



Digital taxation and tax compliance in Indonesian Marketplaces: A qualitative study of Shopee Sellers

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ABSTRACT

This study examines how Indonesian marketplace sellers interpret and respond to evolving income tax arrangements in e-commerce, focusing on inclusivity and practical compliance in platform-based trade. Previous studies on digital taxation have largely focused on measurable compliance outcomes using quantitative approaches, providing limited understanding of how MSME sellers interpret settlement deductions in marketplace transactions. Using an interpretive qualitative case study approach, semi-structured interviews were conducted with five active Shopee sellers representing different product categories and seller tiers. The findings reveal three main themes. First, sellers experience a perception-regulation gap, as deductions displayed in transaction settlements are often interpreted as taxes, although they may also include platform fees and other charges. This creates uncertainty regarding the nature of the deductions and contributes to perceptions of unfairness. Second, sellers adopt various margin-protection strategies, including price adjustments, product modifications, and the use of paid platform services. Third, sellers' express expectations for a more transparent and practical system, including clearer invoice labeling, simplified procedures for micro sellers, and integrated guidance within marketplace platforms. This study contributes to the literature by highlighting how transparency, administrative burden, and platform governance shape sellers' perceptions of digital taxation and tax compliance. As an exploratory qualitative study based on a small sample from a single marketplace, the findings should be interpreted within their context.

Keywords: Behavioral tax compliance, Digital taxation, Marketplace sellers, MSMEs, Tax literacy, Withholding tax

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1. Introduction

The rapid development of digital technology brings a new trend in trade and entrepreneurship across Indonesia. As e-commerce currently become core driver of the country's digital economy, the latest e-Conomy SEA report projects Indonesia's e-commerce gross merchandise value (GMV) at approximately USD 62 billion in 2023, with continuous growth is expected towards 2025. This condition creates opportunities for micro, small, and medium enterprises (MSMEs). However, it also raises persistent questions on how to design taxation framework that is fair, administrable, and supportive towards MSME sustainability (Hoppe et al., 2023).

Taking in fiscal perspective, the government has sought to broaden the tax base in the digital economy while maintaining inclusivity. By 29 February 2024, reported receipts from digital-economy taxation amounted to IDR 22.179 trillion, underscoring the sector's growing relevance and the ongoing gap between transaction volumes and effective tax collection (Direktorat Jenderal Pajak, 2024). Addressing this gap requires more than regulatory enforcement; it also depends on taxpayers' knowledge, perceptions of fairness, and the simplicity of tax administration, particularly among small sellers operating through online marketplaces.

Indonesia's income tax framework for small businesses has long incorporated simplified schemes, including a 0.5 percent final income tax rate for taxpayers with annual turnover of up to IDR 4.8 billion, as stipulated in Peraturan Pemerintah Republik Indonesia No. 23 of 2018 and amended by Peraturan Pemerintah Republik Indonesia No. 55 of 2022. Furthermore, subsequent policy refinements introduced an annual turnover threshold of up to IDR 500 million for individual entrepreneurs, below which income is exempt from income tax, in order to strengthen inclusivity and compliance (Direktorat Jenderal Pajak, 2022). Recent regulations, specifically Peraturan Menteri Keuangan Republik Indonesia No. 37/2025, introduced a major operational shift by allowing the appointment of other parties, including marketplace operators, as withholding agents to collect Article 22 income tax on income received by domestic merchants through electronic trading systems. The regulation illustrates a 0.5 percent withholding on gross turnover recorded in invoices, with exemptions for certain transactions, including sales by individual domestic merchants whose current-year turnover is up to IDR 500 million and who submit a prescribed statement (Direktorat Jenderal Pajak, 2025).

Existing research on digital taxation and MSME compliance has largely focused on measurable outcomes, such as compliance intentions, filing behavior, and other determinants of tax compliance. Predominantly relying on survey-based and quantitative methods, these studies provide valuable insights into statistical relationships among relevant variables. However, MSMEs are often treated as a relatively homogeneous group of taxpayers and offer limited understanding of how platform-mediated withholding and settlement deductions are perceived and interpreted in actual transaction contexts. In marketplace environments, the "tax experience" is operationally encountered through invoices, dashboards, and automated settlement systems rather than through direct interaction with tax offices.

Marketplace taxation, therefore, represents not only a compliance issue but also a form of digitally embedded regulation shaped by platform governance, interface design, and algorithmic enforcement. This creates a behavioral and informational problem: sellers face information asymmetry and cognitive burden when transaction deductions are presented in aggregated or opaque forms, increasing the likelihood that platform fees are misclassified as statutory taxes. This qualitative gap concerns implementation quality, particularly transparency, simplicity, and administrative burden, which may determine whether digital taxation facilitates MSME formalization or creates compliance frictions that discourage participation in platform-based trade. The Organisation for Economic Co-operation and Development (OECD) has similarly emphasized that SME-oriented tax design should reduce compliance burdens and improve usability through clearer guidance and digital services (OECD, 2021, 2022).

While prior digital taxation research explains whether taxpayers comply and which factors predict compliance, it offers limited insight into how digital taxation is actually experienced and interpreted during marketplace transactions. In platform-mediated commerce, the "tax experience" is encountered through settlement dashboards, invoices, and automated deductions, where the meanings of transaction components may be unclear to sellers. This interpretive dimension is crucial because sellers' classifications of deductions (e.g., tax versus platform fees) can shape perceived fairness, trust, and subsequent behavioral responses in everyday selling decisions.

Taken together, this study investigates: (1) How do marketplace sellers understand their tax obligations and the deductions applied to their online transactions?; (2) What coping or compliance strategies do they adopt to protect margins while meeting tax requirements?; and (3) How do sellers perceive the characteristics of a more transparent and workable digital taxation system in marketplace settings? Using a qualitative case study of active Shopee sellers, this research contributes by clarifying the mechanisms linking tax knowledge, perceived fairness, and behavioral responses in marketplace settings, and by offering evidence-based recommendations for more inclusive digital tax design in Indonesia.

2. Theoretical Framework and Conceptual Development

The taxation of digital platforms and its implications for SMEs have become a central topic in recent studies. Motivation in digital entrepreneurship is not only shaped by profit maximization but also by perceived value and digital readiness. [Ashraf et al. \(2021\)](#) demonstrated that motivations to adopt digital commerce are strongly influenced by its perceived values, efficiency, and changing consumer behaviors. Similarly, [Sahut et al. \(2021\)](#) highlighted that digital entrepreneurship reflects a transformative shift in business models, where competitiveness is determined by the ability to integrate digital tools into everyday practices. These perspectives provide the foundation for examining why Indonesian sellers are motivated to operate in online marketplaces such as Shopee.

Tax knowledge and literacy have been identified as key predictors of tax compliance in digital economies. [Rahayu et al. \(2025\)](#) emphasized that, among Indonesian SMEs, tax literacy shapes compliance behavior, alongside factors such as trust, fairness, and governmental authority. This is consistent with [Lusala et al. \(2025\)](#), who confirmed that tax literacy significantly improves digital tax compliance among e-commerce traders in Kenya. In the Indonesian context, tax compliance is influenced not only by individual factors but also by institutional factors and perceptions of fairness. [Prastiwi et al. \(2021\)](#) found that respectful treatment by tax authorities and a positive institutional image are associated with better compliance outcomes. Meanwhile, a review by [Probowulan & Zulkarnaeni \(2022\)](#) highlighted the persistence of non-compliance risks within the Indonesian tax system.

From a behavioral tax compliance perspective, voluntary compliance is shaped by taxpayers' perceived legitimacy, fairness, and trust, not solely by enforcement. Platform-based settlement systems can therefore become a behavioral compliance mechanism: when deductions are transparent and meaningfully labeled, they can support trust and cooperative compliance; when deductions are opaque or aggregated, they can increase perceived unfairness and drive resistance, avoidance, or coping behavior. Consistent with the slippery slope logic, trust-supporting features (clarity, guidance, respectful communication) and power-related features (embedded withholding) interact in shaping compliance attitudes in digital marketplaces.

The strategies that SMEs adopt to cope with regulatory burdens can be explained through theories of entrepreneurial adaptability. [Ratten \(2023\)](#) observed that digital entrepreneurs display transformational behaviors, including product innovation, pricing changes, and service differentiation. [Cenamor et al. \(2019\)](#) further established that SMEs competing through digital platforms rely on ambidexterity and networking capabilities to sustain performance. More recent evidence suggests that innovation and creative practices can enhance business resilience and sustainability ([Saptono et al., 2024](#)). This perspective helps interpret why sellers adopt various strategies, ranging from price adjustments and input substitutions to product redesign and service bundling, when facing transaction deductions and perceived burdens.

The role of tax policy and the institutional environment is essential to understanding compliance behavior. OECD (2021, 2022) underscored that digital taxation for SMEs should be proportional, transparent, and designed to reduce administrative burdens. A legal study on Indonesian MSMEs also argues that complex regulations and compliance costs can decrease taxpayers' willingness to comply, highlighting the need for simplified rules (Judijanto, 2024). Complementing this, research on compliance costs indicates that burdens can be material for SMEs and can shape behavioral responses (Legge et al., 2022). In digital tax administration, transparency and clear communication are repeatedly emphasized as core design principles (Bassey et al., 2022). Taken together, the literature suggests that inclusivity in marketplace taxation depends not only on statutory policy but also on the transaction interface (invoice/settlement transparency) and how sellers interpret deductions at the point of transaction.

Accordingly, the conceptual lens of this study focuses on how digitally embedded deductions are interpreted through marketplace interfaces and how interactions among tax literacy, perceived fairness, and cognitive burden produce behavioral adaptations (coping strategies) and policy expectations.

3. Methodology

Research Design

This study adopts an interpretive qualitative research design using a single-case study approach to understand how marketplace sellers grasp the concept of digitally embedded transaction deductions and income-tax arrangements. The unit of analysis is sellers' interpretation and behavioral response to settlement deductions within the Shopee transaction system (invoice/settlement interface). An interpretive approach is appropriate because the key phenomenon is meaning-making (how sellers classify deductions as "tax" versus "fees"), which cannot be inferred reliably from outcomes-only measures. The case study strategy supports in-depth examination of a contemporary phenomenon in its real-life platform context (Yin, 2018).

Shopee was selected due to its market dominance in Indonesian consumer e-commerce and its standardized settlement structure, where sellers routinely observe transaction breakdowns (fees, deductions, and payouts) through a consistent seller-facing interface. This platform context is therefore suitable for examining how "tax" is experienced and interpreted through digitally embedded settlement systems.

Subjects and Informants

Participants consisted of five active Shopee sellers in Indonesia with various business focus (i.e., souvenirs, technology products, and household goods). Informants were selected using purposive sampling with the following inclusion criteria: (1) Actively selling on Shopee for at least one year; (2) Representing both regular and Star sellers; and (3) Having experienced transaction deductions that they associated with tax or administrative fees. Purposive sampling was used to select participants who could provide information-rich insights relevant to the research problem (Palinkas et al., 2015). The sample size was guided by data saturation, which may be achieved with relatively small samples when interviews yield rich and meaningful data (Hennink & Kaiser, 2022).

Informant coding and interview dates: L (19 July 2025); BI (21 July 2025); AW (22 July 2025); AS (25 July 2025); VS (26 July 2025).

Saturation was assessed primarily as code saturation during analysis. By the fifth interview, the core codes (e.g., "deductions interpreted as tax," "rate uncertainty," "margin coping," and "demand for clearer labeling") recurred consistently, and no substantively new codes emerged. In addition, interpretation reached a practical level of meaning saturation, as follow-up probes yielded similar

explanations of why deductions were perceived as “tax” and how this perception shaped coping decisions. Therefore, the sample is treated as exploratory and context-specific rather than representative.

Table 1. Informant profile (summary)

Code	Product categories	Seller tiers	Years selling on Shopee	Main sales model	Key relevance to the study
L	Mixed consumer electronics & household supplies	Regular	≥1 year	Marketplace-first	Mentions “admin fee as tax” and perceived 2.9 percent
BI	Custom bags (promotional/event goodie bags)	Star	≥1 year	Marketplace-first	Tracks admin/other charges actively
AW	Handmade crafts & gift/dining accessories	Star	≥1 year	Marketplace-first	Perceives 3–5 percent “tax”
AS	Women’s fashion & lifestyle (including fragrance)	Regular	≥1 year	Marketplace-first	Notes rate “changes” up to 5 percent
VS	General merchandise (dropshipping: toys, stationery, crafts)	Regular	≥1 year	Marketplace-first	Learns via Google/TV; perceives 2–5 percent

Data Collection

Primary data were collected through semi-structured, in-depth online interviews to accommodate participants’ availability and geographic dispersion. Each interview took approximately 30–60 minutes and was audio-recorded with participants’ consent. The semi-structured format ensured a consistent set of core questions while allowing probing to clarify sellers’ interpretations of invoice deductions and to explore emerging issues during the interview process (Kallio et al., 2016). Secondary data were compiled from relevant government regulations, official MSME tax guidelines, and academic literature to contextualize accounts and to support triangulation (Coyne, 1997).

Data Analysis

Data were analyzed using thematic analysis following Braun & Clarke (2006), following six stages, there are familiarization, coding, theme searching, theme review, theme definition/naming, and reporting. The analysis followed a hybrid logic: initial coding was inductive (data-driven), followed by a deductive phase that related themes to the conceptual lens (tax literacy, perceived fairness/trust, and behavioral adaptation). Themes were interpreted in relation to digital entrepreneurship and behavioral compliance literature.

Table 2. Example of coding and theme development (excerpt)

Raw quote (excerpt)	Initial code	Theme
“biaya admin adalah biaya pajak... 2,9 persen” (“administration fee means tax rate... by 2,9 percent”)	Fee–tax confusion	Perception–regulation gap
“tarif pajak... berubah-ubah” (“tax rate... is always changing”)	Perceived instability	Cognitive burden/uncertainty
“menaikkan harga...”, “pengemasan terpisah” (“increase the price...” “separate packaging”)	Margin protection	Coping strategies
“Labeling lebih jelas” (a clearer labeling”)	Demand for transparency	Workable/inclusive design

Data Trustworthiness

To enhance trustworthiness, the study applied triangulation of sources and methods, member checking, and audit-trail documentation. Triangulation was conducted by comparing interview insights with secondary sources (regulatory documents and official guidelines) to reduce interpretive bias and strengthen contextual accuracy. Member checking was performed by returning concise interview summaries to participants for confirmation of meaning and factual accuracy. An audit trail was maintained to document sampling decisions, interview procedures, coding steps, and theme development, supporting transparency and dependability. These strategies align with established qualitative criteria of credibility, transferability, dependability, and confirmability (Nowell et al., 2017).

Ethical Considerations

Participation was voluntary and based on informed consent. Informants were informed about the study purpose, the interview format, expected duration, and their right to withdraw at any time without consequences. Interviews were audio-recorded only after obtaining permission. To protect confidentiality, personal identifiers and shop-identifying information were removed from transcripts, and informants are reported using codes (L, BI, AW, AS, VS). Data were stored securely and used solely for academic purposes. In reporting, quotations were selected to preserve meaning while minimizing re-identification risk, consistent with qualitative trustworthiness and ethical reporting principles (Nowell et al., 2017).

4. Results

The key themes are emerging from in-depth interviews with five Shopee sellers. Interview excerpts are attributed using informant codes and dates to ensure traceability (“who said what”).

Motivation for Selling on the Shopee Marketplace

Sellers’ motivations to operate on Shopee center on market expansion, cost efficiency, adaptation to digital trends, and profit orientation.

Informant L emphasized reach and low marketing costs: *“Saya ingin memperluas potensi frekuensi penjualan... dan juga ingin memperkenalkan ke banyak orang dengan mudah dan gratis tanpa biaya yang mahal.”* (I want to expand potential sales frequency, while also introduce [my products] to many people conveniently and free of charge.) [L, Interview, 19 July 2025]. BI similarly emphasized nationwide access: *“Motivasi saya... agar barang yang saya jual bisa dicari dan dibeli oleh seluruh customer di Indonesia.”* (My motivation is my products are able to be discovered and purchased by customers throughout Indonesia.) [BI, Interview, 21 July 2025]. AW highlighted the advantage of avoiding rent costs: *“Saya... suka melakukan penjualan online... karena... tidak perlu memiliki toko offline... sewa tempat juga mahal”* (I prefer selling online because I do not have to own an offline store, as renting is expensive.) [AW, Interview, 22 July 2025]. AS framed Shopee as an adaptation to shifting consumer behavior: *“Saya ingin mengikuti trend... customer lebih memilih mencari dan membeli barang... di online shop”* (I want to keep up with the trend, as customers prefer to search for and buy products in online shops) [AS, Interview, 25 July 2025]. While VS focused on profit maximization: *“Motivasi saya ingin mendapatkan keuntungan lebih banyak”* (My motivation is to earn more profit) [VS, Interview, 26 July 2025].

Overall, motivations differed by seller orientation: sellers prioritizing expansion and efficiency (L, BI, AW) emphasized reach and cost avoidance, whereas profit-oriented framing (VS) highlighted margin concerns, which marked important context for understanding why transaction deductions are quickly interpreted as business constraints.

Knowledge of Deductions and Income-Tax Arrangements

All informants were aware that deductions appeared in order settlements; however, their understanding of the purpose and nature of these deductions varied.

L, for example, believed that sellers would become aware of the deductions simply because they were displayed in incoming order transactions: *“Karena akan terlihat jelas pada pembelian yang masuk...”* (Because it will be shown in incoming purchases/orders.) [L, Interview, 19 July 2025]. BI noted active information tracking regarding *“biaya admin atau lainnya”* (administrative fees or other charges) [BI, Interview, 21 July 2025]. AW similarly stated that the details are visible in each order: *“Itu bisa di lihat pada rincian biaya tiap pesanan yang masuk”* (It can be seen in the cost breakdown of each incoming order) [AW, Interview, 22 July 2025]. In contrast, AS admitted limited attention to *“tarif pajak”* (tax rate) while recognizing recurring administration fees: *“Saya tidak seberapa memperhatikan... tetapi saya tahu ada biaya admin...”* (I do not really pay much attention, but I know there is an admin fee) [AS, Interview, 25 July 2025]. VS described learning from encountering *“berbagai macam biaya”* and then searching external sources: *“Setelah itu... saya lihat di Google atau televisi”* (After that I looked it up on Google or seen on television) [VS, Interview, 26 July 2025].

Overall, the interviews suggest variation in how sellers interpret settlement deductions: some participants actively track and discuss deduction components in detail, whereas others notice deductions but express less certainty about their meaning.

Coping Strategies to Maintain Profitability

Sellers reported multiple strategies to sustain margins in the presence of transaction deductions.

L responded by raising prices and using advertising tactics: *“menaikkan harga barang... dan menggunakan trik iklan.”* (“raising product prices and using advertising tactics”) [L, Interview, 19 July 2025]. BI pursued input cost adjustments while maintaining perceived quality: *“menurunkan sedikit bahan... tetapi tetap memperhatikan kualitasnya.”* (“reducing some materials/inputs slightly while maintaining the quality.”) [AW, Interview, 21 July 2025]. AW emphasized product differentiation through design improvement: *“memperbaiki design produk agar lebih menarik.”* (“improving product design to make it more attractive.”) [BI, Interview, 22 July 2025]. AS described, an operational tactic linked to shipping weight: *“menaikkan jumlah berat barang, agar kelebihan ongkos kirim bisa menjadi pengurangan biaya pajak.”* (“increasing the item’s weight so that the excess shipping cost offset the tax cost.”) [AS, Interview, July 25, 2025]. VS introduced paid packaging add-ons: *“menyediakan pengemasan yang harus dibeli secara terpisah.”* (“providing optional packaging which purchased separately.”) [VS, Interview, July 26, 2025]. These strategies indicate that sellers actively attempt to redistribute or offset perceived burdens through pricing, cost structure, product redesign, and service bundling.

Taken together, the themes suggest that sellers’ interpretation of deductions is conditioned by two interacting factors: (1) Digital readiness and routine engagement with settlement dashboards (more experienced sellers distinguish components better); and (2) Margin sensitivity, which amplifies attention to any deduction regardless of its statutory nature. This sets the stage for the perception–regulation gap documented in the next subsection.

Perceived Deductions and Tax Misclassification at the Point of Transaction

When asked about the tax rate applied in Shopee transactions, informants commonly reported figures ranging from 2 to 5 percent. Importantly, their statements frequently referenced *“biaya admin”*

(administration fee) or “*berbagai macam biaya*” (other charges) visible in the settlement breakdown, indicating that what sellers label as “tax” may reflect aggregated invoice deductions rather than a clearly identifiable statutory tax component.

L explicitly linked the perceived tax to administrative fees: “...kemungkinan biaya admin adalah biaya pajak... sebesar 2,9 persen.” (“... the admin fee might be a tax cost, amounted by 2.9 percent.”) [L, Interview, 19 July 2025]. AW perceived the deduction as relatively high: “Pajak yang dikenakan cukup besar... sekitar 3–5 persen.” (“The tax charged is quite hefty, around 3–5 percent”) [AW, Interview, 22 July 2025]. AS emphasized perceived fluctuation: “...sering ada perubahan. Terakhir... bisa mencapai 5 persen.” (“...there are often changes. Recently, it reached 5 percent.”) [AS, Interview, 25 July 2025]. VS generalized a similar range: “...standar toko Shopee biasanya dikenakan pajak... sekitar 2–5 persen.” (“... Shopee stores are usually charged tax, around 2–5 percent.”) [VS, Interview, 26 July 2025].

Taken together, the results show a consistent perception range (2–5 percent), accompanied by uncertainty regarding stability and the exact nature of the deductions displayed in platform transactions. Therefore, the 2–5 percent figures should be interpreted as sellers’ perceived total transaction deductions observed in marketplace settlements, rather than as a confirmed statutory income-tax rate.

Expectations for More Proportional and Workable Taxation

Sellers largely expected lower rates and/or exemptions, especially for low-value products or micro sellers.

L suggested an ideal rate “*sekitar 1 persen saja*.” (“limited to approximately 1 percent.”) [L, Interview, 19 July 2025]. BI proposed exemptions for low-priced items: “*dibebaskan saja bagi produk... di bawah Rp 200.000*.” (“it should be exempted for products below IDR 200,000.”) [BI, Interview, 21 July 2025]. AW preferred “*0,5 atau 1 persen saja*.” (“limited to 0.5 or 1 percent.”) [AW, Interview, 22 July 2025]. AS suggested, exemptions or targeting only higher-priced items: “*dibebaskan saja... atau... untuk produk di atas Rp 500.000*.” (“just exempted, or apply it to products above IDR 500,000”) [AS, Interview, 25 July 2025]. VS preferred not exceeding 2 percent: “*Lebih baik dikenakan ga lebih dari 2 persen ...*” (“It is better if it is not charged more than 2 percent.”) [VS, Interview, 26 July 2025].

Overall, expectations emphasize proportionality to sellers’ capacity and transaction value.

Challenges in Implementation

The primary challenge reported is shrinking or unstable profit margins due to deductions, sometimes perceived as changing over time.

L expressed the need to raise selling prices as a direct consequence: “*Kendalanya saya harus menaikkan harga jual tiap produk...*” (“The constraint is that I have to increase the selling price of each product.”) [L, Interview, 19 July 2025]. BI described the need to “trick” the situation by raising prices or reducing inputs in order to work around it. [BI, Interview, 21 July 2025]. AW combined price increases with discount tactics to retain customers [AW, Interview, 22 July 2025]. AS reported very small profits and occasional losses: “*Keuntungan saya sangatlah kecil bahkan... merugi*.” (“My profit is very small and I even incur losses.”) [AS, Interview, 25 July 2025]. VS highlighted instability linked to perceived rate changes: “*keuntungan... tidak stabil... tarif pajak... berubah-ubah*.” (“profits are often not stable, yet the tax rate keeps changing.”) [VS, Interview, 26 July 2025].

These findings indicate that deductions are experienced as a material business constraint, particularly for low-margin sellers, and that perceived instability amplifies uncertainty.

Policy Suggestions from Sellers

Sellers' recommendations converge on fairness and relief. L advised that rates "*jangan terlalu besar.*" ("should not be too high.") [L, Interview, 19 July 2025]. BI proposed exemption for Shopee sellers: "*pedagang online di Shopee tidak dikenakan pajak.*" ("online sellers on Shopee should not be taxed at all.") [BI, Interview, 21 July 2025]. AW offered no specific policy proposal but emphasized maintaining profit through pricing [AW, Interview, 22 July 2025]. AS explicitly suggested lowering rates "*sekitar 0,5-1 persen saja.*" ("around 0.5-1 percent only.") [AS, Interview, 25 July 2025]. VS recommended avoiding further increases, referencing recent crisis conditions: "*tarif pajak tidak semakin dinaikkan...*" ("the tax rate should not be increased further.") [VS, Interview, 26 July 2025].

Overall, sellers prioritize reduced burdens, clearer and stable arrangements, and policy sensitivity to MSME capacity.

Table 3. Cross-case summary of findings

Theme	Supporting quotes (examples)	Interpretation (cross-case)
Motivation for platform selling	L: " <i>memperkenalkan... gratis...</i> ", ("introducing... free of charge..."), BI: " <i>dibeli... seluruh customer...</i> ", ("bought by... all customers..."), AW: " <i>tidak perlu toko offline...</i> ", ("offline stores not needed..."), VS: " <i>keuntungan lebih banyak...</i> " ("more profits...")	Sellers' motivations emphasize reach, cost efficiency, and margin orientation, which make deductions salient as immediate business constraints.
Deduction interpretation (perception-regulation gap)	L: " <i>biaya admin... biaya pajak...</i> " ("administration fee... tax rate..."), "2,9 persen"; AW/AS/VS: perceived "tax" 2-5 percent	Sellers frequently classify aggregated settlement deductions as "tax," indicating invoice opacity and cognitive burden in interpreting transaction components.
Coping strategies (behavioral adaptation)	L: price + ads; BI: reduce inputs; AW: design improvement; VS: paid packaging	Coping strategies function as margin-protection responses to perceived burdens and uncertainty rather than direct legal-tax calculations.
Expectations for workable taxation	Requests for lower rates/exemptions; clearer labeling	Sellers expect transparency at the point of transaction and simpler procedures for micro sellers, implying that usability shapes perceived fairness and compliance attitudes.

5. Discussion

This study provides marketplace-taxation discussions by demonstrating that the point of transaction (invoice and settlement statements) serves as a critical interface through which sellers interpret their obligations and form attitudes toward compliance. Consistent with the digital entrepreneurship literature, sellers' motivations on market expansion, efficiency, and adaptation to digital trends are able to reflect perceived value and shifts in consumer behavior that drive platform adoption (Ashraf et al., 2021; Sahut et al., 2021).

A key contribution is the identification of a perception-regulation gap: sellers frequently describe aggregated invoice deductions as "tax" and report perceived rates of 2-5 percent. Similar patterns have been linked to transparency problems in digital tax administration, where unclear communication increases misinterpretation and weakens compliance (Bassey et al., 2022; OECD, 2021, 2022). Importantly, these reported "rates" should be interpreted as perceived total transaction deductions observed in

platform settlements rather than confirmed statutory income-tax rates, highlighting how compliance perceptions are operationally shaped through transaction systems.

The literature on tax behavior also explains why such misclassification matters. When sellers are left unclear about what deductions represent, perceived fairness and trust decline, as repeatedly shown to influence compliance (Kirchler, 2007; Rahayu et al., 2025). Evidence from Indonesia further indicates that institutional image and respectful treatment also affect compliance (Prastiwi et al., 2021) while that potential non-compliance remains a material concern at the system level (Probowulan & Zulkarnaeni, 2022). From a behavioral tax compliance perspective, the perception on regulation gap increases cognitive burden and perceived unfairness, which can weaken voluntary compliance even when withholding is technically embedded and administratively convenient.

Sellers' coping strategies, such as price adjustments, input substitutions, product redesign, and add-on services, are consistent with entrepreneurial adaptability and with competition on digital platforms. Transformational responses, such as innovation and service differentiation, are well-documented among digital entrepreneurs (Ratten, 2023), and SMEs competing through platforms often rely on capabilities such as ambidexterity and networking to sustain performance (Cenamor et al., 2019). More recent evidence also links innovation practices with improved resilience (Saptono et al., 2024). In this study, coping strategies can be read as behavioral adaptations to perceived compliance burdens and uncertainty, demonstrating how taxation-related frictions may translate into operational and strategic decisions among MSMEs in platform environments.

Participants' policy expectations underscore the importance of proportionality, reflected in preferences for lower tax rates, exemptions for micro sellers, and stable implementation. These expectations align with OECD guidance that SME digital taxation should be proportional and designed to reduce administrative burdens (OECD, 2021, 2022). In addition, compliance costs literature indicates that even modest burdens can be significant for SMEs, especially for low-margin products (Legge et al., 2022). Accordingly, implementation quality particularly transaction-level transparency and usability become central to whether digital taxation is perceived as inclusive (supporting MSME operations), or exclusionary (discouraging participation).

Ultimately, the perception–regulation gap cannot be explained solely by differences in knowledge; as it is also shaped by issues related to platform governance and the transparency of digital accounting. Marketplace settlement interfaces function as quasi-accounting statements for MSME sellers; when components are aggregated or labeled ambiguously, information asymmetry and invoice opacity increase cognitive burden and can distort perceived tax burdens and weaken trust-based compliance. This mechanism helps explain why prior quantitative compliance studies may be unable to detect how platform design mediates compliance perceptions in practice, thereby strengthening the originality of this study's qualitative contribution.

This study extends behavioral tax compliance literature by demonstrating that compliance perceptions in digital marketplaces are mediated through transaction interfaces, such as settlement dashboards, invoices, and embedded deduction displays, rather than direct interactions with tax authorities. The perception–regulation gap observed across informants suggests that invoice opacity and cognitive burden can shape perceived fairness and trust, which in turn influence sellers' coping behaviors and compliance attitudes. By linking platform-based accounting transparency to behavioral compliance perceptions, the study highlights a mechanism that may be under-captured in dominant quantitative compliance models.

Overall, the results suggest that inclusive marketplace taxation requires: (1) Clearer labeling that separates statutory tax withholding from platform fees; (2) Embedded guidance that improves seller tax

literacy, especially for new and micro sellers; and (3) Coordinated policy–platform communication to reduce misclassification and strengthen trust, thereby supporting voluntary compliance.

6. Conclusion

This interpretive qualitative study shows that marketplace settlement interfaces operationally shape Shopee sellers' compliance perceptions. The central contribution is the perception–regulation gap, where aggregated settlement deductions, which often including platform fees, are interpreted as “tax,” generating uncertainty and perceived unfairness that can affect behavioral tax compliance perceptions. Sellers respond through margin-protection strategies (pricing, input adjustments, product redesign, and paid add-on services), indicating that embedded deductions influence operational decision-making in platform environments. In practice, platforms and authorities should improve transaction-level transparency by clearly separating and labeling statutory withholding versus platform fees and embedding simple seller-facing guidance within dashboards to reduce cognitive burden and strengthen trust-based compliance.

As this study is exploratory and context-specific, which collected the data from five informants within one marketplace; therefore, the findings should not be generalized to whole Indonesian marketplace sellers. Future research should compare multiple platforms, seller tiers, and product categories and assess whether transparency interventions (e.g., clearer labeling of statutory tax versus fees) are able to improve perceived fairness, trust, and compliance behavior. Mixed-method designs are also possible to be utilized to test the proposed mechanism linking invoice opacity, cognitive burden, and behavioral compliance outcomes at scale.

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