Jurnal IUS Kajian Hukum dan Keadilan
Volume 13 Issue 3, December 2025, E-ISSN 2477-815X, P-ISSN 2303-3827
Indexing: Scopus, DOAJ, Sinta 1, open access at : https://jurnalius.ac.id/

The Function of Taxes in Realizing the Welfare of the People and Environmental Protection

Dewi Kania Sugiharti[1], Ghani Satria Hartanto[2], Indri Yuliafitri[3], Shafinar Ismail[4]
[1]Universitas Padjadjaran, Indonesia, email: dewikania@unpad.co.id
[2]PT Bio Farma (Persero), Indonesia, email: ghani.satria@biofarma.co.id
[3]Universitas Padjadjaran, Indonesia, email: indri.yuliafitri@unpad.co.id
[4]Universiti Teknologi MARA, Malaysia, email: shafinar@uim.edu.my

Abstract

The environment is an integral part of human life, as it provides essential resources, including food, water, and other necessities. It is the primary source for meeting our various needs. However, many activities that claim to improve welfare and promote economic development actually cause environmental destruction, such as forest burning, illegal logging, and the exploitation of natural resources with no regard for environmental concerns. Government-led development projects require substantial funding. Funding for such projects comes from government savings, which are taxes. Taxes are a highly reliable source of revenue for the Indonesian government at both the central and local levels. Taxes are closely related to development and the environment, so studying this issue in depth is important because it has theoretical and practical value in developing environmentally sustainable practices for a just and prosperous Indonesia. This research focuses on the gap between Indonesian tax regulations, which have not yet significantly accommodated environmental conservation interests. Tax collection in Indonesia is primarily focused on fulfilling the State Budget (APBN). This research analyses the tax law system to determine how it can accommodate the government's financial interests while also providing space for environmental protection and not hindering the community's ability to strive for a decent and prosperous life. This descriptive-analytical research uses a normative legal approach. The research stages include a literature review and fieldwork. Data collection techniques were carried out through document studies. Conclusions and research results were drawn using qualitative normative analysis methods.

Keywords: Development; Environment; Tax law.

1. INTRODUCTION

Indonesia's environment and abundant natural resources are a gift that must be preserved and protected. Environmental issues have garnered global attention today, as everyone, regardless of nationality or location, has a stake in the environment in which they live and carry out their activities. This is because the environment is closely linked to the quality of human life. In other words, the environment is an indispensable part of human life. Humans seek food and water, and fulfil other needs, because the environment is the primary source of various necessities. Humans utilise various components of the environment, such as animals, plants, water, air, sunlight, salt, and wood, for their livelihood.[1] In an era of increasing globalisation and technological advancement, human needs are growing, and so is the use of natural resources.[2]

[1] Sodikin, *Diktat Hukum Lingkungan* (Jakarta: FSH UIN Jakarta, 2019).
[2] Azwardi, *Ekonomi Sumber Daya Alam Dan Lingkungan* (Balikpapan: Institut Teknologi Kalimantan (IT) Press, 2022).

Copyright (c) 2025 by Author(s), This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License. DOI: http://dx.doi.org/10.29303/ius.v13i3.1843

Many activities that claim to improve welfare and promote economic development actually result in environmental destruction. Examples include deforestation, illegal logging, exploiting natural resources without considering environmental aspects, sealing soil surfaces to reduce water absorption, and converting agricultural land for residential or industrial use. Legally, there are regulations in place to prevent and prohibit such actions, but in practice, there is a disconnect between the norms and their implementation. Nevertheless, the environment and natural resources are vital for Indonesia's development. Furthermore, every individual has the right to a good and healthy environment and is obligated to preserve it, prevent its degradation, and reduce pollution.[3] If the environment is damaged, humanity itself suffers, yet such damage is often caused by human actions. The environment must be properly managed to support life and well-being for humans and other living beings.[4]

It is common knowledge that, so far, the development process has focused more on maximising macroeconomic growth than on the environmental aspects of the process. Consequently, many development projects have caused serious environmental problems after completion, while the development objectives themselves have not necessarily been achieved or are not commensurate with the environmental damage caused.[5]

Such environmental destruction contradicts the objectives of the Republic of Indonesia, as set out in the Preamble to the 1945 Constitution. These include protecting all Indonesian people and the nation as a whole, promoting general welfare, and educating the population. The government and people of Indonesia are working to achieve these objectives through national development, particularly in the economic sector. The state achieves its objectives by implementing fair and democratic national development in a gradual and sustainable manner.

The aim of development is to create a just and prosperous society based on the principles of the 1945 Constitution and the philosophy of Pancasila. This can only be achieved through a sound, orderly, and well-planned economy that upholds high moral standards. Therefore, improving the economic conditions and moral standards of the people is necessary to achieve this.[6] The government's development projects require substantial funding. Funds for development projects come from government savings (*public savings*) and community savings *(private savings)*. Government savings *(public savings)* originate from state revenue after routine expenditures have been deducted, leaving a surplus.[7] In general, the state has sources of income that serve as capital for development projects, consisting of:

1) Land, water, and natural resources
2) taxes, duties, and excise duties;
3) Non-tax government revenue
4) Proceeds from state-owned enterprises
5) Other sources include money printing and loans.[8]

[3] M. Hadin Muhjad, *Hukum Lingkungan Sebuah Pengantar Untuk Konteks Indonesia*, ed. Ahmad Fikri Hadin (Yogyakarta: Genta Publishing, 2015).

[4] Erwin Syahruddin and Siti Fatimah, *Hukum Lingkungan*, ed. Nining Yurista Prawitasari (Makasar: Yayasan Barcode, 2021).

[5] Wahyu Widodo, *Hukum Lingkungan* (Jakarta: Damera Press, 2023).

[6] Soemitro Rochmat, *Hukum Dan Pembangunan* (Bandung: Eresco, 1988).

[7] Rochmat.

[8] Bohari, *Pengantar Hukum Pajak* (Jakarta: Rajawali Pers, 2018).

Taxes are a key source of revenue for the Indonesian government at both the central and local levels. For this reason, the government continuously strives to expand, intensify, and revise tax regulations. The government uses the State Budget (APBN) as a financial reference or guideline in its administration. The structure of state revenue, as listed in the APBN, shows that the Indonesian government relies heavily on revenue from the tax sector. Comparing revenue from the tax and non-tax sectors shows that taxes are the government's main source of income. The government continues to strive to increase tax revenue, resulting in increased state revenue. With adequate state revenue, essential infrastructure, education, health, and even food, defence and security can be improved to enhance the welfare of the people.[9]

Given that revenue from non-renewable natural resources such as oil and natural gas cannot be relied upon, the government is pursuing maximum revenue targets from the tax sector. However, large-scale and continuous exploitation will cause environmental damage, despite natural resources also being a source of foreign exchange for the country. The unwise use of natural resources for short-term gain will result in significant losses for society, affecting both the current and future generations.

Taxes have a close relevance and synergy with development and the environment; therefore, the issue is very important to study in depth because it has both theoretical and practical value in the development of environmentally sound development towards a prosperous Indonesia. This research is based on the gap between tax arrangements in Indonesia which still do not accommodate the interests of environmental preservation significantly, because tax collection in Indonesia is more focused on fulfilling the budgeter aspect on the State Budget (APBN) by analysing what tax law system can accommodate the financial interests of the government and at the same time provide space for environmental protection and does not hamper the creativity of the community to try create a decent and prosperous life. In accordance with the problems to be studied, the research employs a descriptive-analytical approach drawing on a normative juridical approach. Data collection techniques are carried out through document studies. Drawing conclusions and research results is carried out using a qualitative normative analysis method.

2. ANALYSIS AND DISCUSSION

2.1 The Philosophical and Juridical Basis of Tax Collection

2.1.1 The Nature and Functions of Tax

Tax is defined as a compulsory contribution, enforced by law, collected from citizens to cover the cost of producing goods and providing public services for the realization of general welfare.[10] This process requires a strong legal foundation, explicitly stated in Article 23A of the 1945 Constitution: "Taxes and other compulsory levies for state purposes shall be regulated by law."

---

[9] Abdul Hofir, Dhimas Wisnu Mahendra, and Dwi Ratih Mutiarasari, *Reformasi Adalah Keniscayaan, Perubahan Adalah Kebutuhan: Cerita Di Balik Reformasi Perpajakan.* (Jakarta: Direktorat Jenderal Pajak, Kementerian Keuangan RI, 2021).

[10] Khalimi and Darma Prawira, *Hukum Pajak Dan Kepabeanan Di Indonesia : Konsep, Aplikasi Penegakan Hukum Pajak Dan Kepabeanan* (Jakarta: Kencana, 2022).

The ultimate goal of tax collection is the realization of justice, rooted in the values of Pancasila as the *Staatsfundamentalnorm*. This mandates that Indonesian tax regulations must serve not only as a fiscal instrument but also as an instrument of social justice.[11] Historically, the philosophy is informed by Adam Smith's Four Maxims, which require certainty, convenience, and economy in taxation.[12] Smith's maxim of equality or the principle of justice serves as the philosophical foundation for implementing the ability to pay principle.

In the context of modern economics, the functions of tax can be dichotomously divided into two major groups: the budgetary function (*budgetair*/fiscal) and the regulatory function (*regulerend*), in addition to other functions such as stability and income redistribution.[13]

1. Budgetary Function (Fiscal)

   Tax is the state's main source of revenue used to finance routine expenditures and national development. Tax serves as a tool to maximize state revenue for financing public interests (*public investment*). In this function, the government strives for extensification and intensification of tax collection.[14]

2. Regulatory Function (**in Dutch term : Regulerend**)

   Tax is used as an instrument to regulate or implement government policies in the social and economic fields to achieve specific non-financial goals. Examples include:

   - Imposing a Luxury Goods Sales Tax (PPnBM) to curb the consumption of luxury items.[15]
   - Providing tax incentives (*tax holidays* or 0% VAT rates) to encourage investment or exports.[16]
   - Applying progressive tax rates to achieve income equalization[17]. This function allows the government to engineer a more equitable and socially fair socio-economic condition.[18]

3. Stability Function

   Tax plays a role in maintaining economic stability, for example, by controlling inflation through regulating the money supply in the economy. The government can adjust tax rates to influence public purchasing power and consumption.[19]

---

[11] Rochmat Soemitro, *Pajak dan Pembangunan*, *Pajak dan Pembangunan*, Eresco, Bandung, 1988

[12] Adam Smith, *An Inqury Into the Nature and Causes of the Wealth of Nations* (New York, 1776).

[13] Fauziah Aqmarina and Imahda Khoiri Furqon, "Peran Pajak Sebagai Instrumen Kebijakan Fiskal Dalam Mengantisipasi Krisis Ekonomi Pada Masa Pandemi Covid-19," *FINANSIA: Jurnal Akuntansi Dan Perbankan Syariah* 03, no. 02 (2020): 255–74, https://e-journal.metrouniv.ac.id/FINANSIA/article/view/2507/1865.

[14] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede, "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado," *Going Concern : Jurnal Riset Akuntansi* 16, no. 4 (2021): 389–90, https://www.rri.co.id.

[15] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede.

[16] Nessa Maulidhyna and Zanatull Cahya, "Analisis Fungsi Pajak Dalam Negara Modern Berdasarkan Perspektif Ekonomi Islam," *Jurnal Bisnis, Ekonomi Syariah, Dan Pajak* 2, no. 2 (2025): 275–98, https://doi.org/https://doi.org/10.61132/jbep.v2i2.1189.

[17] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede, "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado."

[18] Aqmarina and Furqon, "Peran Pajak Sebagai Instrumen Kebijakan Fiskal Dalam Mengantisipasi Krisis Ekonomi Pada Masa Pandemi Covid-19."

[19] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede, "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado."

4. Income Redistribution Function

   The collected tax is used to finance development and public services, which ultimately creates job opportunities and increases community income, leading to income equalization.[20]

The application of the justice principle in taxation often presents a dilemma between two main dimensions of equity:

1. Horizontal Justice (Horizontal Equity)

   This principle requires equal treatment for taxpayers who are in **similar economic circumstances** (e.g., the same income or ability to pay) so that they face the same tax burden. Horizontal justice focuses on non-discriminatory treatment. [21]

2. Vertical Justice (Vertical Equity)

   his principle demands differential treatment for taxpayers in different economic conditions. Vertical justice is implemented through progressive tax rates, ensuring that those with a higher ability to pay bear a greater tax burden, in line with the *ability to pay principle*.[22]

Applying the ability to pay principle must align with the Sacrifice Theory. This theory posits that the perceived burden of sacrifice for each taxpayer, whether in absolute, proportional, or marginal terms, must be equivalent.[23] This principle aims to facilitate a more equitable wealth distribution by ensuring that the sacrifice made by wealthy taxpayers, compared to poor taxpayers, is equal in terms of lost utility. The reformulation of tax rate structures, for instance, by adding the highest tax bracket for the highest-income group, is an explicit effort to strengthen the dimension of vertical justice.[24]

2.1.2 The Duality of Tax Functions: Budgetary and Regulatory

Taxation operates with a dual functionality essential to modern state governance: the Budgetary Function (Fiscal) and the Regulatory Function (**in Dutch term :*Regulerend***).[25] These two roles often involve a trade-off, where maximizing one may compromise the other, particularly when addressing non-fiscal objectives like environmental protection.

1. The Budgetary Function (Fiscal)

   The fiscal role is the most traditional and instrumental purpose of tax. It mandates the government to maximize revenue to finance state expenditures, both routine operations and national development projects.

[20] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede.

[21] Dwi Ratna Kartikawati, *Hukum Pajak*, ed. M.HKes Dr. dr. H. Triono Eddy Mulianto, SpOG., M.M.Kes., vol. 2 (Tasikmalaya: CV. Elvaretta Buana, 2021).

[22] Kartikawati.

[23] Ayub Torry Satriyo Kusumo Pranoto, "Reformasi Birokrasi Perpajakan Sebagai Usaha Peningkatan Pendapatan Negara Dari Sektor Pajak," *Yustisia* 5, no. 2 (2016): 395–414, https://doi.org/https://dx.doi.org/10.20961/yustisia.v5i2.8736.

[24] Sevi Dianasari, "Implikasi Harmonisasi Peraturan Perpajakan Terhadap Prinsip Keadilan Vertikal Dan Horizontal Dalam Sistem Perpajakan Nasional Penghimpunan Pendapatan Negara , Tetapi Juga Merepresentasikan Filosofi Keadilan UUD 1945 , Terus Berupaya Menyempurnakan Sistem," *Jurnal Hukum Statuta* 4, no. 3 (2025): 179–200, https://ejournal.upnvj.ac.id/statuta/issue/view/382.

[25] Siti Resmi, *Perpajakan Teori Dan Kasus*, 11th ed. (Jakarta: Salemba Empat, 2019); Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede, "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado."

- Objective: To secure fiscal sustainability by maximizing state revenue through the extensification (broadening the tax base) and intensification (improving compliance and collection efficiency) of tax levies.[26]
- Significance: Tax revenue contributes approximately 82,4% (2024) of the total state budget (APBN) in Indonesia, making it the bedrock of state finance.[27] In this function, the greater the collected revenue, the more successful the tax is considered.

2. The Regulatory Function (**in Dutch term** *Regulerend*)

The regulatory function is allocative and directive. It uses tax adjustments—through rates, exemptions, or incentives—as a policy tool to influence, direct, or control public behavior and economic activities toward specific socio-economic and environmental goals.[28]

- Objective: To achieve non-fiscal aims, such as stimulating investment (*tax holidays*), protecting domestic industries (import tariffs), achieving income equality (progressive rates), and, crucially, correcting market failures related to public health and environmental degradation.
- Success Metric: Success is measured not by revenue accumulation, but by the desired behavioral change. For example, high tobacco excise taxes are successful if cigarette consumption decreases, regardless of the revenue generated.

The use of taxation for environmental and public health purposes is strongly rooted in the theory of the Pigouvian Tax, a cornerstone of environmental economics.

1. Negative Externalities: Economic activities, such as pollution from a factory or health risks from smoking, generate negative externalities. These are costs borne by a third party (society) that are not reflected in the market price of the good or service.[29] This disconect leads to market failure, causing overconsumption or overproduction from a societal perspective.[30]
2. The Pigouvian Solution: Introduced by economist Arthur C. Pigou (1920), the Pigouvian Tax (or Pigovian Levy) is a tax set equal to the marginal social cost (MSC) of the negative externality.[31]
3. Internalizing the Externality: The primary goal of a tax like the Carbon Tax is the internalization of external costs. By imposing a levy equivalent to the cost of pollution (e.g., environmental damage or healthcare), the government forces producers to reflect the true societal cost in their product's price. The resulting price increase leads to a decrease in demand for the environmentally damaging activity, moving the market output toward the socially efficient level.[32]

---

[26] Tinton Ditisrama, Ramlani Lina Sinaulan, and Ismail, "Fungsi Budgetary Dan Regulatory Penerimaan Negara Bukan Pajak (PNBP) Di Indoensia," *Syntax Idea* 4, no. 6 (2022), http://hkxb.buaa.edu.cnhttps//kns.cnki.net/kcms/detail/11.1929.V.20220722.1034.023.html.

[27] Willy Yashilva, "82,4% Sumber Pendapatan Negara Berasal Dari Pajak," GoodStats, 2024, https://data.goodstats.id/statistic/824-sumber-pendapatan-negara-berasal-dari-pajak-HQvsd#: ~ :text = * Masyarakat. * GoodStats.

[28] Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede, "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado."

[29] Wisnu Saka Saputra, "Pajak Karbon Dan Pigouvian Tax," DJP online, 2021, https://www.pajak.go.id/id/artikel/pajak-karbon-dan-pigouvian-tax; Robert N. Stavins, *A Meaningful U.S. Cap-and-Trade System to Address Climate Change*, *Harvard Environmental Law Review*, vol. 32, 2008, https://doi.org/10.2139/ssrn.1281518.

[30] Jonathan Gruber, *Public Financial and Public Policy*, 6th ed. (Worth Publishers, 2019).

[31] Richard Abel Musgrave and Peggy B. Musgrave, *Public Finance and in Theory and Practice*, 5th ed. (New York: McGraw-Hill Book Company, 1989).

[32] Arthur C. Pigou, *The Economic Welfare* (London: MacMillan, 1920).

2.1.3 The Aplication of Tax Policy for Environmental Protection

One of the important aspects regulated in Law Number 7 of 2021 concerning Harmonization of Tax Regulations is the tax incentives that correlate with the welfare of the people and environmental protection. Tax incentives are given to taxpayers who carry out environmental protection activities, such as the use of renewable energy, waste management, and nature conservation, in the form of reduction or exemption from income tax (PPh) on income received from these environmental protection activities.

The Law Number 7 of 2021 concerning Harmonization of Tax Regulations also regulates carbon tax, which is a tax on carbon emissions generated by economic activities. This carbon tax aims to reduce greenhouse gas emissions and increase public awareness of the importance of environmental protection. Carbon tax is imposed on tax subjects, namely individuals or entities that purchase products containing carbon, while the object of carbon tax is carbon emissions generated from consumption and production activities. This measure is a direct reflection of the Pigouvian principle, aimed at internalizing the external costs of pollution. The policy objective aligns with the underlying regulatory purpose of taxation to mitigate negative externalities, a philosophy also seen in the regulation of other levies, where activities are taxed because they "cause costs/damage not only to the smoker but also to the environment around the smoker (passive smokers".[33]

Article 13 Paragraph (1) of the Law Number 7 of 2021 concerning Harmonization of Tax Regulations stipulates that carbon tax is imposed on greenhouse gas emissions generated from consumption and production activities. Then, in Article 13 Paragraph (5), it is stipulated that carbon tax is payable on the purchase of goods containing carbon or activities that generate carbon in certain quantities within a certain period.

Tax incentives for environmental protection and carbon tax are expected to improve the welfare of the people by: a. Reducing air and water pollution, thereby improving the quality of life of the community. b. Increasing public awareness of the importance of environmental protection. c. Increasing state revenue that can be used to finance people's welfare.

The regulation of tax incentives and carbon tax shows that tax collection is not only intended to generate revenue for the state treasury, but also aims to protect the community and the environment. However, there are still obstacles in its implementation, including: a. Lack of public awareness of the importance of environmental protection. b. Lack of infrastructure and technology to support environmental protection activities. c. Potential negative impacts on the economy and society.

In Indonesia, carbon tax is imposed through the following mechanisms: a. Cap and Trade: The government sets a carbon emission limit for certain sectors. If emissions exceed the limit, companies must purchase additional emission permits. b. Tax is imposed directly on the amount of carbon emissions generated by companies or individuals.

2.2 Legal Theories of Taxation in the Context of Environmental Issues

2.2.1 Tax as an Expression of Sovereignty Versus Social Contract

---

[33] Minollah, "STUDY OF THE PRINCIPLE OF JUSTICE IN COLLECTION CIGARETTE TAXES," *Jurnal IUS Kajian Hukum Dan Keadilan* 5, no. 1 (2017): 2–12.

They are two main philosophical views on the state's right to collect taxes, which are then enhanced by the realist perspective of the Interest Group Theory, especially in the context of environmental tax.

1. The Theory of Absolute Tax Obligation (The Theory of Devotion)

   The Theory of Absolute Tax Obligation often called the Theory of Devotion (*Theorie van de Absolute Plicht*), affirms the state's absolute right to collect taxes from its citizens based on the concept of state sovereignty. This view is rooted in the *organische staatsleer* (organic state theory), which regards the state as a unified entity superseding individual interests.

   - Core Principle: The state has an absolute right to finance all its needs for the sake of public prosperity, and as citizens, individuals have an absolute obligation (devotion/loyalty) to pay taxes without demanding direct reciprocal benefits.
   - Primary Function: This theory strongly aligns with the budgetary function (*budgetair*) of tax, where tax is viewed as the main source of state revenue to finance public expenditures.
   - Weakness: This perspective risks leading to arbitrary tax collection if not limited by principles of justice and law, as the state's right is deemed *exorbitant* (excessive/absolute).[34]

2. The Social Contract Theory

   In contrast to the Theory of Devotion, the Social Contract Theory views tax as a voluntary payment founded on a social agreement between the state and its citizens. This theory was popularized by philosophers such as John Locke and Jean-Jacques Rousseau.

   - Core Principle: Tax is seen as the price paid by citizens (a premium) to receive the protection and public services provided by the state, such as security, infrastructure, health, and education.
   - Aligning Principle: This theory is consistent with the Benefit Principle, which suggests that the tax burden should be based on the benefit or interest each individual derives from the government's work.
   - Basis of Trust: In a modern context, tax as a social contract involves an element of trust. Taxpayers trust that the government will use tax money for public interest and adhere to the social agreement, which in turn encourages tax compliance.[35]

3. Application in the Environmental Context: Interest Grip Theory

   In the context of more specific tax policies, such as environmental tax (*green tax*), the debate between sovereignty and the social contract meets the political reality explained by the Interest Group Theory.

   - Interest Group Theory (Public Choice Theory): This theory, a part of Public Choice Theory, assumes that public policy (including tax) is not merely the result of pursuing the public interest, but rather the product of competition and bargaining among various interest groups.[36]

[34] Erly Suandy, *Hukum Pajak*, 7th ed. (Jakarta: Salemba Empat, 2016).

[35] Suhartoyo, "The Construction of Justice from the Perspective of Social Contract Legal Philosophy : A Comparative Study of Hobbes , Locke , and Rousseau in the Context of Indonesian Law," 2024, 2242–50.

[36] Andri Gunawan Wibisana, "Campur Tangan Pemerintah Dalam Pengelolaan Lingkungan: Sebuah Penelusuran Teoretis Berdasarkan Analisis Ekonomi Atas Hukum (Economic Analysis Of Law)," *Jurnal Hukum & Pembangunan* 47, no. 2 (2017): 151, https://doi.org/10.21143/jhp.vol47.no2.812.

- Environmental Tax as a Regulatory Tool: Environmental tax is a prime example of a tax that highly emphasizes the regulatory function (*regulerend*). Its purpose is not only fiscal but also to internalize the costs of negative externalities (environmental damage) into market prices, in line with the Polluter Pays Principle.[37]
- Dynamic of Influence:

  Pro-environmental groups strive to influence the government to use tax instruments as a means of protecting the human right to a healthy environment, which is a constitutional right. This public pressure compels the state to operationalize its sovereignty through the implementation of environmental taxes. On the other hand, industry groups, typically consisting of businesses that would become environmental taxpayers, seek to influence such policies to ensure that the tax burden does not harm their interests. These efforts are often carried out through lobbying activities or by presenting arguments about the potential negative impact of environmental taxes on economic growth.[38]

Therefore, the environmental tax can be viewed as a manifestation of state sovereignty operationalized by the pressure and demands of public interest groups (including pro-environmental groups) to achieve a regulatory objective environmental protection.

2.2.2 Cost Internalization and Pigouvian Tax

Environmental tax is a fundamental application of Environmental Economics aimed at internalizing externalities. External costs are the (negative) impacts of economic activity borne by third parties without compensation (e.g., air pollution from a factory borne by the community). This scenario represents a market failure, as the market price of a good or service does not reflect its true Social Marginal Cost (SMC), leading to overproduction or overconsumption and inefficient allocation of resources. [39]

The key proponent, Arthur Cecil Pigou, in his seminal work *The Economics of Welfare* (1920), formally introduced the concept of the Pigouvian Tax. Pigou argued that in the presence of a negative externality, the Social Marginal Cost (SMC) of an activity exceeds the Private Marginal Cost (PMC) borne by the producer. The difference between the two is the Marginal External Cost (MEC), which is the uncompensated damage imposed on society.

The Pigouvian Tax is a corrective tax imposed on the polluting activity. Its theoretical purpose is to force the polluter to internalize the external cost, thereby equating the private cost with the social cost. The optimal tax rate (t^*) must be set equal to the Marginal External Cost (MEC) at the socially optimal output level (Q_{Social}).[40] By imposing t^*, the producer's supply curve shifts upward, achieving the efficient allocation where Social Marginal Benefit (SMB) equals Social Marginal Cost (SMC).

Optimal Tax Rate: t^* = MEC at Q_{Social}

While the Pigouvian Tax is a government-intervention solution, an alternative, less-interventionist solution emerged from the work of Ronald Coase in his 1960 paper,

[37] Wisnu Saka Saputra, "Green Tax: Mengubah Perilaku Menuju Ekonomi Berkelanjutan," https://pajak.go.id, 2024, https://pajak.go.id/id/artikel/green-tax-mengubah-perilaku-menuju-ekonomi-berkelanjutan.

[38] Dahlia Hasan and Dinarjati Eka Puspitasari, "Tinjauan Terhadap Rencan Penerapan Pajak Lingkungan Sebagai Instrumen Perlindungan Lingkungan Hidup Di Indonesia," *Jurnal Mimbar Hukum UGM* 20, no. 3 (2008): 411–588.

[39] N Gregory Mankiw, *Principle of Economis* (Boston: Cengage Learning, 2021).

[40] Barry C Field and Martha K Field, *Environmental Economics: An Introduction*, 8th ed. (McGraw-Hill Education., 2021).

"The Problem of Social Cost." The Coase Theorem posits that, if property rights are clearly defined and transaction costs are negligible, private parties can bargain or negotiate amongst themselves to reach a Pareto-efficient outcome regarding externalities, regardless of who initially holds the property right.[41]

Coasean bargaining suggests that in an ideal, low-transaction-cost world, government intervention like a Pigouvian Tax might be unnecessary, as the affected parties can negotiate a mutually beneficial solution (e.g., the factory pays the community, or the community pays the factory to reduce pollution) to internalize the cost. However, high transaction costs, the presence of many affected parties (the "free-rider" problem), and poorly defined property rights often make this solution impractical for widespread environmental issues like air pollution.

Although theoretically ideal, implementing the Pigouvian Tax faces a major challenge: accurate tariff setting. For perfect internalization, the tax rate must exactly equal the marginal cost of environmental damage. Since damage costs are inherently difficult to quantify precisely (e.g., placing a monetary value on human health or ecosystem loss), the applied rate is often a product of political and economic compromise, not pure scientific measurement.[42]

Consequently, in practice, the Environmental Tax often functions less as a pure Pigouvian instrument and more as a "Command and Control" (CAC) instrument disguised as a market mechanism[43], where the government regulates polluting behavior through pricing incentives rather than direct prohibitions or mandates. This pragmatic approach is often adopted because setting a price to achieve a predetermined reduction target (a price instrument or "Pigouvian Tax") can be more cost-effective for the economy than setting a mandatory quantity limit (a quantity instrument or CAC regulation).

2.2.3 The Polluter Pays in the National Legal Framework

The Polluter Pays Principle (PPP) is a cornerstone of global and national environmental policy. It was formally adopted by the Organisation for Economic Co-operation and Development (OECD) in 1972 and subsequently affirmed in international legal instruments and domestic legislation worldwid.[44] In Indonesia, the PPP is a key tenet enshrined in Law No. 32 of 2009 concerning the Protection and Management of the Environment (EPML). The fundamental mandate of the PPP is that the party whose activities cause pollution must bear the full costs of prevention, control, and cleanup, rather than shifting these burdens onto the public or the government.[45]

The PPP is fundamentally rooted in economic efficiency and the concept of internalizing externalities.

1. Cost Internalization

   The principles act as a mechanism to internalize the external costs of environmental damage, moving the burden from society back to the polluter. By forcing the polluter to incorporate these costs into their production structure (e.g., through taxes, charges, or compliance costs), the price of the final product better reflects its true Social Marginal

[41] R. H Coase, "The Problem of Social Cost," *Law and Economics* 3 (1960): 1–44.

[42] William K. Jaeger, "Environmental Taxation and the Double Dividend," in *Elgar Encyclopedia of Ecological Economics*, 2023, 252–58, https://doi.org/10.4337/9781802200416.ch43.

[43] Field and Field, *Environmental Economics: An Introduction*.

[44] OCDE, "The Polluter Pays Principle" (Paris, 1992).

[45] Syahruddin and Fatimah, *Hukum Lingkungan*.

Cost (SMC). This alignment ensures more efficient resource allocation, as consumers and producers face the full environmental consequences of their decisions.[46]

2. Incentive Mechanism

Economically, the PPP serves as a powerful incentive mechanism. When faced with the financial burden of preventing or cleaning up pollution, firms are incentivized to seek and adopt cleaner technologies, reduce waste, and improve operational efficiency.[47] This preventative incentive drives innovation towards sustainable practices.

The Polluter Pays Principle (PPP) possesses a vital dual character. Firstly, it functions as a Preventive Instrument (Ex-Ante), advocating for the application of environmental economic instruments, such as pollution taxes, charges, and levies, even before actual damage occurs. The primary goal of these financial tools, consistent with OECD guidance, is to influence behavior, making polluting activities economically less attractive than prevention measures, rather than merely raising revenue. Secondly, the PPP acts as a Compensation Mechanism (Ex-Post). In cases where pollution or damage does occur, the principle imposes liability, mandating that the polluter is responsible for the full costs of remediation, restoration, and compensation for the inflicted environmental harm.

The effectiveness of the PPP as a preventive instrument hinges critically on the cost structure enforced by the state. Suppose a company calculates that the cost of paying the environmental tax or fine is lower than the investment required for pollution prevention (compliance cost). In that case, they will rationally choose to pollute and simply pay the tax. In this scenario, the PPP fails in its primary preventive function and merely operates as a passive compensation mechanism or, worse, a "license to pollute".[48]

2.3 Tax and Investment Policy in Environmental Protection

2.3.1 Environmental Economic Instruments: Incentives and Disincentives

The EPML explicitly lists Environmental Economic Instruments (EEI), including incentives and/or disincentives, as an integrated effort to prevent environmental pollution and damage.

- Disincentives (environmental taxes, levies) are imposed to penalize or burden activities harmful to the environment. Funds collected from these disincentives must be re-allocated exclusively for environmental protection and management.[49]
- Incentives (e.g., Income Tax reduction, *tax holiday*, *tax allowance*) are granted to parties undertaking environmentally friendly investments or activities, such as renewable energy utilization or resource conservation.

The government's use of EEI signifies a shift from a purely *Command and Control* (mandates and sanctions) approach to a *market-based approach* (*MBA*). This MBA is more efficient and flexible but requires high transparency and accountability in managing disincentive funds. Without strict accountability, disincentives risk becoming a new source of revenue without a genuine impact on environmental quality.[50]

---

[46] Field and Field, *Environmental Economics: An Introduction*.

[47] OCDE, "The Polluter Pays Principle."

[48] Tom Tietenberg and Lynne Lewis, *Environmental and Natural Resource Economics*, 11th ed. (New York: Routledge, 2018).

[49] Siti Sundari Rangkuti, *Hukum Lingkungan Dan Kebijaksanaan Lingkungan Nasional*, 4th ed. (Surabaya: Airlangga University Press, 2015).

[50] Mas Ahmad Santosa, *Good Governance Dan Hukum Lingkungan*, ed. ICEL (Jakarta, 2001).

2.3.2 The Role of Tax Incentives in Driving Green Investment

The Indonesian government, through the 2007 Investment Law, explicitly provides tax facilities for investors who meet specific criteria, including environmental preservation and the use of renewable energy.

The tax facilities provided may include:

- Reduction of Corporate Income Tax (*tax allowance*).
- VAT exemption on imports of capital goods.
- Accelerated depreciation or amortization.

These incentives effectively synergize the Tax Regulatory Function with National Investment Policy. However, the challenge lies in monitoring effectiveness. Companies often pursue tax incentives with environmental claims, while their practices may not be entirely sustainable (*greenwashing*). Therefore, environmental audits and tax audits must be integrated and independent to ensure that the incentives truly promote genuine green investment, and are not merely a vehicle for tax optimization.

3. CONCLUSIONS

The research sought to identify a tax law system that could successfully accommodate the government's financial interests while providing space for environmental protection and not hindering the community's pursuit of a decent and prosperous life. The findings indicate that the most effective system is one rooted in the legal ideals and objectives of the Indonesian state, namely Pancasila. This system achieves a necessary balance between the Budgetary Function (securing revenue for the State Budget/APBN) and the Regulatory Function *(in Dutch term regulerend*) by manifesting the values of Pancasila—justice, humanity, and national unity—in its formulation and implementation. While the state's authority to collect taxes is maintained, the principle of justice must align with the Pancasila-based justice, eliminating the aspect of state absolutism and mandating public participation in tax law formulation.

The system's practical application relies on effectively utilizing Environmental Economic Instruments (EEI) as a core part of its regulatory function. This includes imposing disincentives (environmental taxes and levies) consistent with the Polluter Pays Principle (PPP) and the Pigouvian Tax concept, thereby internalizing external costs and forcing a change in polluting behavior. Crucially, the rates for these disincentives must be set sufficiently high to compel pollution prevention, otherwise, they merely serve as a passive compensation mechanism. Conversely, incentives (e.g., tax allowance, VAT exemption) are essential to drive green investment and environmentally friendly activities, effectively synergizing tax and national investment policies.

The implications and recommendations arising from this study underscore the need for a paradigm shift from a purely fiscal focus to an integrated approach that prioritizes environmental sustainability alongside economic growth. It is recommended that tax regulations be revised to significantly accommodate environmental preservation interests, ensuring that funds collected from disincentives are re-allocated exclusively for environmental protection and management. Furthermore, to maintain the integrity of the system and prevent practices like *greenwashing*, an integrated and independent audit mechanism combining environmental and tax audits is required. Finally, the system must guide legal institutions and tax officials to implement the instruments with integrity and adherence to a sound legal culture, ultimately ensuring the harmonious and certain fulfillment of individual, societal, and state interests toward a prosperous Indonesia

REFERENCES

Aqmarina, Fauziah, and Imahda Khoiri Furqon. "Peran Pajak Sebagai Instrumen Kebijakan Fiskal Dalam Mengantisipasi Krisis Ekonomi Pada Masa Pandemi Covid-19." *FINANSIA: Jurnal Akuntansi Dan Perbankan Syariah* 03, no. 02 (2020): 255–74. https://e-journal.metrouniv.ac.id/FINANSIA/article/view/2507/1865.

Azwardi. *Ekonomi Sumber Daya Alam Dan Lingkungan*. Balikpapan: Institut Teknologi Kalimantan (IT) Press, 2022.

Bohari. *Pengantar Hukum Pajak*. Jakarta: Rajawali Pers, 2018.

Coase, R. H. "The Problem of Social Cost." *Law and Economics* 3 (1960): 1–44.

Dianasari, Sevi. "Implikasi Harmonisasi Peraturan Perpajakan Terhadap Prinsip Keadilan Vertikal Dan Horizontal Dalam Sistem Perpajakan Nasional Penghimpunan Pendapatan Negara , Tetapi Juga Merepresentasikan Filosofi Keadilan UUD 1945 , Terus Berupaya Menyempurnakan Sistem." *Jurnal Hukum Statuta* 4, no. 3 (2025): 179–200. https://ejournal.upnvj.ac.id/statuta/issue/view/382.

Ditisrama, Tinton, Ramlani Lina Sinaulan, and Ismail. "Fungsi Budgetary Dan Regulatory Penerimaan Negara Bukan Pajak (PNBP) Di Indoensia." *Syntax Idea* 4, no. 6 (2022). http://hkxb.buaa.edu.cnhttps//kns.cnki.net/kcms/detail/11.1929.V.20220722.1034.023.html.

Field, Barry C, and Martha K Field. *Environmental Economics: An Introduction*. 8th ed. McGraw-Hill Education., 2021.

Gruber, Jonathan. *Public Financial and Public Policy*. 6th ed. Worth Publishers, 2019.

Hasan, Dahlia, and Dinarjati Eka Puspitasari. "Tinjauan Terhadap Rencan Penerapan Pajak Lingkungan Sebagai Instrumen Perlindungan Lingkungan Hidup Di Indonesia." *Jurnal Mimbar Hukum UGM* 20, no. 3 (2008): 411–588.

Hofir, Abdul, Dhimas Wisnu Mahendra, and Dwi Ratih Mutiarasari. *Reformasi Adalah Keniscayaan, Perubahan Adalah Kebutuhan: Cerita Di Balik Reformasi Perpajakan.* Jakarta: Direktorat Jenderal Pajak, Kementerian Keuangan RI, 2021.

Jaeger, William K. "Environmental Taxation and the Double Dividend." In *Elgar Encyclopedia of Ecological Economics*, 252–58, 2023. https://doi.org/10.4337/9781802200416.ch43.

Kartikawati, Dwi Ratna. *Hukum Pajak*. Edited by M.HKes Dr. dr. H. Triono Eddy Mulianto, SpOG., M.M.Kes. Vol. 2. Tasikmalaya: CV. Elvaretta Buana, 2021.

Khalimi, and Darma Prawira. *Hukum Pajak Dan Kepabeanan Di Indonesia : Konsep, Aplikasi Penegakan Hukum Pajak Dan Kepabeanan*. Jakarta: Kencana, 2022.

Mankiw, N Gregory. *Principle of Economis*. Boston: Cengage Learning, 2021.

Maulidhyna, Nessa, and Zanatull Cahya. "Analisis Fungsi Pajak Dalam Negara Modern Berdasarkan Perspektif Ekonomi Islam." *Jurnal Bisnis, Ekonomi Syariah, Dan Pajak* 2, no. 2 (2025): 275–98. https://doi.org/https://doi.org/10.61132/jbep.v2i2.1189.

Minollah. "STUDY OF THE PRINCIPLE OF JUSTICE IN COLLECTION CIGARETTE TAXES." *Jurnal IUS Kajian Hukum Dan Keadilan* 5, no. 1 (2017): 2–12.

Muhjad, M. Hadin. *Hukum Lingkungan Sebuah Pengantar Untuk Konteks Indonesia*. Edited by Ahmad Fikri Hadin. Yogyakarta: Genta Publishing, 2015.

Musgrave, Richard Abel, and Peggy B. Musgrave. *Public Finance and in Theory and Practice*. 5th ed. New York: McGraw-Hill Book Company, 1989.

OCDE. "The Polluter Pays Principle." Paris, 1992.

Pigou, Arthur C. *The Economic Welfare*. London: MacMillan, 1920.

Pranoto, Ayub Torry Satriyo Kusumo. "Reformasi Birokrasi Perpajakan Sebagai Usaha Peningkatan Pendapatan Negara Dari Sektor Pajak." *Yustisia* 5, no. 2 (2016): 395–414. https://doi.org/https://dx.doi.org/10.20961/yustisia.v5i2.8736.

Rangkuti, Siti Sundari. *Hukum Lingkungan Dan Kebijaksanaan Lingkungan Nasional*. 4th ed. Surabaya: Airlangga University Press, 2015.

Resmi, Siti. *Perpajakan Teori Dan Kasus*. 11th ed. Jakarta: Salemba Empat, 2019.

Rochmat, Soemitro. *Hukum Dan Pembangunan*. Bandung: Eresco, 1988.

Santosa, Mas Ahmad. *Good Governance Dan Hukum Lingkungan*. Edited by ICEL. Jakarta, 2001.

Saputra, Wisnu Saka. "Green Tax: Mengubah Perilaku Menuju Ekonomi Berkelanjutan." https://pajak.go.id, 2024. https://pajak.go.id/id/artikel/green-tax-mengubah-perilaku-menuju-ekonomi-berkelanjutan.

———. "Pajak Karbon Dan Pigouvian Tax." DJP online, 2021. https://www.pajak.go.id/id/artikel/pajak-karbon-dan-pigouvian-tax.

Smith, Adam. *An Inqury Into the Nature and Causes of the Wealth of Nations*. New York, 1776.

Sodikin. *Diktat Hukum Lingkungan*. Jakarta: FSH UIN Jakarta, 2019.

Stavins, Robert N. *A Meaningful U.S. Cap-and-Trade System to Address Climate Change*. *Harvard Environmental Law Review*. Vol. 32, 2008. https://doi.org/10.2139/ssrn.1281518.

Suandy, Erly. *Hukum Pajak*. 7th ed. Jakarta: Salemba Empat, 2016.

Suhartoyo. "The Construction of Justice from the Perspective of Social Contract Legal Philosophy : A Comparative Study of Hobbes , Locke , and Rousseau in the Context of Indonesian Law," 2024, 2242–50.

Syahruddin, Erwin, and Siti Fatimah. *Hukum Lingkungan*. Edited by Nining Yurista Prawitasari. Makasar: Yayasan Barcode, 2021.

Tietenberg, Tom, and Lynne Lewis. *Environmental and Natural Resource Economics*. 11th ed. New York: Routledge, 2018.

Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede. "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado." *Going Concern : Jurnal Riset Akuntansi* 16, no. 4 (2021): 389–90. https://www.rri.co.id.

Wibisana, Andri Gunawan. "Campur Tangan Pemerintah Dalam Pengelolaan Lingkungan: Sebuah Penelusuran Teoretis Berdasarkan Analisis Ekonomi Atas Hukum (Economic Analysis Of Law)." *Jurnal Hukum & Pembangunan* 47, no. 2 (2017): 151. https://doi.org/10.21143/jhp.vol47.no2.812.

Widodo, Wahyu. *Hukum Lingkungan*. Jakarta: Damera Press, 2023.

Yashilva, Willy. "82,4% Sumber Pendapatan Negara Berasal Dari Pajak." GoodStats, 2024. https://data.goodstats.id/statistic/824-sumber-pendapatan-negara-berasal-dari-pajak-HQvsd#: ~ :text = * Masyarakat. * GoodStats.

Aqmarina, Fauziah, and Imahda Khoiri Furqon. "Peran Pajak Sebagai Instrumen Kebijakan Fiskal Dalam Mengantisipasi Krisis Ekonomi Pada Masa Pandemi Covid-19." *FINANSIA: Jurnal Akuntansi Dan Perbankan Syariah* 03, no. 02 (2020): 255–74. https://e-journal.metrouniv.ac.id/FINANSIA/article/view/2507/1865.

Azwardi. *Ekonomi Sumber Daya Alam Dan Lingkungan*. Balikpapan: Institut Teknologi Kalimantan (IT) Press, 2022.

Bohari. *Pengantar Hukum Pajak*. Jakarta: Rajawali Pers, 2018.

Coase, R. H. "The Problem of Social Cost." *Law and Economics* 3 (1960): 1–44.

Dianasari, Sevi. "Implikasi Harmonisasi Peraturan Perpajakan Terhadap Prinsip Keadilan Vertikal Dan Horizontal Dalam Sistem Perpajakan Nasional Penghimpunan Pendapatan Negara , Tetapi Juga Merepresentasikan Filosofi Keadilan UUD 1945 , Terus Berupaya Menyempurnakan Sistem." *Jurnal Hukum Statuta* 4, no. 3 (2025): 179–200. https://ejournal.upnvj.ac.id/statuta/issue/view/382.

Ditisrama, Tinton, Ramlani Lina Sinaulan, and Ismail. "Fungsi Budgetary Dan Regulatory Penerimaan Negara Bukan Pajak (PNBP) Di Indoensia." *Syntax Idea* 4, no. 6 (2022). http://hkxb.buaa.edu.cnhttps//kns.cnki.net/kcms/detail/11.1929.V.20220722.1034.023.html.

Field, Barry C, and Martha K Field. *Environmental Economics: An Introduction*. 8th ed. McGraw-Hill Education., 2021.

Gruber, Jonathan. *Public Financial and Public Policy*. 6th ed. Worth Publishers, 2019.

Hasan, Dahlia, and Dinarjati Eka Puspitasari. "Tinjauan Terhadap Rencan Penerapan Pajak Lingkungan Sebagai Instrumen Perlindungan Lingkungan Hidup Di Indonesia." *Jurnal Mimbar Hukum UGM* 20, no. 3 (2008): 411–588.

Hofir, Abdul, Dhimas Wisnu Mahendra, and Dwi Ratih Mutiarasari. *Reformasi Adalah Keniscayaan, Perubahan Adalah Kebutuhan: Cerita Di Balik Reformasi*

Perpajakan. Jakarta: Direktorat Jenderal Pajak, Kementerian Keuangan RI, 2021.

Jaeger, William K. "Environmental Taxation and the Double Dividend." In *Elgar Encyclopedia of Ecological Economics*, 252–58, 2023. https://doi.org/10.4337/9781802200416.ch43.

Kartikawati, Dwi Ratna. *Hukum Pajak*. Edited by M.HKes Dr. dr. H. Triono Eddy Mulianto, SpOG., M.M.Kes. Vol. 2. Tasikmalaya: CV. Elvaretta Buana, 2021.

Khalimi, and Darma Prawira. *Hukum Pajak Dan Kepabeanan Di Indonesia : Konsep, Aplikasi Penegakan Hukum Pajak Dan Kepabeanan*. Jakarta: Kencana, 2022.

Mankiw, N Gregory. *Principle of Economis*. Boston: Cengage Learning, 2021.

Maulidhyna, Nessa, and Zanatull Cahya. "Analisis Fungsi Pajak Dalam Negara Modern Berdasarkan Perspektif Ekonomi Islam." *Jurnal Bisnis, Ekonomi Syariah, Dan Pajak* 2, no. 2 (2025): 275–98. https://doi.org/https://doi.org/10.61132/jbep.v2i2.1189.

Minollah. "STUDY OF THE PRINCIPLE OF JUSTICE IN COLLECTION CIGARETTE TAXES." *Jurnal IUS Kajian Hukum Dan Keadilan* 5, no. 1 (2017): 2–12.

Muhjad, M. Hadin. *Hukum Lingkungan Sebuah Pengantar Untuk Konteks Indonesia*. Edited by Ahmad Fikri Hadin. Yogyakarta: Genta Publishing, 2015.

Musgrave, Richard Abel, and Peggy B. Musgrave. *Public Finance and in Theory and Practice*. 5th ed. New York: McGraw-Hill Book Company, 1989.

OCDE. "The Polluter Pays Principle." Paris, 1992.

Pigou, Arthur C. *The Economic Welfare*. London: MacMillan, 1920.

Pranoto, Ayub Torry Satriyo Kusumo. "Reformasi Birokrasi Perpajakan Sebagai Usaha Peningkatan Pendapatan Negara Dari Sektor Pajak." *Yustisia* 5, no. 2 (2016): 395–414. https://doi.org/https://dx.doi.org/10.20961/yustisia.v5i2.8736.

Rangkuti, Siti Sundari. *Hukum Lingkungan Dan Kebijaksanaan Lingkungan Nasional*. 4th ed. Surabaya: Airlangga University Press, 2015.

Resmi, Siti. *Perpajakan Teori Dan Kasus*. 11th ed. Jakarta: Salemba Empat, 2019.

Rochmat, Soemitro. *Hukum Dan Pembangunan*. Bandung: Eresco, 1988.

Santosa, Mas Ahmad. *Good Governance Dan Hukum Lingkungan*. Edited by ICEL. Jakarta, 2001.

Saputra, Wisnu Saka. "Green Tax: Mengubah Perilaku Menuju Ekonomi Berkelanjutan." https://pajak.go.id, 2024. https://pajak.go.id/id/artikel/green-tax-mengubah-perilaku-menuju-ekonomi-berkelanjutan.

———. "Pajak Karbon Dan Pigouvian Tax." DJP online, 2021. https://www.pajak.go.id/id/artikel/pajak-karbon-dan-pigouvian-tax.

Smith, Adam. *An Inqury Into the Nature and Causes of the Wealth of Nations*. New York, 1776.

Sodikin. *Diktat Hukum Lingkungan*. Jakarta: FSH UIN Jakarta, 2019.

Stavins, Robert N. *A Meaningful U.S. Cap-and-Trade System to Address Climate Change*. *Harvard Environmental Law Review*. Vol. 32, 2008. https://doi.org/10.2139/ssrn.1281518.

Suandy, Erly. *Hukum Pajak*. 7th ed. Jakarta: Salemba Empat, 2016.

Suhartoyo. "The Construction of Justice from the Perspective of Social Contract Legal Philosophy : A Comparative Study of Hobbes , Locke , and Rousseau in the Context of Indonesian Law," 2024, 2242–50.

Syahruddin, Erwin, and Siti Fatimah. *Hukum Lingkungan*. Edited by Nining Yurista Prawitasari. Makasar: Yayasan Barcode, 2021.

Tietenberg, Tom, and Lynne Lewis. *Environmental and Natural Resource Economics*. 11th ed. New York: Routledge, 2018.

Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede. "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado." *Going Concern : Jurnal Riset Akuntansi* 16, no. 4 (2021): 389–90. https://www.rri.co.id.

Wibisana, Andri Gunawan. "Campur Tangan Pemerintah Dalam Pengelolaan Lingkungan: Sebuah Penelusuran Teoretis Berdasarkan Analisis Ekonomi Atas Hukum (Economic Analysis Of Law)." *Jurnal Hukum & Pembangunan* 47, no. 2 (2017): 151. https://doi.org/10.21143/jhp.vol47.no2.812.

Widodo, Wahyu. *Hukum Lingkungan*. Jakarta: Damera Press, 2023.

Yashilva, Willy. "82,4% Sumber Pendapatan Negara Berasal Dari Pajak." GoodStats, 2024. https://data.goodstats.id/statistic/824-sumber-pendapatan-negara-berasal-dari-pajak-HQvsd#: ~ :text = * Masyarakat. * GoodStats.

Aqmarina, Fauziah, and Imahda Khoiri Furqon. "Peran Pajak Sebagai Instrumen Kebijakan Fiskal Dalam Mengantisipasi Krisis Ekonomi Pada Masa Pandemi Covid-19." *FINANSIA: Jurnal Akuntansi Dan Perbankan Syariah* 03, no. 02 (2020): 255–74. https://e-journal.metrouniv.ac.id/FINANSIA/article/view/2507/1865.

Azwardi. *Ekonomi Sumber Daya Alam Dan Lingkungan*. Balikpapan: Institut Teknologi Kalimantan (IT) Press, 2022.

Bohari. *Pengantar Hukum Pajak*. Jakarta: Rajawali Pers, 2018.

Coase, R. H. "The Problem of Social Cost." *Law and Economics* 3 (1960): 1–44.

Dianasari, Sevi. "Implikasi Harmonisasi Peraturan Perpajakan Terhadap Prinsip Keadilan Vertikal Dan Horizontal Dalam Sistem Perpajakan Nasional Penghimpunan Pendapatan Negara , Tetapi Juga Merepresentasikan Filosofi Keadilan UUD 1945 , Terus Berupaya Menyempurnakan Sistem." *Jurnal Hukum Statuta* 4, no. 3 (2025): 179–200. https://ejournal.upnvj.ac.id/statuta/issue/view/382.

Ditisrama, Tinton, Ramlani Lina Sinaulan, and Ismail. "Fungsi Budgetary Dan Regulatory Penerimaan Negara Bukan Pajak (PNBP) Di Indoensia." *Syntax Idea* 4, no. 6 (2022). http://hkxb.buaa.edu.cnhttps//kns.cnki.net/kcms/detail/1

1.1929.V.20220722.1034.023.html.

Field, Barry C, and Martha K Field. *Environmental Economics: An Introduction*. 8th ed. McGraw-Hill Education., 2021.

Gruber, Jonathan. *Public Financial and Public Policy*. 6th ed. Worth Publishers, 2019.

Hasan, Dahlia, and Dinarjati Eka Puspitasari. "Tinjauan Terhadap Rencan Penerapan Pajak Lingkungan Sebagai Instrumen Perlindungan Lingkungan Hidup Di Indonesia." *Jurnal Mimbar Hukum UGM* 20, no. 3 (2008): 411–588.

Hofir, Abdul, Dhimas Wisnu Mahendra, and Dwi Ratih Mutiarasari. *Reformasi Adalah Keniscayaan, Perubahan Adalah Kebutuhan: Cerita Di Balik Reformasi Perpajakan.* Jakarta: Direktorat Jenderal Pajak, Kementerian Keuangan RI, 2021.

Jaeger, William K. "Environmental Taxation and the Double Dividend." In *Elgar Encyclopedia of Ecological Economics*, 252–58, 2023. https://doi.org/10.4337/9781802200416.ch43.

Kartikawati, Dwi Ratna. *Hukum Pajak*. Edited by M.HKes Dr. dr. H. Triono Eddy Mulianto, SpOG., M.M.Kes. Vol. 2. Tasikmalaya: CV. Elvaretta Buana, 2021.

Khalimi, and Darma Prawira. *Hukum Pajak Dan Kepabeanan Di Indonesia : Konsep, Aplikasi Penegakan Hukum Pajak Dan Kepabeanan*. Jakarta: Kencana, 2022.

Mankiw, N Gregory. *Principle of Economis*. Boston: Cengage Learning, 2021.

Maulidhyna, Nessa, and Zanatull Cahya. "Analisis Fungsi Pajak Dalam Negara Modern Berdasarkan Perspektif Ekonomi Islam." *Jurnal Bisnis, Ekonomi Syariah, Dan Pajak* 2, no. 2 (2025): 275–98. https://doi.org/https://doi.org/10.61132/jbep.v2i2.1189.

Minollah. "STUDY OF THE PRINCIPLE OF JUSTICE IN COLLECTION CIGARETTE TAXES." *Jurnal IUS Kajian Hukum Dan Keadilan* 5, no. 1 (2017): 2–12.

Muhjad, M. Hadin. *Hukum Lingkungan Sebuah Pengantar Untuk Konteks Indonesia*. Edited by Ahmad Fikri Hadin. Yogyakarta: Genta Publishing, 2015.

Musgrave, Richard Abel, and Peggy B. Musgrave. *Public Finance and in Theory and Practice*. 5th ed. New York: McGraw-Hill Book Company, 1989.

OCDE. "The Polluter Pays Principle." Paris, 1992.

Pigou, Arthur C. *The Economic Welfare*. London: MacMillan, 1920.

Pranoto, Ayub Torry Satriyo Kusumo. "Reformasi Birokrasi Perpajakan Sebagai Usaha Peningkatan Pendapatan Negara Dari Sektor Pajak." *Yustisia* 5, no. 2 (2016): 395–414. https://doi.org/https://dx.doi.org/10.20961/yustisia.v5i2.8736.

Rangkuti, Siti Sundari. *Hukum Lingkungan Dan Kebijaksanaan Lingkungan Nasional*. 4th ed. Surabaya: Airlangga University Press, 2015.

Resmi, Siti. *Perpajakan Teori Dan Kasus*. 11th ed. Jakarta: Salemba Empat, 2019.

Rochmat, Soemitro. *Hukum Dan Pembangunan*. Bandung: Eresco, 1988.

Santosa, Mas Ahmad. *Good Governance Dan Hukum Lingkungan*. Edited by ICEL.

Jakarta, 2001.

Saputra, Wisnu Saka. "Green Tax: Mengubah Perilaku Menuju Ekonomi Berkelanjutan." https://pajak.go.id, 2024. https://pajak.go.id/id/artikel/green-tax-mengubah-perilaku-menuju-ekonomi-berkelanjutan.

———. "Pajak Karbon Dan Pigouvian Tax." DJP online, 2021. https://www.pajak.go.id/id/artikel/pajak-karbon-dan-pigouvian-tax.

Smith, Adam. *An Inqury Into the Nature and Causes of the Wealth of Nations*. New York, 1776.

Sodikin. *Diktat Hukum Lingkungan*. Jakarta: FSH UIN Jakarta, 2019.

Stavins, Robert N. *A Meaningful U.S. Cap-and-Trade System to Address Climate Change*. *Harvard Environmental Law Review*. Vol. 32, 2008. https://doi.org/10.2139/ssrn.1281518.

Suandy, Erly. *Hukum Pajak*. 7th ed. Jakarta: Salemba Empat, 2016.

Suhartoyo. "The Construction of Justice from the Perspective of Social Contract Legal Philosophy : A Comparative Study of Hobbes , Locke , and Rousseau in the Context of Indonesian Law," 2024, 2242–50.

Syahruddin, Erwin, and Siti Fatimah. *Hukum Lingkungan*. Edited by Nining Yurista Prawitasari. Makasar: Yayasan Barcode, 2021.

Tietenberg, Tom, and Lynne Lewis. *Environmental and Natural Resource Economics*. 11th ed. New York: Routledge, 2018.

Wantasen Meidiansjah Azhar, Sondakh Jullie J, and Suwetja I Gede. "Analisis Penerimaan Pajak Sebelum Dan Sesudah Adanya Insentif Pajak Bagi Wajib Pajak Yang Terdampak Covid-19 Selama Masa Pandemi Pada Kpp Pratama Manado." *Going Concern : Jurnal Riset Akuntansi* 16, no. 4 (2021): 389–90. https://www.rri.co.id.

Wibisana, Andri Gunawan. "Campur Tangan Pemerintah Dalam Pengelolaan Lingkungan: Sebuah Penelusuran Teoretis Berdasarkan Analisis Ekonomi Atas Hukum (Economic Analysis Of Law)." *Jurnal Hukum & Pembangunan* 47, no. 2 (2017): 151. https://doi.org/10.21143/jhp.vol47.no2.812.

Widodo, Wahyu. *Hukum Lingkungan*. Jakarta: Damera Press, 2023.

Yashilva, Willy. "82,4 % Sumber Pendapatan Negara Berasal Dari Pajak." GoodStats, 2024. https://data.goodstats.id/statistic/824-sumber-pendapatan-negara-berasal-dari-pajak-HQvsd#: ~ :text = * Masyarakat. * GoodStats