

Rethinking MSMEs Tax Exemptions in Indonesia: Force Majeure and Tax Justice During COVID-19

Tri Eka Saputra¹, Askari Razak²

¹Faculty of Law, Universitas Mega Buana Palopo, Indonesia

²Faculty of Law, Universitas Muslim Indonesia, Indonesia

✉ Corresponding email: triekasaputra@gmail.com

History of Article

Submitted : April 14, 2026

Revised : May 20, 2026

Accepted : May 28, 2026

Published : June 01, 2026

DOI : <https://doi.org/10.37253/jjr.v28i1.12077>

Copyright © 2026 by Author(s). This work is licensed under a Creative Commons Attribution-Non Commercial-Share Alike 4.0 International License. All writings published in this journal are personal views of the authors and do not represent the views of this journal and the author's affiliated institutions.

Abstract

This study aims to reassess tax exemption policies for Micro, Small, and Medium Enterprises (MSMEs) during the COVID-19 crisis in Indonesia within the framework of fiscal justice principles and the doctrine of force majeure. Employing a purely normative legal research method, with statutory and philosophical approaches, this research analyzes the prevailing tax law norms, the potential integration of force majeure into the taxation legal system, and the urgency to reconstruct a more responsive principle of tax justice during national emergencies. The key findings indicate that tax incentive policies for MSMEs remain sectoral in nature, rely solely on administrative approaches, and have yet to fully adopt force majeure as a legal foundation for granting fiscal relief. The concept of tax justice grounded in public law principles and legal responsiveness must be advanced to shape a more adaptive and equitable tax system. This study has implications for strengthening the national tax regulatory framework, particularly in developing crisis-responsive policies based on substantive justice, and opens the path for new legislation that clarifies the scope and operationalization of force majeure within the fiscal context.

Keywords: Force Majeure; Tax Justice; MSMEs; Pandemic.

Introduction

The COVID-19 pandemic, which has affected the world since early 2020, has triggered multidimensional disruptions across economic, social, and legal systems including the national taxation system. One of the most affected groups has been Micro, Small, and Medium Enterprises (MSMEs), which serve as the backbone of Indonesia's economy (Disemadi, 2022; Rudianti & Ningrum, 2022; Kuasa, Erni, & Disemadi, 2022). In this context, there emerges an urgent need to reassess how the state provides fiscal legal protection for MSMEs during force majeure situations, particularly through tax exemption instruments (Dananjoyo, 2026). This phenomenon has implications not only for the fiscal stability of the state but also for the enforcement of tax justice principles amidst a crisis.

Doctrinally, tax law falls within the framework of public law, which ensures the state's authority to levy tax obligations on its citizens to finance public expenditures. However, such obligations are not absolute. Under the principles of legality and distributive justice, the state is obliged to adjust its tax policies during extraordinary circumstances such as national disasters. In modern legal doctrine, a force majeure condition constitutes a normative justification for limited deviations from general legal norms, including in the field of taxation (Limurti, 2022).

The theory of fiscal justice, particularly the concept of equity in taxation as developed by Adam Smith and later expanded by Richard Musgrave, posits that tax obligations must be aligned with the taxpayer's ability to contribute (Sudjana 2020). In the context of MSMEs, their contributive capacity tends to decline drastically during a crisis, thereby requiring the state to adopt adaptive and equitable policy approaches. Meanwhile, the theory of responsive law proposed by Philippe Nonet and Philip Selznick underscores the importance of law as a tool of social engineering that is sensitive to crises and societal suffering. The reality in Indonesia shows that many MSMEs have experienced stagnation or even bankruptcy due to large-scale social restrictions (PSBB) and disruptions in logistics distribution. The government, through the Ministry of Finance, responded by issuing several tax relief and exemption policies, including Minister of Finance Regulation (PMK) No. 44/PMK.03/2020 and PMK No.

86/PMK.03/2020. These policies included a 0.5% final income tax exemption for MSMEs and tax incentives for affected sectors (Rahmawati and Apriliasari 2021).

The strategic measures taken by the Indonesian government in response to the economic pressures of the COVID-19 pandemic are reflected in adaptive fiscal regulations, including Minister of Finance Regulation (PMK) No. 44/PMK.03/2020 and PMK No. 86/PMK.03/2020. These regulations introduced a series of stimulus measures in the form of a 0.5% final income tax exemption for small and medium enterprises, along with additional incentives for affected sectors. From the perspective of public finance policy theory, this approach demonstrates the role of counter-cyclical fiscal measures in sustaining economic activity amid significant contractions in the informal sector and among MSMEs (Hutagaol, Sinurat, and Shalahuddin 2022).

The use of incentive schemes within these regulations signifies fiscal alignment with the most vulnerable economic groups and reflects the actualization of the principle of social equity in tax law. Accordingly, fiscal policy functions not only as a state revenue instrument but also as a tool for social correction in times of national emergency. This reinforces the government's role as an entity that is not merely normative but also responsive to the dynamics of crisis. Nevertheless, the effectiveness of implementing tax exemption policies during the pandemic has not been fully experienced by all MSMEs actors. Many failed to access these policies due to limited tax literacy, administrative barriers, and misdirected targeting of incentives. Empirically, this highlights a gap between the normative design of tax policy and the reality on the ground, raising fundamental questions about the fairness and efficiency of the taxation system during times of crisis.

One contributing factor is the limited policy literacy among business actors particularly informal MSMEs as well as the lack of an integrated data system to accurately identify eligible beneficiaries. In practice, most micro-scale enterprises continue to face administrative barriers in accessing available incentives, highlighting the need for breakthroughs in bureaucratic simplification and the digitalization of tax services. Compared to other OECD member countries,

Indonesia has taken commensurate steps in advancing expansionary fiscal policy. However, to strengthen the system's resilience, a profound transformation is needed toward a policy design based on adaptive tax governance namely, a taxation model that is both resilient to disruption and inclusive of small-scale business actors (Anoraga, Dwi Rafiqi, and Amalina Putri Adytia 2022).

Several contemporary empirical studies indicate limitations in the implementation of tax incentive policies for MSMEs. A study by Sulfiani, Junaid, and Nur (2022) reveals that although the government provided tax relief in the form of final income tax exemptions for MSMEs during the pandemic, the policy approach tended to be technocratic in its execution, thus failing to adequately consider the social dimension and substantive justice for micro-scale business actors (Jumri Sulfiani, Asriani Junaid, and Muhammad Nur 2022). These findings reveal that awareness and understanding of fiscal facilities remain low, resulting in limited utilization by business actors in the informal sector. Another study by Marlinah and Syahribulan (2021) reinforces these findings by indicating that the design and implementation of tax incentives have not been optimal in reaching informal MSMEs groups (Pramitha et al. 2023). This study finds that many small enterprises that meet administrative criteria were not covered by the incentive schemes due to limited access to information and procedural barriers, thereby indicating that the principle of distributive justice has not been effectively embodied in the existing fiscal policies.

International literature, such as analyses by the OECD (2020) and the IMF (2021), highlights the importance of fiscal flexibility and fiscal social protection for small business actors during emergencies. Countries such as Germany, Japan, and Australia provided direct fiscal stimulus as well as automatic tax relief measures to reach a broader base of micro-enterprises (DEB et al. 2025). These studies serve as important benchmarks in evaluating Indonesia's fiscal legal response. In addition to the existing discussion, the present study requires a more explicit theoretical anchoring within the broader discourse of tax justice. Tax justice in contemporary legal thought cannot be reduced to formal equality in the imposition of fiscal burdens. Rather, it must be interpreted through a combination of ability-to-pay, vertical equity, distributive justice, and the

constitutional obligation of the state to protect vulnerable economic actors during extraordinary circumstances. In the case of MSMEs, the issue is not merely whether tax is legally payable, but whether the maintenance of tax obligations during a systemic crisis remains normatively just when the taxpayer's economic capacity has been materially weakened.

This perspective becomes more relevant when placed in the Indonesian economic context. MSMEs constitute the dominant structure of national business activity, reaching approximately 64.2 million units, contributing around 61.07 percent of gross domestic product, and absorbing about 97 percent of total employment. At the same time, Indonesia's economy contracted by 2.07 percent in 2020, with one of the deepest contractions occurring in transportation and warehousing at 15.04 percent (Anon 2024). These macroeconomic conditions demonstrate that the fiscal burden borne by small business actors during the pandemic cannot be assessed in isolation from the broader collapse of demand, mobility restrictions, and sectoral disruption. In such a situation, tax relief for MSMEs should be understood not as a mere discretionary incentive, but as part of a wider legal response to preserve economic continuity and social protection.

The problem, however, is that the legal design of tax incentives in Indonesia has tended to operate within an administrative paradigm rather than a justice-based fiscal paradigm. The 0.5 percent final income tax facility for taxpayers with certain gross turnover had indeed been absorbed into the pandemic relief scheme, and the 2020 tax expenditure report recorded the realization of the MSMEs final income tax borne by the government at around IDR 0.67 trillion (Resmi and Barmawi 2021). Yet, the existence of fiscal expenditure does not automatically prove substantive accessibility. A major legal question therefore remains whether the structure, procedure, and targeting of the incentive truly reflected crisis-responsive justice for small and informal business actors, or whether it remained more accessible to already formalized taxpayers within the tax administration system.

Nevertheless, a gap persists between theory and practice. First, Indonesia's fiscal policy remains heavily reliant on conventional tax administration, which

lacks inclusivity (Faradita and Rachmawati 2022). Second, the top down approach has not fully addressed the diverse characteristics of MSMEs across different regions (Lita Nova Yulianti 2022). Third, the prevailing tax laws have yet to explicitly incorporate *force majeure* clauses as a legal basis for tax exemptions or reductions during emergency situations.

As a consequence, this study seeks to answer a central legal question: to what extent have Indonesia's tax exemption policies during the COVID-19 crisis reflected the principles of tax justice for MSMEs under *force majeure* conditions? This question arises from the assumption that a fair tax policy should not be assessed solely from the perspective of the state's fiscal accounting, but also in terms of participation and protection of small economic actors facing coercive circumstances. This research attempts to fill the gap between formal positivistic tax norms and the actual needs of communities affected by the crisis. Accordingly, it is essential to formulate an alternative approach grounded in substantive justice and the protection of vulnerable groups within the national taxation system, particularly amid non-natural disasters such as a global pandemic.

Accordingly, this article is structured around three interrelated analytical concerns. First, it examines whether *force majeure* can be normatively justified as a legal basis for tax relief within Indonesia's public law framework during a national emergency. Second, it evaluates whether the tax exemption policy for MSMEs during the COVID-19 pandemic fulfilled substantive tax justice, especially for vulnerable and informal business actors. Third, it reconstructs an ideal model of crisis-responsive tax justice by linking fiscal relief to broader public law obligations, digital accessibility, and long-term economic recovery. This structure is important not only to improve coherence between sections, but also to ensure that the article consistently moves from doctrinal foundation, to implementation gap, and finally to normative reconstruction.

The novelty of this study lies in the integration of the concept of *force majeure* from both private and public law perspectives with the principle of tax justice within the framework of the welfare state. By employing a normative approach combined with empirical insights, this research aims to redefine the

parameters of fiscal justice during times of crisis particularly for MSMEs as both economic agents and citizens. Furthermore, the study seeks to propose an adaptive tax policy model capable of responding swiftly to emergency conditions, grounded in the principles of proportionality, participation, and legal inclusiveness. This aligns with the conception of law as a tool of social transformation not only to regulate, but also to protect and strengthen the economic sustainability of marginalized groups. The implications of this research are highly relevant for fiscal policymakers, tax law enforcers, and scholars in both legal and economic fields. By recognizing MSMEs as key actors within the national economic system, tax policies must move beyond mere state revenue orientation and instead embody values of justice, humanity, and legal adaptability in extraordinary circumstances. Through this analysis, it is hoped that a more responsive normative and institutional formula will emerge for regulating tax exemptions under *force majeure* conditions, while simultaneously opening space for a critical re-evaluation of Indonesia's taxation paradigm, which has long been rigid and technocratic. Through a transdisciplinary approach combining law, economics, and public policy, this paper proposes a new paradigm for designing tax justice that supports vulnerable economic actors within a legal state grounded in the principles of social justice as enshrined in Pancasila and the 1945 Constitution.

Research Method

This study employs a purely normative legal research method, which emphasizes the examination of applicable positive legal norms by exploring the legal principles, doctrines, and axioms that shape and influence tax policy in Indonesia during the COVID-19 crisis. The focus of the analysis is on the statutory and regulatory framework governing fiscal policy under force majeure conditions, including but not limited to the General Provisions and Tax Procedures Law (*Undang-Undang Ketentuan Umum dan Tata Cara Perpajakan* or UU KUP), ministerial regulations issued by the Ministry of Finance, and various derivative regulations concerning tax incentives and exemptions for MSMEs.

To deepen the normative aspect, this study also employs a philosophical approach to examine conceptually and reflectively the essence of justice within the taxation system, particularly in the context of crises and national emergencies. This approach enables a more critical analysis of the moral legitimacy and rationality of the tax law system as applied to vulnerable groups such as MSMEs, including its connection to the principle of social justice within Indonesia's legal state based on Pancasila. Through these two approaches, the study aims not only to describe the written rules, but also to assess their relevance, ethical force, and the direction of fiscal policy in ensuring the fair and proportional economic sustainability of marginalized communities in times of non-natural disasters.

Although this study remains fundamentally normative in character, it is strengthened by the use of empirical-supporting materials in the form of official government reports, administrative tax policy documents, national statistical publications, and publicly available institutional data relating to the impact of the COVID-19 crisis on MSMEs and the implementation of fiscal incentives. These materials are not used to transform the research into a full empirical socio-legal study, but rather to test the adequacy of the legal norms against documented realities of policy execution. In this sense, empirical data function as supporting legal facts that assist the analysis of whether the existing tax framework was substantively responsive to the crisis experienced by small business actors. Methodologically, the legal materials in this study are therefore classified into three layers. Primary legal materials include statutory and regulatory instruments governing taxation and pandemic-related fiscal policy, particularly PP No. 23 of 2018, PMK No. 44/PMK.03/2020, PMK No. 86/PMK.03/2020, and the broader emergency fiscal framework under Perpu No. 1 of 2020 as later enacted by Law No. 2 of 2020. Secondary legal materials include doctrinal writings on force majeure, tax justice, welfare state theory, and responsive law. Tertiary and supporting materials include official policy reports, tax expenditure reports, and statistical publications that provide contextual evidence regarding the position of MSMEs during the pandemic. This combination allows the article to remain doctrinally consistent while becoming more grounded in policy reality.

Results and Discussions

The Relevance of the Force Majeure Concept in Tax Exemptions for MSMEs: A Normative and Fiscal Justice Perspective

The concept of force majeure in legal discourse generally refers to compelling circumstances that are unforeseeable and beyond the control of the parties involved, which result in the inability to fulfill legal obligations as ordinarily required (Imam 2021). In Indonesian civil law, this concept is recognized under Articles 1244 and 1245 of the Civil Code (KUHPerdata), which provide exemptions from liability for parties who default due to extraordinary circumstances (Fitri 2020). When this doctrine is extended into the realm of tax law particularly in the context of a state facing a national crisis due to the COVID-19 pandemic force majeure becomes both an ethical and legal basis for the state to adjust its fiscal policies, including granting tax exemptions or reductions for certain taxpayers such as MSMEs. Thus, the concept transforms from merely a contractual defense into a legal policy instrument within the framework of social protection and economic justice.

The COVID-19 pandemic placed MSMEs in an extremely vulnerable economic position. This sector faced liquidity pressures, supply chain disruptions, and a sharp decline in demand. Under such circumstances, maintaining tax obligations without differentiated treatment would undermine the principle of fiscal justice (Maretanidanini et al. 2023). Therefore, the systematic application of the force majeure doctrine becomes crucial in providing fiscal space for MSMEs to sustain their existence during times of crisis. A normative approach to this situation requires a legal framework that is not rigid but open to necessary modifications in response to national emergencies.

The legal basis for incorporating force majeure into tax policy in Indonesia must be read systematically rather than narrowly. At the macro level, the emergency fiscal regime established through Perpu No. 1 of 2020, later enacted as Law No. 2 of 2020, explicitly authorizes extraordinary state financial and taxation policies for the handling of COVID-19 and threats to the national

economy. This is important because it demonstrates that pandemic-related tax relief is not merely an administrative concession, but part of a broader statutory framework designed for emergency intervention. Thus, the legal environment during the pandemic already contained a public law foundation for exceptional fiscal treatment.

At the more technical level, PMK No. 44/PMK.03/2020 expressly states in its preambular considerations that COVID-19 constituted a national disaster affecting economic stability and the productivity of workers and business actors, including small and medium enterprises. More importantly, the regulation was issued by reference to Article 17C paragraph (7) and Article 17D paragraph (3) of the Law on General Tax Provisions and Procedures, Article 22 paragraph (2) and Article 25 of the Income Tax Law, and Article 9 paragraph (4d) of the VAT Law. Within its substantive provisions, Articles 5 to 7 specifically regulated the final income tax incentive borne by the government for taxpayers with certain gross turnover under PP No. 23 of 2018. Through these provisions, the state effectively translated the logic of extraordinary hardship into a tax relief mechanism for eligible MSMEs taxpayers.

However, this construction also reveals the doctrinal limit of the current framework. Force majeure was accommodated functionally, but not expressly codified as a general legal doctrine within tax legislation. The Indonesian tax system therefore recognized the effect of emergency disruption through derivative ministerial regulations, yet it did not formulate a permanent statutory clause that expressly links national emergency conditions, severe revenue decline, and automatic tax relief for vulnerable taxpayers. This is precisely where the article's argument becomes significant. The issue is not whether force majeure was entirely absent from fiscal practice, but whether it had been sufficiently positivized to produce legal certainty, equal accessibility, and a replicable framework for future crises.

In the development of business law and tax law, the term force majeure has undergone a broadening of meaning and a strengthening of its legal status particularly following the COVID-19 pandemic, which underscored the urgency of protecting business actors during extraordinary conditions. Initially, force

majeure was recognized in a limited scope under civil law, specifically in Articles 1244 and 1245 of the Indonesian Civil Code (KUHPerdata), which release a party from liability for damages when non-performance is caused by circumstances beyond their control. In modern business law, the term has been more widely adopted in commercial contract clauses as a mechanism for allocating risk in the face of uncertainty, encompassing natural disasters, civil unrest, epidemics, and government policies (Marpi et al. 2021). Meanwhile, in the context of tax law, although force majeure is not explicitly codified in tax legislation as a basis for tax exemption, several administrative regulations such as Minister of Finance Regulation No. 44/PMK.03/2020 issued during the pandemic have substantively adopted the spirit of force majeure as the foundation for tax relief and relaxation policies (Padyanoor 2020). Thus, a conceptual evolution of force majeure has occurred from its original status as a private law doctrine to a public norm that underpins fiscal policy during crises. The following table presents a classification of the elements and legal boundaries governing force majeure across different legal regimes in Indonesia:

TABLE 1. Classification of Elements and Limitations Governing Force Majeure

Aspect	Description
Civil Law Basis.	Articles 1244 and 1245 of the Civil Code exempt debtors from liability for damages in cases of force majeure.
Key Characteristics.	<ol style="list-style-type: none"> 1. Unpredictable circumstances; 2. Beyond the control of the parties; 3. Cannot be avoided or prevented.
Examples in Business Contracts.	Natural disasters, war, mass strikes, government policies, disease outbreaks.
Developments in Business Law.	Adopted in trade contract clauses as a force majeure clause to regulate exemption from liability.

Developments in Tax Law.	Not explicitly stated in the law, but substantively accommodated in PMK regulations during crises.
Examples of Tax Law Implementation.	PMK No. 44/PMK.03/2020 and PMK No. 86/PMK.03/2020: Incentives and tax exemptions for MSMEs affected by COVID-19.
Limitations of Use.	Must be proven factually and objectively; cannot be used to avoid legal obligations in general.
Underlying Legal Principles.	Distributive justice, proportionality of burden, and legal protection for vulnerable parties.

Source: Primary Legal Materials.

Legally, it should be emphasized that the existence of force majeure in the Indonesian legal system is still sectoral in nature and has not been explicitly integrated into the entire legal regime, particularly in tax law (Suherman and Putri 2020). Although the Indonesian Civil Code (KUHPerdata) regulates force majeure in principle as a ground for the elimination of civil liability, the extension of its meaning into the realm of public law such as taxation requires progressive interpretation and normative harmonization. In the context of fiscal policy during the COVID-19 pandemic, recognition of force majeure is no longer limited to administrative justification alone (Santiago 2021), but must also be regarded as a substantive legal basis for assessing the fairness of tax imposition. Thus, the position of force majeure in tax regulations needs to be transformed from merely an implicit norm into an explicit one, in order to provide greater legal certainty and systemic fiscal justice for MSMEs during national emergencies.

The Indonesian government responded to the crisis through several legal instruments, including Minister of Finance Regulation (PMK) No. 44/PMK.03/2020 and PMK No. 86/PMK.03/2020, which provided a 0.5%

final income tax exemption facility for MSMEs (Kristiana and Kristianti 2023). This policy normatively reflects the state's alignment with vulnerable economic groups. However, the approach taken in designing and implementing the policy still contains technocratic dimensions that do not fully take into account the administrative limitations and legal literacy of MSMEs actors, particularly those in the informal sector (Haryaningsih et al. 2022). As a result, many business actors failed to benefit from the policy, despite being normatively eligible.

From the perspective of fiscal justice theory as articulated by Adam Smith through the principle of ability to pay, and further developed by Richard Musgrave through the concepts of equity and redistribution, tax obligations must be proportional to the taxpayer's ability to pay (Tan & Sudirman 2020). When the pandemic crippled the economic capacity of MSMEs, the sustainability of a just tax system had to be based on policy adjustments aligned with actual conditions. In this context, force majeure serves not only as a legal justification, but also as a moral and social rationale for providing fiscal incentives as part of the state's responsibility within the framework of the welfare state.

Furthermore, the responsive law theory proposed by Nonet and Selznick provides an important foundation for analyzing legal constructions in this context. Responsive law encourages the legal system to function not merely as a repressive or administrative tool, but as a policy instrument capable of adapting to social dynamics, particularly in times of crisis (Sodikin 2021). Tax exemption for MSMEs during the pandemic is one form of actualizing this principle. The state must not remain fixated solely on formal legal certainty, but must also prioritize substantive justice (Dayanto & Karim 2015).

Philosophically, state intervention in the form of tax exemptions represents a manifestation of the Aristotelian principle of distributive justice, which emphasizes the importance of allocating burdens and benefits proportionally according to the conditions of each individual or group, (Wibowo 2019). In this regard, MSMEs as the most affected economic group deserve more lenient tax treatment. The concept of social equity in modern tax law also supports the notion that justice is not about nominal equality, but rather differentiated

treatment based on levels of vulnerability and the capacity of individuals or entities (Supriyadi, Setiawan, & Bintang 2019).

In its implementation, tax exemption policies during the pandemic encountered structural challenges such as limited MSMES data, low fiscal legal literacy, and procedural barriers in accessing incentives. This indicates that, from a sociological perspective, Indonesia's fiscal legal system remains insufficiently inclusive and continues to favor formal business actors with adequate administrative access. As a result, many informal MSMES or those located in remote areas did not receive adequate fiscal protection, despite being severely affected by the crisis.

The implementation gap becomes clearer when the discussion is brought closer to administrative reality. During the pandemic, the incentive was legally available only to taxpayers already positioned within the formal tax system, namely those covered by PP No. 23 of 2018 and able to obtain and confirm the required tax certificate through the Directorate General of Taxes' electronic channels. PMK No. 44/PMK.03/2020 required taxpayers with certain gross turnover to apply for a tax certificate and to submit monthly realization reports through the official tax portal. This legal design was efficient from the perspective of administration, yet it implicitly assumed digital readiness, tax registration, and reporting discipline that many micro and informal business actors did not possess.

A small but revealing administrative illustration can be seen from local tax office implementation. In Kendari, 336 MSMES taxpayers applied for the incentive and all were accepted, yet only 134 reported realization for April and 144 for May in the initial implementation period. This example does not invalidate the policy, but it demonstrates a critical distinction between legal eligibility and effective utilization. A facility can exist in law and even be formally approved by the tax authority, while its actual fiscal benefit remains unrealized because the reporting mechanism itself becomes a barrier. This condition is consistent with broader concerns that the accessibility of pandemic tax relief depended not only on legal entitlement, but also on administrative capacity and procedural compliance.

For analytical purposes, the Indonesian experience may therefore be read through two implementation typologies. The first is the formalized MSME taxpayer, already registered, digitally connected, and relatively capable of complying with certificate and reporting requirements. This category had a realistic opportunity to enjoy the final income tax borne by the government. The second is the informal or semi-formal micro-business actor, often operating through household production, neighborhood retail, or low-scale service activity, whose principal barriers lay in registration status, tax literacy, digital access, and administrative confidence. The central justice problem during the pandemic was that the second category was often the more vulnerable group economically, yet the first category was more likely to access the relief instrument. This asymmetry explains why the article must move beyond legality toward substantive tax justice.

This condition reveals a gap between normative expectations and on-the-ground realities in the implementation of tax exemption policies for MSMEs. On one hand, regulations have provided a legal basis for granting incentives; on the other hand, mismatches in the implementation structure have rendered the legal norms ineffective. In this context, a holistic legal construction is required one that is not solely oriented toward statutory provisions, but also takes into account the social, technical, and ethical dimensions of fiscal policy implementation.

Therefore, it is necessary to develop an adaptive tax governance model that is more responsive and inclusive. This model must be capable of reaching MSMEs in a simple, digital, and participatory manner, and must be based on accurate data (Astuti, Faisol, and Suhardi 2023). Within such a legal construction, force majeure is positioned as a living legal norm not merely a contractual exception, but an ethical foundation for the restructuring of tax policy in times of national emergency.

The findings of this study reinforce the importance of recognizing force majeure as a normative principle that must be explicitly positivized within the national taxation system. Accordingly, the state would possess a strong legal foundation to permanently adopt adaptive tax policies for vulnerable groups

such as MSMEs in the event of future disasters or similar crises. Clear regulation in this regard also provides legal certainty for business actors, fiscal authorities, and the broader public.

The relevance of the force majeure concept in the context of tax exemption for MSMEs must not be viewed merely as a temporary incentive, but rather as an integral part of the national fiscal policy architecture that upholds the values of justice, humanity, and sustainability. Only through a legal approach that is adaptive and grounded in substantive justice can the state simultaneously fulfill both legal and fiscal objectives namely, to protect all the people and the entire homeland of Indonesia through legal instruments that are sensitive to the suffering of its citizens.

The Ideal Concept of Tax Justice for MSMEs in Times of Crisis: A Reconstruction Based on Public Law and Responsive Legal Principles

Tax justice in times of crisis represents a crucial branch of contemporary fiscal law discourse, particularly when the state faces systemic economic pressures such as the COVID-19 pandemic. In this context, justice cannot be understood merely in its formal sense as equal burden-sharing; rather, it must be viewed through a substantive lens that takes into account the vulnerability of economic actors, such as Micro, Small, and Medium Enterprises (MSMEs). A public law approach to taxation positions the state not merely as a collector of obligations, but as a guardian of social justice through adaptive and accountable regulation. Therefore, the urgency of formulating an ideal concept of tax justice becomes inevitable especially for economic sectors with limited resilience in the face of crisis-induced shocks.

Normatively, Indonesia's taxation system acknowledges the principle of justice through Article 23A of the 1945 Constitution, which states that taxes and other compulsory levies for state purposes must be regulated by law. Nevertheless, this constitutional provision has not yet been operationally effective in responding to rapidly changing socio-economic dynamics, such as

those experienced during the pandemic (Darmakanti & Ema Sri Febriyanti 2021). Tax laws such as Law No. 7 of 2021 on the Harmonization of Tax Regulations emphasize administrative simplicity and fiscal efficiency, yet they do not explicitly regulate special treatment for small business actors during large-scale non-natural disasters (Tri Ega Nurillah & Isnani Yuli Andini, 2022). This is where the role of public law principles must be emphasized to bridge the gap between legal norms and social needs.

A key finding of this study reveals that during times of crisis, the tax burden imposed on MSMEs despite the provision of certain fiscal incentives has not fully reflected the principles of proportionality and protection for vulnerable groups. For instance, although Minister of Finance Regulation (PMK) No. 44/PMK.03/2020 granted a 0.5% final income tax exemption for MSMEs, its implementation lacked uniformity both geographically and across economic sectors (Akbar, 2020). Many MSMEs actors lacked access to information regarding the policy or did not possess the administrative literacy required to access the incentives, (Resmi & Barmawi, 2021). This indicates that the substance of fiscal justice does not depend solely on the existence of regulations, but on the effectiveness of their distribution mechanisms.

Within the framework of responsive law as developed by Philippe Nonet and Philip Selznick, the legal system must be adaptive to social pressures and function as a reconstructive instrument in addressing structural inequalities (Fransisco, 2020). In the context of taxation, this means that the fiscal legal system must be capable of adjusting policies rapidly, flexibly, and accommodatively in response to emergency situations. A slow and overly procedural fiscal response will only exacerbate existing inequalities, as MSMEs being informal economic actors are highly dependent on state-provided fiscal stimulus (Hutagaol et al. 2022).

Furthermore, the concept of tax justice in times of crisis should be grounded in Aristotle's theory of distributive justice, which emphasizes the importance of differentiated treatment for those who are not in equal positions (De Holanda Paiva Nunes & De Souza Delgado, 2023). In practice, distributive justice in tax policy may be interpreted as the provision of special treatment in

the form of exemptions, deferrals, or fiscal subsidies for MSMEs affected by a crisis (Arianty, 2022). The application of this principle requires the state to conduct classifications based on impact, rather than solely on the formal scale of enterprises, as many MSMEs are not officially documented within the national taxation system.

The reconstruction of the concept of tax justice for MSMEs during times of crisis also requires the strengthening of a more systemic and anticipatory regulatory foundation. This study finds that Indonesia currently lacks a permanent tax law framework that governs contingency fiscal policy or emergency-responsive fiscal measures. The policies implemented during the pandemic remain partial and administrative in nature, and are not embedded within the long-term fiscal legal architecture (Abdulqader and Assalmani 2021). Therefore, it is necessary to formulate a new legal norm that incorporates an automatic stabilizer clause for MSMEs during national force majeure situations, as adopted in tax practices across OECD countries.

Based on an analysis of international practices such as those in Germany, Japan, and Australia it is evident that these countries have integrated the principle of tax justice during crises into their fiscal policy systems through a combination of direct stimulus measures and automatic tax relief mechanisms (Rahmawati and Apriliasari 2021). This model not only demonstrates the effectiveness of the response, but also strengthens public trust in the taxation system. In other words, the principle of state accountability in public law is reflected in the government's ability to adjust tax burdens in accordance with the economic realities of its citizens.

A closer comparative reading shows that the main strength of several foreign jurisdictions was not merely the provision of tax relief, but the existence of legally recognizable emergency mechanisms that were activated quickly and administered in a relatively standardized way. In Germany, pandemic tax relief was tied to liquidity protection through interest-free tax deferrals, reductions in tax prepayments once lower income became apparent, and the temporary waiver of enforcement measures and late-payment penalties for taxpayers significantly affected by COVID-19. The significance of the German approach lies in the fact

that tax relief was framed as part of a coordinated fiscal stabilization strategy, not as an isolated incentive. This design is particularly relevant for Indonesia because it demonstrates that crisis tax justice requires predictable legal triggers and simplified relief administration.

Japan presents a different but equally instructive model. In response to COVID-19, Japan introduced a special grace system for national tax payments through emergency legislation and tax administration guidance. By 30 November 2020, the National Tax Agency had approved 250,521 special grace cases amounting to approximately 1,057,559 million yen. Later reporting also showed that the broader special grace regime introduced in April 2020 had produced 322,801 cases with a tax amount of around 1,517,647 million yen as of June 2022. The importance of the Japanese experience lies not only in the amount deferred, but in the existence of a rule-based mechanism explicitly addressing the inability to pay during crisis conditions. This offers an important lesson for Indonesian tax law, which still tends to rely on segmented ministerial incentives rather than a permanent statutory emergency relief clause.

Australia's experience also deserves attention because relief was linked to pre-existing digital tax administration and to direct business support architecture. Official Australian Taxation Office materials during the pandemic referred to support measures such as JobKeeper payments and cash flow boost measures, while later tax guidance continued to classify various COVID-19 business support payments within an integrated tax treatment framework. From a legal-policy perspective, the Australian case shows that tax relief becomes more effective when fiscal support, taxpayer communication, and digital administration are not separated. This is especially significant for Indonesia, where the legal discussion on tax justice for MSMEs should be connected not only to the content of the relief measure, but also to the institutional channel through which small businesses can actually access it.

The comparative implication for Indonesia is therefore quite clear. Germany emphasizes deferral, prepayment reduction, and enforcement relaxation through standardized administrative legality. Japan illustrates the value of an express statutory or quasi-statutory grace mechanism tied to crisis-related

inability to pay. Australia shows how tax relief can be embedded in a broader digital and administrative support ecosystem. Indonesia, by contrast, relied more heavily on derivative ministerial instruments and periodic reporting duties without yet constructing a permanent emergency fiscal framework for MSMEs. This gap confirms the need to reconstruct tax justice not only as a moral ideal, but as an institutional design consisting of clear legal triggers, automatic or semi-automatic relief, simple digital access, and differentiated protection for vulnerable business categories.

From the perspective of contemporary legal philosophy, as articulated by John Rawls in his theory of justice as fairness, the state is obliged to provide special treatment to those who are the least advantaged (Edor, 2020). MSMEs, as grassroots economic actors, occupy such a position. In times of crisis, this principle requires the state to prioritize tax policies that are not only legal-formal but also attentive to moral considerations and social welfare. Therefore, fiscal justice under force majeure conditions must be viewed as part of the effort to fulfill citizens' economic rights within the framework of a welfare state.

The findings of this study also indicate that legal uncertainty and regulatory ambiguity during times of crisis have weakened the position of MSMEs as subjects of fiscal law. Many fiscal incentive policies were not accompanied by adequate public outreach or service infrastructure, resulting in ineffective implementation. This reinforces the argument that tax justice is not merely a matter of normative content, but also of institutions and procedures that ensure its benefits are tangibly experienced by the public.

Another central issue concerns the role of digitalization in the accessibility of tax justice. During the pandemic, Indonesian tax incentives for MSMEs were operationally dependent on electronic channels, including the submission of tax certificate requests and monthly realization reports through the official tax portal. From the viewpoint of administrative efficiency, this model was understandable and consistent with the broader modernization of tax administration. However, from the viewpoint of substantive justice, digitalization cannot be treated as neutral. Digital channels may simplify access for already formal and connected taxpayers, while simultaneously excluding

micro-actors who face unstable internet access, limited familiarity with digital tax procedures, or dependence on intermediaries to complete basic reporting functions.

This means that the digitalization of tax services must be assessed normatively as part of the justice question itself. A crisis-responsive fiscal system should not only provide incentives online, but should also ensure proportional digital support, simplified interfaces, assisted compliance mechanisms, and integration with other public databases relevant to MSMES. In practical terms, a more inclusive design may include automatic pre-identification of eligible taxpayers, simplified reporting forms for micro-enterprises, integration between tax data and business licensing data, and an assisted service model through local tax offices, local governments, cooperatives, or business associations. Without such measures, the digitalization of tax administration risks reproducing formal equality while deepening substantive inequality.

The broader fiscal implication is equally important. Tax exemption for MSMES during a national crisis should be linked not only to short-term revenue relief, but to the long-term objective of economic recovery and small business sustainability. A temporary tax incentive is more meaningful when it becomes part of a coordinated recovery framework that protects liquidity, preserves business continuity, encourages gradual formalization, and rebuilds trust in the tax system. In this regard, the reconstruction of Indonesian tax justice should move toward a dual orientation, namely immediate responsiveness during emergencies and institutional resilience for future crises. Only under such a model can fiscal policy support recovery without sacrificing legal certainty or distributive fairness.

As a conceptual solution, this study proposes a reconstructive legal approach that places justice as the central principle in designing a crisis-responsive tax system. This can be realized through the enactment of legislation or regulatory revisions that explicitly define classifications of crisis-affected taxpayers, establish objective indicators of economic vulnerability, and authorize the executive branch to grant tax exemptions under specific conditions without

having to wait for new ad hoc regulations. Such measures are essential to ensure fiscal flexibility and the overall resilience of the national economy.

The idealization of tax justice for MSMEs in times of crisis cannot be separated from the constitutional mandate of the rule of law to guarantee social justice for all Indonesians. Within the paradigm of public and responsive law, the tax system must be dynamic, inclusive, and aligned with the interests of vulnerable groups in extraordinary circumstances. Therefore, the reconstruction of national tax law must aim at institutionalizing norms of justice that not only reflect moral values but are also technocratically operational and capable of being implemented swiftly and broadly during times of crisis.

Conclusion

Based on the discussions presented in this article, it can be concluded that tax exemption policies for MSMEs during the COVID-19 crisis in Indonesia still reflect a disparity between the formal legal framework and economic realities on the ground. The concept of *force majeure*, which should serve as an operational basis for tax relief or exemption, has not yet been comprehensively established as a normative foundation in fiscal policy. Meanwhile, the implementation of ideal tax justice in times of crisis demands a reconstruction of the taxation paradigm based on responsive public law principles law that not only reflects certainty and order but also addresses the substantive justice needs of vulnerable micro-enterprises. Thus, this article underscores the importance of reformulating the concept of fiscal justice and integrating the *force majeure* principle explicitly and effectively into the national tax legal system. The novelty of this research lies in its normative-philosophical approach to examining tax policy in the context of a national crisis, positioning fiscal justice as the central foundation in the design and implementation of public policy. Amid the dominance of formalist approaches in Indonesia's tax law, this study offers a reconstructive framework that encourages tax law to become more adaptive to emergency contexts redefining MSMEs not merely as tax objects but as equal subjects of legal protection. In addition, the practical contribution of this article is reflected in its formulation of a public law-based concept of tax justice, which can serve as a

reference for designing crisis-responsive fiscal regulations, both for present needs and for future emergencies.

The limitation of this study lies in its scope, which remains purely normative and does not directly incorporate empirical studies or broader field data regarding the effectiveness of tax exemption policy implementation across various MSMEs sectors. This limitation opens opportunities for future research to adopt a socio-legal or empirical legal research approach to evaluate the actual impact of fiscal policies on small business actors at the local level. In addition, further research agendas may be directed toward a comparative legal analysis of *force majeure* implementation in the tax law regimes of other countries, as a basis for informing the development of a more responsive tax legislation framework in Indonesia. From a policy standpoint, the findings of this study support at least four concrete directions for future reform. First, Indonesia needs a permanent statutory framework that expressly authorizes emergency tax relief for vulnerable taxpayers during nationally recognized crisis conditions, including pandemics and comparable large-scale disruptions. Second, the legal framework should specify objective indicators for determining when MSMEs experience significant economic distress, so that tax relief is not entirely dependent on ad hoc ministerial discretion. Third, crisis tax relief for MSMEs should be designed with simplified digital procedures and assisted compliance pathways, especially for micro and semi-formal business actors. Fourth, the architecture of future tax incentives must be linked to broader fiscal recovery goals, including liquidity preservation, survival of small enterprises, and gradual formalization of informal economic actors. In that respect, the contribution of this article is not limited to criticizing the current policy gap. More importantly, it proposes that tax justice for MSMEs in times of crisis should be institutionalized as a permanent public law commitment. Such institutionalization would allow Indonesia to move from reactive incentives toward a rule-based emergency fiscal system that is legally certain, socially responsive, and administratively accessible. Future fiscal legislation should therefore recognize that the sustainability of small business is not only an economic concern, but also a constitutional and justice-oriented concern within the framework of the welfare state.

References

- Abdulqader, Wadhah Ghassan, and M. N. B. Asyhar Assalmani. (2021). "Constitutional Law During the Covid-19 Pandemic in a Juridical Perspective: Challenges and Strategies." *Lex Publica* 8(1):51–61. <https://doi.org/10.58829/lp.8.1.2021.51-61>.
- Akbar, Lutfia Rizkyatul. (2020). "Analisis Kinerja Direktorat Jendral Pajak Dalam Optimalisasi Penerimaan Pajak Di Era-Pandemi Covid 19." *JABE (Journal of Applied Business and Economic)* 7(1):98. <https://doi.org/10.30998/jabe.v7i1.7787>.
- Anon. (2024). "Development of Industrial Entrepreneurship in MSMEs through Production Resource Management." *Journal of Hunan University Natural Sciences* 51(2). <https://doi.org/10.55463/issn.1674-2974.51.2.7>.
- Anoraga, Surya, Ilham Dwi Rafiqi, and Nur Amalina Putri Adytia. (2022). "Tax Law Enforcement During Covid-19 for Indonesia's Economic Resilience." *KnE Social Sciences*. <https://doi.org/10.18502/kss.v7i15.12117>.
- Arianty, Fitria. (2022). "Analisis Perubahan Tarif Progresif Pajak Penghasilan Orang Pribadi Dalam Undang-Undang Harmonisasi Peraturan Perpajakan Ditinjau Dari Azas Keadilan." *Jurnal Administrasi Bisnis Terapan* 5(1). <https://doi.org/10.7454/jabt.v5i1.1034>.
- Astuti, Puji, Faisol Faisol, and Suhardi Suhardi. (2023). "Membangun Kepatuhan Wajib Pajak UMKM Melalui Peran Keadilan Pajak Dan Kepercayaan Wajib Pajak." *JAE (Jurnal Akuntansi Dan Ekonomi)* 8(2):104–12. <https://doi.org/10.29407/jae.v8i2.20541>.
- Darmakanti, Ni Made, and Ni Kadek Ema Sri Febriyanti. (2021). "Efektivitas Pemutihan Pajak Kendaraan Bermotor Pada Masa Pandemi." *Jurnal Pacta Sunt Servanda* 2(2):88–94. <https://doi.org/10.23887/jpss.v2i2.472>.
- Dayanto, Dayanto, and Asma Karim. (2015). "Pembentukan Peraturan Daerah Mengenai Pajak Dan Retribusi Di Kabupaten Maluku Tengah Menurut Perspektif Legislasi Responsif*." *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 4(3):449. <https://doi.org/10.33331/rechtsvinding.v4i3.16>.

- Dananjoyo, H. D. (2026). Analisis Yuridis terhadap Kebijakan Pajak UMKM di Indonesia Perspektif Kepastian Hukum dan Keadilan Fiskal UMKM, PP 23 Tahun 2018, PP 55 Tahun 2022, keadilan fiskal, kepastian hukum. *Jurnal Supremasi*, 16(1), 73-89. <https://doi.org/10.35457/supremasi.v16i1.5648>
- Deb, Pragyan, Davide Furceri, Jonathan D. Ostry, Nour Tawk, and Naihan Yang. (2025). "The Effects of Fiscal Measures during Covid-19." *Journal of Money, Credit and Banking* 57(6):1597–1621. <https://doi.org/10.1111/jmcb.13154>.
- Disemadi, H. S. (2022). Contextualization of legal protection of intellectual property in micro small and medium enterprises in Indonesia. *Law Reform*, 18(1), 89-110. <https://doi.org/10.14710/lr.v18i1.42568>
- Edor, Edor J. (2020). "John Rawls's Concept of Justice as Fairness." *PINISI Discretion Review* 4(1):179. <https://doi.org/10.26858/pdr.v4i1.16387>.
- Faradita, Tiara, and Nurul Aisyah Rachmawati. (2022). "Perencanaan Pajak Dan Implikasinya Terhadap Usaha Mikro Kecil Dan Menengah (Studi Kasus Pada UMKM Madu Huwaida)." *Journal Of Applied Managerial Accounting* 6(2):291–304. <https://doi.org/10.30871/jama.v6i2.4487>.
- Fitri, Wardatul. (2020). "Implikasi Yuridis Penetapan Status Bencana Nasional Pandemi Corona Virus Disease 2019 (COVID-19) Terhadap Perbuatan Hukum Keperdataan." *Supremasi Hukum: Jurnal Kajian Ilmu Hukum* 9(1):76–93. <https://doi.org/10.14421/sh.v9i1.2125>.
- Fransisco, Wawan. (2020). "Interaktif Masyarakat Terhadap Hukum Dalam Kehidupan Normal Baru Pasca COVID-19." *Journal of Judicial Review* 22(2):151–64. <https://doi.org/10.37253/jjr.v22i2.1483>.
- Haryaningsih, Sri, Yulius Yohanes, Nahot Tua Parlindungan Sihalo, and Farah Devi Andriani. (2022). "The Implementation of MSMEs Protection Policies during the Covid-19 Pandemic." *Khazanah Sosial* 4(4):731–44. <https://doi.org/10.15575/ks.v4i4.19250>.
- De Holanda Paiva Nunes, Fernanda, and Joedson De Souza Delgado. (2023). "O Impacto Da Política Fiscal Sobre Os Direitos Humanos." *Revista Da Faculdade de Direito Da Universidade Federal de Uberlândia* 50(2):671–88. <https://doi.org/10.14393/RFADIR-50.2.2022.67499.671-688>.

- Hutagaol, Yobel Rayfinando Tua, Ronaldo Putra Pratama Sinurat, and Sulthan Muhammad Shalahuddin. (2022). "Strategi Penguatan Keuangan Negara Dalam Menghadapi Ancaman Resesi Global 2023 Melalui Green Economy." *Jurnal Pajak Dan Keuangan Negara (PKN)* 4(1S):378–85. <https://doi.org/10.31092/jpkn.v4i1S.1911>.
- Jumri Sulfiani, Asriani Junaid, and Muhammad Nur. (2022). "Analisis Pengenaan Insentif Pajak Pada Usaha UMKM Selama Pandemi Covid-19 Di Kota Makassar." *Paradoks: Jurnal Ilmu Ekonomi* 5(3):246–51. <https://doi.org/10.57178/paradoks.v5i3.417>.
- Kristiana, Deranika Ratna, and Ika Puspita Kristianti. (2023). "Reaksi Usaha Mikro Merespon Insentif Pajak Dalam Investasi Dan Inovasi." *E-Jurnal Akuntansi* 33(3):830. <https://doi.org/10.24843/EJA.2023.v33.i03.p18>.
- Kuasa, D. A., Erni, E., & Disemadi, H. S. (2022). Urgensi Pendaftaran Merek Bagi UMKM Di Masa Pandemi Covid-19 Di Indonesia. *Jurnal Yustisiabel*, 6(1), 1-23. <https://doi.org/10.32529/yustisiabel.v6i1.1524>
- Limurti, Dewi Fortuna. (2022). "Justice in Income Tax Collection on Sale-Purchase." *Fiat Justisia: Jurnal Ilmu Hukum* 16(1):31–46. doi: 10.25041/fiatjustisia.v16no1.2271.
- Lita Novia Yulianti. (2022). "Pengaruh Sosialisasi Perpajakan, Kesadaran Wajib Pajak, Dan Pemahaman Insentif Pajak Terhadap Kepatuhan Wajib Pajak UMKM Pada Masa Pandemi Covid-19." *MANAJEMEN* 2(1):46–53. <https://doi.org/10.51903/manajemen.v2i1.127>.
- Maretanidanini, Sessa Tiara, Radhitya Wicaksana, Zalfa Aura Tsabita, and Amrie Firmansyah. (2023). "Potensi Kepatuhan Pajak UMKM Setelah Kenaikan Tarif Pajak Pertambahan Nilai: Sebuah Pendekatan Teori Atribusi." *Educoretax* 3(1):42–55. <https://doi.org/10.54957/educoretax.v3i1.372>.
- Marpi, Yapiter, Erlangga, Bakti Toni Endaryono, and Krismayu Noviani. (2021). "Legal Effective of Putting 'Business as Usual' Clause in Agreements." *International Journal of Criminology and Sociology* 10:58–70. <https://doi.org/10.6000/1929-4409.2021.10.09>.
- Padyanoor, Aswin. (2020). "Kebijakan Pajak Indonesia Menanggapi Krisis COVID-19: Manfaat Bagi Wajib Pajak." *E-Jurnal Akuntansi* 30(9):2216. <https://doi.org/10.24843/EJA.2020.v30.i09.p04>.

- Pramitha, Adinda Indra Ayu, Andri Faizal Priyanto, Alfa Hamim Himawan, and Ferry Irawan. (2023). "Analisis Keadilan Kebijakan Insentif Pajak Kepada UMKM Di Era Pandemi Covid 19: Perspektif Keadilan Hukum." *Journal of Law, Administration, and Social Science* 3(1):104–13. <https://doi.org/10.54957/jolas.v3i1.451>.
- Rahmawati, Erna, and Vita Apriliasari. (2021). "Insentif Pph Final Ditanggung Pemerintah Selama Pandemi Covid-19 Bagi UMKM Yang Memiliki Peredaran Bruto Tertentu." *Jurnal Pajak Dan Keuangan Negara (PKN)* 3(1):81–97. <https://doi.org/10.31092/jpkn.v3i1.1273>.
- Resmi, Siti, and Muhammad Manar Barmawi. (2021). "Pemanfaatan Insentif Pajak Untuk UMKM Di Masa Pandemi Covid 19." *Jurnal Berdaya Mandiri* 4(1):769–80. <https://doi.org/10.31316/jbm.v4i1.1852>.
- Rudianti, Walid, and Septi Widya Ningrum. (2022). "Impact of MSME Tax Incentive Policy Affected by Covid-19 on Tax Compliance." *Economic Education Analysis Journal* 11(3):257–65. <https://doi.org/10.15294/eeaj.v11i3.61665>.
- Santiago, Faisal. (2021). "Credit Relaxation Policy During Covid-19 Reviewed from the Force Majeure Aspect." in *Proceedings of the 1st International Conference on Law, Social Science, Economics, and Education, ICLSSEE 2021, March 6th 2021, Jakarta, Indonesia*. EAI.
- Sodikin, Sodikin Sodikin. (2021). "Konstruksi Hukum Dalam Rangka Pemulihan Ekonomi Berbasis Lingkungan Hidup Pasca Pandemi Covid 19." *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 10(3):413. <https://doi.org/10.33331/rechtsvinding.v10i3.769>.
- Sudjana. (2020). "Penerapan Asas Keadilan Dan Kepastian Hukum Terhadap Pajak Penghasilan Final Bagi Usaha Kecil." *Jurnal Hukum Sasana* 6(2):110–28. <https://doi.org/10.31599/sasana.v6i2.383>.
- Suherman, Suherman, and Alda Damayanti Putri. (2020). "Legal Protection on Workers' Unilateral Wages Deductions Due to the Covid-19 Pandemic." *International Journal of Multicultural and Multireligious Understanding* 7(10):445. <https://doi.org/10.18415/ijmmu.v7i10.2157>.
- Supriyadi, Supriyadi, Beny Setiawan, and Randy Matius Bintang. (2019). "Evaluasi Lembaga Keberatan Dalam Penyelesaian Sengketa Pajak Yang Adil Di Direktorat Jenderal Pajak." *JURNAL PAJAK INDONESIA*

(Indonesian Tax Review) 2(2):6–19.
<https://doi.org/10.31092/jpi.v2i2.640>.

Tan, David, and Lu Sudirman. (2020). “Final Income Tax: A Classic Contemporary Concept to Increase Voluntary Tax Compliance among Legal Professions in Indonesia.” *Journal of Indonesian Legal Studies* 5(1):125–70. <https://doi.org/10.15294/jils.v5i1.37308>.

Tri Ega Nurillah, and Isnani Yuli Andini. 2022. “Dampak UU HPP (Harmonisasi Peraturan Perpajakan) Pasca PP 23 Pada UMKM Di Masa Pandemi Covid – 19.” *Jurnal Multidisiplin Madani* 2(7):3195–3216. <https://doi.org/10.55927/mudima.v2i7.767>.

Acknowledgments

This research was conducted independently as part of our academic requirements. The authors received no specific grants from any institution.

Declaration of Generative AI Use

During the preparation of this manuscript, the authors used ChatGPT (OpenAI) to help improve the clarity, structure, and readability of the text. They also used Grammarly for language editing in this article. After using these tools, the authors thoroughly reviewed, edited, and verified all content to ensure that it accurately represents their own ideas and interpretations. The authors assume full responsibility for the integrity and originality of the published work.

Competing Interest

There is no conflict of interest in the publication of this article.