Analysis of Impact of Implementation of Fixed Assets Revaluation Model in Property, Real Estate, Construction, and Bank Companies Listed in Capital Market in 2015

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Abstract—**The purpose of the present study is to analyze property, real estate, construction companies, and banks that were revalued in 2015 and the impact of this revaluation on the companies. The study results show that 20% of property, real estate, and building construction companies that revalued the majority of their company have reduced in leverage after revaluation and increased in debt on revaluation period or thereafter. Subsequently, the results show that 59% of banks that revalued majority of their company have increased capital adequacy ratio after revaluation and increased loan distribution on revaluation period or thereafter.**

Keywords—revaluation of assets, leverage, debt, capital adequacy ratio, loan.

I. Introduction

Financial statements are a form of communicating business and financial information to the owners and the parties concerned. Information on fixed asset forms an important part of a financial statement because it covers 5.1% of the important information on structures that aids in managerial decision-making [1]. Fixed assets are an important component of the financial statement often used by financial statement makers as an opportunity to achieve company goals.

One of these opportunities is to pledge fixed assets as collateral when companies borrow loans. Therefore, management must consider the value of the assets, because this affects the amount of loans to be given by creditors. The choice of revaluation method cannot be separated from a company's effort to increase its capital in the form of debt, because the asset is still used as a loan guarantee. There is increase or decrease in the value of the fixed asset, which in turn affects the feasibility of the amount of credit to be received [2].

Revaluation is a valuation model or an option in the accounting policy that refers to Indonesian Financial Accounting Standards (PSAK) 16 revision 2015 concerning fixed assets and PSAK 13 revision 2015 concerning investment properties [3, 4]. In Indonesia, the revaluation of assets is also contained in the Income Tax Law No. 36-year 2008 article 4. Furthermore, regulation regarding revaluation

of fixed assets is mentioned in the Minister of Finance Regulation (PMK) No.79/PMK.03/2008 concerning revaluation of the company's fixed assets for tax purposes [5]. Implementation of revaluation of assets under PSAK 16 revision 2015 and PSAK 13 revision 2015 differs from the revaluation of assets based on PMK 79, thus companies are reluctant to revalue assets for tax purposes. This prompted the government to bring higher numbers of companies that revalue fixed assets under the tax net by issuing PMK No.191/PMK.010/2015 and amending PMK No.233/PMK.03/2015 [6, 7]. To curb the differences in accounting and tax revaluation, Financial Accounting Standards Board (Dewan Standar Akuntansi Keuangan or DSAK) under the Indonesian Institute of Accountants (Ikatan Akuntan Indonesia or IAI) published Technical Bulletin (Bultek) 11, which allowed companies to revalue assets simultaneously in accounting and taxes.

Companies in the property, real estate, and construction industry sectors often have a large fixed asset base and investment properties values, whereas the banking sector has a smaller fixed asset base. The amount of fixed assets and investment property owned by a company can be used to expand its business by revaluing its fixed assets and investment properties.

Asset revaluation in accounting is profitable for a company because it can reduce the leverage ratio, which in turn improves the loan credibility of a company. An increase in net asset value affects the capital adequacy ratio (CAR) in the banking sector. The CAR ratio is the capital consisting of core capital (Tier 1) and complimentary capital (Tier 2) divided by risk-weighted assets (Aktiva Tertimbang Menurut Risiko or ATMR), where the surplus of revaluation is one component of complementary capital [8].

Earlier studies analyzed companies' factors and motivations to revalue from the tax perspective, which refers to the PMK 233 as well as the presentation and disclosure of asset revaluation. This study differs from the earlier studies in that it analyzes whether firms in the property, building, real estate, construction, and banking sectors are using fixed asset revaluation models or reporting the fair value of investment properties following the enforcement of PMK

233 and Bultek 11. Further analysis covers whether the fixed asset revaluation and fair value of investment properties impact increases in loans to property companies, real estate, and building construction and bank lending by banking companies. The research was conducted in 2014–2016 to investigate the impact of revaluation after the issuance of PMK 233 in 2015.

II. LITERATURE REVIEW

A. Assets Revaluation

PSAK 16 revision 2015 explains fixed assets [3], wherein a company can choose the revaluation model or the cost model to ensure that the value of fixed assets are accounted for on a consistent and fair basis at the end of the reporting period. If the company chooses a revaluation model then all the fixed assets in the same group should be revalued on a regular basis, depending on the significance and volatility in the fair value of the asset. If a revaluation results in an increase of the fair value of the asset, this increase likewise increases the accumulation of other comprehensive income on the revaluation surplus in equity. By contrast, if in the previous year there is decrease in fair value, the increase of fair value in current year should be recorded as profit or loss until the increase equals the value of previous decrease. Conversely, it will be recognized in profit or loss if there is a decrease of fair value after revaluation. However, a decrease in fair value will be recognized on other compre-hensive income and reduces the accumulated income of other comprehensive income on the revaluation surplus in equity, provided it does not exceed the surplus of revaluation of fixed assets in the previous period.

PSAK 13 revision 2015 explains the investment property [4]. Investment property refers to property, either land or building or part of a building, or both, owned by the company as an owner or a lessee (through finance lease) to generate rentals or increase in value, or both, and not for production activities, the supply of goods/services for administrative purposes, or for sale in the ordinary course of business. A company can choose fair value model or cost model to measure an investment property. The company that controls property under lease must choose the fair value model to measure the fair value of the investment property, which must reflect the market conditions of rental income from current lease and other assumptions used to transact under the current conditions. The fair value model of measuring an investment property may lead to either a gain or loss recognized in profit or loss.

B. Assets Revaluation Based on Tax

According to UU No. 36 year 2008 about Income Tax (UU PPh) in Article 4 paragraph 1 [9], the revaluation of fixed assets or those mentioned in the UU is the excess of the difference, because the revaluation of assets is taxable. The assets revaluation in taxes represents the difference between the value of fixed assets of the revaluation and the estimated revaluation with the book value of the fiscal balance.

The Minister of Finance facilitated the revaluation of the company's fixed assets for tax purposes in PMK No.79/PMK.03/2008 [5]. PMK No.79/PMK.03/ 2008 regulate that fixed assets can be revalued for all tangible fixed assets. Revaluations may be reassessed 5 years later. It is made on the basis of the market value or the fair value of the assets designated by expert service company or by an appraiser who has obtained permission from the government. The appraiser or appraisal company makes a reassessment within a period not exceeding 1 year from the date of the initial assessment. The tax rate is charged on the excess of revaluation of the company's fixed assets as 10%.

In 2015, the government, through the Ministry of Finance, issued PMK No.191/PMK.10/2015 to encourage companies to reevaluate their fixed assets through tax incentives [6]. PMK 191 will only apply to those applicants for the revaluation of fixed assets in 2015 and 2016; applicants beyond those years will apply PMK 79. PMK 191 states that the fixed assets may be partially or wholly revalued at the tax rate applied at 3% - 6%, depending on the period of application. The government revised the PMK 191 by issuing the PMK No.233/PMK.03/2015 [7] to clarify to the public the revaluation of fixed assets for tax purposes and to complement provisions not previously available on PMK191.

With PMK 191 along with the amendment of PMK 233, the government offered benefits to companies applying for fixed asset revaluation in 2015 and 2016, including:
1. Special acknowledgment to the applicant is final income tax savings amounting 3% for a company applying from the date of issue of PMK 191 is October 20, 2015, to December 31, 2015, 4% for company applying from January 1, 2016 to June 30, 2016, and 6% for company applying from July 1, 2016 until December 31, 2016.
2. Increase in asset over revaluation will increase equity without incurring much cost.
3. The tax base is less due to depreciation of the revalued assets calculated on the basis of the revaluation value.
4. The value of the equity may be higher because the surplus is recognized as Other Compre-hensive Income (OCI), which will become equity to improve the Debt-to-Equity Ratio, and may be protected from the debt covenant.

C. Asset Revaluation Based on Technical Bulletin (Bultek) 11

With the issuance of PMK 191, later amended by PMK 233, an entity may choose revaluation applied for accounting, taxation, or both purposes that makes a difference in the understanding of the treatment of fixed asset revaluation between taxation and those disclosed in PSAK 16. Technical Bulletin 11, related to fixed assets revaluation issued by DSAK IAI, aims to provide guidance on applying fixed asset revaluation because DSAK IAI observes diversity in the understanding of the treatment of fixed assets when an entity revalues its fixed assets for taxation or accounting purposes.

If an entity revaluates its fixed assets for taxation purposes, the entity shall be subject to the prevailing taxation rules, where it is considered that revaluation of fixed assets

cannot be made before the end of 5 years, may be exercised for part or all of the fixed assets, for the group of these assets, while the depreciation of property, plant and equipment is also valued at the time of the fixed asset revaluation. If the company is revaluating its fixed assets for tax purposes, it shall disclose information of the fixed asset revaluation surplus as a footnote to the financial statements in accordance with PMK 233. Revaluation of fixed assets for accounting purposes follows PSAK 16 and PSAK 13.

C. *Impact of Fixed Assets Revaluation on Leverage and CAR*

Revaluation of fixed assets by a company for accounting purposes directly influences the value of the company's assets and equity. If a company plans business expansion by borrowing, banks can aid that expansion by increasing lending and fulfilling the minimum capital adequacy ratio (KPMM) or CAR. Companies need to disclose the present accounting information to avail a loan, while creditors require information on leverage. Kasmir (2011) contends that the leverage ratio is used to measure a company's ability to pay both long-term and short-term liabilities in case the company is liquidated.

The study by Missonier-Piera [10] is adopted to measure leverage as follows:

$$Leverage = \frac{Total\ Debt}{Total\ Assets}$$

where total debt is the interest-bearing debts, such as short-term debt, short-term portion of long-term debt, lease, long-term debt, and bond debt; and total Assets is the total assets of the company.

In the banking sector, capital factor relates to valuation based on CAR ratio, because Bank Indonesia Regulation No.15/12/PBI/2013 article 2 states that commercial banks are required to provide minimum capital based on the risk profile [11]. The CAR is set at a minimum of 8% of risk-weighted assets (ATMR) for a bank with a rating risk rating of 1, 9% to less than 10% of ATMR for banks with risk profile rank 2, 10% to less than 11% of ATMR for banks with risk rating 3, and 11–14% of ATMR for banks with risk profile rank 4 or 5.

The CAR in the bank can be calculated as follows:

$$CAR = \frac{CAPITAL}{ATMR}$$

where capital is the core capital (tier 1) and complementary capital (tier 2); and ATMR is the assets on balance sheets and those that are administrative, as well as credit multiplied by risk weight. Bank Indonesia Regulation No. 15/12/PBI/2013 Article 9 defines capital as the core capital consisting of paid-up capital, additional reserves of capital, and complementary capital. According to Article 14, a surplus in the revaluation of fixed assets is one component of additional reserves of capital; therefore, any changes in the revaluation surplus of assets will have an impact on capital in CAR calculations.

III. RESEARCH METHODOLOGY

A descriptive qualitative method based on secondary data is used in this study. Secondary data include financial reports downloaded directly from the Indonesia Stock Exchange web page.

The sample was determined by purposive sampling method meeting the following criteria:

1. Companies are listed on IDX from 2014 to 2016
2. The financial statements are audited
3. Companies whose data are incomplete within the research period are excluded
4. Categories included are property, real estate, construction, and banking sectors.

Data collection methods include documents such as a company's financial statements. Secondary data are grouped based on the need for analysis, such as the type of asset revaluation, revaluation year, and the nature of assets being revaluated.

This study included a series of data analysis procedures to obtain results through a set of systematic processes. Data were collected and analyzed; the obtained results were then examined by considering the impact of applying the asset revaluation model on the company's accounting policies and observing the impact of asset revaluation after enforcing PMK 233. Finally, conclusions were made.

IV. RESULT

A. *Analysis of Impact of Assets Revaluation Model Implementation in Property, Real Estate, and Construction Companies*

Fifty-five companies were taken as study samples based on the data of property, real estate, and construction companies that were listed on the capital market in 2015. Of these, only 20%, or 11 companies, chose a revaluation model. Eight companies revaluated their fixed assets, two companies did a fair value on their investment properties, and one company revalued both their fixed assets and investment properties. The remaining 80% of companies used the cost model.

Table I shows that two companies (PT Mega Manunggal Property, Tbk and PT Mulia Industrindo, Tbk) applied the revaluation model to their policy before 2015. Meanwhile, most companies (82%) had newly applied the revaluation model in 2015. The majority of the companies revaluated land assets while only three companies revalued their investment properties. In fact, the type of assets owned by the company is often the company's main consideration when choosing to apply the asset revaluation model.

Overall, both the companies that adopted the revaluation model and those companies that have the newly implemented in 2015, seven firms (64%) in this sector chose the asset revaluation model and fair value in their accounting policies for both fixed assets and investment properties. This is likely because companies in this sector tend to prefer using asset revaluation to increase asset value in financial statements, rather than utilize incentives offered by the government. This is probably due to the fact that the majority revaluation is on land that have significant increases in asset value, in addition to the costs incurred on the assessment of assets, which

becomes a reason for the company to reevaluate assets according to taxes where the costs incurred are greater than

incentives to be received by the company in the future.

TABLE I.   CHECKLIST OF PROPERTY, REAL ESTATE, AND CONSTRUCTION COMPANIES THAT CONDUCTED REVALUATION IN YEAR 2015

No	Company	Type of Revaluation			Year of Revaluation		Type of Assets								
							Fixed Assets						Investment Property	
		Acc	Tax	Acc & tax	Has been revalued before (t-1)	Recently in 2015 (t)	Land	Bulding	Mchine	Equipment	Vehicle	Others	Land	Building
1	ADHI			x		x	x							
2	BUVA	x				x	x							
3	GWSA			x		x							x	x
4	MMLP	x			x								x	x
5	MLIA	x			x		x	x	x	x				
6	PWON		x			x	x	x	x	x	x	x		
7	PTPP	x				x	x	x					x	x
8	PLIN		x			x	x	x	x	x	x	x		
9	PTPP	x				x	x	x						
10	RBMS	x				x	x	x						
11	WSKT	x				x	x	x						
Total		7	2	2	2	9	9	7	3	3	2	2	3	3
Percentage		64%	18%	18%	18%	82%								

This analysis shows that only 36% companies in the industrial sector of property, real estate, and construction are interested in using tax incentives offered by the government through PMK 233. This can be seen from the small contribution of companies in this sector, that is, only four companies.

Asset revaluation in accounting will be beneficial to companies in the property, real estate and construction sectors, because it can reduce the leverage ratio to increase the loan credibility of firms to avail funds to invest in fixed assets or investment properties.

For analysis of company leverage, it is essential to know the level of leverage before and after the revaluation. Table II shows that most companies have decreased leverage. Six companies from nine companies were observed to decrease leverage, namely PT Adhi Karya (Persero) Tbk, PT Bukit Uluwatu Villa, Tbk, PT Mega Manunggal Property, Tbk, PT Mulia Industrindo, Tbk., PT Pembangunan Perumahan (Persero), Tbk and PT PP Property, Tbk. Two companies showed increase in leverage, namely PT Greenwood Sejahtera, Tbk and PT Waskita Karya (Persero), Tbk and one company did not show either increase or decrease, that is, PT Ristia Bintang Mahkotasejati, Tbk. Based on the analysis of PT Greenwood Sejahtera, Tbk and PT Waskita Karya (Persero), Tbk has increased leverage because the company directly utilizes changes in leverage after the revaluation to lend to the bank, while PT Ristia Bintang Mahkotasejati, Tbk in 2016 used leverage that is still in position 0 with a finance lease of Rp 282.

Table II shows that the value of t arithmetic is smaller than at t table of ($-1,942 < 2,262$) and p-value is greater than the significance level of 0.05 ($0.088 > 0.005$), which implies there are no significant changes before or during revaluation. However, six of nine companies experienced a decline.

Table III represents a change in the value of the loan after revaluation of each company that has decrease in leverage in 2015. The financial statements of 2015 are the effective revaluation years under which creditors can observe the level of corporate leverage such that the increase in loans can be seen in 2016. Table III show that four companies used the decrease in leverage to increase its debt in 2016, namely PT Adhi Karya (Persero), Tbk, PT Bukit Uluwatu Villa, Tbk, PT Pembangunan Perumahan (Persero), Tbk, and PT PP Properti, Tbk.

B. Analysis of Impact of Assets Revaluation Model Implementation in Banks

From the observations of the listed banking companies as a whole, 17 companies (41%) did not choose the asset revaluation model, whereas 24 companies (59%) of the total banking companies did choose the model revaluation of assets.

Table IV describes the type of revaluation in accounting and taxes followed by companies in this sector (58% or 14 companies); of which, 11 companies applied this method in 2015, while 3 other companies had applied this model in both fixed assets and investment properties previously. In addition, of the seven companies that conducted tax

revaluation based on PMK 233, only one company had carried out revaluation previously.

Overall, the number of companies that chose a revaluation model with tax and accounting revaluation types and tax was 21 (87%); of which, 20 applied revaluation in 2015. This proves that enforcing PMK 233 succeeded in pushing the company banks to reevaluate assets for tax, because the company benefits from tax incentives provided by the government through PMK 233.

TABLE II. CHANGES IN THE LEVERAGE LEVEL IN THE PROPERTY, REAL ESTATE, AND CONSTRUCTION COMPANIES

No.	Company	Leverage			Increase/Decrease	
		2014 (a)	2015 (b)	2016 (c)	(b-a)	(c-b)
1	ADHI	0.19	0.17	0.20	-0.02	0.03
2	BUVA	0.42	0.41	0.37	-0.02	-0.04
3	GWSA	0.02	0.03	0.04	0.01	0.01
4	MMLP	0.25	0.18	0.13	-0.07	-0.05
5	MLIA	0.56	0.54	0.47	-0.02	-0.07
6	PTPP	0.18	0.17	0.22	-0.02	0.05
7	PPRO	0.11	0.07	0.24	-0.05	0.17
8	RBMS	0.00	0.00	0.00	0.00	0.00
9	WSKT	0.25	0.27	0.41	0.02	0.14
Result of Paired Sample T Test						
Mean		0,222	0,204	0,230		
T arithmetic		-1,942		0,953		
p–Value		0,088		0,368		

TABLE III. CHANGES IN DEBT OF PROPERTY, REAL ESTATE, AND CONSTRUCTION COMPANIES IN YEAR OF REVALUATION AND AFTER REVALUATION

No	Company	Total Debt		Increase (Decrease)	%
		2015	2016		
1	ADHI	2.868.534	4.022.038	1.153.503	29%
2	BUVA	1.039.087	1.097.331	58.244	5%
3	MMLP	587.444	519.806	(67.637)	−13%
4	MLIA	3.876.689	3.643.110	(233.579)	−6%
5	PTPP	3.776.985	6.790.295	3.013.309	44%
6	PPRO	349.429	2.082.373	1.732.943	83%
	Recapitulation	**Debt After Revaluation**			**Total**
		Increase	Stable	Decrease	
	Total	**4**	**0**	**2**	**6**

Table IV showed that land assets were revaluated the most often. It was observed that all of the banking companies revalued land, while none revalued investment property, because the increase in asset value on the type of land asset often generates a significant revaluation surplus to increase the company's capital.

Based on PBI No.15/12/PBI/2013, the bank must maintain its capital adequacy ratio so that it is not below the required CAR level. Bank Indonesia regulation on CAR must be met by banking companies and one of the easiest ways to increase CAR is to reevaluate fixed assets.

Table V shows that 13 banks had a CAR increase of 76%. Increase and decrease in CAR can be clearly seen in the table, where the majority shows an increase in CAR in 2015 and then a decline in 2016. Table V shows the increase in CAR in 13 banks in 2015, which implies the impact of rising equity due to a surplus revaluation of assets accumulated on equity in the revaluation surplus section.

Table V shows that the value of t arithmetic is smaller than at t table ($2.258 > 2.120$) while p-value is greater than at a significance level of 0.05 ($0.038 < 0.005$), which means that the average CAR in 2015 before revaluation is lower than that after revaluation, a significant change.

Table V shows four companies have decreased CAR: PT Bank Dinar Indonesia, Tbk, PT Bank Maspion Indonesia, Tbk, PT Bank Panin Syariah, Tbk, and PT Bank Sinarmas, Tbk. At ATMR, credit is the greatest risk asset in order that increase of credit as a source of bank income, which then affects the ATMR such that it impacts the decrease of bank CAR.

In an earlier research, Carlson et al. [12] claimed that banks with higher capital ratios tend to have a high credit growth as well. Therefore, an analysis is needed from 13 banks experiencing an increase in CAR, to prove whether the CAR increase observed in banks listed in Table V will affect

the loans provided by the bank to the community as in the previous research.

Based on Table VI, nine companies increased credit distribution in 2016, the maximum in 2016 were PT Bank Negara Indonesia (Persero), Tbk, PT Bank Central Asia, Tbk, and PT Bank Pan Indonesia. The other four banks did not benefit from CAR increase because in 2016 they experienced a decrease in lending, namely PT Bank Harda International, Tbk, PT Bank Mega, Tbk, PT Bank of India Indonesia, and PT Bank Permata, Tbk.

TABLE IV.   CHECKLIST OF BANKING COMPANIES THAT CONDUCTED REVALUATION IN YEAR 2015

| No | Company | Type of Revaluation | | | Year of Revaluation | | Type of Assets | | | | | | | | |
| | | Acc | Tax | Acc & Tax | Has been revalued before (t-1) | Recently in 2015 (t) | Fixed Assets | | | | | | Investment Property | |
							Land	Building	Machine	Equipment	Vehicle	Others	Land	Building
1	INPC		x			x	x	x						
2	BNBA			x		x	x	x						
3	BACA	x			x		x	x		x	x			
4	BBCA			x		x	x							
5	BNGA			x		x	x	x	x	x	x	x		
6	DNAR	x			x		x	x						
7	BBHI			x	x		x	x						
8	BCIC	x			x		x							
9	BMRI		x			x	x	x						
10	BMAS			x		x	x	x						
11	MEGA			x		x	x	x						
12	BBMD		x			x	x	x						
13	BBNI			x		x	x	x						
14	NISP		x			x	x	x						
15	BSWD			x		x	x	x						
16	PNBN			x		x	x	x						
17	PNBS			x		x	x	x						
18	BNLI			x		x	x	x						
19	BBRI		x			x	x	x						
20	BSIM			x		x	x	x						
21	BBTN		x			x	x							
22	BTPN		x			x	x							
23	BVIC			x		x	x	x	x	x	x			
24	BBYB			x		x	x	x						
Total		3	7	14	4	20	24	20	2	2	3	1	-	-
Percentage		13%	29%	58%	17%	83%								

TABLE V.   CHANGE IN CAR LEVEL IN BANK COMPANIES THAT APPLY ASSETS REVALUATION MODEL IN ACCOUNTING PURPOSE

| No. | Company | Capital Adequacy Ratio | | | Increase/ Decrease | |
		2014 (a)	2015 (b)	2016 (c)	(b-a)	(c-b)
1	BNBA	15.07%	25.57%	25.15%	10.50%	-0.42%
2	BACA	16.43%	17.70%	20.64%	1.27%	2.94%
3	BBCA	16.86%	18.65%	21.90%	1.79%	3.25%
4	BNGA	15.39%	16.16%	17.71%	0.77%	1.55%
5	DNAR	31.06%	30.50%	26.84%	-0.56%	-3.66%
6	BBHI	15.73%	21.90%	21.73%	6.17%	-0.17%
7	BCIC	13.58%	15.49%	15.28%	1.91%	-0.21%
8	BMAS	19.45%	19.33%	24.32%	-0.12%	4.99%
9	MEGA	15.23%	22.85%	26.21%	7.62%	3.36%
10	BBNI	16.22%	19.49%	19.36%	3.27%	-0.13%
11	BSWD	15.27%	23.85%	34.50%	8.58%	10.65%
12	PNBN	15.62%	20.13%	20.49%	4.51%	0.36%
13	PNBS	25.69%	20.30%	18.17%	-5,39%	-2.13%
14	BNLI	13.58%	15.00%	15.60%	1.42%	0.60%
15	BSIM	18.38%	14.37%	16.70%	-4.01%	2.33%
16	BVIC	18.25%	18.94%	25.14%	0.69%	6.20%
17	BBYB	15.22%	15.70%	21.38%	0.48%	5.68%
Result of *Paired Sample T Test*						
Mean		17.47%	19.76%	21.83%		
T arithmetic		2,258		2,456		
P–Value		**0.038**		**0.026**		

TABLE VI. STATISTIC OF CREDIT DISTRIBUTION AFTER REVALUATION

No	Company	Credit Distribution		
		Year of Revaluation	Year after Revaluation	Increase/ Decrease
1	BNBA	4.293.193	4.458.966	165.773
2	BACA	6.044.761	6.636.940	592.179
3	BBCA	378.616.292	403.391.221	24.774.929
4	BNGA	163.682.732	165.923.435	2.240.703
5	BBHI	1.454.447	1.379.143	(75.304)
6	BCIC	9.176.579	10.698.065	1.521.486
7	MEGA	31.748.472	27.777.461	(3.971.011)
8	BBNI	314.066.531	376.594.527	62.527.996
9	BSWD	3.401.455	2.191.948	(1.209.508)
10	PNBN	117.743.573	125.049.120	7.305.547
11	BNLI	125.867.973	94.782.664	(31.085.309)
12	BVIC	12.824.744	14.260.847	1.436.103
13	BBYB	2.606.112	3.224.888	618.776
Recapitulation of Credit Distribution				
Credit Distribution:			**Total Companies**	**Percentage**
Increase			9	69%
Decrease			4	31%
Total			**13**	**100%**

From these analyses, it can be seen that the selection of the fixed asset revaluation model for a company's accounting policy industry sector will directly affect CAR, and an increase in CAR will encourage the company to expand its business by increasing the distribution of credit to the community; as earlier research showed, CAR can encourage a company to increase the lending by the bank to the community. It implies that 69% of the banks that experienced an increase in CAR utilized the increase of CAR to increase the distribution of credit to the community as an effort to increase revenue derived from the loans.

V. CONCLUSION AND RECOMMENDATION

A. Conclusion

Eleven of 55 companies in the property, real estate, and construction industries revaluated assets in 2015. Seven companies revaluated in accounting, two in taxation, and two applied in accounting and taxation as well. The majority of the companies applied asset revaluation to land. This proves that many companies have not availed tax incentives based on PMK 233. An analysis related to the impact of revaluation on the increase of lending shows that most companies take advantage of decreasing leverage to increase loans, especially to banks. Two companies added loans directly in the year of asset revaluation and five companies increased the loan in the following year.

Twenty-four (59%) of the 41 banking companies revaluated in 2015. Majority (14) of companies in this sector revaluated assets in accounting and taxation, three in accounting only, and seven companies in tax. Land and bulding are the most assets that applied revaluation model. If a company is interested in benefitting from tax incentives

based on PMK 191 and PMK 233 proves that the government has succeeded in encouraging the banking company to conduct asset revaluation in taxation. The observations prove that from 17 companies that apply the model of fixed assets revaluation in accounting for 13 companies (76%) that experienced CAR increase; then there were nine companies (69%) who used the increase of CAR to increase the lending to the community as an effort to increase revenue derived from loans.

B. Research Implication

Based on a study of 55 companies that were revaluated, 7% companies applied tax revaluation in 2015. The types of assets revalued by companies in this sector are mostly land, which does not provide benefits to the company in tax revaluation, because the company lacks an understanding of the benefits of revaluation. Therefore, communication from the Directorate General of Taxation (DJP) is necessary. This study shows that most companies adopt revaluation in accounting for decreased leverage. Decrease in leverage experienced by these companies can be used to increase lending. With the increase in loans, companies in this sector can increase their fixed assets and investment properties in expanding its business.

Based on this study, the majority of banks revaluated assets in accounting and taxes simultaneously on some assets of land and buildings by utilizing tax incentives offered by the government through PMK 233, which is valid temporarily from 2015 to 2016. Differences in PMK 233 and 79 increased reluctance in companies to conduct revaluation. Therefore, the Directorate General of Taxation should consider offering PMK 79 again, because after 2016, a company could not reevaluate its partial fixed assets. Based on a study of banking companies, 69% of companies

experiencing CAR increase after revaluation used to channel credit to the community. By increasing the credit distribution, the company could increase the revenues from credit, such that for companies that revaluate on fixed assets will lead to a company's improved performance and business expansion.

C. Limitation of Research and Advice

It is expected that the study timeframe can reach 2016 during the period of application of 233 PMK not over. Other impacts on company value, company performance, and company debt-to-equity ratio need to be analyzed. Further research is needed to analyze other industry sectors, such as companies in basic chemical industry and investment trading services. Adiwahana [13] study showed that 16 and 14 companies each chemical industry and investment trading services, revaluated in 2015, thus providing more knowledge to these industries.

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