemma in law enforcement practice. On the one hand, the state is obliged to protect fiscal interests by taking strict action against violations that harm national revenue. On the other hand, a repressive approach that is too harsh has the potential to reduce public trust in the tax system. This can generate resistance from business actors and even encourage more complex tax avoidance practices. This condition shows that a balance between administrative and criminal functions is very necessary. Without balance, the goal of tax law will not be achieved, both in terms of legal certainty and social justice. Therefore, criminal charges should only be used for certain cases with serious impacts, while minor cases are still resolved through administrative mechanisms.

In addition, the application of criminal penalties in tax avoidance also has implications for the economic and investment climate. Too repressive implementation can create legal uncertainty for the business world.¹⁵ Investors tend to avoid countries with tax systems that are considered harsh without considering the factor of reasonable administrative error. This can affect capital inflows and the sustainability of economic growth. Therefore, tax law must be able to maintain a balance between the certainty of law enforcement and the need to maintain a conducive investment climate. The emphasis on voluntary compliance of taxpayers should be the main goal of the tax system.¹⁶ That way, criminalization is still appropriately placed without sacrificing national economic stability.

Ultimately, the application of criminal sanctions in tax avoidance must be understood in a corrective and preventive framework. The corrective function means that the criminal act is used to correct the behavior of taxpayers who deliberately harm the state. Meanwhile, the preventive function means that the crime is able to provide a deterrent effect so that violations do not occur again in the future. By placing criminal justice as the ultimate remedium, the state still upholds the principles of justice and legal certainty. It also ensures that tax law not only functions as a repressive tool, but also an instrument to educate and build public legal awareness. The balance between protecting the country's fiscal interests and maintaining the economic climate is an important point in the implementation of this policy. Therefore, criminal regulation in tax avoidance must always be seen as the last means for achieving a fair and sustainable tax system.

3. Harmonization of Sanctions Provisions through Law No. 7 of 2021 and Its Implications for Tax Law Enforcement

The harmonization of sanctions provisions through Law No. 7 of 2021 is an important step in strengthening the tax legal framework in Indonesia. This reform is carried out by harmonizing the previous rules regulated in Law No. 28 of 2007 to be more responsive to the dynamics of tax compliance. The new provisions regarding the deadline for prosecution expiry, for example, provide legal certainty for taxpayers while increasing the effectiveness of tax law enforcement. Certainty regarding the period prevents prolonged uncertainty that has the potential to harm taxpayers.¹⁷ In this context, harmonization is not only a technical instrument, but also a strategic step to strengthen

¹⁵ Putra, F. E., Suseno, S., Santoso, T., & Muttaqin, Z. (2025). Tax Law Enforcement in Indonesia: Administrative vs Criminal Sanctions. *Jambe Law Journal*, 8(1), 399-419.

¹⁶ Svobodová, T., & Radvan, M. (2025). A tax penalty as a punishment? Legal aspects of the concurrence of tax and criminal sanctions. *Financial Law Review*, (37 (1)), 25-47.

¹⁷ Antika, C., Balqis, R., & Dewi, Y. (2025). Analisis Ketentuan Umum Perpajakan (KUP) dan Implikasinya bagi Wajib Pajak. *Jurnal Penelitian Ilmiah Multidisipliner*, 2(01), 1720-1730.

public trust in the tax system. The balance between state interests and taxpayer rights is increasingly seen with this update. This proves that the state is trying to present a fairer and more proportionate tax legal system.

Strengthening the authority of tax civil servant investigators (PPNS) is also an important aspect in Law No. 7 of 2021. With clearer authority, PPNS can carry out its supervision and law enforcement functions more effectively. However, this authority must be accompanied by strict accountability so as not to cause potential abuse of power. Internal and external supervision is the key to maintaining the integrity of tax officials in carrying out their duties. This is in line with the principle of justice which guarantees that taxpayers will not be harmed by the actions of the authorities that exceed their authority. Thus, strengthening PPNS not only strengthens tax law enforcement, but also ensures the protection of taxpayers' rights. This transformation shows the state's efforts to build a more transparent and balanced law enforcement system.

The principle of *ultimum remedium* affirmed in Law No. 7 of 2021 also reflects an important paradigm shift in the provision of tax criminal sanctions.¹⁸ Criminal sanctions are now positioned as a last resort after administrative and civil measures are no longer effective. This approach emphasizes that the primary purpose of tax law is to encourage voluntary compliance, not simply punish violations. With this principle, the state tries to avoid the practice of excessive criminalization of taxpayers. The policy is also an effort to reduce the potential for moral hazards arising from the uncertainty of the implementation of sanctions. The harmonization of this rule provides space for taxpayers to complete their obligations without being directly faced with criminal threats. Thus, the tax system can prioritize compliance based on legal awareness.

The implications of this harmonization are wide-ranging, especially in relation to legal certainty and a sense of justice for taxpayers.¹⁹ Clearer and more measurable changes in the rules create a conducive legal climate for taxpayers to carry out their obligations. This certainty also plays a role in suppressing tax avoidance practices that often occur due to previous regulatory loopholes. In addition, the protection of taxpayer rights remains the focus so that there is no arbitrariness in law enforcement.²⁰ The presence of fairer rules also encourages an increase in the legitimacy of the tax system in the eyes of the public. That way, the harmonization carried out not only benefits the state in the fiscal aspect, but also fosters sustainable tax compliance. This is a strong foundation for a modern tax system that is oriented towards social justice.

Overall, the harmonization of sanctions provisions through Law No. 7 of 2021 shows that tax law reform in Indonesia is moving in a more progressive direction. Alignment of rules is not only interpreted as an administrative process, but also a juridical strategy to strengthen legal legitimacy. Legal certainty, enforcement effectiveness, and protection of taxpayers' rights are the main pillars emphasized in this new regulation.²¹

¹⁸ Munsir, D., Fahmal, A. M., & Ahmad, K. (2025). The Effectiveness of Implementing Criminal Sanctions as the Last Resort (*Ultimum Remedium Principle*) in Excise Crimes as an Effort to Recover State Revenue Losses. *Al-Ishlah: Jurnal Ilmiah Hukum*, 28(2), 82-92.

¹⁹ Wibowo, A. S., SE, A., SH, M., Lufsiana, S. H., & Dharma Setiawan Negara, S. H. (2025). *Hukum Pidana Perpajakan dan Tindak Pidana Korupsi: Titik Singgung, Perbedaan dan Implikasi Hukum*. Indonesia Emas Group.

²⁰ Sostenes, B., & Saptono, P. B. (2025). Legal Certainty In Taxation Policy: A Literature Review On Administrative Sanctions In Value Added Tax Compensation Corrections. *Eduvest-Journal of Universal Studies*, 5(7), 9515-9522.

²¹ Duijkersloot, T., & Widdershoven, R. (2023). Administrative law enforcement of EU law. In *Research handbook on the enforcement of EU law* (pp. 38-55). Edward Elgar Publishing.

With synergy between the state and taxpayers, the tax system can be more sustainable and reliable. This change is also a reflection that Indonesia's tax law seeks to balance the needs of state revenue with the principle of justice. This kind of harmonization is important to encourage a healthier investment and compliance climate. Ultimately, the success of tax law enforcement will be reflected in the balance between fiscal interests and the protection of citizens' rights.

CONCLUSION

The application of administrative sanctions, criminal sanctions, and the harmonization of sanctions provisions in tax law show the importance of balancing the state's fiscal interests and the protection of taxpayers' rights. Administrative sanctions remain the main instrument because they are fast, simple, and effective in cracking down on violations and encouraging voluntary compliance. However, legal loopholes and uneven implementation are still challenges, so clear, consistent, and proportionate legal certainty is needed. Criminal sanctions are positioned as the ultimate remedy, which is a last resort that is only used in serious cases with significant impacts so as not to cause legal uncertainty or weaken the business climate. Harmonization through Law No. 7 of 2021 then strengthens legal certainty, increases the effectiveness of enforcement, and affirms the paradigm that criminal justice is not the main instrument. With the integration of these three aspects, Indonesia's tax system is directed to be more fair, transparent, and sustainable so as to be able to guarantee state revenue while maintaining public trust.

REFERENCES

- Antika, C., Balqis, R., & Dewi, Y. (2025). Analisis Ketentuan Umum Perpajakan (KUP) dan Implikasinya bagi Wajib Pajak. *Jurnal Penelitian Ilmiah Multidisipliner*, 2(01), 1720-1730.
- Chiarini, B., & Marzano, E. (2019). A strategic approach for the crime of tax evasion. *Journal of Financial Crime*, 26(2), 477-487.
- Duijkersloot, T., & Widdershoven, R. (2023). Administrative law enforcement of EU law. In *Research handbook on the enforcement of EU law* (pp. 38-55). Edward Elgar Publishing.
- Hadzil, H., Syahbandir, M., & Hasyim, S. (2019). Tinjauan Yuridis Akibat Berlakunya UU No. 11 Tahun 2016 Tentang Pengampunan Pajak Terhadap Sanksi Pidana Perpajakan. *Syiah Kuala Law Journal*, 3(2), 222-235.
- Indrawan, K., Hernawati, R. A. S., & Pranadita, N. (2024). TINDAK PIDANA PENGELAPAN DALAM PERPAJAKAN BERDASARKAN UNDANG-UNDANG NOMOR 28 TAHUN 2007. *Iustitia Omnibus: Jurnal Ilmu Hukum*, 5(2), 121-140.
- Ladjoma, M. E. (2020). Tinjauan Yuridis Sanksi Terhadap Wajib Pajak yang Melakukan Pelanggaran Pajak. *Lex Administratum*, 8(1).
- Mahlil Adriaman et al., *Pengantar Metode Penelitian Ilmu Hukum* (Padang: Yayasan Tri Edukasi Ilmiah, 2024).
- Moha, S. W. S., Ibrahim, A. M., Suaib, S. O., & Tunggati, M. T. (2025). Relevansi Sanksi Pidana Dan Denda Administratif Dalam Penindakan Tax Evasion Di Indonesia. *Judge: Jurnal Hukum*, 6(01), 202-217.
- Munsir, D., Fahmal, A. M., & Ahmad, K. (2025). The Effectiveness of Implementing Criminal Sanctions as the Last Resort (Ultimum Remedium Principle) in Excise

- Crimes as an Effort to Recover State Revenue Losses. *Al-Ishlah: Jurnal Ilmiah Hukum*, 28(2), 82-92.
- Novea Elysa Wardhani, Sepriano, and Reni Sinta Yani, *Metodologi Penelitian Bidang Hukum* (Jambi: PT. Sonpedia Publishing Indonesia., 2025).
- Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenada Media Group, 2011).
- Putra, F. E., Suseno, S., Santoso, T., & Muttaqin, Z. (2025). Tax Law Enforcement in Indonesia: Administrative vs Criminal Sanctions. *Jambe Law Journal*, 8(1), 399-419.
- Qasha, M. D. (2024). Penanggulangan Tindak Pidana Perpajakan Menurut Undang Undang No. 28 Tahun 2007 (Studi di Badan Pendapatan Daerah Kota Medan). *Jurnal Pengabdian Masyarakat Pengabdian Pencerahan Bangsa*, 2(2).
- Rangga Suganda, "Metode Pendekatan Yuridis Dalam Memahami Sistem Penyelesaian Sengketa Ekonomi Syariah," *Jurnal Ilmiah Ekonomi Islam* 8, no. 3 (2022): 2859, <https://doi.org/10.29040/jiei.v8i3.6485>.
- Rasidi, A., & Tanudjaja, T. (2024). Analisis Yuridis Terhadap Praktik Transfer Pricing Sebagai Tindak Pidana Perpajakan di Indonesia. *J-CEKI: Jurnal Cendekia Ilmiah*, 3(4), 1707-1716.
- Safitri, E. A., Damayanti, R., & Sulistiyono, T. (2025). Batasan Dan Mekanisme Penerapan Sanksi Pidana Perpajakan Di Indonesia Dalam Perspektif Asas Ultimum Remedium. *Jurnal Hukum Statuta*, 4(3), 144-158.
- Sostenes, B., & Saptono, P. B. (2025). Legal Certainty In Taxation Policy: A Literature Review On Administrative Sanctions In Value Added Tax Compensation Corrections. *Eduvest-Journal of Universal Studies*, 5(7), 9515-9522.
- Svobodová, T., & Radvan, M. (2025). A tax penalty as a punishment? Legal aspects of the concurrence of tax and criminal sanctions. *Financial Law Review*, (37 (1)), 25-47.
- Wibowo, A. S., SE, A., SH, M., Lufsiana, S. H., & Dharma Setiawan Negara, S. H. (2025). Hukum Pidana Perpajakan dan Tindak Pidana Korupsi: Titik Singgung, Perbedaan dan Implikasi Hukum. Indonesia Emas Group.
- Widagdo, C. D., Putra, S. D., & Rasji, R. (2023). Tinjauan Yuridis Terkait Tindak Pidana Perpajakan Dan Implikasinya Terhadap Penyerapan Dan Pemanfaatan Pungutan Pajak Di Indonesia. *Innovative: Journal Of Social Science Research*, 3(5), 4032-4045.
- Zaki, F., Ginting, B., Devi, T. K., & Bariah, C. (2019). Analisis Hukum Terhadap Tindakan Penghindaran Pajak (Tax Avoidance) Yang Dilakukan Oleh Perusahaan Berdasarkan Hukum Pajak Di Indonesia. *Usu Law Journal*, 7(6), 1-15.