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Adjustment Of TER Rates For Income Tax Article 21 For Corporate Taxpayers In CV. Kirana Cahaya Sejahtera Gunungsitoli

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ABSTRACT

This study aims to determine the calculation, withholding, and reporting system for Article 21 Income Tax for Employees at CV. Kirana Cahaya Sejahtera and to find solutions to existing problems related to the calculation, withholding, and reporting system for Article 21 Income Tax for Employees. In conducting this study, the researcher used a descriptive research method. Data collection techniques used were observation, interviews, and documentation. The collected data were analyzed using qualitative descriptive analysis techniques and deductive and inductive methods. The results of the study indicate that CV. Kirana Cahaya Sejahtera's system for calculating, depositing, and reporting Article 21 Income Tax for employees is quite good and adequate. However, the company has not been able to withhold Article 21 Income Tax in accordance with the Tax Law. Furthermore, the system for calculating Article 21 Income Tax for permanent employees does not match the calculated Article 21 Income Tax payable according to CV. Kirana Cahaya Sejahtera and the calculated Article 21 Income Tax payable according to the researcher, referring to Government Law No. 58 of 2023. This is because overtime pay given every month to employees is not included as an addition to gross income, because according to the company, what is included as an addition to gross income is only income that is regularly received in the same period (in this case every month), also in the same amount (in this case basic salary and attendance money). What should be correct according to Law No. 58 of 2023, overtime pay is one of the components that increase gross income. It is because of these considerations that there is a difference in underpayment between Article 21 Income Tax that has been deducted by the company and the researcher.

INTRODUCTION

Based on Pancasila and the 1945 Constitution as the foundation of the Indonesian state, the goal is to achieve a just, prosperous, and equitable society, both materially and spiritually, within the framework of the Republic of Indonesia. Therefore, optimizing national development over a continuous and sustainable period is a primary and crucial issue in realizing this desired development. Implementing this national development requires adequate facilities and funding. National income is the primary factor that must be met to achieve this goal, which will then be allocated to fund national development implementation. National income sources can come from both domestic and foreign sources. One prominent source of domestic revenue is tax revenue.

Taxes are mandatory contributions imposed on every taxpayer on their taxable assets, the proceeds of which are handed over to the government. According to Nurmantu (2015:1):

"Taxes are contributions made by the people to the state treasury (the transfer of wealth from the private sector to the government) based on law (which can be enforced) without receiving any direct, identifiable reciprocal services (counter-performance) and are used to finance general expenditures."

The types of taxes imposed in Indonesia include State Tax (Central Tax) and Regional Tax. State Tax is a tax collected by the central government, administered by the Ministry of Finance, and the proceeds are used to finance household expenses. Examples of Central Taxes include: (a) Income Tax (PPh);

(b) Value Added Tax (PPN); (c) Land and Building Tax (PBB); and (d) Stamp Duty. Regional Tax is a tax collected by local governments in accordance with their respective regional regulations, and the proceeds are used to finance regional household expenses. Examples of Regional Taxes include: (a) Entertainment Tax; (b) Gift Tax; and (c) Parking Tax.

Income Tax (PPh) is a tax levied on taxable income. Income Tax is always levied on individuals or business entities earning income in Indonesia. Article 21 of Income Tax (PPh) applies to employees and is one of the taxes that provides significant revenue to the state.

In terms of tax collection, the Ministry of Finance, specifically the Directorate of Taxation, implements several taxation systems, including the Withholding System and Self-Assessment. The Withholding System is a tax collection system that authorizes a third party to determine the amount of tax owed by the taxpayer. This system is characterized by the authority to determine the amount of tax owed rests with the third party, as stipulated in Article 21 of Law Number 58 of 2023 concerning Income Tax. Income tax on salaries, wages, honoraria, allowances, pensions, activities, and remuneration related to work or services is collected through a withholding system at the time the income is paid. The withholding system is carried out by the income provider, and the calculation must comply with the Tax Law and all applicable Government Regulations to serve as guidelines for tax calculations. In accordance with the provisions of Article 23 paragraph (2) of the 1945 Constitution, tax collection in Indonesia must be based on the Taxation Law drafted by the government and approved by the people, where the instructions for implementing the deduction, payment and reporting of Article 21 Income Tax in connection with work, services and activities of individuals are through the Decree of the Director General of Taxes Number: KEP-545/PJ/2000 dated December 29, 2000 by amending the provisions of Article 21 paragraph (8) of Law No. 7 of 1983 concerning Income Tax which has undergone four amendments and the last one is Law No. 58 of 2023.

Meanwhile, the self-assessment income tax collection system grants taxpayers full authority to calculate, pay, and report their own tax payable. This system aims to streamline and streamline income tax collection. Therefore, the concept of the withholding system differs from the self-assessment system. In the withholding system, taxpayers are obligated to withhold, remit, and administer their taxes to another party, whereas in the self-assessment system, taxpayers are obligated to calculate, remit, and report their own tax obligations. To pay the tax payable, employers use a Tax Payment Slip (SSP), while to report the tax payable, employers use a Tax Return (SPT).

Government policy governing Income Tax (PPh) Article 21 includes the issuance of Law Number 7 of 1983, as amended by Law Number 10 of 1994, and most recently by Law Number 58 of 2023. PPh Article 21 is a tax payable on income that is a taxpayer's obligation to pay. In this case, income includes salaries, wages, honorariums, allowances, and other income earned from work, services, or activities of any kind performed by individual taxpayers within the country, as stipulated in applicable tax laws. Every individual or entity required by tax laws is entitled to withhold PPh Article 21. According to the Tax Law, the obligation to withhold income from individual or corporate taxpayers, complete data, deposit taxes in banks, and report to the Tax Service Office is the responsibility of employers and government treasurers.

Companies, as tax withholding agents, play a significant role in the government's role. Considering that many companies currently implement tax deductions that do not comply with applicable regulations, this is because companies view taxes as a cost and therefore minimize these costs to optimize profits. Therefore, to ensure smooth tax deductions, good cooperation between the government and companies is essential. In this era, many companies are attempting to minimize or evade taxes. Therefore, companies are expected to continue to comply with existing tax regulations and avoid any legal violations that could negatively impact the company.

CV. Kirana Cahaya Sejahtera, a pharmaceutical company in Gunungsitoli City, has achieved the highest level of customer satisfaction by providing high-quality pharmaceutical products registered with the Food and Drug Authority (BPOM). To achieve this satisfaction, CV. Kirana Cahaya Sejahtera requires qualified employees to achieve its goals. Therefore, as a token of appreciation for the services rendered by its employees, the company provides compensation in the form of salaries, allowances, and additional bonuses tailored to their performance. Therefore, CV. Kirana Cahaya Sejahtera is required to withhold Income Tax (PPh) Article 21 from its employees' salaries, in accordance with applicable tax regulations.

LITERATURE REVIEW

Definition of Tax

According to Nurmantu (2021:1), tax is: "A contribution from the people to the state treasury (the transfer of wealth from the private sector to the government sector) based on law (can be enforced) without receiving any directly identifiable reciprocal service (counter-performance), and is used to finance general expenditures."

According to Mardiasmo (2019:20), tax is: "A mandatory contribution to the state owed by individuals or entities that is mandatory under law, without receiving any direct compensation, and is used for state purposes for the greatest prosperity of the people."

Meanwhile, Law Number 58 of 2023 states that "Tax is a contribution from the people collected by the state, both by the central government and regional governments, based on laws and their implementing regulations."

Furthermore, according to Sumarsan (2020:4): "Tax is a transfer of resources from the private sector to the government sector, not due to a violation of the law, but mandatory, based on predetermined provisions, without receiving direct and proportional compensation, so that the government can carry out its duties in running the government."

From the four definitions presented, the following conclusions can be drawn about the characteristics of taxes:

a. Tax collection implies a transfer of funds (resources) from the private sector (taxpayers paying taxes) to the state sector (tax collectors/tax administrators).

b. Tax collection is allocated for general government financing purposes in carrying out government functions, both routinely and for development.

c. There cannot be any individual compensation (counter-performance) by the government for tax payments made by taxpayers.
d. Taxes are used for state purposes for the welfare of the people.
e. Taxes are collected by the state, both by the central government and regional governments, based on laws and their implementing regulations.

It is not easy to impose taxes on the public. If taxes are too high, people will be reluctant to pay. However, if they are too low, development will stall due to a lack of funds. According to Sumarsan (2010:7), to avoid problems, tax collection must meet the following requirements:
a. Tax collection must be fair;
b. Tax collection must not disrupt the economy;
c. Tax collection must be efficient; and
d. The tax collection system must be simple.

Tax Function

The function of tax refers to the primary use or benefit of the tax itself. According to Nurmantu (2015:2), there are two types of tax functions:
a. Budgetary Function

The budgetary function, also known as the primary function of tax, or the fiscal function, is a function in which taxes are used as a tool to optimally channel funds into the state treasury based on applicable Tax Laws. This function is called the primary function because it was the first to emerge.
b. Regulating Function

The regulating function, also known as the supplementary function, is a function in which taxes are used as a tool to achieve specific goals. It is called an additional function because it only complements the primary function. To achieve certain goals, taxes are used as a policy tool.

Types of Taxes

Marsyahrul (2016:4) states that the differences in tax types, which are divided into groups, can be based on the specific characteristics of each tax, or on the specific characteristics of each tax. The specific characteristics of each type of tax can be classified as follows:
a. Direct and Indirect Taxes

Direct taxes are taxes that must be borne solely by the taxpayer, cannot be shifted to others, and are levied repeatedly at specific times. Examples of these taxes include Income Tax Article 25, Land and Building Tax, Sales Tax on Luxury Goods, and others. Meanwhile, indirect taxes are taxes that are not levied repeatedly at specific times and can ultimately be shifted to others. An example of this tax is the Value Added Tax on Goods and Services.
b. Central (State) Taxes

Central (State) Taxes are taxes whose collection authority rests with the central government, and the proceeds are used for general state financing purposes. Central (State) Taxes include Income Tax, Value Added Tax on Goods and Services, Sales Tax on Luxury Goods, and Stamp Duty.
c. Subjective and Objective Taxes

Subjective taxes are taxes levied on the individual, where the taxpayer's circumstances can influence the amount of tax payable. For example, a taxpayer's marital status (married or unmarried) and the number of dependent children will influence the amount of tax payable. Objective taxes, on the other hand, are taxes levied on the subject, where these taxes are levied based on circumstances, actions, and events committed or likely to occur within the state, regardless of the subject's residence or nature. Examples of these taxes include cigarette excise, lottery taxes, and others.

Tax Collection System

According to Mardiasmo (2019:7), tax collection systems can be divided into three:

a. Official Assessment System: This system authorizes the government to determine the amount of tax payable.

b. Self-Assessment System: This tax collection system grants taxpayers the authority, trust, and responsibility to calculate, account for, pay, and report their own tax obligations.

c. Withholding System: This tax collection system authorizes a third party to deduct or collect the amount of tax owed by the taxpayer.

Article 21 Income Tax

According to Harcrisnowo (2018:12), income is:

"The amount of money received from efforts made by individuals, entities, and permanent establishments, used for economic activities such as consumption and/or accumulation and increasing wealth."

Law Number 58 of 2023 concerning Income Tax (PPh) states: "Income is any additional economic capacity received or obtained by a Taxpayer, whether originating from Indonesia or outside Indonesia, that can be used for consumption or to increase the Taxpayer's wealth."

Mansyuri (2022:7) states that income for tax purposes must emphasize economic capacity that can be used for consumption. There are three important aspects in the definition of income:

a. Determining whether income is taxable aims to ensure taxpayers are certain about whether a type of income is taxable, eliminating any ambiguity in determining whether it is taxable.

b. Defining income involves finding a common thread within a definition to achieve a common understanding among everyone regarding the definition of income.

c. Examples of receipts or gains that fall within the definition of taxable income. Providing examples is an effective way to ensure that taxpayers are not disadvantaged when withholding taxes. It also minimizes loopholes, eliminating any excuses for taxpayers to avoid withholding taxes.

Income Tax (PPh) Article 21 is a tax withheld by other parties on income in the form of salaries, wages, honoraria, allowances, and other payments in any name and form related to employment or position, services, and activities performed by domestic individual taxpayers.

Tax Rate

A tax rate is a specific percentage determined by law to determine the amount of tax payable. In relation to the obligation to pay taxes, the tax rate for individual taxpayers is determined based on Article 17 of the 2023 Income Tax Law.

Table 1 Income Tax Rates for Individual Taxpayers

No.	Taxable Income Layers	Rates
1	Rp - s/d Rp. 60.000.000	5 %
2	Rp. 60.000.000 s/d Rp. 250.000.000	15 %
3	Rp. 250.000.000 s/d Rp. 500.000.000	25 %
4	Rp. 500.000.000 s/d Rp. 5.000.000.000	30 %
	> Rp. 5.000.000.000	35%

For income recipients subject to Article 21 Income Tax withholding who do not have a Taxpayer Identification Number (NPWP), Article 21 Income Tax will be subject to a 20% (twenty percent) higher rate than the rate applicable to taxpayers with an NPWP. Therefore, the amount of Article 21 Income Tax that must be withheld is 120% (one hundred and twenty percent) of the amount of Article 21 Income Tax that should have been withheld, and this is not final.

For permanent employees or those receiving periodic pensions, as recipients of income subject to Article 21 Income Tax withholding at a higher rate, it is recommended that they register for an NPWP within the relevant calendar year, no later than the Article 21 Income Tax withholding for the December tax period. The Article 21 Income Tax withheld for the 20% (twenty percent) higher rate will be calculated against the Article 21 Income Tax payable for the following months after obtaining an NPWP.

Article 21 Income Tax Withholding Agents

Article 21 Income Tax withholding agents include the following:

a. Employers, including individuals or entities and Permanent Establishments (PE).

b. Government treasurers, including central and regional governments, government agencies or institutions, other state institutions, and Indonesian Embassies abroad.

c. Pension funds, including social security administration bodies and other entities that pay pensions and Old Age Savings or Old Age Security.

d. Corporate bodies, including domestic/foreign PEs, State-Owned Enterprises (SOEs), and Regionally-Owned Enterprises (BUs), that pay honoraria or other payments in connection with service activities, including the services of experts with Domestic Taxpayer status who perform freelance work and act for and on their own behalf, not for and on behalf of their partnership.

e. Foundations (including foundations in the fields of health, education, arts, public welfare, sports, and culture), committees, associations, clubs, mass organizations, socio-political organizations, and other organizations of any kind in all fields of activity as payment of salaries, wages, honorariums, or other remuneration in any form in connection with work, services, or activities performed by individuals.

f. Companies, bodies, including permanent establishments, that pay honorariums or other remuneration to participants in education, training, and internships.

g. Event organizers (including government bodies, international organizations, associations, individuals, and other institutions that organize activities).

The withholding agent is an individual or body that pays salaries, wages, honorariums, allowances, including wages for employees, including gifts or awards, and payments in any form and name to domestic individual taxpayers.

METHODS

Type of Research

According to S. Margono (2007:8), "The descriptive method aims to solve current problems. Therefore, this descriptive research systematically and accurately describes the facts and characteristics regarding the results obtained at the research location." The type of research used in this study is descriptive research.

Population and Sample

According to Sugiyono (2021:90), "A population is a generalized area consisting of all objects or subjects with certain characteristics determined by the researcher to be studied and then conclusions drawn."

Based on the quote above, the population in this study is documents in the form of audited financial reports, salary summaries, and employee compensation at CV. Kirana Cahaya Sejahtera. Meanwhile, according to Sugiyono (2021:118), "A sample is a subset of the population. Simply put, a sample is defined as a subset of the population that serves as the actual source of data in a study."

Based on the quote above, the researcher took research samples, namely documents in the form of audited financial reports, salary summaries, and employee compensation at CV. Kirana Cahaya Sejahtera in 2025.

Data Collection Techniques

Data is information, characteristics, traits, or situations that actually occur in the research object. To obtain the necessary data, in this study, the researcher used several data collection techniques, namely:

a. Observation Technique, which involves direct observation of the research object.

b. Interview Technique, which involves direct questioning with other relevant parties.

c. Documentation Technique, which involves collecting data related to the research topic or variables through documents, notes, and reports that support the research.

Data Analysis Techniques

In analyzing the data, the researcher used a descriptive method, which involves identifying, collecting, classifying, interpreting, analyzing, and comparing data with theories. Conclusions were then drawn and recommendations were made. The researcher interpreted the obtained data qualitatively using deductive and inductive methods. The deductive method breaks down data from the general to the specific. Meanwhile, the inductive method is a method that describes data from specific to general things.

RESULTS

Calculation and Withholding Mechanism for Article 21 Income Tax

The calculation mechanism for Article 21 Income Tax for Kirana Cahaya Sejahtera is essentially the same as for general Income Tax. Furthermore, the rates set vary, depending on Article 17 of the Income Tax Law or the rates stipulated in Government Regulations or other implementing regulations. The tax system used for withholding Article 21 Income Tax is a withholding system. A withholding system is a tax deduction system in which the authority to determine the amount of tax owed rests with a third party, not the tax authorities or the taxpayer. CV. Kirana Cahaya Sejahtera, as the employer, withholds Article 21 Income Tax. The amount of the deduction depends on the income received by each employee. The calculation of Article 21 Income Tax withholding refers to the Periodic Income Tax Return (SPT Masa PPh Article 21) form 172.

The complete and detailed calculation of Income Tax withholding is presented in tabular form in Appendices 3 and 4 (according to CV. Kirana Cahaya Sejahtera's calculations), while Appendices 5 and 6 show the researcher's Income Tax calculations, referring to Law No. 58 of 2023.

The following are some examples of calculations applied by CV. Kirana Cahaya Sejahtera.

a. Calculation for permanent employees whose net income exceeds the PTKP.

Hendra Zebua, a permanent employee with K/3 status, works at CV. Kirana Cahaya Sejahtera and earns an annual salary of Rp. 36,000,000, overtime allowance of Rp. 143,000, transportation allowance of Rp. 3,120,000, meal allowance of Rp. 3,120,000, position allowance of Rp. 3,000,000, and attendance allowance of 10% of base salary. The amount of tax imposed in one year is:

1) Calculation of Article 21 Income Tax according to CV. Kirana Cahaya Sejahtera.

Annual gross income:	Rp. 48,840,000
Deductions:	
Operational Expenses	
(5% x Rp. 48,840,000)	Rp. 2,442,000 -
Annual net income:	Rp. 46,398,000
PTKP (K/3)	Rp. 72.000,000 -
Annual VAT-Registered Taxable Entity:	Rp. 0

From the results of the PPh 21 calculation above, the deduction for individual taxpayers is zero.

2) Rendi began working at CV. Kirana Cahaya Sejahtera on September 1, 2024. Rendi is single and has no dependents. Rendi receives a salary of Rp15,500,000.00 (fifteen million five hundred thousand rupiah) per month and pays a pension contribution through the company of Rp100,000.00 (one hundred thousand rupiah) per month. Based on Rendi's Non-Taxable Income (TK/0) status, the amount of Article 21 Income Tax withholding on Rendi's income is calculated based on the effective monthly rate in category A.

The calculation of Article 21 Income Tax payable on Rendi's income during 2024 is as follows:

Calculation of Article 21 Income Tax for each tax period other than the last tax period.
September = Rp 15,500,000 x 7% = Rp 1,085,000
October = Rp 15,500,000 x 7% = Rp 1,085,000
November = Rp 15,500,000 x 7% = Rp 1,085,000
December = Rp 15,500,000
Total gross income = Rp 62,000,000
Total income tax Article 21 = Rp 3,255,000
Calculation of Income Tax Article 21 for the last tax period (December)
Annual Gross Income Rp 62,000,000.00
Deductions:
• Annual Office Expenses:
5% x Rp 62,000,000.00
(max (4 x Rp500,000.00) = Rp2,000,000.00
• Pension Contribution:
4 x Rp100,000.00. = Rp 400,000.00 -
Total Rp 2,400,000.00

Annual Gross Income	Rp 62,000,000.00
Total Deductions	Rp 2,400,000.00 -
Annual Net Income	Rp 59,600,000.00
Annual Non-Taxable Income	
• For Individual Taxpayers	Rp 54,000,000.00 -
Annual Taxable Income	Rp 5,600,000.00

Article 21 Income Tax Payable for the Year
5% x Rp 5,600,000.00 = Rp 280,000.00
Article 21 Income Tax withheld until
November 2024 Rp 3,255,000.00
Article 21 Income Tax overwithheld (Rp 2,975,000.00)

Note:
1. CV Kirana Cahaya Sejahtera will refund the excess Article 21 Income Tax withholding to Rendi, along with proof of Article 21 Income Tax withholding for the last tax period, no later than the end of the following month after the last tax period, which is the end of January 2025.
2. Rendi is required to report the income received or earned from CV Kirana Cahaya Sejahtera in his 2024 Annual Income Tax Return.
3. The Article 21 Income Tax withheld by CV Kirana Cahaya Sejahtera for the tax period September to December 2024, amounting to Rp280,000.00 (two hundred and eighty thousand rupiah), is a tax credit in the 2024 Annual Income Tax Return.

Income Tax Article 21 Payment and Reporting System

Based on research conducted by researchers, the system used by CV. Kirana Cahaya Sejahtera employees to remit Income Tax Article 21 collected on employee income is as follows:

a. After all Income Tax Article 21 has been calculated and collected each month by the company's Tax Department, the Finance Department then remits the tax to the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP) as the tax payment or remittance point.

b. The deadline for payment or remittance of Income Tax Article 21 collected by CV. Kirana Cahaya Sejahtera employees is:

1) For periodic Income Tax Article 21 payments, the deadline is the 10th of the following calendar month after the end of the tax period.

2) Any underpayment of tax due based on the Annual Income Tax Article 21 Return must be paid in full no later than the 25th of the third month after the end of the tax year or portion of the tax year, before the return is submitted.

c. The method used to pay and deposit Article 21 Income Tax payable is through a Tax Payment Slip (SSP). The SSP must be filled in with the total amount of Article 21 Income Tax payable or payable.

d. The SSP consists of five copies:

1) Sheet 1 for CV. Kirana Cahaya Sejahtera employees;

2) Sheet 2 for the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP);

3) Sheet 3 for CV. Kirana Cahaya Sejahtera employees to report to the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP);

4) Sheet 4 for the Bank Sumatera Utara Branch Office as the location for depositing Article 21 Income Tax;

5) Sheet 5 for the Tax Collector's archives (Finance department).

After Article 21 Income Tax has been calculated and deposited by CV. Kirana Cahaya Sejahtera, CV. Kirana Cahaya Sejahtera reports the calculation and payment of Income Tax Article 21 payable in accordance with the provisions of Tax Laws and Regulations. The procedures required by CV. Kirana Cahaya Sejahtera to report the calculation and payment of Income Tax Article 21 are as follows:

a. CV. Kirana Cahaya Sejahtera reports its taxes using a Tax Return (SPT), which must be picked up in person at the local Tax Service Office where CV. Kirana Cahaya Sejahtera is registered with the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP).

b. CV. Kirana Cahaya Sejahtera uses two types of SPTs to report Income Tax Article 21:

1) Periodic Income Tax Article 21 Return, which is used by CV. Kirana Cahaya Sejahtera to report the calculation and/or payment of tax payable for a tax period.

2) Annual Income Tax Article 21 Return, which is issued by CV. Kirana Cahaya Sejahtera is used to report the calculation and payment of taxes owed in a tax year, using Form 1721.

The SPT is completed based on the calculations and payments made by CV. Kirana Cahaya Sejahtera during the relevant tax period or year.

c. The SPT must be submitted or reported by CV. Kirana Cahaya Sejahtera no later than the 20th of the following month after the end of the tax period for Periodic Income Tax Article 21 and no later than three months after the end of the tax year for Annual Income Tax Article 21 to the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP).

d. The following evidence must be attached by CV. Kirana Cahaya Sejahtera to the SPT Income Tax Article 21:

1) Employee payroll at CV. Kirana Cahaya Sejahtera;

2) Tax Payment Slip, page 3.

To illustrate whether CV. Kirana Cahaya Sejahtera is a registered taxable company, the following documents must be submitted:

3) A list of CV. Kirana Cahaya Sejahtera's employees;

4) A copy of the Tax Payment Slip (page 3).

5) A copy of the Tax Payment Slip (page 3).
6) A copy of the Tax Payment Slip (page 3).
7) A copy of the Tax Payment Slip (page 3).
8) A copy of the Tax Payment Slip (page 3).
9) A copy of the Tax Payment Slip (page 3).
10) A copy of the Tax Payment Slip (page 3) is required to be submitted or reported to the Gunungsitoli Tax Counseling and Consultation Service Office (KP2-KP). Kirana Cahaya Sejahtera has made payments/deposits of its taxes owed for 2024 and submitted its SPT correctly.

DISCUSSION

Accounting Records at CV. Anggra Jaya

Research shows that the accounting records maintained by the Accounting Department of CV. Kirana Cahaya Sejahtera are as follows:

a. At the time of employee salary deductions

Salary Expense	XXX	
Salary Payable		XXX
Article 21 Income Tax Payable		XXX

b. At the time of employee salary payments (at the end of the month)

Salary Payable	XXX
Cash	XXX

c. At the time of employee income tax payments (before the end of the tax period)

Article 21 Income Tax Payable	XXX
Cash	XXX

The accounting records for Article 21 Income Tax at CV. Kirana Cahaya Sejahtera comply with Financial Accounting Standards, namely PSAK No. 9, concerning liabilities to be settled within one year within a company's operating cycle. This is due to the company's Accounting Department's thorough understanding of accounting theories. The weakness in accounting records experienced so far is only the carelessness of employees, namely errors in research or recording of nominal rupiah and these errors can be resolved as soon as possible.

Solutions to Errors Related to the Calculation, Payment, and Reporting of Article 21 Income Tax, and Company Bookkeeping

At CV. Kirana Cahaya Sejahtera, errors were found in the calculation of Article 21 Income Tax for employees, although the company correctly implemented the payments, reporting, and bookkeeping. The following is a solution to the error in calculating Article 21 Income Tax for CV. Kirana Cahaya Sejahtera's employees, specifically regarding the calculation and withholding of tax payable for permanent employees. This involves correcting the Article 21 Income Tax calculation formula in accordance with the Tax Law by accommodating employee overtime pay to avoid state losses.

CONCLUSION

Based on the descriptions presented above, the researcher concluded the following:

1. CV. Kirana Cahaya Sejahtera's mechanism for calculating, depositing, and reporting Article 21 Income Tax on employee income is quite good and adequate. However, the company has not been able to deduct Article 21 Income Tax in accordance with the Tax Law.

2. The mechanism for calculating Article 21 Income Tax on permanent employee income does not match the calculated Article 21 Income Tax payable according to CV. Kirana Cahaya Sejahtera and the calculated Article 21 Income Tax payable according to the researcher, based on Income Tax Law No. 58 of 2023. This is because overtime pay paid monthly to employees is not included as an addition to gross income. According to the company, only income received regularly over the same period (in this case every month) and in the same amount (in this case, basic salary and attendance allowance) is included as an addition to gross income.
3. According to Law No. 58 of 2023, overtime pay should be considered a component of gross income.

These considerations are what led to the underpayment of Income Tax Article 21 withheld by the company and the researcher.

LIMITATION

Based on the conclusions outlined above, the researcher will attempt to provide useful suggestions for company management to implement in decision-making and as a basis for future consideration. The researcher's suggestions are:

1. CV. Kirana Cahaya Sejahtera is expected to have a better understanding of Tax Law, particularly Income Tax Article 21, and to remain up-to-date on developments in applicable tax provisions. Considering that tax laws and regulations in Indonesia frequently change according to the situation and conditions, following social and economic developments, this will prevent further errors in calculating tax payable, which could result in losses for the state and all parties, particularly the company's tax withholding agency.
2. Taxes are a source of state revenue for national development. Therefore, CV. Kirana Cahaya Sejahtera is expected to fulfill its obligations to withhold, deposit, and report Income Tax Article 21 for employees correctly and thoroughly to avoid losses for employees, the company, or the government.
3. The tax authorities must provide more information regarding Article 21 Income Tax to Taxpayers, especially those who act as tax withholders or collectors, so that there are no more errors related to the calculation, withholding, payment and reporting of Article 21 Income Tax made by Taxpayers.

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