

Analysis of Calculation, Payment, and Reporting of PPh Article 21 at PT. X (Case Study 2020)

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ABSTRACT

Many companies experienced significant revenue declines due to social restrictions and temporary business closures. This has impacted their ability to fulfill their tax obligations, including PPh Article 21. The research subject is PT. X, a company engaged in offset packaging printing. This study uses a qualitative method, addressing issues by collecting, describing, calculating, comparing, and explaining a situation. Specifically, this study is a descriptive research type. The results of the research show that PT. X's calculation of Income Tax Article 21 is still not in accordance with Tax Law No. 36 of 2008.

Keywords: *Calculation, Deposit, Reporting, Income Tax 21*

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INTRODUCTION

Taxes are one of the sources of state revenue used to ensure the development of all Indonesian people. Every country undergoes a continuous development process with the goal of building a developing nation that constantly strives for development in all fields, involving all available potential and capabilities to create a just and prosperous society across all aspects of life, without exception, according to Ulin Nuha (2018). Tax is also one of the important aspects for companies and the country, according to Thaus Sugihilmi Arya Putra (2022). For companies, PPh 21 is an obligation that must be fulfilled as a tax withholding agent for employee income. Companies can also provide tax allowances to employees, which means covering the PPh 21 that employees should have paid. For the government, PPh 21 is one of the sources of state revenue from the tax sector, according to the Ministry of Finance (2021).

Tax revenue generated from the people is a real contribution to supporting the financing of government administration. In paying taxes, making taxes the main source of state revenue is not an effortless task. Indonesian society must understand taxes and how to calculate them to avoid errors and deviations in tax payments. Therefore, the government issued regulations in the form of tax laws. These laws regulate matters related to taxes. The active role of society is essential in fulfilling its tax obligations, accompanied by the active role of the tax authorities in implementing the tax collection system according to applicable regulations. Broadly speaking,

in taxation, there are 3 systems: the Official Assessment System, the Self Assessment System, and the Withholding System, according to Mujiyati (2021). Income Tax Article 21 is one of the direct taxes collected by the central government or state taxes derived from people's income, such as salaries, wages, honorariums, allowances, and other payments related to work, services, or activities carried out by domestic taxpayers. The legal basis for Income Tax Article 21 is established by Law Number 36 of 2008, which pertains to the Fourth Amendment of Law Number 7 of 1983 regarding Income Tax, as well as by the Director General of Taxes Regulation Number PER-32/PJ/2015djpd.Kemenkeu (2021).

Finance Minister Sri Mulyani Indrawati reported that tax revenue up to July 2023 reached Rp 1,109.1 trillion, or 64.56% of the state budget target. Year-on-year, tax revenue still showed positive growth of 7.8%. The tax components are Article 21 Income Tax, which grew by 18.1%. This means that employment-absorbing activities and employee wages for Article 21 Income Tax still show good improvement. Tira Santia (2023).

Income Tax Article 21 is one of the direct taxes collected by the central government or state taxes derived from people's income, such as salaries, wages, honorariums, allowances, and other payments related to work, services, or activities carried out by domestic taxpayers. The legal basis for Income Tax Article 21 includes Law Number 36 of 2008, which pertains to the Fourth Amendment of Law Number 7 of 1983 regarding Income Tax, as well as Director General of Taxes Regulation Number PER-32/PJ/2015djpd.Kemenkeu (2021).

Companies often make mistakes when calculating PPh 21, which is caused by the lack of skill among the company's tax department employees due to information not reaching them and a lack of proper understanding of the technicalities of calculating PPh Article 21. This leads to incorrect tax calculations that do not comply with tax law provisions, potentially resulting in tax penalties for failure to report, late payment, and underpayment. Regarding the technicalities of calculating PPh Article 21, special skills are highly necessary to avoid errors in tax calculation, considering the numerous technical aspects involved. This is because the technicalities of calculating PPh Article 21 are not solely determined by the type of income but also by the nature of the income and the recipient of the income. The more diverse the types of income and recipients within a company, the more diverse the technical calculations for PPh Article 21 (Prihatono & Sutomo, 2019).

The COVID-19 pandemic that occurred in 2020 had a significant impact on various sectors, including the tax sector. Income Tax Article 21 (PPh Article 21) is one type of tax levied on income received by domestic individual taxpayers in connection with work, services, or activities. This pandemic has caused changes in people's income and spending patterns, which in turn affects the calculation, payment, and reporting of Article 21 Income Tax. During the pandemic, the government issued various fiscal policies to support the economy and reduce the burden on taxpayers, including relaxations in tax payment and reporting. This research primarily examines the implementation of these policies and the taxpayers' compliance with Article 21 Income Tax.

PT. X is a manufacturing company. PT. X always prioritizes customer satisfaction through good service, maintaining product quality, and having a special strategy to meet market demand, thus retaining customers and hoping to gain loyal customers to enable the company to compete with others. In this case, PT. X is a taxable subject regardless of its name and form, because a company that conducts business or performs activities that generate income is a taxable subject. In 2020, PT. X received a tax assessment notice for Article 21 PPh (Income Tax), and 2020 was the first year PT. X was established, so many of the bookkeeping entries were inaccurate due to the lack of competence of the tax staff employees. Errors frequently

occurred in the calculation of Article 21 PPh, such as not considering employee status, not including all taxable income components, and not calculating deductions that could reduce taxable income. PT. X was selected for examination because, in 2020, there were tax incentives from the government, and it also received a tax assessment notice for PPh 21.

Based on the background above, the problem statement in this research is:

1. Does the calculation of Article 21 Income Tax at PT. X comply with Tax Law No. 36 of 2008?
2. How does PT. X deposit Income Tax Article 21?
3. What reporting method for Income Tax Article 21 does PT. X use?

The objectives of this research are:

1. to analyze whether the calculation of Income Tax Article 21 carried out by PT. X complies with the applicable tax laws.
2. To analyze the payment made by PT. X.
3. To analyze the reporting of Income Tax Article 21, carried out by PT. X.
4. The results of this research are expected to provide insights, knowledge, and information to other parties who will research matters related to the calculation, payment, and reporting of Article 21 Income Tax (PPh 21).

METHOD

In this study, the author uses a qualitative method. Qualitative methods are research methods based on postpositivist philosophy, used to study natural objects (Sugiyono, 2016). Specifically, this research is a descriptive study, which analyzes and presents facts systematically to make them easier to understand and draw conclusions. The aim is to systematically and accurately describe facts and characteristics about a population or a specific field. TIPA (2016).

The population in this study is the payroll list of PT. X employees for the year 2020, which also serves as the research sample. Technical documentation is a data collection technique that involves primary data, which is data already provided by the organization (business unit) and ready for the researcher to use. Secondary data was obtained from supporting research data such as company data, employee salary lists, other supporting materials related to this research, and information from book theories and interviews.

RESULTS AND DISCUSSION

The tax department needs to be encouraged to constantly update itself with changes in tax regulations and improve the accuracy and precision in calculating PPh Article 21. Errors and issues in calculating employee income tax generally arise due to a lack of thoroughness and knowledge within the tax department team.

The tax collection system implemented by PT. X uses the withholding system. The withholding system is a method where a third party has the obligation to determine the amount of tax that must be paid by individuals, rather than the tax authority or the taxpayer themselves. PT. X acts as the party responsible for withholding PPh Article 21. The amount of withholding is determined based on the amount of income received from each employee. Income Tax Article 21 deductions are made monthly, concurrently with the monthly salary payments to PT. X employees.

For PT. X employees, the payment of Income Tax Article 21 is carried out by creating a payment code in the E-Billing system each month, no later than 10 days after the end of the tax period. This online tax payment system utilizes payment codes that must be created beforehand, replacing manual tax payments using the SSP. If the submission deadline falls on a holiday, then the submission of PPh Article 21 for employees is done on the next working day.

Employees are required to report PPh Article 21 every month no later than 20 days after the tax period ends; however, if the deadline falls on a Saturday or national holiday, employees are allowed to report it on the next working day. The Tax Notification Letter (SPT) and proof of tax payment are documents used by entities to report PPh Article 21 for employees whose taxes have been deducted and remitted.

The company provides financial support to assist employees with their income tax obligations. However, because this support is based solely on the initial salary before any raises, the difference in gross income must be calculated each year, requiring the entity to make PPh Pasal 21 payments for employees who are still underpaid. Consequently, at the end of the year, the company must pay tax allowances to those employees.

Table 1 Income Tax Article 21 of PT. X and Tax Laws will be outlined as follows for the calculation and deduction of PPh

No	Description	Income tax paid by PT X		Income tax according to the tax law		Difference in PPh 21 PPh
		Gross Salary	PPh	Gross Salary	PPh	
1	Informan 1	Rp 145.000.000	Rp 5.287.498	Rp 145.000.000	Rp 5.725.000	Rp 437.502
2	Informan 2	Rp 60.000.000	Rp 243.463	Rp 74.743.463	Rp 861.550	Rp 618.087
3	Informan 3	Rp 96.000.000	Rp 985.440	Rp 105.267.976	Rp 1.400.200	Rp 414.760
4	Informan 4	Rp 34.420.000		Rp 34.420.000		
5	Informan 5	Rp 53.137.916,57		Rp 53.137.916,57		
6	Informan 6	Rp 54.000.000		Rp 91.919.827,59	Rp 769.900	Rp 769.900
7	Informan 7	Rp 58.632.096,77		Rp 58.632.096,77		
8	Informan 8	Rp 55.985.483,87		Rp 55.985.483,87		
9	Informan 9	Rp 69.926.205,04		Rp 69.926.205,04		
10	Informan 10	Rp 56.412.819,80		Rp 56.412.819,80		

The study results above show that PT. X's calculation of PPh 21 is not in line with tax regulations; there are still discrepancies in the gross salary amount, and PT. X did not account for the salary that should have been paid due to employee salary increases. Conversely, PT. X calculated PPh 21 based on their first month's salary to determine their gross salary.

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CONCLUSION

Conclusion

Based on this research, the author can draw the following conclusions: 1) The calculation of Income Tax Article 21 by PT. X is not in accordance with Tax Law No. 36 of 2008. Data analysis indicates that PT. X determines gross salary based on the initial basic salary, not the actual salary received by employees. 2) PT. X's implementation of Income Tax Article 21 payments complies with the applicable tax regulations outlined in PER 16/PJ/2016. Income Tax Article 21 payments for PT. X employees are made by creating a billing code in the E-billing system each month, no later than 10 days after the tax period ends. 3) PT. X employees utilize the Income Tax Article 21 reporting system that has been adjusted to the Law and Directorate General of Taxation Regulation No. PER-01/PJ/2017, which outlines the latest policy for reporting Income Tax Article 21 through e-SPT. For employees, reporting of PPh Article 21 must be done no later than twenty days after the tax period ends.

Suggestion

1) PT. X must select more meticulous employees and provide them with tax training so they better understand how to correctly calculate income tax (PPh) according to Article 21 in accordance with the Tax Law. 2) The company needs to inform employees who do not yet have a tax identification number (NPWP) about the benefits of having an NPWP for taxpayers. 3. PT. X needs to be more vigilant in following the provisions of the tax law so they can avoid tax violations and penalties.

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