

# Conceptual Ambiguities in Coretax: A Philosophical Examination of Legitimacy, Efficiency, and Justice in Digital Tax Administration

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## ARTICLE HISTORY

**Submitted** : May 13, 2026  
**Reviewed** : May 16, 2026  
**Revised** : May 26, 2026  
**Accepted** : May 27, 2026  
**Published** : May 31, 2026

## Conflict of Interest Statement:

The author(s) declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

## ABSTRACT

**Purpose:** This study aims to clarify conceptual ambiguities in the discourse on digital taxation by distinguishing between Coretax-T, as a digital tax administration system, and Coretax-N, as a normative concept of digital tax legitimacy.

**Research Method:** The study employs a conceptual analysis approach using conceptual mapping, conceptual decomposition, internal consistency testing, and case application to tax policy documents, political philosophy literature, and studies on digital governance.

**Results and Discussion:** The findings indicate that using the term "Coretax" in two senses leads to inconsistencies in arguments surrounding the evaluation of digital taxation. The Lockean tradition offers the most consistent analytical framework, whereas the Rawlsian and utilitarian approaches still face conflicts of principle and methodological issues.

**Implications:** An evaluation of digital taxation should not be based solely on administrative efficiency, but must also take into account procedural legitimacy, distributive justice, and access to digital justice.

**Originality:** The novelty of this research lies in the conceptual distinction between Coretax-T and Coretax-N as the foundation for a philosophical evaluation of digital taxation.

**Keywords:** coretax; tax philosophy; digital tax governance; distributive justice; conceptual analysis.

## 1. Introduction

Indonesia's economic stability is inextricably linked to the role of taxes as a primary instrument for ensuring the sustainability of government financing and supporting public welfare. Tax revenues collected from taxable entities and individuals are used by the government to build public facilities for all segments of society. According to Cindy & Chelsya (2024), taxes serve as a source of development funding and as a tool for regulating socioeconomic policies. Therefore, the government must ensure that tax collection and reporting processes are conducted transparently, integrated, and accountable to enhance public trust in the national tax system. In an effort to strengthen transparency and efficiency in tax administration, the Indonesian government has developed the Core Tax Administration System (CTAS) as part of the national tax administration's digital transformation.



Coretax is a system developed as part of the CTAS modernization process in Indonesia by integrating various services of the Directorate General of Taxes, such as DJP Online, e-Faktur, e-Bupot, e-Filing, and e-Billing, into a single integrated digital platform. Coretax is designed to provide convenience for taxpayers in exercising their tax rights and fulfilling their tax obligations, from registration and payment to tax reporting, through a single digital service portal (Korat *et al.*, 2025). The implementation of Coretax aims to improve the efficiency of tax administration, strengthen tax data integration, enhance oversight accuracy, and support voluntary taxpayer compliance through more integrated, real-time digital services. With this integration, the government is expected to build a tax administration system that is more modern, effective, and responsive to developments in information technology.

Although Coretax is fundamentally a digitally based tax administration system, discussions of Coretax cannot be separated from issues of fiscal legitimacy, fairness, citizen consent, and the relationship between the state and taxpayers. This is because a digital tax system functions not only as an administrative tool but also as a state mechanism for managing data, monitoring compliance, and ensuring the distribution of the fiscal burden within society. Thus, Coretax cannot be understood merely as a technological platform but must also be examined as part of digital tax governance that carries normative and philosophical implications.

In its normative dimension, the legitimacy of digital taxation can be analyzed through various traditions of political philosophy and the philosophy of justice. Rousseau's (1762) social contract perspective, for example, grounds the legitimacy of taxation in citizens' collective consent to state authority. In this perspective, the tax obligation is understood as part of a social contract to maintain order and the public interest. Furthermore, Musgrave (1959), through his theory of public finance, explains that taxes not only serve as instruments of state revenue but also perform allocation, distribution, and stabilization functions related to the equitable distribution of societal welfare and economic stability. This perspective becomes relevant when digital tax systems are no longer evaluated solely based on administrative efficiency but also on the legitimacy of the distribution of benefits and fiscal burdens within modern digital society.

Beyond its connection to classical philosophical traditions, the development of digital tax administration is also closely linked to contemporary literature on digital governance, algorithmic governance, digital transformation of the public sector, data ethics, and technology-mediated compliance. Digital transformation in the public sector is no longer understood merely as the digitization of administrative services but also as a shift in power relations between the state, data, and citizens through technology-based surveillance systems. In the context of digital taxation, data integration, automated surveillance, and information processing through centralized systems raise various issues regarding algorithmic transparency, data management ethics, digital accountability, and the legitimacy of state surveillance of taxpayers (Purnamasari *et al.*, 2025). Therefore, an evaluation of digital taxation systems cannot be conducted solely through an administrative approach but also requires a more comprehensive philosophical and digital governance approach.

However, conceptual issues arise when the term Coretax is used inconsistently in academic and policy discourse. In some discussions, Coretax is used to refer to the information technology systems of tax administration. In other discussions, however, the term Coretax is also used to denote the normative core or philosophical essence of digital taxation. This lack of clarity can create analytical ambiguity because technical and normative objects are treated as identical. In reality, an assessment of a digital system's technical performance differs from an assessment of the normative legitimacy of a tax system.

To avoid such confusion, this study conceptually distinguishes two meanings of Coretax. First, Coretax-T is Coretax as a technical system for digital tax administration, related to service integration, data management, compliance monitoring, and administrative efficiency. Second, Coretax-N, which refers to Coretax as a normative concept related to legitimacy, justice, consent, solidarity, and fiscal obligations within a digital society. This distinction is crucial because this study does not aim to assess whether the Coretax digital system functions technically well, but rather to evaluate whether the normative legitimacy attributed to the system can be philosophically sustained.

Based on the discussion above, several conceptual gaps warrant further examination. First, the discourse on Coretax still tends to conflate technical and normative dimensions without a clear conceptual distinction. Second, studies on digital tax administration still place greater emphasis on efficiency, service integration, and administrative compliance, while its philosophical dimension of legitimacy has not been analyzed in depth. Third, there is no analytical framework that systematically links Coretax-T, as a digital administration system, to Coretax-N, as a normative concept regarding the legitimacy of digital taxation. These gaps highlight the need for research that not only explains Coretax as an administrative innovation but also as an object of philosophical analysis within digital tax governance.

Based on these issues, this study proposes several research questions, namely: (1) how can the conceptual distinction between Coretax-T and Coretax-N resolve the logical confusion in the discourse on digital tax legitimacy in Indonesia; (2) to what extent do traditions of political philosophy and justice, particularly the thought of Locke, Rousseau, Rawls, Nozick, and utilitarianism, possess a consistent analytical framework suitable for evaluating Coretax-T; and (3) what are the implications of Coretax-N's nature as an essentially contested concept for the possibility of a comprehensive normative evaluation of Indonesia's digital taxation system.

Based on these research questions, this study aims to establish a conceptual distinction between Coretax-T and Coretax-N as an analytical foundation for understanding the legitimacy of digital taxation in Indonesia. This study also aims to develop a philosophical evaluation of the legitimacy of digital taxation, drawing on various traditions of political philosophy and justice to assess the normative consistency of the digital taxation system. The novelty of this research lies in its effort to integrate analyses of political philosophy, tax legitimacy, and digital governance into the Coretax discourse, which has thus far been predominantly discussed from administrative and technological perspectives.

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 provides Concluding Remarks and Recommendations

## 2. Literature Review and Hypothesis Development

### 2.1 Taxation: Theoretical Background and Philosophical Framework

Historically, taxes—as a form of compulsory levy to support rulers—have existed since the days of ancient civilizations. The development of the tax system has undergone a long transformation, ranging from traditional collection practices during the royal and colonial eras, through the post-independence transition in tax administration, to modern digital-based tax reforms in the contemporary era. In ancient times (Mesopotamia, Rome, and the era of the archipelago's kingdoms), people were required to pay tribute in the form of agricultural produce, livestock, and labor to rulers. During the colonial era, a land

rent system (landrent stelsel) and a 2% income tax were implemented in 1908. In the era of independence, taxes began to gain constitutional legitimacy as a state financing instrument, as reflected in the deliberations on Article 23 of the 1945 Constitution on state finances during the BPUPKI session. In the post-independence period, the tax system still utilized the official assessment system inherited from the colonial era, though it was adapted through the 1967 Law. During the 1983 tax reform era, the tax system was changed from official assessment to self-assessment, which remains in effect today. In the era of digital transformation, the government began developing a digital tax administration system by implementing Coretax as part of fiscal administration modernization, tax data integration, and the strengthening of technology-based oversight.

In this study, a philosophical framework is not used to explain Coretax merely as a technological system, but rather to evaluate the normative legitimacy inherent in digital tax administration practices. Therefore, various traditions of political philosophy, philosophy of justice, social philosophy, and economic philosophy are employed as analytical tools to assess the relationship between the state, fiscal power, administrative technology, and citizens within the context of digital taxation.

From a political philosophy perspective, taxes are understood as part of the power relationship between the state and citizens that requires normative legitimacy. Rousseau's (1762) social contract perspective holds that the legitimacy of fiscal obligations derives from citizens' collective consent to state authority. In the context of digital taxation, this perspective is relevant for evaluating whether strengthening technology-based oversight in Coretax-T remains within the bounds of legitimacy normatively acceptable to society. This perspective indicates that the legitimacy of taxation is determined not only by administrative effectiveness but also by public acceptance of the surveillance mechanisms and data management practices carried out by the state through the digital taxation system.

From the perspective of ethics and distributive justice, the digital taxation system is evaluated according to moral principles governing the distribution of fiscal burdens and benefits within society. The utilitarian perspective assesses taxes based on the greatest collective benefit generated for society, whereas libertarianism views taxes more critically as they are seen as potentially limiting individual property rights. Meanwhile, Rawls's theory of justice (1971) is used to assess whether the digital tax system can achieve a just distribution while continuing to protect the least advantaged groups in society. In the context of Coretax-T, this perspective is crucial for evaluating whether tax digitalization strengthens fiscal justice or, conversely, widens disparities in administrative access. Thus, tax digitalization is not merely a technological innovation but also a mechanism that must be evaluated in terms of moral principles and social justice (Saputra & Prabowo, 2025).

From a social-philosophical perspective, Durkheim (1896) viewed taxes as part of a mechanism of social solidarity that enables cohesion in modern society. In digital tax administration, this perspective is used to assess whether technology-based tax systems can strengthen collective trust in state institutions or, conversely, create social distance due to the dominance of digital surveillance and administrative automation. This perspective is significant because the digital transformation of taxation has the potential to alter social relations between the state and its citizens through increased data- and technology-driven administrative control.

From an economic philosophy perspective, digital taxation is understood as an arena where demands for administrative efficiency intersect with principles of ethics and social justice. The implementation of Coretax-T improves oversight efficiency and integrates tax data, yet also raises ethical questions about data concentration, administrative power, privacy, and the legitimacy of



technology-based state surveillance. Therefore, an evaluation of digital taxation cannot be separated from the tension between economic efficiency and the protection of normative values in a democratic society. This perspective suggests that the success of a digital taxation system cannot be measured solely by the effectiveness of oversight and increased government revenue, but also by its ability to maintain legitimacy and public trust.

In addition to drawing on classical philosophical traditions, the development of digital tax administration is also linked to contemporary literature on digital governance, algorithmic governance, digital transformation of the public sector, data ethics, and technology-mediated compliance. This literature emphasizes that the digitalization of state administration not only transforms public service mechanisms but also alters power relations between the state, data, and citizens through technology-based surveillance. In the context of digital taxation, data integration and the automation of oversight have the potential to improve administrative efficiency but also raise issues regarding algorithmic transparency, data privacy, digital accountability, and the legitimacy of state oversight of taxpayers. Therefore, an evaluation of Coretax-T cannot be conducted solely through an administrative approach but also requires a more comprehensive philosophical and digital governance analysis.

## 2.2 *The History of Accounting Paradigms as the Theoretical Foundation of Coretax*

To gain a comprehensive understanding of Coretax, a purely philosophical analysis is insufficient without tracing the history of the paradigms that underlie its emergence in the field of accounting. The history of accounting paradigms records at least six major periods of intellectual development: the pre-theoretical period, the double-entry development era, the scientific-pragmatic period, the normative period, the positive period, and the emerging frontiers. Each of these periods reflects not only technical shifts in recording practices but also fundamental changes in how accounting thinkers view the purpose, legitimacy, and social functions of financial recording systems. In the context of this research, the history of accounting paradigms is not used merely as a historical account of the development of accounting science but as a theoretical foundation for explaining how administrative rationality, normative legitimacy, and data-based oversight have evolved to shape digital tax administration systems such as Coretax-T. Coretax, as a product of the modern era, was born by both inheriting and responding to the paradigm tensions that have accumulated over centuries.

The most relevant paradigmatic roots for Coretax stem from the scientific pragmatism period (approximately 1900–1950). This period was characterized by the belief that accounting must be dedicated to practical utility and organizational efficiency—a perspective pioneered by thinkers such as William Andrew Paton (1922) and Henry Rand Hatfield (1909). In this era, accounting was no longer viewed merely as historical record-keeping but as an instrument of rationalization, standardization, and control grounded in scientific methods. This scientific pragmatism paradigm is relevant to explaining the administrative logic underlying the formation of Coretax-T, particularly in the effort to create an integrated, measurable, digitized tax system that enhances the efficiency of fiscal oversight. Based on this concept, Coretax was established with the conviction that a more integrated, measurable, and digitally standardized tax system will result in more efficient and accountable administration. The integration of all tax services into a single digital platform—such as e-Invoicing, e-Withholding, e-Filing, and e-Billing on Coretax-T—reflects the application of the scientific pragmatism paradigm in modern fiscal administration, which emphasizes rationalization, standardization, and technology-driven efficiency.

However, the historical trajectory of accounting paradigms also teaches us that every dominance of a pragmatic-technical paradigm inevitably gives rise to normative corrections. The normative period (1950–1970) emerged as a reaction to the limitations of scientific pragmatism, which was deemed overly focused on “what is” rather than on “what ought to be.” Normative figures such as Raymond Chambers (1966) with his work *\*Continuously Contemporary Accounting\** (CoCoA) and Edgar Edwards and Philip Bell (1961) with their work *\*Current Value Accounting\** emphasized that accounting standards must be built upon principles of fairness and the relevance of information that favors users. In the context of this study, the normative paradigm is crucial for explaining the emergence of debates regarding the legitimacy of Coretax-N, particularly concerning whether tax digitalization is aimed solely at improving administrative efficiency or also considers aspects of fairness, the protection of taxpayers’ rights, transparency in oversight, and the equitable distribution of fiscal benefits. This aligns with the idea that the debates over Coretax-T and Coretax-N stem from the tension between the technical-efficiency and normative-justice paradigms, which has persisted since the mid-20th century.

Furthermore, the “positive period” (1970–1990), pioneered by Watts & Zimmerman (1978, 1986), brought about an epistemological shift no less significant. Positive Accounting Theory (PAT) rejects normative claims and seeks to empirically explain and predict the behavior of actors within the accounting system, without passing judgment. In the context of Coretax, the legacy of this positive period is evident in the system’s design, which is based on the assumption that taxpayers are rational actors who respond to incentive structures; thus, a transparent and easily monitored system is expected to enhance voluntary compliance. This assumption is reflected in the design of Coretax-T, which relies on data integration, automated reporting, and enhanced digital monitoring capabilities to shape taxpayer compliance behavior in a more systematic and measurable way. This is a behavioral assumption rooted in positive accounting theory.

Finally, the ongoing era of emerging frontiers is characterized by the incorporation of critical, institutional, and technology-based perspectives into the field of accounting (Hopwood & Miller, 1994). In this phase, accounting is understood not merely as a financial recording system but also as a mechanism for information management, institutional oversight, and digital governance, with social, political, and ethical implications. Coretax is situated precisely at the intersection of this era, as a product of digital accounting that simultaneously requires critical evaluation of its social, political, and ethical implications.

### 3. Research Method

The methodological framework of this study was developed to address the central issue of conceptual ambiguity in the discourse on the legitimacy of digital taxation in Indonesia, particularly regarding the use of the term “Coretax.” Since the research focuses on clarifying meaning, distinguishing objects of analysis, and establishing logical boundaries in evaluating the legitimacy of digital taxation, this study employs a conceptual analysis approach within the tradition of analytic philosophy. Thus, the study does not aim to produce a new substantive theory regarding taxation, but rather to ensure that the concepts used in policy arguments and academic discourse can be interpreted consistently, distinguished accurately, and evaluated rationally. Furthermore, this analysis examines the conceptual interconnections that blur the technical tax administration systems with the normative legitimacy of

digital taxation, thereby creating ambiguity in the evaluation of Coretax-T and Coretax-N (Strawson, 1992).

In the tradition of analytic philosophy, this method does not aim to generate new substantive theories but rather to ensure that the concepts used in philosophical arguments and public policy remain consistent and logically sound (Moore, 1903). The application of this method is based on the initial finding that the debate regarding the legitimacy of digital taxation in Indonesia is influenced more by the ambiguity of the conceptual objects under discussion than by differences in empirical data. Therefore, the research is directed toward clarifying the conceptual structure used in assessing the legitimacy of Coretax-T and Coretax-N.

The first step in this study is conceptual mapping. At this stage, the researcher analyzes the use of the term "Coretax" across several primary source groups, namely: (1) Indonesian tax policy and regulatory documents, such as the Directorate General of Taxes' Coretax implementation documents, Minister of Finance regulations regarding digital tax administration, and digital tax transformation documents; (2) academic literature on digital taxation, digital governance, and tax legitimacy; and (3) texts on political philosophy, the philosophy of justice, and social philosophy related to state legitimacy, the social contract, the distribution of justice, and fiscal obligations. This stage was conducted to identify the consistency in the use of the term "Coretax" and to distinguish its use as an administrative-technological system from its use as a normative concept regarding the legitimacy of digital taxation. Preliminary results indicate that in academic and policy discourse in Indonesia, "Coretax" is used in two logically distinct senses: (1) Coretax-T: referring to the digital tax administration system launched by the Directorate General of Taxes in 2024; and (2) Coretax-N: referring to the essence or philosophical core (core) underpinning the normative legitimacy of taxation. The conflation of Coretax-T as a technical tax administration system and Coretax-N as a normative concept of fiscal legitimacy renders arguments regarding digital taxation logically unstable, as the two terms refer to fundamentally different objects of evaluation. The distinction between Coretax-T and Coretax-N serves as the point of departure for analysis, not as an unquestioned assumption.

The second step is conceptual decomposition, which involves breaking down the concept of philosophically legitimate taxation into analytical components that can be examined separately. Drawing on contemporary tax philosophy literature, particularly Murphy & Nagel (2002), this study derives four main analytical categories used to evaluate the legitimacy of digital taxation, namely: (1) legitimacy, which encompasses consent and state authority; (2) distributive, which encompasses fairness and the distribution of the fiscal burden; (3) social, which encompasses social solidarity and the provision of public goods; and (4) economic, which encompasses administrative efficiency and compliance incentive structures. Each analytical category is then linked to relevant philosophical traditions: Locke's (1689) and Rousseau's (1762) social contract theories to analyze legitimacy; Rawls's (1971) theory of justice and Nozick's (1974) libertarianism to evaluate the distribution of the fiscal burden; Durkheim's perspective on social solidarity for the social component; and the perspectives of economic efficiency and rationality to evaluate the economic dimension in digital tax administration. In this way, the research builds a bridge between abstract normative concepts and more focused analytical questions, thereby making the evaluation of Coretax-T independent and clearly distinguishable from the evaluation of Coretax-N.

The third and fourth steps are carried out simultaneously through an internal consistency test and application to a case. To ensure the consistency of the evaluation, this study uses three main analytical criteria in conducting the internal consistency test, namely: (1) logical coherence, to assess

whether the normative premises of a theory can be consistently applied to Coretax-T; (2) normative compatibility, to evaluate whether certain philosophical principles are compatible with the nature of digital oversight and tax data integration; and (3) procedural applicability, to assess the extent to which the theory can be applied to the concrete practice of digital tax administration without producing internal normative contradictions. These three criteria are used to determine the level of analytical readiness of each philosophical tradition in evaluating Coretax-T. An internal consistency test is conducted to examine whether the normative premises within each philosophical tradition can be applied logically, consistently, and operationally when evaluating administrative legitimacy and digital oversight in Coretax-T. Meanwhile, application to specific cases is necessary so that the testing does not remain an abstract discussion but demonstrates how the logical implications of a particular tradition function when encountering the procedural structures and policy objectives inherent in Coretax-T. To avoid deterministic judgments, the study also accounts for the character of essentially contested concepts, as defined by Gallie (1956), to demonstrate that normative disputes often do not stem from a lack of data but rather from fundamental differences in values and diverse conceptual preferences.

This study does not aim to produce a final judgment on whether Coretax is right or wrong as a digital tax policy, but rather to construct a conceptual framework that enables the evaluation of Coretax-T and Coretax-N to be conducted more consistently, in a logically distinct manner, and in a philosophically accountable manner. The results of this study are not intended to produce a final, judgmental conclusion regarding Coretax. Instead, they provide a roadmap to determine which concepts are already clear for use, which still require clarification, and which are too rigid or unsuitable for application in concrete policy.

## 4. Results and Discussion

### 4.1 Analysis Results

The application of internal consistency tests across various philosophical traditions shows that each tradition has a different level of analytical readiness for evaluating the administrative legitimacy and digital oversight of Coretax-T. These differences are analyzed based on three main evaluative criteria established in the research method: logical coherence, normative compatibility, and procedural applicability. Logical coherence is used to assess the logical consistency between a theory's normative premises and the administrative characteristics of Coretax-T. Normative compatibility is used to evaluate the alignment between specific philosophical principles and the practices of digital oversight and tax data integration. Meanwhile, procedural applicability is used to assess the extent to which a theory can be applied to the operational aspects of digital tax policy without resulting in internal contradictions. Using these three criteria, the study found that each philosophical tradition yields a different form of evaluation when confronted with the procedural structure and policy objectives inherent in Coretax-T.

#### 4.1.1 The Lockean Tradition: Procedural and Substantive Consistency

The Lockean tradition yields the most consistent results. Locke's argument (1689) rests on two premises: taxes require the consent of the people through legislative representatives, and taxes may only be used for the protection of rights, not for redistribution. When applied to Coretax-T, these two premises demonstrate a high degree of logical coherence and normative compatibility because the direction of their evaluation remains consistent across both procedural and substantive dimensions. Procedurally,



implementation via a Minister of Finance Regulation (executive) raises questions regarding the standard of consent required by law (legislative). In this context, Lockean theory places consent as the primary basis of legitimacy; thus, the expansion of digital surveillance without strong procedural legitimacy risks being viewed as normatively problematic. Substantively, the goal of expanding the tax base for redistribution goes beyond the minimal functions of the state within the Lockean framework. Since both the procedural and substantive dimensions yield relatively consistent evaluation outcomes, the Lockean tradition demonstrates the highest procedural applicability among traditions in evaluating the administrative legitimacy of Coretax-T. Because both foundational arguments lead to the same conclusion, this tradition is highly valid as an evaluation tool.

#### *4.1.2 The Rawlsian Tradition: Resolution through Lexical Ordering*

The Rawlsian tradition faces the challenge of internal contradictions. On the one hand, the Liberty Principle criticizes Coretax-T for requiring digital access, which could hinder citizens with limited infrastructure. Within the framework of logical coherence, this situation suggests that implementing digital taxation could conflict with the principle of equal access to basic administrative rights. On the other hand, the Difference Principle might support this system if the tax revenue genuinely benefits people with low incomes. The tension between the Principle of Liberty and the Difference Principle means that the Rawlsian tradition does not automatically yield a consistent normative evaluation of Coretax-T. This inconsistency is resolved through lexical ordering, whereby the Principle of Liberty must take precedence. Using the lexical ordering approach, the Rawlsian tradition demonstrates a relatively high level of normative compatibility. Still, its procedural applicability remains limited as long as digital access barriers and infrastructure inequalities have not been adequately addressed. Thus, as long as digital access barriers remain unresolved, Coretax-T cannot be justified from a Rawlsian perspective.

#### *4.1.3 The Nozickian Tradition: Consistency at the Extreme*

The Nozickian libertarian tradition (1974) consistently rejects the Coretax-T because it views redistributive taxation as a violation of property rights. Within the framework of logical coherence, the Nozickian tradition yields a highly stable evaluative position because all of its normative premises consistently reject the expansion of fiscal intervention and state administrative oversight over individuals. However, this consistency reveals a limitation: an evaluative threshold that is too strict for concrete public policy. If this standard were applied, nearly the entire modern tax system would be deemed invalid under this framework. Consequently, the Nozickian tradition's level of procedural applicability is low because the approach is difficult to apply to modern tax administration practices, which inherently require redistribution, fiscal oversight, and the integration of administrative data. Therefore, the Nozick tradition serves more as an extreme conceptual boundary than as a practical policy-evaluation tool.

#### *4.1.4 The Utilitarian Tradition: Methodological Uncertainty*

The utilitarian tradition, rooted in Bentham (1843) and developed by Mill (1885), evaluates policies based on a single criterion: whether they maximize aggregate well-being for the greatest number of people. In the context of taxation, this means that taxes are justified as long as the resulting collective benefits (in the form of public services, infrastructure, and redistribution) exceed the burden borne by taxpayers



as a whole. Unlike other traditions, consistency testing of this tradition yields the most ambiguous findings among the four traditions. Within the framework of this study's evaluation, the utilitarian tradition exhibits the lowest levels of logical coherence and procedural applicability because it lacks stable methodological measures to compare collective benefits with the losses experienced by specific groups. The need for metric specifications and comparative models within the utilitarian tradition remains unmet, rendering the conceptual evaluation unstable. The issue is that Coretax-T can be considered beneficial because it increases state efficiency, yet detrimental because it imposes a heavy burden on small taxpayers. Consequently, the utilitarian evaluation of Coretax-T is highly dependent on the utility indicators, benefit aggregation methods, and welfare measurement models employed. Without clear measures for comparing general benefits against the harms to small groups, this tradition cannot yet provide definitive assessments or conclusions.

The results of this test demonstrate that not all philosophical traditions are equally equipped to evaluate policies. The Lockean tradition demonstrates the highest level of analytical readiness due to its logical consistency, normative compatibility, and relatively stable procedural applicability. The Rawlsian tradition still requires resolving principled conflicts through lexical ordering, while the Nozickian tradition yields evaluation standards that are too extreme for modern tax policy. Meanwhile, the utilitarian tradition still faces methodological instability due to the lack of an operational and consistent measure of utility. These findings regarding differences in analytical readiness among philosophical traditions constitute the primary contribution of this study in explaining the complexity of the legitimacy of digital taxation in Indonesia.

## 4.2 Discussion

### 4.2.1 Analyzing Coretax from Various Philosophical Perspectives

#### 4.2.1.1 Coretax: Technical or Normative

The confusion in discussions about Coretax stems from a simple yet misleading habit: using a single term for two different things. For example, when someone says "Coretax reflects distributive justice," they may be referring to the Directorate General of Taxes' technological system or, conversely, to the normative legitimacy underlying the digital tax obligation itself. In many academic and policy discourses, these two uses of the term are often treated as if they refer to the same object of analysis, even though conceptually they are at different levels of evaluation. In reality, they are very different things. A technological system is evaluated based on its performance: whether the system runs smoothly, whether it is accessible to all taxpayers, whether data integration is effective, and whether its regulations have undergone a valid legislative process. Conversely, questions regarding the state's moral legitimacy in collecting taxes and conducting digital surveillance are normative issues related to consent, distributive justice, fiscal obligations, and the power dynamics between the state and its citizens. On the other hand, the moral question of why the state has the right to collect taxes is an entirely different matter. The answer to this problem will not be found simply by improving the user interface or increasing server speed.

Research findings indicate that the failure to distinguish between these administrative-technological and normative dimensions is the primary source of instability in the arguments within the discourse on digital taxation in Indonesia. By separating Coretax-T (the technical system) and Coretax-N (the normative concept), each debate can be directed along the appropriate track. Coretax-T is

positioned as an object of administrative evaluation concerning the effectiveness of digital systems, the integration of tax services, data-driven oversight, and state administrative regulatory procedures. Conversely, Coretax-N is positioned as a forum for normative evaluation of the legitimacy of tax collection, fiscal distributive justice, and the moral justification for the state's expansion of digital surveillance. Those highlighting digital access disparities are actually addressing Coretax-T; thus, the solution lies in improving policy design, digital infrastructure, and the accessibility of tax services. In this context, the issue at hand does not lie in the legitimacy of taxation itself, but rather in the procedural applicability of the digital tax administration system being used. Meanwhile, those questioning the state's moral right to collect taxes by force are discussing Coretax-N, for which the answer must be sought in the traditions of political philosophy and the philosophy of justice, rather than in the system's technical specifications.

The distinction between Coretax-T and Coretax-N also demonstrates that conflicts in the discourse on digital taxation often do not stem from contradictions in empirical data but from conflating technical and normative issues within the same sphere of argumentation. When criticisms regarding server disruptions, data integration, or digital access barriers are used to conclude that the state's tax legitimacy is problematic, a logical leap has occurred between administrative evaluation and normative evaluation. Conversely, when the legitimacy of taxation is justified solely because the digital system operates efficiently, technical efficiency is treated as if it automatically generates moral legitimacy. The research findings indicate that both forms of argumentation are conceptually unstable because they employ different objects of evaluation without a clear analytical distinction between them.

This distinction is key to preventing the discussion on Coretax from going in circles endlessly. Within this research framework, the distinction between Coretax-T and Coretax-N is not merely a terminological classification but a methodological foundation for ensuring that evaluations of digital tax administration are conducted consistently, logically, and philosophically. The problem has not been the absence of answers but rather that two distinct questions have been answered as if they were the same. Therefore, this study positions conceptual clarification as a primary prerequisite before evaluating the legitimacy of digital taxation in Indonesia. With this distinction, discussions regarding administrative efficiency, digital oversight, citizen consent, and distributive justice can be analyzed within a more focused evaluative framework that avoids conflating the subjects of debate.

#### *4.2.1.2 Taxation in Political Philosophy: State Legitimacy and the Social Contract*

The most fundamental question regarding Coretax is that of legitimacy. Why does the state, as a political institution, have the moral and political right to collect a portion of an individual's wealth or economic output through the tax system? In the context of this study, this question is not directed at the technical effectiveness of Coretax-T as a digital tax administration system, but rather at the normative legitimacy underpinning the state's authority to collect taxes and conduct technology-based fiscal oversight. Answers to this question are largely found in the tradition of political philosophy, particularly social contract theory.

Locke (1689) defined the legitimacy of taxation through the concept of consent. Analytically, "consent" in this context has two distinct components: (a) consent to the obligation to pay taxes in principle; and (b) consent to the specific amount, procedures, and mechanisms of collection. Coretax-T directly addresses the second component because this system transforms the mechanisms of reporting, oversight, data integration, and digital-based tax administration. Within a Lockean evaluative

framework, these changes in administrative mechanisms raise the question of whether the digital transformation of oversight through Coretax-T has obtained sufficient procedural legitimacy through legislative representative mechanisms. Procedurally, implementation through the Ministry of Finance's regulations and the Directorate General of Taxes' policies raises questions about the standard of legislative approval. Thus, from a Lockean perspective, the primary issue does not lie in the digitization of the tax system itself, but rather in the extent to which the expansion of state administrative oversight has obtained valid consent within the framework of political representation.

The analytical question is whether changes to mechanisms without direct legislative approval violate the Lockean conditions, or whether regulatory delegation to the executive already satisfies the requirements of consent through representation. The answer to this question depends on how consent is conceptually defined—namely, whether it requires explicit consent or whether implicit consent through the representative system is sufficient. The research findings indicate that the Lockean tradition exhibits a high degree of logical coherence because it consistently evaluates the Coretax-T across both procedural and substantive dimensions without producing internal contradictions.

Rousseau (1762), in *Du Contrat Social*, developed the idea of the social contract, emphasizing the general will. Taxes are justified not only by consent but also because they are an expression of the collective will of society to achieve the common good. The state is the manifestation of popular sovereignty, and taxes are the means by which the people fund projects that serve the public interest. From a Rousseauian perspective, Coretax-T can be understood as an administrative instrument that enables the state to implement the general will by strengthening fiscal capacity and ensuring the effective distribution of public resources. However, this legitimacy can only be maintained if the digital tax system is genuinely used for the collective good and does not become an instrument of the state's administrative domination over its citizens. It can be concluded that, according to Rousseau, Coretax is an expression of the general will for the common good.

This debate over legitimacy also extends to the scope of the state's role that is justified for funding by taxes. In this context, the research findings indicate that the debate over Coretax-N is inseparable from the conflict between the minimal state and welfare state paradigms in modern political philosophy. The Minimal State or Night-Watchman State is promoted by libertarians such as Nozick (1974) in *Anarchy, State, and Utopia*. In this view, a morally legitimate state should provide only basic protective functions, such as protection against violence, theft, and fraud, and the enforcement of contracts. Taxes must be kept to a minimum and used solely to fund these functions. Any form of taxation used for wealth redistribution or the provision of social services beyond these minimal functions is considered a violation of individual property rights. Within this framework, Coretax-T is viewed as problematic not because of its digital nature, but because the system strengthens the state's capacity for fiscal oversight and economic redistribution—actions deemed to exceed the bounds of a minimal state's legitimacy.

The Welfare State offers a different perspective. Many political philosophers and social theorists support a state with broader responsibilities to provide education, healthcare, social safety nets, and comprehensive public infrastructure. From this viewpoint, higher and progressive taxes are not only justified but also necessary to achieve a just and civilized society. From a welfare state perspective, Coretax-T can be understood as part of fiscal administration modernization aimed at strengthening the state's capacity to provide public services and expand the distribution of social welfare more effectively. However, research findings indicate that such legitimacy remains contingent on the extent to which the

digital tax system can uphold the principles of fairness, transparency, data protection, and equal administrative access for all citizens.

#### 4.2.1.3 *Coretax in Ethical Philosophy: Distributive Justice*

Within the utilitarian school of thought, Jeremy Bentham (1843), as cited in Pratiwi *et al.*, (2022), and John Stuart Mill (1885), as cited in Adams & Dyson (2007), argue that a moral action produces the greatest happiness for the greatest number of people (the principle of utility). From this perspective, taxation is justified if, overall, it can increase society's aggregate welfare and happiness. Progressive taxation, for example, which takes more from the wealthy to fund programs that benefit society at large—such as education, healthcare, and public infrastructure—can be justified because the collective benefits outweigh the individual losses borne by certain groups. In the context of digital taxation, the utilitarian approach evaluates Coretax-T based on the extent to which the system can improve administrative efficiency, broaden the tax base, reduce revenue leakage, and generate greater social benefits for society as a whole. It can be concluded that Coretax, from a utilitarian perspective, represents the optimization of collective well-being. However, research findings indicate that applying utilitarianism to Coretax-T faces significant methodological challenges due to the lack of a stable metric for comparing collective benefits with the losses experienced by specific groups. Coretax-T can be considered to increase social utility by accelerating the integration of tax services, enhancing the effectiveness of fiscal oversight, and expanding the state's capacity to provide public services. However, the system may also impose additional administrative burdens on small taxpayers, segments of the population with limited internet access, or individuals lacking adequate digital literacy. Consequently, a utilitarian evaluation of Coretax-T is highly dependent on the utility measurement model, social welfare indicators, and benefit aggregation methods employed. Therefore, the utilitarian tradition in this study exhibits a relatively low level of procedural applicability because its normative conclusions vary widely depending on the approach to measuring social benefits adopted.

From an egalitarian perspective, various forms of egalitarianism advocate for the equal distribution of wealth, income, and opportunities. Taxes, particularly progressive taxes and inheritance taxes, are viewed as crucial tools for reducing socio-economic inequalities deemed unjust. The goal is to create a society where every individual has equal opportunities and access to basic needs. In the context of digital taxation, the egalitarian perspective evaluates whether Coretax-T can expand access to fiscal justice and reduce administrative inequality between groups with high digital capacity and those with limited technological access. It can be concluded that the egalitarian Coretax is an instrument of redistribution aimed at equality of opportunity and outcomes. Research findings indicate that an egalitarian approach to Coretax-T is not only related to the distribution of government revenue but also to the distribution of administrative access within the digital tax system. If tax digitalization benefits only those with superior technological capabilities, the system risks creating new forms of administrative inequality (Mandasari, 2024; Purnamasari, 2024; Nurwanah, 2025). Conversely, if Coretax-T can expand access to tax services, accelerate the integration of socio-economic data, and improve the effectiveness of fiscal redistribution, then the system can be viewed as consistent with the principles of egalitarianism. Thus, an egalitarian evaluation of Coretax-T depends heavily on the digital tax system's ability to create a more equitable distribution of administrative and social benefits.

Within the libertarian tradition, Nozick (1974) vehemently rejects redistributive taxes. He argues that individuals possess an absolute right to their property, provided that the property was acquired

justly (the principle of just acquisition) and transferred justly (the principle of just transfer). Taxes for redistributive purposes are considered a form of forced labor because the state forcibly takes a portion of a person's earnings without voluntary consent to fund others. For Nozick, a true Core Tax should cover only the minimal state funding necessary to protect individual rights, without interfering in the economic distribution resulting from society's free choices. In the context of this study, the libertarian perspective does not object to the digitization of tax administration itself, but rather questions the expansion of the state's capacity to conduct fiscal oversight and economic redistribution through Coretax-T. It can be concluded that the Coretax within the libertarian tradition is the protection of property rights and individual freedom. The research findings indicate that the libertarian tradition exhibits a very high degree of logical coherence because it consistently rejects all forms of fiscal redistribution and administrative oversight that extend beyond the state's minimal functions. However, this consistency also limits procedural applicability, as the libertarian approach is extremely difficult to apply to modern tax systems, which inherently require redistribution, fiscal oversight, and the integration of administrative data. Thus, the libertarian tradition functions more as a normative critical boundary against the expansion of the state's administrative power than as a practical evaluation tool for concrete digital tax policies such as Coretax-T.

In his seminal work, *A Theory of Justice*, Rawls (1971) offers a highly influential approach to distributive justice. Rawls envisions an original position in which rational individuals choose principles of justice behind a veil of ignorance, without knowing their own social position, economic capabilities, or wealth. Under these conditions, Rawls (1971) argues that they would choose two main principles. The first principle is the Equal Liberty Principle, which holds that everyone has an equal right to the broadest possible system of basic freedoms compatible with similar freedoms for all. The second principle is the Difference Principle, which holds that social and economic inequalities are justified only if they benefit the least advantaged members of society while ensuring fair opportunities for all. Rawls's (1971) Difference Principle requires that inequalities are only justifiable if they benefit the least advantaged members of society. Conceptually, applying this principle to Coretax-T requires clarification of which group is considered the least advantaged within the digital tax system. First, does this group refer to small taxpayers with limited internet access and digital literacy, or rather to the informal economy sector that was previously unreachable by conventional tax administration? Second, is the "benefit" within the Rawlsian framework measured based on the system's administrative efficiency, increased government revenue, or the distribution of tangible social benefits to vulnerable groups?

Research findings indicate that without clarification of these two conceptual conditions, the claim that Coretax-T fulfills or violates Rawls's Difference Principle cannot be consistently tested. Furthermore, the conflict between the Principle of Liberty and the Principle of Difference necessitates a Rawlsian evaluation of Coretax-T using a lexical ordering approach, wherein the protection of basic freedoms and equal administrative access must be prioritized before the distributive benefits of the digital tax system are further evaluated. Thus, the Rawlsian approach demonstrates that the legitimacy of digital taxation cannot be measured solely by fiscal efficiency but also by the system's ability to maintain equitable access, protect basic rights, and ensure a fair distribution of social benefits.

#### *4.2.1.4 Coretax in Social Philosophy: Solidarity, Well-being, and Cohesion*

Beyond political legitimacy and ethical justice, Coretax also plays a crucial role in shaping social structures and dynamics. Taxes can be viewed as a manifestation of social solidarity and a collective



commitment to the common good. In the context of this study, the discussion of social solidarity is not directed at the abstract normative legitimacy of taxes, but rather at the extent to which Coretax-T, as a digital tax administration system, can strengthen or, conversely, weaken social cohesion in modern digital society.

Durkheim distinguishes between mechanical solidarity and organic solidarity. In this context, taxation in modern society is more appropriately understood as an embodiment of organic solidarity—that is, contributions based on the differentiation of each individual’s social functions within the modern social system, rather than on uniformity of values or social identity. From a Durkheimian perspective, Coretax-T can be understood as an administrative mechanism that enables the state to organize society’s fiscal contributions more effectively to support the sustainability of collective social functions. However, a conceptual question arises in this study: is solidarity, as understood by Durkheim, an absolute requirement (necessary condition) for the legitimacy of taxation, or merely a byproduct of a tax system already deemed legitimate for other reasons, such as popular consent or principles of justice?

This distinction is crucial. If solidarity is a necessary condition, then an evaluation of Coretax-T must not stop at its efficiency alone but must also measure the extent to which the system strengthens or, conversely, weakens social bonds in society. The research findings indicate that the digitalization of tax administration through Coretax-T has the potential to produce two distinct social consequences simultaneously. On one hand, service integration and enhanced oversight effectiveness can strengthen public trust in the state’s capacity to provide public goods. However, data-driven oversight and administrative automation also have the potential to create a social divide between the state and its citizens if the system is perceived as overly repressive, non-transparent, or not equally accessible.

Taxes fund public goods such as national defense, security, roads, public education, and the healthcare system. Public goods are characterized by being non-exclusive—meaning it is difficult to prevent anyone from using them—and non-rivalrous—meaning one person’s use does not reduce their availability to others. Without collective revenue collection through taxes, the provision of these goods would face the “free-rider” problem and might not be optimally available, thereby harming society as a whole. In this context, Coretax-T can be understood as an administrative instrument to strengthen the state’s capacity to collect the fiscal resources needed to sustain the provision of public goods. However, research findings indicate that the social legitimacy of Coretax-T is determined not only by its ability to increase state revenue but also by public perceptions regarding the fairness of benefit distribution under this digital tax system. If the public perceives that data integration and digital surveillance merely expand the state’s capacity for control without corresponding improvements in the quality of public services, then the social solidarity that underpins fiscal legitimacy may erode. Conversely, if Coretax-T is perceived as capable of enhancing the effectiveness of public goods distribution and expanding access to social welfare, the system could strengthen organic solidarity in modern society.

From a social philosophy perspective, Coretax is a manifestation of both implicit and explicit social contracts that shape organic solidarity and facilitate the provision of public goods essential for societal cohesion and sustainability. In this study, Coretax-T is understood not merely as a technological tool for tax administration but also as part of an institutional mechanism that shapes social relations among the state, fiscal obligations, and citizens’ collective responsibilities in contemporary digital society. This acknowledges that society is a collective entity whose sustainability depends on shared contributions through legitimate and socially acceptable tax mechanisms.

#### 4.2.2 Philosophical Perspectives in the Philosophy of Economics: Efficiency, Incentives, and Social Choice

Although the philosophy of economics is not a branch of pure philosophy, many considerations in tax design have profound philosophical implications, particularly when addressing the trade-off between social objectives, administrative efficiency, and individual freedom. In the context of digital taxation, Coretax-T serves as a platform that directly highlights the tension between the state's demand for regulatory efficiency and the protection of justice and individual autonomy.

##### 4.2.2.1 Efficiency vs. Equity (Equity-Efficiency Trade-off)

This is one of the most challenging dilemmas in tax policy. Taxes designed to achieve a high degree of distributive justice—for example, through a steeply progressive tax system—may have the side effect of reducing incentives to work, invest, or innovate. Such conditions have the potential to hinder overall economic growth and create inefficiencies. The philosophical question is to what extent society is willing to sacrifice economic efficiency to achieve a certain level of equity, or vice versa. This discussion touches on fundamental values regarding social priorities in modern society.

In the context of this research, Coretax-T demonstrates how tax digitalization can enhance administrative efficiency through data integration, automated reporting, and strengthened fiscal oversight. However, such efficiency gains may also raise equity concerns if the digital system creates disparities in administrative access, increases the compliance burden on certain groups, or widens the power asymmetry between the state and taxpayers. Thus, an evaluation of Coretax-T cannot be based solely on the system's technical success; it must also consider the distributional and social implications of the resulting efficiency.

##### 4.2.2.2 Ability to Pay vs. Benefits Received

Two fundamental principles in tax design are the Ability-to-Pay Principle and the Benefit Principle. The Ability-to-Pay Principle states that taxes should be levied based on an individual's ability to pay, thereby tending to produce progressive taxes rooted in egalitarian ethics and Rawlsian theory. Conversely, the Benefit Principle states that taxes should be levied based on the benefits an individual receives from public services provided by the state. This perspective aligns more closely with Locke's (1689) view regarding the reciprocal relationship between social contributions and benefits.

In the context of Coretax-T, these two principles yield different evaluative implications. The ability-to-pay approach supports the use of digital data integration to enhance the accuracy of tax burden distribution based on taxpayers' economic capacity. Conversely, the benefit principle approach emphasizes that the legitimacy of digital taxation depends on the extent to which the public genuinely perceives tangible benefits from the state's enhanced fiscal capacity. Each of these principles has a different philosophical basis and yields different consequences for the administrative legitimacy and fairness of digital taxation.

##### 4.2.2.3 Incentives and Behavior

Taxes not only generate government revenue but also shape society's social and economic behavior. Pollution taxes (Pigouvian taxes), for example, are designed to change behavior in the interest of the environment. In contrast, taxes on cigarettes and alcoholic beverages aim to reduce consumption

deemed harmful to public health. In the context of digital taxation, Coretax-T can also be understood as a behavior-shaping instrument, as it enhances the state's capacity to monitor, identify, and guide taxpayer compliance through data integration and administrative automation.

The philosophical implication is the extent to which the state is justified in using digital taxation instruments to influence individual choices and shape societal behavior. Research findings indicate that the primary issue in this context is not merely the effectiveness of digital oversight, but the limits of the state's legitimacy in using administrative technology to expand control over citizens' economic activities. This debate is directly linked to issues of state paternalism, individual autonomy, data privacy, and the legitimacy of algorithmic surveillance in modern digital governance. Thus, the discussion of Coretax-T within the philosophy of economics demonstrates that digital tax administration is not merely a matter of fiscal efficiency but also of values, social choices, and the limits of state intervention in contemporary digital society.

#### 4.2.2.4 Synthesis: Analytical Readiness and Concept Maps

Throughout the process of conceptual decomposition and internal consistency testing, it was found that the four philosophical traditions discussed in this article exhibit varying degrees of analytical readiness. In this study, "analytical readiness" is not interpreted as the correctness or incorrectness of a philosophical tradition, but rather as a tradition's ability to produce evaluations that are logically consistent, conceptually stable, and operationally applicable to Coretax-T as a digital tax administration system. This difference is not about which tradition is most correct in evaluating Coretax, but rather which tradition is structurally ready to be used as an evaluation tool without being hindered by its own internal problems.

#### 4.2.2.5 A Comparison of the State of Philosophical Traditions

The Lockean tradition is the most suitable for this analysis because its two main premises—legislative consent and the function of protecting rights—work in harmony when evaluating Coretax-T. Within the framework of this study's evaluation, the Lockean tradition meets the three criteria for analytical suitability: logical coherence, conceptual clarity, and procedural applicability. Logical coherence is evident in the consistent relationship between the principle of consent and the limits of the state's functions when evaluating the expansion of digital surveillance through Coretax-T. Conceptual clarity is evident in the clear definitions of consent, state authority, and the protection of individual rights. Meanwhile, procedural applicability is evident in this tradition's direct applicability to concrete issues, such as the legitimacy of administrative regulations and digital tax surveillance.

In contrast, the Rawlsian tradition requires establishing a lexical ordering first; without prioritizing the Principle of Liberty over the Principle of Difference, the analysis becomes inconsistent. The research findings indicate that the Rawlsian tradition possesses high conceptual richness but has more limited procedural applicability because the evaluation of Coretax-T depends on determining priorities between access to administrative freedom and the distribution of social benefits. Thus, the Rawlsian tradition remains relevant as an evaluative framework but requires clarification of its normative principles before it can be applied to concrete cases of digital taxation.

The Nozickian tradition is better suited as an extreme theoretical boundary rather than a practical policy standard. Logically, Nozick's libertarian approach possesses very strong internal



consistency because it systematically rejects fiscal redistribution and the expansion of the state's administrative capacity. However, precisely because of its strict consistency, this tradition has limited procedural applicability in modern tax administration, which inherently requires redistribution, oversight, and the integration of fiscal data. Therefore, the Nozickian tradition is better understood as a normative critical boundary against state power rather than as a practical evaluative framework for Coretax-T.

Meanwhile, the utilitarian tradition requires clarity in welfare measurement methods so that its assessments are not ambiguous when comparing general benefits against the losses of specific groups. Research findings indicate that the main weakness of utilitarianism lies in the instability of social benefit aggregation models and the absence of a universal metric for comparing collective utility with individual losses. Consequently, utilitarian conclusions regarding Coretax-T depend heavily on the approach used to measure social benefits. Under these conditions, utilitarianism has the least stable level of procedural applicability among traditions because its evaluations are easily subject to change depending on the utility-calculation model employed.

#### 4.2.2.6 *Asymmetry in Legitimacy and Justice*

The second finding indicates that the relationship between legitimacy and justice in Coretax-T is asymmetrical. A tax system may possess strong procedural legitimacy because its legal rules are valid, yet simultaneously still leave unresolved issues of distributive justice, such as disparities in digital access. In this context, the research findings demonstrate that legal validity does not automatically lead to distributive justice. Many public debates become unproductive because they conflate these two concepts. Therefore, a responsible evaluation must explicitly specify whether the aspect being assessed is procedural (legal) or substantive (just).

The research findings indicate that most argumentative conflicts in the discourse on digital taxation arise from treating administrative legitimacy and social justice as identical. When a digital taxation system is deemed legitimate merely because it has a formal regulatory basis, issues of access, digital inequality, and the distribution of social benefits tend to be overlooked. Conversely, when criticism of digital access inequality is used to conclude that the entire tax system is illegitimate, there is a conflation of distributive and procedural evaluations. Thus, this study affirms that legitimacy and justice are two interrelated but non-reducible domains of evaluation.

#### 4.2.2.7 *Coretax as an Essentially Contested Concept*

The most fundamental finding is that Coretax normatively meets Gallie's (1956) criteria as an essentially contested concept. In this study, the status of Coretax-N as an essentially contested concept arises because each philosophical tradition employs different normative standards to determine the legitimacy of digital taxation. This debate will not be resolved simply by adding empirical data because its root lies in differences in values, not differences in facts. The disputing parties do not actually disagree on the existing facts, but rather differ in their views on which value should be considered more fundamental: efficiency or justice, individual freedom or collective responsibility.

Research findings indicate that Coretax-T, as a digital administrative system, can be evaluated technically using indicators of efficiency, data integration, and oversight effectiveness. However, Coretax-N, as a normative concept, cannot yield a universal conclusion accepted by all philosophical

traditions because each approach has fundamentally different definitions of legitimacy. Therefore, normative conflicts in digital taxation are not anomalies to be eliminated but rather an inherent consequence of value pluralism in modern society.

#### 4.2.2.8 Implications for Research and Policy

For research purposes, the attempt to find a single, universally accepted definition of a fair tax is a conceptual fallacy, as the very nature of the concept precludes the existence of a single answer agreed upon by all parties. This study demonstrates that an evaluation of digital taxation must begin with clarifying the object of analysis, distinguishing the domains of evaluation, and identifying the normative assumptions employed by each philosophical tradition. Thus, the main contribution of this study is not to produce a definitive definition of the legitimacy of digital taxation, but to provide a conceptual framework that enables normative debates to be conducted more consistently and without conflating analytical categories.

Meanwhile, in the policy context, the debate regarding Coretax will not be resolved merely through technical improvements to the system or administrative outreach. The research findings indicate that issues surrounding digital taxation are also linked to transparency in state oversight, access to administrative justice, data protection, and the legitimacy of using technology to manage citizens' fiscal obligations. Therefore, the most important policy implication is not merely improving system efficiency but creating a space for public dialogue that enables open negotiation regarding the balance among administrative efficiency, the protection of individual rights, and social justice in the governance of digital taxation.

Thus, this synthesis does not yield a final judgment on whether Coretax is fair or legitimate. What it produces is something more useful for long-term purposes: a conceptual map indicating which traditions are ready for use, which logical relationships must be maintained to avoid overlap, and why the debate will become unproductive if its fundamental conceptual questions remain unclarified.

## 5. Concluding Remarks and Recommendation

This study aims to elucidate the conceptual ambiguities in the discourse on digital taxation in Indonesia by distinguishing between Coretax-T, a digital tax administration system, and Coretax-N, a normative concept concerning the legitimacy of digital taxation. The study employs a conceptual analysis approach, using the stages of conceptual mapping, conceptual decomposition, internal consistency testing, and case application, to evaluate how various traditions of political philosophy, ethics, sociology, and economics function when applied to Coretax-T. The results indicate that the use of the term "Coretax" in two logically distinct senses is the primary source of argumentative instability in the discourse on digital taxation. This study also found that legitimacy, distributive justice, social solidarity, and economic efficiency do not form a fully coherent single concept but constitute a cluster of concepts that may conflict with one another depending on the value priorities employed. Furthermore, the results of the internal consistency test indicate that each philosophical tradition possesses a different level of analytical readiness in evaluating Coretax-T. The Lockean tradition demonstrates the most stable level of analytical readiness due to its relatively strong logical consistency and procedural application. In contrast, the Rawlsian tradition still requires resolving principled conflicts through lexical ordering. The

Nozickian tradition serves as the extreme limit of normative criticism, while the utilitarian tradition still faces methodological instability in measuring social utility.

This study makes a theoretical contribution by introducing a conceptual distinction between Coretax-T and Coretax-N as an analytical foundation for more consistent evaluation of the legitimacy of digital taxation. This contribution is significant because most previous research has addressed Coretax from administrative and technological perspectives without explicitly distinguishing its technical and normative dimensions. This study also expands the discourse on the philosophy of taxation by integrating literature on digital governance, data-driven oversight, administrative legitimacy, and the relationship between tax technology and values of social justice in contemporary digital society. From a practical and policy perspective, this study demonstrates that evaluations of digital tax systems cannot be based solely on technical success, administrative efficiency, or enhanced state surveillance capabilities. Governments must also consider dimensions of procedural legitimacy, access to administrative justice, data protection, transparency in digital surveillance, and public acceptance of the expansion of technology-based fiscal capacity. Thus, the primary contribution of this study is not to provide a definitive answer on whether Coretax is legitimate, but rather to offer a conceptual framework that enables the evaluation of digital taxation to be conducted more precisely, consistently, and without conflating different objects of analysis.

This study still has several limitations. First, the study examines only a specific Western philosophical tradition, namely Locke (1689). It thus does not yet encompass potential evaluation frameworks derived from non-Western traditions of thought or the local Indonesian context. Second, this study focuses on conceptual analysis and thus has not examined how debates regarding the legitimacy of digital taxation unfold empirically in policy practice, legislative debates, or public perceptions of Coretax-T. Third, this study has not developed an operational model to empirically measure social utility, distributive justice, and administrative legitimacy within the context of digital taxation. Therefore, future research needs to develop an interdisciplinary approach that links philosophical analysis to empirical studies of digital governance, data ethics, algorithmic oversight, and public deliberation on digital taxation in Indonesia. In addition, future research could explore local concepts such as *gotong royong*, *musyawarah*, and social justice within the Indonesian intellectual tradition as alternative normative frameworks for evaluating the legitimacy of digital taxation in more context-specific ways.

## Statement of Use of Generative AI

During the preparation of this work, the author used ChatGPT to assist in improving clarity and readability of the text. The author reviewed and edited the output and takes full responsibility for the content of the publication.

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