

Tax Planning in Efforts to Minimize Tax Payable PPh

Article 21: Case Study at PT Telkom Kandatel Surabaya

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ABSTRACT

This study aimed to obtain evidence about tax planning in an effort to minimize the tax payable on the income tax section 21 PT. Telkom Kandatel East Surabaya. The data used in this study are primary and secondary data. The data obtained directly from interviews with management directly related to this study, while secondary data obtained from both sources other than primary data. Analysis data technique using decision theory, which is associated with the policy management in decision making. The results of the analysis in this study were obtained in the calculation of income tax article 21 methods covered employee, income tax article 21 is not given in the form of benefits for employees, so that section 21 income tax paid cannot be treated as expenses in calculating the lab/fiscal loss. Methods of tax allowances, income tax article 21 permanent employees paid by the company, but granted in the form of income tax benefit of article 21, so it can be financed by the company in the calculation of the profit / loss fiscal. If this method raises margin Article 21 Income tax article 21 Income tax allowances that can reduce the take home pay of employees. So that income tax may be applied as a deduction in the calculation of the profit / loss tax gross-up method is used, whereby if the terms of the tax saving and take-home pay is a better method. From the results of this study concluded that efforts to tax planning that can be applied by PT. Telkom Kandatel Surabaya East of gross-up methods are appropriate and can minimize taxes payable Income tax article 21.

Keywords: *tax planning, Income tax article 21, methods of tax allowances, gross-up method*

1. INTRODUCTION

Tax is one of the main domestic revenues in Indonesia. Therefore, in order to create a just and prosperous society based on the Pancasila and the 1945 Constitution, to increase the source of state revenue, the government must gradually implement state revenues from the tax sector, planning, directed and also sustainable [8].

The Government and people of Indonesia realize that at present the economic conditions both macro and micro have experienced considerable changes, one of which is the field of development. Thus, to finance this national development, the government feels the need to increase state revenues through the tax sector.

As we have seen, the tax sector is one of the sectors of state revenue in addition to the oil and gas sector, which is very potential and always experiences a graph of improvement in its implementation. The foundation can be in the form of Taxation Laws or Government Regulations concerning Taxes.

Efforts to increase the provision of budget funds from taxation sources include increasing the collection performance and simplifying, improving and adding tax types. From various types of tax rules, one of which is income tax, especially income tax article 21. Income tax article 21 is income tax regulates the payment of taxes in the current year through tax deductions on income received

on domestic personal taxpayers, in connection with services and activities. To increase tax revenue in this case, awareness and participation of the community in the field of taxation are needed [1].

Although taxation in Indonesia is a manifestation of active participation for taxpayers in the framework of national development, it is not so easy in practice. Paying taxes is not a simple act but there are many emotional things. Each taxpayer has a tendency to pay tax obligations with a minimum amount. Efforts to resist (tax) pay taxes spread widely to all countries. The extent of paying taxes has an impact on people's fiscal behavior. Perhaps some people consider that paying taxes is not an obligation morally to pay taxes completely. And because paying taxes can reduce freedom of use of resources. A small portion of the community still has a negative perception of paying taxes. Many ways are done to minimize tax imposition, among others through exceptions, deductions, tax intensive, tax imposition, taxes borne by the state, up to cooperation with officials and counterfeiting. by understanding and getting around the rules. Planning efforts to reduce the tax burden in a subtle manner are often referred to as tax planning techniques. In general, tax planning refers to the business engineering process and taxpayer transactions so that the tax debt is in a minimum amount in accordance with the applicable tax provisions [2].

2. LITERATURE REVIEW

Tax planning is a process for estimating the amount of tax to be paid and things that can be done to avoid tax [4]. While tax avoidance means a minimum amount of tax avoidance

but still adheres to taxation regulations applies. But actually, tax planning can have a constructive positive connotation in the sense of planning to fulfill tax obligations (i.e. delivering a notification) in a complete, correct and timely manner, so that optimal resource waste can be avoided.

There are several measures that are usually used in measuring taxpayer tax compliance, namely:

- a. Tax Saving is an attempt by taxpayers to avoid their tax debt by refraining from giving products that have a tax to increase their value or intentionally reducing work hours or work that can be done so that their income becomes small and thus avoids the imposition of income tax big.
- b. Tax Avoidance is an attempt by taxpayers or an attempt not to commit an act that is taxed or an attempt to manipulate the income of a legal taxpayer that is still in accordance with the provisions of the legislation to minimize the amount of tax owed.
- c. Tax Evasion is an attempt by taxpayers with tax evasion owed illegally by hiding the actual circumstances.

Two ways that corporate tax planning can be done are tax saving and tax avoidance because such acts do not violate the law. As a State-Owned Enterprise engaged in telecommunications, PT. Telkom Kandatel East Surabaya, in addition to paying taxes from the income of the company's activities on its business (Corporate Income Tax) is also still required to collect, deduct and deposit taxes on income paid to employees (Article 21 Income Tax).

Corporate income tax is income tax that is imposed on a business entity by name and in any form. Whereas PPh article 21 is a tax on income in the form of salaries, wages, honoraria, allowances and other payments with whatever name is received or obtained by domestic taxpayers.

In connection with the calculation of income tax 21 for employee welfare, the company bears the income tax article 21 which should be paid by the employee concerned. This study is intended to determine the role of tax planning on the calculation of employee income tax at PT. Telkom Kandatel East Surabaya in Article 21 of Income Tax paid by the company, whether Article 21 of Income Tax is given in the form of allowances to employees or the company bears Article 21 of Income Tax which should be paid by employee salaries.

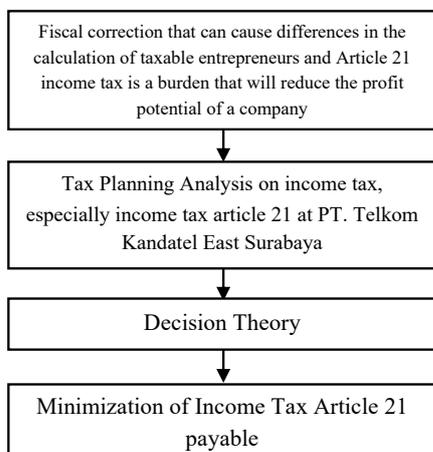


Figure 1 Conceptual Framework

If the PPh 21 is given in the form of benefits, then it should be a deductible fee in calculating the taxable income of the employer / work cutter. Whereas if the company bears the income tax article 21, it is not a cost to the employer. Tax deductions that cannot be deducted from gross income to determine taxable income and may not include the amount of income tax paid by the company as a gross addition to each employee. From all the backgrounds made by researchers, the researchers made the title "Tax Planning in an effort to Minimize Tax due to Article 21 Income Tax (Case Study at PT. TELKOM Kandatel East Surabaya)."

3. RESEARCH METHODS

3.1. The Scope of Research

As for the scope of this research is at PT. TELKOM Kandatel East Surabaya. Whereas a publicly listed company, PT. Telkom Kandatel East Surabaya has implemented tax planning until now. In addition to the data in the study, researchers asked for information related to employee data registered with PT. Telkom Kandatel East Surabaya, which contains the amount of salary and benefits received by employees of PT. Telkom Kandatel East Surabaya.

3.2. Research Approach and Research Data

In this study, researchers used a quantitative approach with descriptive quantitative type, namely by providing a theoretical explanation of the tax calculation owing to Article 21 of PPh based on the latest tax rules at PT. Telkom Kandatel East Surabaya at the time before and after the implementation of tax planning methods. So that tax can be obtained payable in Article 21 of PPh in a legal effort based on the facts obtained. Although in this study, numerical data is very dominant but the data is only as a tool in providing theoretical explanation.

In this study, researchers used secondary data which contains data about employees who work at PT. Telkom Kandatel East Surabaya, where the data also contains data on salaries and benefits received every month by employees of PT. Telkom Kandatel East Surabaya. These data will be processed by the author in performing tax planning calculations using the latest tax rules. In addition to these data, researchers will also add literature related to the latest tax rules and books related to tax planning.

3.3. Data Collection Procedure

The data collection procedure is the completeness or description of the method chosen, so that it can be collected, the primary data collection needed in this research is carried out in the following manner:

- a. Interview, which is collecting data by direct interviews with management that are directly related to this research, namely in the accounting department

- b. Observation, namely obtaining data by making observations directly to the object under study which includes the field conditions of the research object, namely PT. Telkom Kandatel East Surabaya.
- c. Documentation, namely by asking for data from office reports and records that are closely related to the preparation of this research report which consists of a list of permanent employee salaries, SPT PPh article 21, 2015 income statement.

3.4. Data Analysis Techniques

The data analysis technique used in this study is to use decision theory. In this paper, the authors analyze, solve problems, and find a way out of the problem taken. In addition, the authors make a comparison between data obtained from companies related to research conducted with data obtained from companies related to research conducted with data derived from literature and existing concepts and theories.

- a. The steps in analyzing data are as follows:
- b. Collect payroll and permanent employee tax returns.
- c. Analyzes the elements that make up the salary received by the employee.
- d. Calculate the salary element.

For the tax benefit method, the employee's gross income is included or income tax benefits are added to the amount of Article 21 income tax payable that is borne by the company. As for the gross-up method, the PPh allowance is added or equal to the amount of Article 21 income tax paid into the employee's gross income. To make it easy to calculate using the gross-up method, the gross-up formula for each group is created from all employee statuses.

4. RESULTS AND DISCUSSION

4.1. PPh 21 Tax Planning PT. Telkom Kandatel East Surabaya

Healthy company management always pays attention to the welfare of its employees. Because companies will get reciprocity from them. So that companies can live and thrive, companies must also be able to obtain fresh funds for investment. Therefore, company management must be able to process company finances. So that the company can develop and the welfare of its employees does not go down. For this purpose, one of the ways that can be done is to carry out tax saving on Corporate Income Tax with an effort to reduce taxes but still comply with tax regulations. One of the efforts that can be done to obtain a tax saving is by way of tax planning to calculate Article 21 Income Tax. The tax planning is intended to pay / bear article 21 income tax (employee), where the expenditure can be recognized as the company's gross income / deduction to determine Corporate Entity Taxable Income. The method that can be used is a method of tax allowance or gross-up method, namely by adding the PPh article 21 allowance into the employee's gross income. For the PPh Article 21 allowance company is

a deductible cost of the company's gross income in calculating taxable income at the end of the tax year.

PT. Telkom Kandatel East Surabaya has 237 employees and has implemented tax planning on corporate / corporate income tax, including one of which is the calculation of Income Tax Article 21. This is done as an effort to minimize the tax payable of Article 21 income tax which affects the income tax Tax of the Company and the amount of tax due to Corporate Income Tax.

In carrying out tax planning Article 21 income tax, PT. Telkom Kandatel East Surabaya uses the gross-up method, which is a method of calculating Article 21 income tax benefits based on the PKP layer of the company's permanent employees. By applying certain mathematical formulas, the income tax article 21 will be obtained which is the same as the amount of income tax article 21 which is payable, so that it will not cause any further shortages of payments that must be paid / borne by the employee. Regarding employee costs, there is a gift of natura enjoyment, namely the facilities provided by the company to its employees are not in the form of money, but in the form of lunch, polyclinic fees in the form of medicines and pick-up facilities for employees using company vehicles. The company issues a contribution fee that is clearly related to the company's activities to earn income.

Implementation of calculation of Income Tax Article 21 PT. Telkom Kandatel East Surabaya has the duties and responsibilities of the finance department, because the part has the role of depositing Article 21 of Income Tax. As for the implementation of the calculation of Income Tax Article 21 which is carried out, among others: a) Cutting, b) Bookkeeping, c) Deposit, and d) Reporting.

Alternative Calculation of Income Tax Article 21. Calculation of Income Tax Article 21 can be done by:

- a. Alternative 1: Income tax article 21 is borne by the employer / employee.
- b. Alternative 2: Income tax article 21 is given in the form of tax benefits
- c. Alternative 3: Income Tax article 21 by gross-up method.

The following is an example of calculating income tax article 21 employee A with all three alternatives:

Alternative Calculation of Income Tax Article 21 Employees A

PT. Telkom Kandatel East Surabaya
Name: A
Status: K / 0
Position: ***

Table 1 Alternative Calculation of Income Tax Article 21

DESCRIPTION	Borne by the Employer (IDR)	Given in the form of tax allowance (IDR)	with the Gross-Up Method (IDR)
Gross Income			
Salary	78,000,000	78,000,000	78,000,000
Income Tax	-	1,833,083	1,929,561
Allowances			
Other Allowances	6,519,450	6,519,450	6,519,450
Tantiem, Bonuses, Gratuities	16,307,850	16,307,850	16,307,850
Gross Income Amount	100,827,300	102,660,383	102,756,861
Reduction: Job Fee			
5% x 100,827,300 = 5,041,365	Maximum 4,500,000	Maximum 4,500,000	Maximum 4,500,000
Fees paid by employees:			
Pension Fee	780,000	780,000	780,000
ENT Fee	385,632	385,632	385,632
Amount of reduction	5,665,632	5,665,632	5,665,632
Annual income	95,161,668	96,994,751	97,091,229
PTKP*	58,500,000	58,500,000	58,500,000
Taxable income	36,661,668	38,494,751	38,591,229
Article 21 Yearly Income Tax **	1,833,083	1,924,738	1,929,561
Tax Allowances	-	1,833,083	1,929,561
Article 21 of the income tax must be paid	1,833,083	91,655	-
For Employees	54,000,000	54,000,000	54,000,000
Additional for Married Employee	4,500,000	4,500,000	4,500,000
Total	58,500,000	58,500,000	58,500,000
Article 21 Yearly Income Tax**			
5% x 36,661,668	1,833,083		
5% x 38,494,751		1,924,738	
5% x 38,591,229			1,929,561
Gross-Up method***			
5/95 x 36.661.668	1,929,561		
Total	1,929,561		

In the event that the PPh Article 21 of the employee is borne by the employee / employer, the PPh Article 21 is not provided in the form of tax allowance for the employee, the tax that must be paid by the company is IDR 1,833,083.- cannot be paid in the calculation of profit / loss (table 1: Income Tax article 21 Employer).

According to the Tax Benefit Method, the PPh Article 21 of the employee is paid by the company but is given in the form of PPh benefits to his employees. The income tax paid by the company is recognized as deduction of the company's gross income in accordance with the taxation provisions, where the PPh article 21 allowance is given in the amount of PPh article 21 payable in the borne method (table 1: Income Tax article 21 is given in the form of tax allowance). From the table 1 is known that employee A's net income becomes IDR 96,994,751.- compared to the original amount of IDR 95,161,668.- (Table 1: Method borne by employees) amount of IDR 96,994,751.- is an addition to the net income of employee A amounting to IDR 95,161,668.- with the total income tax article 21 given in the form of tax allowance of IDR 1,833,083.- This is what is recognized as a cost in calculating the company's profit / loss, not as much as IDR 1,928,738.- (Table 1: Income tax article 21 is given in the form of tax benefits). Whereas the difference from the payable income tax with its PPh allowance will reduce the take home pay A by IDR 91,665.- from the calculation as follows:

- Article 21 income tax payable is IDR 1,924,738.-
- Article 21 Income Tax Article IDR 1,833,083.-

Amount of IDR 91,665.-

The gross-up method is a method of calculating Article 21 income tax benefits based on the PKP layer of a permanent employee of a company. By applying the gross-up formula will be obtained an amount of income tax article 21 which is the same as the amount of income tax article 21 that is owed so that it will no longer cause a shortage of payment that must be borne by the employee. Telkom Kandatel East Surabaya modifies the PKP interval range and PPh tariff article 21 which is regulated 17 year 2000 and has been enhanced by the Director General of Taxes Regulation Number PER-32 / PJ / 2015. The following Article 21 PPh tariff applies to taxpayers who have a Basic Number Taxpayer (NPWP):

Table 2 The PKP interval range and PPh tariff article 21

Income tax article 21	
Taxable Income (PKP)	Rates
0 – Rp. 50.000.000	5 %
50.000.000 – 250.000.000	10%
250.000.000 - 500.000.000	25%
Up 500.000.000	30%



Income tax article 21	
Taxable Income (PKP)	Rates
0 – Rp. 50.000.000	5/95
50.000.000 – 250.000.000	10/90
250.000.000 - 500.000.000	25/75
Up 500.000.000	30/70

Source: Internally processed company

The gross-up formula applied by PT. Telkom Kandatel East Surabaya in principle is the same as the mathematical formula for calculating the amount of PPh article 21 allowances in the book "Tax Management" written by Moh. Zain, third edition in 2007. In the book mentioned, to determine an amount of PPh article 21 tax allowance by the method of gross-up, taxable income (PKP) Personal taxpayers obtained from the reduction of Net Income with PTKP a year divided into several groups, then calculated with a certain mathematical formula will produce a number of PPh Article 21 tax allowances by the method of gross-up for the calculation of PPh Article 21 a month.

And due to the calculation of income tax article 21 employees of PT. Telkom Kandatel East Surabaya for one year, the result of calculating the mathematical formula is multiplied by 12 months / year.

According to table 1; the gross-up method can be seen that the net income of employee A becomes IDR 97,091,229.- compared to the original amount of IDR 95,161,668.- (Table 1; Income Tax article 21 is borne by the employee / employer). Amount of IDR 97,091,229.- this is an addition of the total net income of employees of IDR 95,161,668.- with the amount of income tax article 21 given in the form of income tax in the amount of IDR 1,929,561.- (Table 1; gross-up method). It is also known that the amount of Article 21 Income Tax is equal or equal to the amount of Article 21 Income Tax given in the form of income tax benefits. So that employee A no longer bears the difference in the underpayment of Article 21 income tax because there

is no difference. In calculating the company's profit / loss, the amount of IDR 1,929,561.- was obtained from the calculation of the Gross-Up Method (Table 1; Method of gross-up).

Table 3 Comparison of Fiscal Net Profit

	The Method is borne by the Employee	Method of Tax Benefit	Gross Up Method
Profit before income tax	542.603.331.854	542.603.331.854	542.603.331.854
Fiscal PKP	552.254.736.526	552.291.191.247	545.653.776.894
Corporate Income Tax	137.309.174.300	137.309.174.300	137.309.174.300
Fiscal Corporate Income Tax	138.063.684.132	138.072.797.812	138.071.785.510
Net Profit	411.927.522.899	411.927.522.899	411.927.522.899
Fiscal Net Profit	414.191.052.395	414.218.393.435	414.215.356.529

Source: Analysis Results

Table 3 shows the income before commercial income tax for the method borne by the employee / employer, the method of tax allowance, and the method of gross up does not occur a decrease / increase that is equal to IDR 542,603,331,854.- but when viewed from the fiscal correction of each method there is a difference in the balance of fiscal net income, namely for the method borne by the employee of IDR 414,191,052,395.- for the tax allowance method of IDR 414,218,393,435.- and the gross-up method is IDR 414,215,356,529.-.

Thus when viewed from fiscal net income, the company uses the tax allowance method, because the increase in net income is greater than the gross-up method.

Table 4 Calculation of Tax Saving Corporate Income Tax

	The Method is borne by the Employee	Method of Tax Benefit	Gross Up Method
Income Tax Payable	138.063.684.132	137.309.174.300	137.309.174.300
Fiscal Corporate Income tax	138.063.684.132	138.072.797.812	138.071.785.510
Saving (tax saving)	-	763.623.512	762.611.210
Corporate Income tax			

Source: Analysis Results

Based on the table 4, it turns out that the corporate tax saving income obtained according to the method is borne by the employee of IDR 754,509,832.- a tax allowance method of IDR 763,611,210.-, and the gross up method is IDR 762,611,210.-. Thus, when viewed from the corporate income tax, it is better to choose the tax allowance method because it is bigger than other methods.

4.2. Managing Transactions Related to Employee Natura.

According to Syafii [7] as quoted in Tax Indonesian Review, there are many opportunities to increase corporate income tax in terms of the costs associated with providing employee nature. The main strategies for corporate income

tax efficiency related to the employee's natural costs are very dependent on the company's conditions as follows:

- In companies that get taxable income above 100 million and imposition of non-final corporate income tax, the minimum effort is to provide employee welfare in the form of nature which is not allowed as a cost. If the company has already provided official housing / home mess there are still legal ways that can be taken to overcome this.
- In companies that are subject to final corporate income tax, a minimum effort is made to provide the nature of the employer as an object of Article 21 Income Tax. On the company side, the natura provision costs do not affect the amount of corporate income tax because the final corporate income tax is calculated from the percentage of gross income before deducting costs.

Tax efficiency opportunities related to employee welfare are costs related to:

- Employee treatment / welfare
- Payment of insurance premiums for employees
- Pension contributions and JHT contributions paid by the company.
- Housing for employees
- Giving natura to employees

5. CONCLUSION

Tax planning has an effect on efforts to minimize taxes due to Article 21 of Income Tax on PT. Telkom Kandatel East Surabaya. The method that can be used or chosen is a method of tax allowance or a method of gross-up. Minimization of taxes owes Article 21 of Income Tax in the form of Article 21 income tax in the amount of IDR 496,587,986.- by the company, so that PPh Article 21 paid by the company can be recognized as a cost / deduction in the calculation of fiscal profit / loss. However, the tax allowance method causes a difference in the payment shortage of IDR 36,455,013.-. That remains to be paid by its own employees PT. Telkom Kandatel East Surabaya. In the gross-up method of tax minimization, the PPh article 21 is payable by applying the gross-up method formula so that it can produce a number of PPh Article 21 tax allowances which are equal to the amount of tax payable in Article 21 of PPh amounting to IDR 528,993,498.- which can be recognized as a cost in the calculation of fiscal profit / loss, because Article 21 of the PPh paid by the company is given in the form of article 21 income tax, so that it does not cause a difference in pay deficiency that must be borne by the employee. With tax planning obtained savings on Corporate Income Tax, a tax saving for the tax allowance method of IDR 763,623,512.-, while in the gross up tax saving method that is generated is IDR 762,611,210.-. And when viewed from the fiscal profit on the tax allowance method is obtained as much as IDR 414,218,393,435.- an increase of IDR 27,341,040.- compared to methods borne by employees.

Tax planning efforts implemented by PT. Telkom Kandatel East Surabaya in minimizing taxes owing to Article 21 Income Tax is a tax allowance method, namely by adding PPh Article 21 allowances to employees that have been calculated from PPh article 21 with the latest law.

In obtaining tax savings on corporate income tax, companies can consider the following: a) Judging from the fiscal profit, the tax allowance method is better, because the increase in net income is greater than the gross-up method, and b) Judging from the corporate tax income tax and take-home pay, the tax allowance method is better.

Overall from the results of the analysis and discussion, the method used by the company in minimizing taxes owes Article 21 of PPh through tax planning, namely the tax allowance method is appropriate, and can minimize the tax payable of Article 21 of Income Tax.

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