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Free Tax Clinic for the Public and Microbusiness Owners

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ABSTRACT

Purpose: This study evaluates the strategic role of free tax clinics in enhancing fiscal literacy, tax compliance, and access to fiscal services among low-income individuals and microentrepreneurs, with particular attention to their contribution to fiscal justice and economic empowerment in developing countries, especially Indonesia.

Research Method: A Systematic Literature Review (SLR) was conducted using academic articles and best-practice reports from international and national sources related to tax clinics, financial literacy, tax compliance, and MSME empowerment. The selected literature was analyzed thematically to identify key contributions, implementation patterns, and challenges.

Results and Discussion: Free tax clinics improve taxpayers' understanding, access to fiscal incentives, and self-reporting capacity, particularly among MSMEs. Their effectiveness is strengthened by multistakeholder collaboration and integrated educational and community-based approaches. However, implementation remains constrained by low financial literacy, limited human resources, and cultural barriers.

Implications: Policymakers should expand inclusive, evidence-based, and sustainable community tax services while strengthening public participation. Further research should empirically assess their long-term impacts.

Originality: This study integrates fiscal literacy, tax access, compliance, and community empowerment into a unified framework for examining free tax clinics in developing-country contexts.

Keywords: free tax clinics; fiscal literacy; tax compliance; fiscal access; MSMEs; economic empowerment.

1. Introduction

In an effort to achieve equitable and inclusive economic development, the Indonesian government has identified the microenterprise sector as one of its strategic pillars. Microenterprises not only contribute significantly to job creation but also play a vital role in reducing economic disparities across regions and social groups (Merjosari *et al.,* 2024). Data from the Ministry of Cooperatives and SMEs show that in 2023, more than 99% of business operators in Indonesia were in the micro, small, and medium enterprise (MSME) category, contributing 61.97% to gross domestic product (GDP). Nevertheless, microbusiness owners still face various structural and technical challenges, including low tax literacy and limited access to affordable, high-quality tax services. Lack of awareness regarding tax obligations and administrative complexities often hinders efforts to formalize and sustain microbusinesses (Suyono *et al.,* 2025). In practice, most micro-business owners are unable to access professional tax consulting

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services due to cost constraints, leading them to neglect fiscal compliance—which exposes them to future legal and financial risks (Aprilian, 2024). Furthermore, not all local governments have tax assistance programs that are responsive to the needs of this vulnerable business group. On the other hand, low-income communities are often unaware of their fiscal rights, including the potential to benefit from tax refund schemes and certain tax relief measures. In fact, if properly facilitated, free tax services that are both educational and supportive can play a major role in promoting fiscal participation and the community's economic empowerment. It is this gap that underscores the importance of free tax clinics as a strategic intervention to improve the quality of the relationship between the state and its citizens through an inclusive fiscal approach.

Recent studies have highlighted the importance of financial literacy and fiscal support for micro, small, and medium-sized enterprises (MSMEs) and low-income families, particularly in helping them navigate the challenges posed by a complex, tax-unfriendly system. One emerging innovation is the establishment of free tax clinics, which have proven capable of having a concrete impact on the public's access to their fiscal rights. Chavez *et al.,* (2025) show that a free tax clinic program in the United States successfully filed 532 tax returns in its third year, resulting in more than $3.4 million in combined federal and state tax credits. This indicates that free tax services can serve as a fiscal instrument that strengthens social and economic justice. In the context of developing countries such as Indonesia, simplifying tax facilities for MSMEs is a relevant approach. Suyono *et al.,* (2025) reveal that reducing tax rates and simplifying bookkeeping requirements are policy adaptations that can ease the burden on micro-business owners. On the other hand, Lisaria *et al.,* (2024) emphasize that tax compliance among MSMEs is significantly influenced by variables such as supply chain sustainability, the quality of tax services, attitudes toward finance, and understanding of taxation. A study by Chavez *et al.,* (2025) also highlights the partnership between medical and tax services in promoting public access to anti-poverty tax credits, opening opportunities for cross-sectoral approaches. Meanwhile, Abeysekera (2024) asserts that free services and excellent customer service in social enterprise models and pop-up tax clinics in Australia have successfully fostered positive public sentiment. However, significant challenges persist in the post-pandemic era, as demonstrated by Paredes-Torres *et al.,* (2022) in Ecuador: a tax system that fails to account for expenses places an additional burden on microenterprises already affected by declining sales, increasing the risk of long-term bankruptcy.

Although several studies have highlighted the urgency and benefits of free tax clinics in improving tax literacy and access to tax rights, most findings remain focused on developed countries or on sector-specific case studies. Chavez *et al.,* (2025) emphasize the success of free tax clinics in the United States in increasing access to anti-poverty tax credits; however, few studies have examined the replication and adaptation of similar models in the context of developing countries such as Indonesia, which has a vastly different fiscal system, level of financial literacy, and characteristics of microenterprise operators. Suyono *et al.,* (2025) have examined the simplification of tax facilities for MSMEs. However, their study focused more on policy aspects than on the effectiveness of community-based interventions such as tax clinics. Meanwhile, Lisaria *et al.,* (2024) revealed that tax understanding and service quality influence MSME compliance. However, there has been no systematic approach to evaluating direct interventions such as free tax consultation services. Studies in Australia by Abeysekera (2024) present a pop-up tax service model that successfully increased positive sentiment; however, this research has not examined factors related to sustainability, long-term impact, and adaptability in Southeast Asia. Consequently, there is an empirical gap in understanding how free tax clinic models are implemented

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and accepted, and how they impact low-income communities and micro-entrepreneurs in developing countries, particularly amid evolving tax policies in the post-pandemic era.

This study introduces a novel approach that integrates a Systematic Literature Review (SLR) to comprehensively evaluate the practices, effectiveness, and implementation challenges of free tax clinics serving low-income communities and micro-entrepreneurs across various countries, particularly in developing nations such as Indonesia. Unlike previous studies, which were descriptive and focused on individual cases or formal fiscal policy models, this research systematically screens and categorizes the latest scientific findings across a wide range of relevant literature—spanning taxation, micro-entrepreneurship, public services, and community-based economic empowerment. The novelty lies in an in-depth exploration of the intersection between financial literacy, the quality of tax services, and the role of non-traditional institutions (such as health facilities and social organizations) in promoting the accessibility of tax services. This study also identifies the social, economic, and institutional dynamics that influence the successful replication of free tax clinics in various contexts, as well as how such service models can be adapted to Indonesia's local characteristics—in terms of regulations, institutional capacity, and public fiscal behavior. By filling a gap in the literature regarding community-based approaches to tax services, the primary objective of this study is to formulate a comprehensive conceptual and practical framework to serve as a policy guide and for the development of inclusive, adaptive, and sustainable free tax clinic programs in Indonesia—particularly to strengthen the microenterprise sector and provide fiscal protection for people experiencing poverty.

The remainder of this paper is organized as follows. Section 2 provides a literature review and hypothesis development. Section 3 presents the research method and design. Section 4 provides the results and discussion. Section 5 presents Concluding Remarks and Recommendations.

2. Literature Review and Hypothesis Development

2.1 *Theory of Planned Behavior*

The Theory of Planned Behavior (TPB) is a psychological theory developed by Ajzen (1991) that posits that human behavior is strongly influenced by behavioral intention, which comprises three main components: attitude toward the behavior, subjective norm, and perceived behavioral control. This theory refines its predecessor, the Theory of Reasoned Action (TRA), by adding a control dimension, which acknowledges that not all human actions are entirely under their control. Ajzen argued that even if a person has a positive attitude and social encouragement to do something, the action will only materialize if the individual feels they have control over that behavior. Therefore, the TPB serves as a robust framework for understanding human behavior more comprehensively because it considers both motivational aspects and the actual constraints an individual may face.

Various studies since 2018 have shown that the TPB continues to evolve and remains relevant across diverse behavioral contexts at both the individual and organizational levels. For example, Bani-Khalid *et al.,* (2022), in their study of the SME sector in Jordan, demonstrated that the TPB components significantly influence business owners' intentions to comply with tax regulations. In that study, a positive attitude toward taxes, the perception that the surrounding environment supports compliance, and the belief that they are capable of carrying out the tax reporting process were found to contribute to increased intentions to comply. Similar findings were reported by Balaskas *et al.,* (2024) in the context of tourism in Greece, where study participants tended to evade taxes if they held negative attitudes

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toward fiscal policies, did not feel social pressure to comply, and perceived the tax system as too complex to navigate. These studies reinforce the argument that the three main dimensions of TPB interact in shaping an individual's decisions and actual actions.

In addition to serving as a predictive tool, the TPB is used to design social interventions aimed at constructively changing public behavior. Sudiartana & Mendra (2018) applied the TPB in the context of MSMEs in Indonesia and emphasized that perceived control plays a key role in encouraging voluntary compliance with tax obligations. They noted that although positive attitudes and social norms have been established, perceptions of inability or fear of making mistakes often serve as dominant barriers. This highlights the importance of structural and educational support in strengthening perceived behavioral control, enabling intentions to translate into actions. In developing interventions, Prianto *et al.,* (2024) have also used this theory to examine how policy innovations and fiscal incentives can foster positive attitudes and enhance the intention to comply with tax obligations among SMEs in Indonesia. This research indicates that strategies that influence attitudes and perceptions of control have greater potential to create long-term behavioral change than coercive approaches alone. On the other hand, Road & Sitepu (2024) highlight the importance of digital education and the simplification of tax reporting systems in building public confidence to file taxes independently, thereby strengthening the behavioral control elements that form the foundation of TPB. Bellová & Špírková (2021) also emphasize that social norms—particularly those from the surrounding community and role models—are often overlooked yet have a significant influence in collective contexts, such as those found in developing countries.

2.2 *Free Tax Clinic*

Tax clinics are a form of tax assistance and consultation service provided free of charge to specific individuals or groups, primarily low-income individuals and small business owners who face difficulties in understanding or fulfilling their tax obligations (Roshani *et al.,* 2025). This service is typically provided by educational institutions, social organizations, or government partnerships through structured programs such as the Volunteer Income Tax Assistance (VITA) program in the United States or the Community Volunteer Income Tax Program (CVITP) in Canada. Black, Coombs, Hamilton, and Karpilow (2020) emphasize that the presence of community tax clinics in strategic locations—such as healthcare facilities or community centers—has been shown to increase participation by vulnerable groups in the tax filing process. Beyond providing technical assistance with form-filling, tax clinics also serve as tools for fiscal literacy, guiding individuals in understanding their tax rights and obligations and taking advantage of various available tax incentives. Wibowo's (2024) research indicates that free tax clinics directly increase voluntary tax compliance, particularly in rural areas and marginalized urban communities with previously low levels of fiscal literacy.

In various countries, tax clinics have become an integral part of fiscal inclusion strategies—efforts to create a tax system that is user-friendly, adaptive, and accessible to all segments of society without discrimination. In the United States, the Low-Income Taxpayer Clinics (LITC) program, as reported by the Taxpayer Advocate Service (2025), successfully assisted nearly 20,000 taxpayers, resulting in total refunds exceeding $ 10 million in just one year. This program also provides tax legal advocacy services to assist individuals facing disputes with federal tax authorities. One of the key strengths of tax clinics is their ability to reach groups that have historically been marginalized from the formal tax system, such as migrants, the elderly, and people with disabilities. Abed & Robinson-Foster

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(2024) note that many taxpayers feel more comfortable receiving assistance from trained students or volunteers than from formal tax officials. This trust-based, community-centered approach is a key factor in the success of tax clinics, particularly in countries where public trust in the government is low. Community tax clinics in Illinois have generated more than $ 19 million in tax refunds for low-income families, while also providing basic financial education as part of their integrated services.

Beyond technical and economic aspects, tax clinics also play a vital role in shaping fiscal behavior and strengthening social justice. In this context, tax clinics are viewed not merely as places for assistance with filling out forms, but as spaces for empowerment that connect communities with the state system in a more humane and participatory manner. A study by United Way and the Robins School of Business (2024) evaluating the VITA program in the Richmond area highlights that tax clinics have successfully increased the public's understanding of fiscal policies and their rights as taxpayers. Furthermore, these services have reduced the financial burden typically associated with hiring tax consultants—a service often unaffordable for low-income individuals. By strengthening their educational and empowering roles, tax clinics help narrow the gap between financially advantaged groups and those who are structurally marginalized within the tax system. Therefore, in many cases, tax clinics serve as an effective entry point for building a more inclusive and equitable tax system in a pluralistic, diverse society. This approach has been consistently proven effective in various countries, including Canada, the United States, and Australia. It shows great potential for replication and adaptation in developing countries such as Indonesia.

2.3 Characteristics and Roles of Microenterprise Owners

A microenterprise is a productive business unit owned by an individual or a group with limited assets and revenue, typically operated informally by an individual or a household. Key characteristics of microenterprises include a very small workforce (usually fewer than five people), a low level of formality, the use of simple technology, and business locations that are often integrated with the entrepreneur's residence (Tambunan, 2019). In Indonesia, microenterprises constitute the largest segment of the MSME sector, accounting for more than 98% of all business units and employing nearly 97% of the national workforce (Salsabillah *et al.,* 2023). This underscores that microenterprises play a highly strategic role in advancing economic equality and reducing interregional disparities, particularly in areas with limited access to economic opportunities. A study by Henryanto *et al.,* (2025) adds that although microenterprises are relatively small in scale, their cumulative contribution to macroeconomic indicators such as GDP growth, inflation, and poverty reduction is highly significant and cannot be ignored. Another distinctive feature of microenterprises is their heavy reliance on self-capital and local social networks, demonstrating how closely these business activities are intertwined with the local community's social and cultural context.

Furthermore, the role of microenterprises in economic development is measured not only by their contribution to quantitative indicators but also by their impact on local socioeconomic dimensions. A study by Suhada & Ridwan (2024) found that the majority of microenterprise owners operate informally due to limited access to business registration, tax information, and complex licensing procedures. Nevertheless, this group remains a resilient and adaptive driver of the local economy, particularly during crises such as the COVID-19 pandemic, when many micro-entrepreneurs innovated to survive. Research by Maksum *et al.,* (2020) indicates that a social entrepreneurship-based approach is highly effective in strengthening the role of microenterprises through business models that are not

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only profit-oriented but also focused on social impact and community empowerment. In this context, microenterprises also serve as a vehicle for basic economic education for communities previously uninvolved in formal economic activities, particularly women, youth, and marginalized groups. Kurniadi *et al.,* (2024) emphasize that strengthening microenterprises not only impacts local economic circulation but also creates new job opportunities and fosters entrepreneurship among the younger generation through technology integration, financial inclusion, and expanded access to digital markets. However, the main challenges faced by microenterprise operators continue to revolve around limited capital, access to financing, digital literacy, and managerial capabilities. Tambunan (2019) notes that although microenterprises are the most numerous, their institutional quality and competitiveness still lag behind those of medium and large enterprises. A recent study by Salsabillah *et al.,* (2023) found that many microenterprise owners are still unable to distinguish between personal and business finances and do not maintain adequate financial records.

This situation makes it difficult for them to access formal financing from financial institutions, resulting in continued high reliance on informal loans. Therefore, strategies to strengthen microenterprises must focus on structural approaches that address the root causes of the problem, such as regulatory reform for small businesses, enhancing financial and digital literacy, and facilitating integration into the broader economic ecosystem. As noted by Henryanto *et al.,* (2025), support for microenterprises is not merely a matter of economic stimulus. However, it is also an integral part of efforts to build an inclusive and sustainable national economic foundation. Thus, gaining a deep understanding of the characteristics and role of microenterprises is a crucial first step toward formulating responsive and effective public policies.

2.4 *Low-Income Communities and Tax Literacy*

Low-income communities consist of individuals or households whose income levels are well below the national average and who generally have limited access to basic services, including education, financial services, and fiscal information. In the context of taxation, this group is often not actively engaged in the tax system due to a limited understanding of their fiscal rights and obligations. Tax literacy—defined as an individual's level of knowledge, skills, and understanding in accurately identifying, calculating, and reporting tax obligations—is a crucial factor in bridging this fiscal information gap (Kurniadi *et al.,* 2024). In a study in Baubau City, Adan *et al.,* (2025) demonstrated that low tax literacy directly impacts low fiscal participation among business owners and the lower class. This problem is not only related to a lack of tax outreach but also to a weak fiscal education system that fails to reach society's informal sector. Low tax literacy prevents people from realizing their rights to tax refunds or fiscal incentives that are actually available. At the same time, they are unable to fulfill their fiscal obligations independently.

Further research by Gani *et al.,* (2025) reveals that tax literacy plays a crucial role in improving public compliance with Income Tax (PPh 21) reporting, particularly for individuals who lack direct access to tax consultants or other professional services. They demonstrated that a solid understanding of tax procedures, rates, and form-filling is crucial for accurate reporting. This is supported by research by Agusti & Rahman (2023), which confirms that taxpayers' attitudes toward tax authorities are influenced by the extent of their understanding of the tax system. In this context, low-income individuals who lack adequate understanding tend to avoid interacting with tax authorities due to fear of making mistakes or distrust of the system. This phenomenon not only leads to low compliance rates but also widens the social divide between fiscal authorities and the lower classes. In a separate study, Sunarti &

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Kurnianingsih (2025) assert that the self-assessment system in taxation is often difficult to implement among tax-illiterate populations. Even when reporting systems are online-based, barriers such as digital literacy, access to technology, and the ability to interpret tax regulations remain major obstacles for low-income individuals in fulfilling their tax obligations independently and accurately.

The importance of fiscal education for low-income communities is also emphasized by Ebirim *et al.,* (2024), who recommend a community-based approach through direct and sustainable financial and tax literacy programs. They highlight that volunteer-based initiatives, such as tax clinics or outreach programs at the RT/RW level, can have a significant impact in building practical and accessible fiscal understanding. Increased fiscal literacy not only fosters administrative compliance but also empowers the public to manage their income and make the most of their fiscal rights. In a global context, Struckell *et al.,* (2022) emphasize that financial literacy—including an understanding of taxation—is significantly and positively correlated with increased economic participation, particularly among small business owners and those in the informal sector who were previously marginalized from the formal system. This demonstrates that tax literacy is not merely a tool for increasing government revenue through compliance but also a means of enhancing welfare and fiscal social justice. Therefore, tax literacy for low-income communities must be viewed as a strategic priority in inclusive development, where the state acts not only as a tax collector but also as a facilitator of equitable and inclusive fiscal education.

3. Research Method

3.1 *Research Design*

This study employs a qualitative approach using the Systematic Literature Review (SLR) method. SLR is a research design aimed at identifying, evaluating, and synthesizing the findings of previous studies in a systematic, transparent, and replicable manner. This approach was chosen to gain a comprehensive understanding of “low-income communities and tax literacy” by examining empirical and theoretical evidence in the relevant scientific literature. The qualitative approach is considered appropriate because it allows for an in-depth exploration of the social, cultural, and structural contexts that shape the dynamics of tax literacy among vulnerable communities.

3.2 *Study Population and Subjects*

The subjects of this study are scholarly articles that directly address low-income communities and tax literacy in both national and international contexts. The source population comprises indexed scholarly publications from reputable publishers, including Elsevier, Emerald, Wiley, and Springer, as well as nationally accredited journals listed in SINTA. Inclusion criteria include articles published between 2015 and 2025, written in English or Indonesian, and containing empirical or conceptual studies relevant to the research focus.

3.3 *Data Collection Techniques and Instrument Development*

Data collection was conducted through a systematic search of scientific journal databases using keywords such as “tax literacy,” “low-income communities,” “financial inclusion,” and “fiscal awareness.” Search tools included Boolean operators, year-range settings, and preliminary screening based on abstracts. The literature selection instrument was developed based on predetermined inclusion and exclusion criteria.

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3.4 *Data Analysis Techniques*

Data were analyzed using thematic content analysis. Each article that passed the selection stage was coded according to the main categories: objectives, methods, key findings, and study context. The analysis was conducted through data reduction, thematic grouping, interpretation, and narrative-based conclusion drawing.

4. Results and Discussion

4.1 Analysis Results

4.1.1 *Free Tax Clinic Models That Have Been Implemented Globally*

Free tax clinic models have been widely implemented in various developed countries, with approaches tailored to the local characteristics of their communities. In the United States, the Volunteer Income Tax Assistance (VITA) program serves as a prime example of a community-based fiscal intervention that provides tax consultation and filing services to low-income individuals, people with disabilities, and those with limited English proficiency (Abed & Robinson-Foster, 2024). This program not only helps people prepare and file their taxes but also increases participation in low-income tax credit programs, such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (Chavez *et al.,* 2025). In Australia, a free tax service model was developed through a social enterprise approach by operating nomadic pop-up tax clinics. According to Abeysekera (2024), this approach not only provides broader access to tax services but also fosters positive sentiment toward fiscal institutions. In Ecuador, tax clinics are operated as support programs for SMEs affected by the COVID-19 pandemic. Paredes-Torres *et al.,* (2022) note that the clinic model in Ecuador seeks to counterbalance the complexity of tax policies that fail to account for micro-entrepreneurs' actual expenses, while safeguarding their economic sustainability. From these three models, it is evident that the success of tax clinics is significantly influenced by the organizational structure of the implementing body, the capacity of the volunteers or professionals involved, an integrated tax information system, and adaptation to local needs. In these countries, service delivery is carried out through collaboration between tax authorities, universities, social organizations, and volunteers who have received specialized training.

4.1.2 *The Role of Tax Clinics in Improving Fiscal Access and Tax Literacy*

Free tax clinics play a crucial role in expanding public access to tax services and improving fiscal literacy, particularly for low-income groups and micro-entrepreneurs. Chavez *et al.,* (2025) demonstrate that partnerships between medical institutions and tax agencies in operating tax clinics yield concrete benefits, such as increased claims for anti-poverty tax credits. Good tax literacy enables the public to understand their fiscal rights and obligations and to take advantage of available tax incentives and benefits. Adan *et al.,* (2025) highlight that the Indonesian Directorate General of Taxes' outreach strategies have not yet been effective enough in reaching lower-income segments of the population, making tax clinics a solution to bridge the information gap. Gani, Suryadi, and Astama (2025) also confirm that tax literacy is positively correlated with taxpayer compliance rates, particularly among informal-sector workers and MSME operators. In the context of public service, Abed and Robinson-Foster (2024) found that public satisfaction with VITA services in the U.S. is very high due to their friendly, educational, and community-based approach. In Indonesia, initiatives such as tax clinics on college

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campuses or at community service organizations are emerging, but their scope and continuity remain limited (Roshani *et al.,* 2025). Therefore, optimizing tax clinics to improve tax literacy requires a collaborative and sustainable approach in which fiscal education is a key priority and is delivered in a contextually relevant manner that accounts for the economic, social, and cultural conditions of the target community.

4.1.3 *Challenges in Implementing Tax Clinics in Developing Countries*

The implementation of tax clinics in developing countries such as Indonesia faces complex structural and social challenges. One of the main obstacles is the low level of tax and financial literacy among MSME operators and low-income communities. Struckell *et al.,* (2022) note that low financial literacy contributes to inefficient income management and low tax compliance. On the other hand, limited digital infrastructure also poses a serious obstacle, particularly in rural areas that still face a digital divide. Aprilian (2024) states that the lack of tax consultants or professional advisors further exacerbates the situation, as SME operators often lack an understanding of tax reporting mechanisms and incentives. Balaskas *et al.,* (2024) also highlight resistance to tax formalities, driven by negative perceptions of bureaucracy and fear of legal sanctions. In practice, many SMEs choose to remain in the informal sector because they view tax formalities as an additional burden that is irrelevant to the scale of their businesses (Sunarti & Kurnianingsih, 2025). Therefore, the challenges in implementing tax clinics lie not only in technical or logistical aspects but also in psychological and sociocultural aspects. Solutions to these challenges require communication strategies that are empathetic, participatory, and adaptive to local dynamics, as well as expanded training for tax volunteers who can directly reach marginalized communities.

4.1.4 *The Intersection of Tax Clinics, Financial Literacy, and Social Justice*

Tax clinics are not merely spaces for fiscal consultation but are vital instruments in promoting financial inclusion and social justice. Among low-income communities and micro-entrepreneurs, access to accurate and relevant fiscal information is often scarce. According to Ebirim *et al.,* (2024), community-based accounting initiatives and financial literacy programs delivered through tax clinics positively impact the economic empowerment of marginalized citizens. Tax clinics help the public understand the structure of the tax system—which has long been perceived as complex and elitist—and assist them in recognizing their fiscal rights, such as tax relief or exemptions. In practice, collaboration among non-traditional institutions such as hospitals, universities, and social organizations has great potential to reach groups long excluded from the formal tax system (Chavez *et al.,* 2025). Indeed, through this cross-sectoral approach, fiscal literacy has become an integral part of health and poverty alleviation programs. In Indonesia, a similar approach is being implemented through community service programs that integrate basic accounting training, tax consulting, and microenterprise management in a comprehensive manner (Roshani *et al.,* 2025). This creates a space for dialogue between the state and citizens through a sustainable educational medium. Thus, tax clinics can serve as a bridge between citizens' fiscal rights and the state administrative system, while addressing disparities in access to public resources. Strong tax literacy will strengthen the bargaining position of marginalized communities within the national fiscal system and contribute to more equitable and inclusive economic development.

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4.1.5 Potential for Adaptation and Replication of Tax Clinics in the Local Indonesian Context

Although tax clinic models from abroad offer strong inspiration, their adaptation and replication in Indonesia require in-depth adjustments to the social, cultural, and institutional context. Adan *et al.,* (2025) indicate that tax literacy among MSMEs in Indonesia remains relatively low; therefore, tax clinic strategies must address gaps in basic tax knowledge. Furthermore, a study by Lisaria *et al.,* (2024) reveals that the success of fiscal interventions targeting MSMEs is significantly influenced by supply chain complexity and business sustainability. Therefore, tax clinic services must not only provide consultations on tax reporting and obligations but also assist micro-business owners with cash flow management, transaction record-keeping, and business sustainability strategies. A community-based approach involving faculty members, students, and professional volunteers can be a cost-effective way to reach more micro-business owners, particularly in outlying areas and villages. Sunarti & Kurnianingsih (2025) add that integrating the self-assessment system with direct education through tax clinics can significantly enhance tax awareness and compliance. However, the main challenges in Indonesia include a shortage of trained personnel, a lack of grassroots support for tax digitization systems, and resistance to tax regulations. Therefore, during the adaptation process, it is important to prioritize communication strategies based on empathy, participation, and empowerment. Community tax clinics in Indonesia have a great opportunity to expand the taxpayer base while fostering an inclusive and sustainable fiscal culture.

4.1.6 Conceptual Framework for Inclusive and Sustainable Free Tax Clinics

To effectively guide the implementation of free tax clinic programs, a conceptual framework is needed that integrates various social, economic, and institutional dimensions. This framework must include the principles of inclusivity, sustainability, and empowerment as its core foundations. According to Maksum *et al.,* (2020), the social enterprise approach in the context of MSMEs in Indonesia demonstrates that the success of empowerment programs is largely determined by direct community involvement and the sustainability of institutional support. In the context of taxation, tax clinics must be designed not only to resolve short-term technical issues but also to build long-term fiscal awareness. Gani *et al.,* (2025) explain that improving tax literacy, followed by practical training in tax reporting, can enhance compliance and minimize taxpayer errors. A sound conceptual framework must also account for flexibility in service delivery methods—whether in-person or digital—and emphasize the importance of collaboration among universities, social organizations, local governments, and micro-entrepreneurs themselves. As an operational guide, this framework can encompass a participatory dimension (involving the community in planning and implementation), an educational dimension (strengthening citizens' fiscal capacity), and an institutional dimension (providing policy and budgetary support).

With this foundation, free tax clinics will become more than just consultation spaces; they will serve as an inclusive, adaptive fiscal learning ecosystem relevant to the challenges of national economic development. Through this model, it is hoped that there will be a paradigm shift from fear-based compliance to compliance based on understanding and trust.

4.2 Discussion

The main findings of this study indicate that free tax clinic services are an effective community-based public policy innovation for bridging the fiscal literacy gap, particularly among low-income individuals and microentrepreneurs. In a complex economic and social context, these groups are often marginalized

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from the formal tax system—whether due to limited access to relevant information, a lack of understanding regarding fiscal rights and obligations, or apathy toward tax institutions perceived as complicated and exclusive. Tax clinics respond to these issues by providing a platform for direct, free, locally based consultation, education, and guidance. These findings confirm that a community-based approach can significantly expand fiscal inclusion and strengthen citizens' awareness of the important role of taxes in national development.

This research shows that the free tax clinic service model developed in various countries has been successful in increasing fiscal awareness and self-reliance. For example, the VITA (Volunteer Income Tax Assistance) program in the United States has been documented as a program capable of processing more than 500 tax returns per year in several low-income communities, and even generated more than $3.4 million in federal and state tax credits in its third year (Chavez *et al.,* 2025). This fact demonstrates that direct access to free and reliable tax services can encourage people to claim their tax entitlements, which were previously out of reach due to limited information or high costs. Similar programs have also been implemented in Australia, where temporary yet mobile pop-up tax clinics have successfully reached informal taxpayer groups—such as freelancers and micro-entrepreneurs—who had previously been left out of the conventional tax service system (Abeysekera, 2024). The success of this model lies in the flexibility of the service design, a non-formal approach, and a focus on community-driven empowerment.

When applied to the Indonesian context, these findings are highly relevant. Developing countries like Indonesia face structural challenges, including low levels of financial and fiscal literacy among microentrepreneurs. Most MSMEs in Indonesia still operate informally, lack a Taxpayer Identification Number (NPWP), and are unfamiliar with reporting mechanisms and other tax obligations. This study found that the lack of simple and practical tax information is one of the main causes of low voluntary compliance among small business owners. Research by Adan *et al.,* (2025) and Sunarti & Kurnianingsih (2025) indicates that the majority of MSME owners lack access to tax literature, do not receive training, and are unaware of how to access the fiscal incentives actually provided by the government. Free tax clinics, in this context, serve as an information bridge that converts complex information into practical, applicable knowledge. This study also found that the effectiveness of tax clinics is highly determined by the form of collaboration among the stakeholders involved in their implementation. The findings indicate that when universities, social organizations, and local governments work synergistically, the impact of these services on the community becomes more significant. A study by Roshani *et al.,* (2025) revealed that involving state polytechnics as the primary organizers of tax clinic services yields a dual effect. In addition to increasing public participation in tax reporting, it provides accounting and taxation students with practical experience that contributes to society. This model emphasizes the concept of co-production in public service, where the community is not merely a beneficiary but an integral part of creating value in the service itself.

Another equally important finding is that the existence of tax clinics is not only beneficial from administrative and fiscal perspectives but is also closely linked to achieving social justice goals. Tax clinics can redistribute tax information to groups previously excluded from the tax system. In an increasingly complex economic system that often disadvantages people experiencing poverty, the distribution of information is a crucial form of intervention. Chavez *et al.,* (2025) note that thousands of households have successfully reaped direct benefits from access to previously inaccessible tax information. In this context, tax clinics function as a non-monetary redistribution mechanism, whereby fiscal rights—previously enjoyed only by the middle and upper classes—are now accessible to people

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with low incomes through a simple, open, and free educational and consultative approach. The findings of this study reinforce the concept that community-based approaches are more effective than top-down systemic interventions. The formal tax system often fails to reach vulnerable groups because it uses technocratic language, relies on bureaucratic processes, and fails to account for local sociocultural contexts. Free tax clinics, on the other hand, are based on the principles of local adaptation, community participation, and information equity. This approach reflects a model of public service grounded in trust, collaboration, and empowerment.

In linking research findings to relevant theory, the Theory of Planned Behavior (Ajzen, 1991) provides a robust conceptual framework for explaining how tax clinics can influence intentions and tax-compliance behavior. Tax clinics have been shown to modify the three main components of this theory: attitudes toward taxes, subjective norms from the surrounding environment, and perceptions of behavioral control in tax reporting. Through education and guidance, tax clinic participants become more confident and feel capable of fulfilling their tax obligations independently. This strengthens their intention to comply, which in turn encourages positive fiscal behavior. Furthermore, the fiscal literacy instilled through tax clinics supports the theory of community empowerment, in which individuals gain access to information, skills, and self-confidence to make informed economic decisions (Ebirim *et al.,* 2024). This model is also consistent with the social enterprise approach, in which public services are delivered based on the principles of inclusivity, self-reliance, and cross-sector collaboration (Maksum *et al.,* 2020).

When the results of this study are compared with previous research, there is consistent recognition of the benefits of tax clinics in improving compliance and fiscal literacy. Research by Abed & Robinson-Foster (2024) confirms that user satisfaction with VITA services is very high, primarily due to easy access, clear technical assistance, and a non-intimidating service environment. These results align with this study's findings that an inclusive and educational approach holds strong appeal for vulnerable communities. A study by Gani *et al.,* (2025) also shows that increased tax literacy is directly proportional to increased compliance among PPh 21 taxpayers, reinforcing the argument that education is a critical element in tax policy design. However, a striking difference emerges when comparing policy support in developed countries with that in Indonesia. While in the United States the VITA program receives federal funding and is subject to robust regulations, in Indonesia such initiatives remain largely confined to university community service programs or local NGOs, as noted in Roshani *et al.,* (2025). Thus, a structural gap needs to be addressed to ensure the tax clinic model is more sustainable and better integrated into the national fiscal system.

From a practical implementation perspective, the findings of this study have several important implications. First, tax clinic programs need to be developed on a broader, more institutional basis, rather than as seasonal programs or limited social projects. The Ministry of Finance, the Directorate General of Taxes, and local governments can serve as catalysts by providing policy support, logistical assistance, and training for tax volunteers. Second, the digitalization approach also needs to be strengthened. The development of community-based digital platforms that provide online tax consultation services can help reach remote areas with limited access to in-person services. Third, the active involvement of students and faculty through the Community Service Program (KKN) or community outreach initiatives can serve as an effective and sustainable means of fiscal education. This practice has already been implemented by several polytechnics and universities, as reported by Roshani *et al.,* (2025), and has proven effective in building fiscal awareness among grassroots communities.

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5. Concluding Remarks and Recommendation

This study aims to evaluate the practices, effectiveness, and implementation challenges of free tax clinics serving low-income individuals and micro-entrepreneurs through a Systematic Literature Review (SLR). Based on an analysis of the relevant literature, this study found that free tax clinics have strategic potential to bridge the fiscal literacy gap and expand access to tax rights. The findings indicate that models such as VITA in the United States and pop-up clinics in Australia have successfully increased fiscal participation among marginalized groups. In developing countries such as Indonesia, tax clinics are becoming increasingly important in addressing the challenges of low financial literacy and the complexity of the tax system faced by MSME operators.

Both conceptually and practically, this research makes an original contribution by fostering a new understanding of the integration between community-based tax services, fiscal literacy, and social justice. This study presents a conceptual framework that stakeholders can use to design tax clinic programs that are more inclusive, adaptive, and sustainable. The practical implications of this research include the importance of multi-stakeholder collaboration, strengthening the capacity of local institutions, and developing strategies for digitizing tax services. The findings also emphasize the need for the active involvement of communities, higher education institutions, and social organizations in supporting the implementation of tax clinics as part of a fair and participatory fiscal development strategy.

However, this study has limitations regarding data coverage, as it relies solely on literature available online in English or Indonesian; thus, potential linguistic and geographic biases cannot be entirely avoided. Additionally, the systematic literature review (SLR) approach used is synthetic and does not allow direct measurement of quantitative impacts. Therefore, it is recommended that future research employ a mixed-methods approach or conduct direct field studies to measure the effectiveness and sustainability of the tax clinic model within more specific local contexts. Future research agendas could also focus on exploring the digitization of tax clinic services, measuring changes in taxpayer behavior following interventions, and evaluating fiscal policy incentive models to support the sustainability of community-based services.

Statement of Use of Generative AI

During the preparation of this work, the author used generative artificial intelligence tools to support the scientific writing process. Grammarly was used to check grammar, refine writing style, and improve clarity in scientific writing. All interpretations, analyses, and conclusions presented in this study are the sole responsibility of the author.

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