

# The Principle of Justice in the Obligations of Management and Shareholders of Corporate Taxpayers for Tax Debts and Tax Collection Costs of Corporate Taxpayers

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This study examines the application of the principle of justice in determining the obligations of corporate taxpayers' managers and shareholders for tax debts and tax collection costs. The main problem in this study is the expansion of responsibility from legal entities to individual legal subjects, namely managers and shareholders, in the tax collection process. This raises questions about the extent to which the principle of justice is applied in assigning such responsibilities, considering that corporate law applies the principles of separate legal entity and limited liability. This study uses a normative juridical method with a statutory and conceptual approach and secondary supporting data. The results of the study indicate that managers can be held accountable for tax debts if proven to have violated their fiduciary duties or committed negligence in managing the company. Meanwhile, shareholders are essentially not personally liable, except in certain circumstances such as abuse of legal entity through the application of the doctrine of piercing the corporate veil. The results of the study indicate that the application of the principle of justice in determining the obligations of managers and shareholders must be based on the principles of fault, proportionality, and actual involvement, so as not to result in an excessive expansion of responsibility. Thus, the principle of justice acts as a normative boundary in maintaining a balance between the state's interests in tax collection and legal protection for legal subjects in companies.

**Keywords:** principles of justice, corporate tax, management, shareholders, tax collection.

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## 1. Introduction

Taxes are a primary source of state revenue and play a strategic role in financing national development. In a modern tax system, tax collection must be based on fundamental principles, one of which is the principle of fairness. The principle of fairness in taxation reflects proportional treatment of taxpayers based on their economic capacity (ability to pay) and the benefits received (Minollah, 2017). In the context of corporate taxpayers, the issue of fairness becomes even more complex when linked to liability for tax debts and tax collection costs. In general, legal entities such as Perusahaan Terbatas (PT) adhere to the principle of limited liability, where shareholders are only liable for the amount of their paid-in capital. However, in tax law, this principle does not always apply absolutely. Tax regulations allow for the extension of liability to other parties, including managers and even shareholders, as taxpayers (Mahandara, 2022).

Furthermore, in tax collection practices, particularly when corporate taxpayers are unable to pay their tax debts, the state can take collection action against company management. Management, such as directors, can be held personally liable if proven negligent in carrying out their fiduciary duties or unable to prove their innocence for the tax debt (Pramesti et al., 2023). This demonstrates a shift from the principle of limited

liability to personal liability in tax law. On the other hand, shareholders can also be held liable under certain circumstances, for example, if there is a breach of the corporate veil or unlawful acts such as the issuance of fictitious tax invoices. In such circumstances, shareholders are no longer protected by the principle of limited liability and can be held accountable for state losses (Widiawan, 2025).

However, this expansion of responsibilities raises issues from a fairness perspective. On the one hand, the state has an interest in ensuring tax revenue. On the other hand, imposing responsibility on directors and shareholders has the potential to create injustice if it is not based on clear fault or negligence. Several studies have shown that directors can be held liable for damages up to their personal assets, while shareholders are, in principle, only liable up to their capital, except under certain circumstances (Batubara et al., 2021).

Thus, tension arises between the state's interest in optimizing tax revenue and legal protection for managers and shareholders as legal entities. Therefore, it is important to examine how the principle of fairness is applied in imposing obligations for tax debts and tax collection costs on managers and shareholders of corporate taxpayers. This study is expected to provide a more comprehensive understanding of the limits of liability and their implications from a tax law perspective in Indonesia.

## 2. Literature Review

The principle of fairness is a fundamental principle in the tax system that demands a balance between the state's right to collect taxes and the taxpayer's obligation to pay. Fairness in taxation is often associated with the concept of ability to pay and proportional treatment of taxpayers according to their economic conditions. In practice, the principle of fairness also encompasses legal certainty and protection of taxpayers from excessive collection actions (Minollah, 2017). In the modern context, the issue of tax fairness is also related to tax avoidance practices that can reduce state revenues. Research shows that corporate governance and social responsibility play a significant role in encouraging corporate tax compliance (Gadis et al., 2026). This demonstrates that tax fairness is not only normative but also closely related to corporate behavior and oversight mechanisms.

Perusahaan Terbatas (PT), as corporate taxpayers, essentially adhere to the principle of limited liability, whereby shareholders are only liable for the amount of their paid-in capital. This principle provides legal protection for shareholders from the risk of corporate losses. However, in practice, this principle does not apply absolutely. Shareholders are not, in principle, personally liable for the company's debts. However, under certain circumstances, such as misuse of the legal entity or unlawful acts, shareholders can be held liable under the doctrine of piercing the corporate veil. Meanwhile, the Board of Directors, as a corporate organ, has full authority in managing the company and is responsible for all legal actions taken on behalf of the company (Raffles, 2020). If the directors act beyond their authority or commit an unlawful act, their limited liability can be waived under the doctrine of piercing the corporate veil (Prawira, 2024). Thus, under certain circumstances, both directors and shareholders can be held personally liable, particularly if there is misuse of the legal entity or actions that harm other parties, including the state.

The concept of fiduciary duty is the primary basis for determining the responsibilities of directors. Directors are required to carry out their duties in good faith, with full responsibility, and in the best interests of the company. Violation of this principle can result in personal liability for directors. Research shows that directors who violate their fiduciary duty and cause company losses, including bankruptcy, can be held legally accountable. Furthermore, if directors are negligent in fulfilling the company's tax obligations, this negligence can be the basis for imposing personal liability for tax debts (Wiranti, 2023). Furthermore, breaches of fiduciary duty can also be grounds for violating the principle of limited liability, so that directors

are no longer protected by their legal entity status (Panalaga, 2023). This demonstrates that fiduciary duty plays a crucial role in determining the limits of management's liability under corporate and tax law.

Under Indonesian tax law, tax debts have a special nature because the state has a preferential right in their repayment. Therefore, under certain circumstances, company directors can be held liable for tax debts, even for personal assets. Research shows that in bankruptcy cases, directors can still be held liable for tax debts incurred before the company was declared bankrupt (Tobing et al., 2023). Furthermore, if directors cannot prove that they have performed their duties properly, they can be held personally or jointly liable for the tax debt (Pramesti et al., 2023). Tax collection costs are also part of the obligations that can be imposed on taxpayers, including directors. This raises issues of fairness, especially when the assignment of responsibility is carried out without proportional consideration of fault or negligence.

### **Problem Statement**

The main issue that arises lies in how the state balances tax collection authority with legal protection for legal entities within limited liability companies, particularly directors and shareholders. In practice, tax debt collection and tax collection costs for corporate taxpayers do not always stop with the company as a legal entity, but under certain circumstances can be transferred to directors and even shareholders. This situation raises legal issues regarding the limits of each party's responsibilities, given that companies, in principle, adhere to the separate legal entity and limited liability.

First, the issue of determining the liability of corporate taxpayer managers for tax debts and tax collection costs raises legal issues due to the shift in responsibility from the legal entity to individual managers. Under corporate law, managers essentially act only as organs representing the company, so responsibility for the company's obligations should rest with the legal entity. However, in tax collection practices, managers can be held liable for personal assets, especially when deemed negligent or failing to fulfill their fiduciary duties. This situation raises questions about the limits of fairness in imposing liability, whether the imposition of such liability is based on legally proven elements of fault or whether it constitutes an extension of responsibility that potentially ignores the principle of limited liability and legal protection for managers.

Second, the issue of determining the liability of corporate taxpayer shareholders for tax debts and tax collection costs also raises legal issues related to the limitation of liability in Perusahaan Terbatas (PT). In principle, shareholders are only liable to the extent of their paid-in capital under the principle of limited liability. However, under certain circumstances, particularly when there is abuse of legal entity or indications of tax evasion, shareholders can be held liable through the application of the doctrine of piercing the corporate veil. The issue that arises is whether this expansion of liability is in accordance with the principle of justice, considering that not all shareholders are directly involved in the management of the company. Therefore, there is a need to examine the extent to which the imposition of tax obligations and collection costs on shareholders can be justified fairly without eliminating the legal protection inherent in their status as investors in the company.

### **3. Method**

The type of research used in this study is a normative juridical approach, using a statutory approach method. This study analyzes the problem by examining library materials or secondary data consisting of primary legal materials, secondary legal materials, and tertiary legal materials (Marzuki, 2019). These materials are then compiled and reviewed, and conclusions are drawn regarding their relationship to the problem being studied. The normative research method is carried out on primary legal materials such as concepts, principles, theories, and regulations relevant to the research.

#### 4. Results and Discussion

##### **Application of the Principle of Justice in Determining the Obligations of Corporate Taxpayer Managers for Tax Debts and Tax Collection Costs**

The application of the principle of fairness in determining the obligations of corporate taxpayer management essentially stems from the position of the management as the body that carries out the company's operational activities. Under corporate law, directors have a fiduciary duty, namely the obligation to act in good faith, with due care, and loyalty for the benefit of the company. This obligation includes compliance with the company's tax obligations.

However, in tax collection practices, managers are often held accountable for corporate tax debts and tax collection costs, even to personal assets. This is justified if the managers are proven to have committed negligence or violated legal obligations that led to the tax debt. Research shows that directors can be held personally liable if they fail to demonstrate that the company has been managed properly and in accordance with the principle of fiduciary duty (Pramesti et al., 2023). Furthermore, violations of the duty of care and duty of loyalty can be grounds for piercing the corporate veil, thereby eliminating the protection of the company's legal entity (Indrawati et al., 2022).

From a justice perspective, the imposition of responsibility on management must comply with the principles of proportionality and fault-based liability. This means that management cannot be held automatically responsible simply because of their position; rather, there must be evidence of error, negligence, or abuse of authority. This is crucial to prevent injustice in the form of imposing excessive obligations on individuals who have actually acted in accordance with professional standards. Therefore, the application of the justice principle to management of corporate taxpayers requires a balance between the state's interest in tax collection and legal protection for management as legal subjects who also have limits to their responsibilities.

##### **Application of the Principle of Justice in Determining the Obligations of Corporate Taxpayer Shareholders for Tax Debts and Tax Collection Costs**

Shareholders are not, in principle, personally liable for the company's debts due to the principle of limited liability. However, under tax law, this principle is not absolute. Shareholders can be held liable if there is evidence of misuse of the legal entity or actions that result in state losses, including in the context of tax debts.

The application of the principle of fairness in this case is crucial because shareholders are generally not directly involved in the operational management of the company. Therefore, imposing tax debt and tax collection costs on shareholders is only justified under certain circumstances, for example, when there are strong indications that the shareholders are illegally controlling the company or using a legal entity to evade tax obligations. Research shows that under certain circumstances, shareholders can be categorized as taxpayers through the application of the "piercing the corporate veil" doctrine, particularly in cases of misuse of legal entities that harm the state (Mahandara, 2022). However, this doctrine must be applied strictly to avoid violating the principles of justice and legal certainty.

From a justice perspective, imposing liability on shareholders must consider three key aspects: direct involvement, the element of fault, and the economic benefits derived from actions detrimental to the state. Without these three elements, imposing liability on shareholders has the potential to violate the principle of distributive justice because it imposes obligations on parties who have no direct control over the company's tax obligations. Furthermore, it should be emphasized that tax collection costs should not be automatically borne by shareholders unless it is proven that an action directly caused the costs. Therefore, the principle

The Principle of Justice in the Obligations of Management and Shareholders of Corporate Taxpayers for Tax Debts and Tax Collection Costs of Corporate Taxpayers. Meco Sitardja

of justice in this context serves as a constraint to prevent the state's fiscal authority from exceeding the legal protections of other legal entities.

## 5. Conclusion

The application of the principle of fairness in determining the obligations of corporate taxpayer management indicates that management can essentially be held accountable for tax debts and tax collection costs if proven to have committed errors or negligence in carrying out their duties. From a corporate law perspective, management has a fiduciary duty that requires good faith, prudence, and full responsibility in managing the company, including compliance with tax obligations. However, the imposition of responsibility on management must remain based on the principle of fault-based liability to avoid conflicting with the principle of fairness. This is in line with the view that directors can only be held personally liable if there is a violation of their corporate management obligations that results in losses, including state losses due to failure to fulfill tax obligations (Indrawati et al., 2022; Pramesti et al., 2023).

Furthermore, the application of the principle of fairness to shareholders indicates that, in principle, shareholders are not personally liable for the company's tax debts and tax collection costs due to the principle of limited liability. However, under certain circumstances, such as abuse of legal entity or involvement in tax evasion, shareholders can be held liable under the doctrine of piercing the corporate veil. However, this extension of liability must be carried out selectively and strictly to avoid eliminating the legal protection inherent in shareholders as investors. Research shows that imposing liability on shareholders is only justified if there is evidence of active involvement in the control or abuse of the company (Mahandara, 2022; Tobing et al., 2023).

Overall, the principle of fairness in determining the obligations of managers and shareholders for tax debts and tax collection costs requires a balance between the state's interest in optimizing tax revenue and legal protection for legal entities within the company. The application of liability should not be automatic but must consider the elements of fault, involvement, and proportionality. Thus, the principle of fairness serves as a normative boundary to prevent excessive expansion of liability while maintaining legal certainty in the taxation system and corporate law in Indonesia (Indrawati et al., 2022; Pramesti et al., 2023).

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