

STRATEGY FOR SAVING PAYMENT OF ITS ARTICLE 21 THROUGH TAX PLANNING IN THE TIRTA BARIBIS DRINKING WATER PERUMDA BREBES DISTRICT

(STRATEGI PENGHEMATAN PEMBAYARAN PPh PASAL 21 MELALUI PERENCANAAN PAJAK PADA PERUMDA AIR MINUM TIRTA BARIBIS KABUPATEN BREBES)

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ABSTRACT

Reny Sulistyaningsih, 2023. Strategy for Saving on Income Tax Article 21 Payments through Tax Planning at the Tirta Baribis Drinking Water Company, Brebes Regency.

The objectives of this research include: 1). To find out about the tax planning of Perumda Air Minum Tirta Baribis Brebes Regency in optimizing savings in paying PPh Article 21. 2). To find out which method, among the net method, gross method and gross up method, is the most effective in optimizing savings in paying PPh Article 21 at the Tirta Baribis Drinking Water Company, Brebes Regency.

This research method uses a quantitative descriptive research type using a case study approach. Meanwhile, the data analysis technique used in this research is descriptive quantitative data analysis technique.

Tax planning for Perumda Air Minum Tirta Baribis, Brebes Regency in optimizing savings in paying PPh Article 21, which has been used so far, is to use the net method, namely bearing the entire tax burden of its employees, with the hope that the employees of Perumda Air Minum Tirta Baribis, Brebes Regency will be more focused in working and achieving targets by The reward is getting an appropriate net salary without thinking about the tax burden that must be paid. Based on the research results, it is known that there is no tax efficiency if the company applies the net method because all this time the company has used the net method. If the company applies the gross method, there will be an efficiency in paying corporate income tax of 1.55%. If the company applies the gross up method, there will be an efficiency in paying corporate income tax of 3.16%, so it can be said that the gross up method is the most effective method used to optimize savings on paying PPh Article 21 at Perumda Air Minum Tirta Baribis, Brebes Regency.

Keywords: Payment Savings Strategy, Tax Planning, The Income Tax Article 21 (PPh 21).

A. INTRODUCTION

1.1 Background of the Problem

Taxes are people's contributions to the State based on law without receiving direct services that can be demonstrated (Diyanah et al, 2017). In tax planning for Income Tax article 21, calculations are carried out using several existing methods in order to minimize the burden of Income Tax article 21. Several methods are used to calculate Income Tax article 21, namely the Net method, Gross method and Gross up method.

The net income tax calculation method is carried out by calculating tax deductions where the company bears the tax burden from working employees. The gross method for calculating income tax is a method that involves employees of a company bearing the income tax owed themselves, thus reducing the employee's income.

The gross up income tax calculation method is a method for calculating tax deductions where the company provides tax benefits to employees. Tax withholding in accordance with PER-16/PJ/2016 is a levy on income received from a job, service and activity which has the potential to be subject to PPh article 21 tax. PER-16/PJ/2016 contains procedures for withholding PPh article 21 on income employees carried out by the company (Sahilatua and Noviari 2018).

The Regional Public Company (Perumda) Tirta Baribis Drinking Water is a company operating worldwide, Perumda Drinking Water which is located on Jalan Taman Siswa No. 3 Brebes Regency. The Tirta Baribis Drinking Water Company has a vision, namely to become a superior, modern and environmentally conscious Drinking Water Company (brebeskab.go.id, 2022).

In accordance with the business sector carried out, Perumda Air Minum Tirta Baribis has business activities such as distributing clean water to customers, building a network of drinking water supply systems (SPAM) to optimize the distribution of clean water to the community, and carrying out maintenance and arrangement of pipe networks to reduce water leaks or loss (topbusiness.id, 2021).

Based on the initial interview that was conducted, Perumda Air Minum Tirta Baribis Brebes Regency explained that the method used in paying PPh Article 21 for employees is the Gross Method, which is a method carried out by employees of a company bearing the income tax owed themselves thereby reducing the income from the employee.

The Regional Public Company for Drinking Water, Tirta Baribis, stated that one of the tasks that must be carried out is carrying out the preparation of payroll and calculating PPh 21 in accordance with the provisions of the applicable regulations. One way that can be used to reduce the tax burden is through tax planning. Therefore, the researcher took the title "Strategy for Saving Income Tax Payments Article 21 through Tax Planning at the Tirta Baribis Drinking Water Company, Brebes Regency". The tax saving strategy at Perumda Air Minum Tirta Baribis Brebes Regency is important to minimize the tax burden but still in the context of complying with tax provisions by means of tax planning so that with this strategy the tax burden decreases and the profit per year will increase.

1.2 Problem Formulation

Based on the various problems implied in the research background, the main problems that are the focus of this research are:

1. How is the tax planning for the Tirta Baribis Drinking Water Company in Brebes Regency to optimize savings on paying PPh Article 21?
2. Which method, among the net method, gross method, and gross up method, is the most effective in optimizing savings in paying PPh Article 21 at the Tirta Baribis Drinking Water Company, Brebes Regency?

1.3 Research Objectives

The aim of this research is

1. To find out the effect of occupational safety and health on productivity. To find out the tax planning of Perumda Air Minum Tirta Baribis Brebes Regency in optimizing savings on paying PPh Article 21.
2. To find out the methods among the net method, gross method, and gross up method that are most effective in optimizing savings in paying PPh Article 21 at the Tirta Baribis Drinking Water Company, Brebes Regency.
3. To determine the influence of occupational safety and health, career development and job training together on the work productivity of employees in the production department of PT. SAS Kreasindo Utama Tegal Regency?

B. CONCEPTUAL FRAMEWORK OF THINKING

Based on the theoretical basis and previous research, it was found whether the savings strategy for paying PPh Article 21 through tax planning at Perumda Air Minum Tirta Baribis Brebes Regency uses the gross method which will later affect the efficiency of tax payments in the company because the company provides maximum income but To save money and reduce the company's burden, use the gross method for planning PPh Article 21 which is charged to employees. From the company or taxpayer side, if the tax paid is greater than the proper amount, it will result in losses, while from the government side, if the tax paid by taxpayers is less than what they should pay, then the state's income from the tax sector will suffer. reduce. Efforts that can be made by entrepreneurs or taxpayers are to minimize the tax burden within limits that do not violate the rules, because tax is a factor reducing profits. The greater the income, the greater the tax payable.

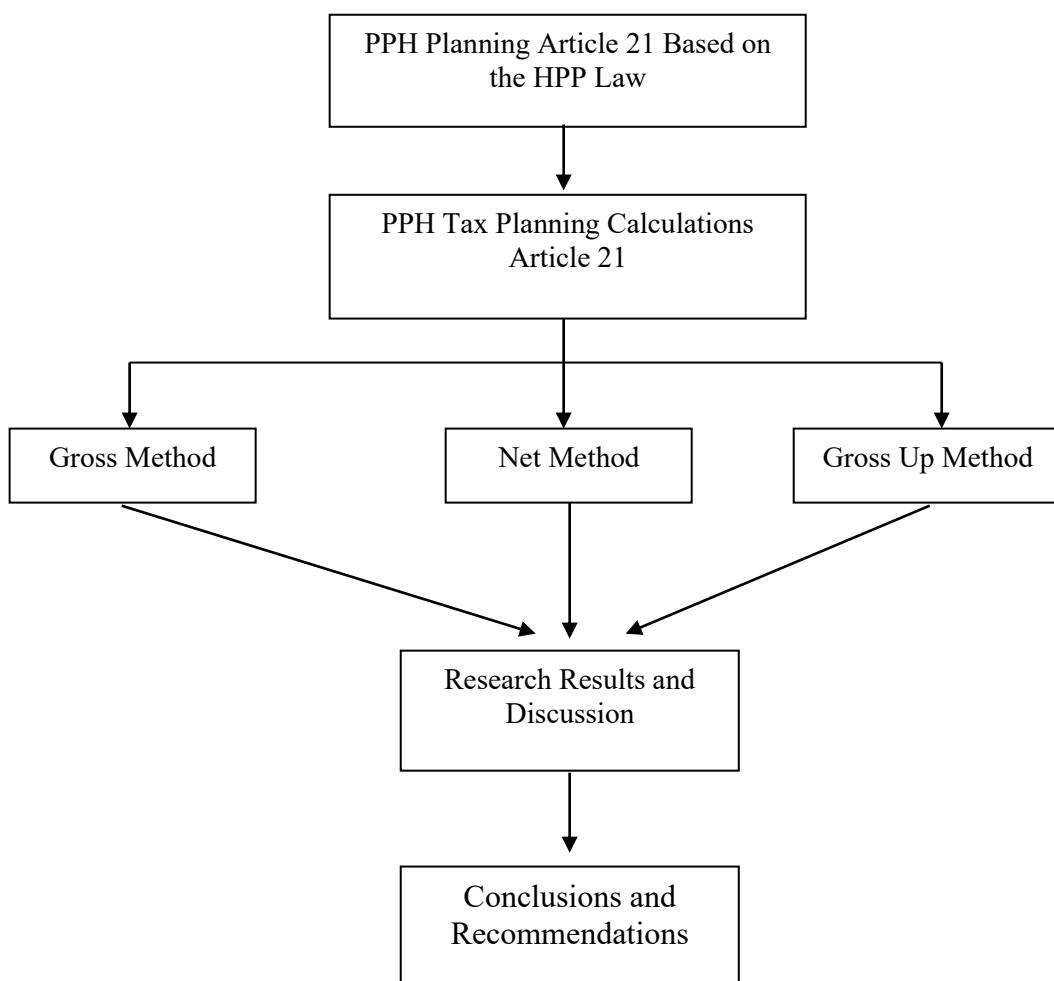


Figure 1
Thinking Framework Model

C. RESEARCH METHODS

3.1 Types of Research

This research uses a quantitative descriptive research type using a case study approach.

3.2 Data Source

The data sources in the research were obtained from companies in the form of primary and secondary data.

3.3 Data Collection Techniques

Data collection was carried out using the following steps: Library Research, Field Research

3.4 Data Analysis Techniques

The data analysis technique used in this research is descriptive quantitative data analysis technique.

D. RESEARCH RESULTS AND DISCUSSION

4.1 PPh payment policy Article 21 Perumda Tirta Baribis Drinking Water, Brebes Regency

In principle, tax on income will be payable at the end of the year, whether for taxpayers who use the financial year, depending on the year chosen by the taxpayer. However, to provide relief and ease in paying tax on income, as well as the principle of tax imposition when income occurs, the amount of income that will occur at the end of the year can be estimated from the beginning of the year, and the amount of PPh that will be payable at the end of the year must be paid in full. at each monthly period or at each transaction, by means of levies, deductions from other rights, or paid by the taxpayer himself.

The tax planning carried out by Perumda Air Minum Tirta Baribis Brebes Regency is that every year it routinely processes the calculation of income tax article 21 in a timely manner, this is done to avoid potential fines caused by late calculations which impact on late reporting of income tax article 21 and avoid overpayment and underpayment of income tax article 21. In terms of planning income tax article 21 Perumda Air Minum Tirta Baribis Brebes Regency follows the latest tax regulations, if these regulations are more profitable or reduce the cost of tax payable then Perumda Air Minum Tirta Baribis Regency Brebes will apply these regulations for tax planning, the regulations in question include increases in PTKP rates. If an employee's status changes, it must be immediately adjusted to the PTKP rate and the PTKP calculation is assisted by an application that makes tax calculations easier.

The efficiency of tax planning carried out by Perumda Air Minum Tirta Baribis Brebes Regency is more focused on utilizing the applicable rules in taxation such as the definition in PPh Article 21 which is reviewed by looking at the PTKP side of each employee, if the amount of PTKP for each employee experiences changes So Perumda Air Minum Tirta Baribis Brebes Regency recalculates the PTKP of its employees in accordance with the applicable rules in taxation in the hope that employee tax costs borne by Perumda Air Minum Tirta Baribis Regency Brebes can be reduced to a minimum without abusing the taxation rules.

Perumda Air Minum Tirta Baribis Brebes Regency divides between permanent employees and non-permanent employees, with the HR division as an intermediary who provides salaries to each permanent employee, and any data on salary payments to permanent employees will be deposited with the taxation division where Article 21 Income Tax will be calculated. for each employee, salaries for non-permanent employees will be paid to the general division, and data from the HR division and general division will be combined into one to be reported to the tax office via e-filing

The process of calculating, depositing and reporting carried out by Perumda Air Minum Tirta Baribis Brebes Regency for employees is classified first, between permanent employees whose tax payable is immediately calculated. As well as the calculation of tax owed on employees which is calculated in accordance with the latest PTKP regulations whose rates have been updated in accordance with general tax provisions which results in low corporate income tax.

a. Calculation of Income Tax Article 21 According to the Company

The following is an example of calculating PPh Article 21 according to the company:

Table 1

Calculation of Income Tax Article 21 According to the Company

No	Name	Marital Status	Basic salary	Addition					Gross income	Subtraction		Monthly Net Income	Annual Net Income	PTKP	PKP One Year	Income Tax Article 21 a year
				Salary Benefits	JKK	JKM	BPJS	THR dan Jaspro		Position allowance	JHT/THT/ Pension Contributions					
				1	2	3	4	5		6	7	8	9	10	11	12
1	Dewi Prabawani , S.H.	TK	4.032.500	2.081.500	54.415	18.342	244.560	3.915.100	6.431.317	321.566	345.095	5.764.656	69.175.869	54.000.000	15.175.869	758.750
2	Dusto	K/1	4.246.200	2.986.930	64.375	21.699	289.325	4.721.600	7.608.529	380.426	449.728	6.778.375	81.340.501	63.000.000	18.340.501	917.000
3	Fanny Shandra Desatian	K/2	3.417.600	3.033.520	57.415	19.353	258.045	4.417.600	6.785.933	339.297	312.073	6.134.564	73.614.766	67.500.000	6.114.766	305.700
4	Indah Lestari Effendhy, S.E	TK/3	4.032.500	1.478.250	49.046	16.532	220.430	4.032.500	5.796.758	289.838	326.998	5.179.922	62.159.070	67.500.000	0	0
5	Sopiyah	TK/1	4.517.700	1.075.000	49.775	16.778	223.708	4.404.800	5.882.961	294.148	356.576	5.232.237	62.786.845	58.500.000	4.286.845	214.300
6	Suhantris	K/3	4.379.800	3.225.960	67.691	22.817	304.230	5.378.800	8.000.498	400.025	466.493	7.133.980	85.607.760	72.000.000	13.607.760	680.350
7	Widodo	K/2	4.517.700	3.503.540	71.389	24.064	320.850	5.767.700	8.437.542	421.877	484.725	7.530.940	90.371.280	67.500.000	22.871.280	1.143.550
8	Wimantini ngsih	TK/0	4.379.800	1.731.970	54.395	18.335	244.471	4.051.400	6.428.971	321.449	366.379	5.741.143	68.893.716	54.000.000	14.893.716	744.650
9	Yudhi Setiawan	K/2	4.517.700	3.527.655	71.604	24.136	321.814	6.017.700	8.462.909	423.145	485.449	7.554.315	90.651.780	67.500.000	23.151.780	1.157.550
10	Yudi Triono Raharjo	K/1	3.869.000	2.880.350	60.069	20.248	269.974	4.747.300	7.099.641	354.982	352.001	6.392.658	76.711.896	63.000.000	13.711.896	685.550
															Tax Amount	6.607.400

Table 4.1 above shows an example of calculating Income Tax article 21 using the method used by the company. From the table above, it is known that the company provides benefits in the form of a salary allowance, work accident insurance of 0.89% of the basic salary, death insurance of 0.3% of the basic salary, BPJS health benefits of 4% of the basic salary. The salary received by employees will be reduced by position costs of 5% of the basic salary, old age security/old age allowance/pension contributions of 2% of the basic salary.

b. Calculation of Income Tax Article 21 According to the Net Method

The net method is a method for calculating income tax article 21 by which the company bears the entire tax burden of its employees. The company chose this method as a policy in calculating employee income tax article 21, because it is considered not to burden its employees in paying and recalculating the tax owed on each employee. The burden incurred by the company to cover PPh Article 21 employees is only recognized on a commercial basis. The burden incurred by the company to cover PPh Article 21 employees is only recognized on a commercial basis. Fiscally, it cannot be a deduction from income or is non-deductable and for employees it is non-taxable income.

Table 2
Calculation of Income Tax Article 21 Net Method

1	Name	Marital Status	Basic salary	Addition					Gross income	Subtraction		Monthly Net Income	Annual Net Income	PTKP	PKP One Year	Income Tax Article 21 a year
				Salary Benefits	JKK	JKM	BPJS	THR dan Jaspro		Position allowance	JHT/THT/ Pension Contributions					
				1	2	3	4	5		7	8	9	10	11	12	13
1	Dewi Prabawani, S.H.	TK	4.032.500	2.081.500	54.415	18.342	244.560	3.915.100	10.346.417	500.000	345.095	9.501.322	72.895.214	54.000.000	18.895.214	944.750
2	Dusto	K/1	4.246.200	2.986.930	64.375	21.699	289.325	4.721.600	12.330.129	500.000	449.728	11.380.402	85.826.021	63.000.000	22.826.021	1.141.300
3	Fanny Shandra Desatian	K/2	3.417.600	3.033.520	57.415	19.353	258.045	4.417.600	11.203.533	500.000	312.073	10.391.461	77.811.486	67.500.000	10.311.486	515.550
4	Indah Lestari Effendhy, S.E	TK/3	4.032.500	1.478.250	49.046	16.532	220.430	4.032.500	9.829.258	491.463	326.998	9.010.797	65.989.945	67.500.000	0	0
5	Sopiyah	TK/1	4.517.700	1.075.000	49.775	16.778	223.708	4.404.800	10.287.761	500.000	356.576	9.431.185	66.971.405	58.500.000	8.471.405	423.550
6	Suhantris	K/3	4.379.800	3.225.960	67.691	22.817	304.230	5.378.800	13.379.298	500.000	466.493	12.412.805	90.718.584	72.000.000	18.718.584	935.900
7	Widodo	K/2	4.517.700	3.503.540	71.389	24.064	320.850	5.767.700	14.205.243	500.000	484.725	13.220.518	95.850.595	67.500.000	28.350.595	1.417.500
8	Wimantiningsih	TK/0	4.379.800	1.731.970	54.395	18.335	244.471	4.051.400	10.480.371	500.000	366.379	9.613.992	72.742.549	54.000.000	18.742.549	937.100
9	Yudhi Setiawan	K/2	4.517.700	3.527.655	71.604	24.136	321.814	6.017.700	14.480.609	500.000	485.449	13.495.160	96.368.593	67.500.000	28.868.593	1.443.400
10	Yudi Triono Raharjo	K/1	3.869.000	2.880.350	60.069	20.248	269.974	4.747.300	11.846.941	500.000	352.001	10.994.940	81.221.839	63.000.000	18.221.839	911.050
Tax Amount															8.670.100	

Table 4.2 above shows that the calculation of Article 21 Income Tax using the Net Method is carried out without taking into account the Article 21 Income Tax payable as an additional element of income because the company bears the Article 21 Income Tax payable but does not consider the Article 21 Income Tax allowance as an additional element of income and After taking into account the calculation of Income Tax Article 21 using the net method, the total Income Tax Article 21 payable for 10 employees for a year is Rp. 8,670,100, where all amounts of Income Tax Article 21 owed are borne by the company.

c. Calculation of Income Tax Article 21 According to the Gross Method

The gross method is a tax deduction method where employees bear the Article 21 PPh owed on their income themselves. The procedures for calculating income tax article 21 are contained in the Regulation of the Director General of Taxes Number: PER-16/PJ/2016 concerning Technical Guidelines for Procedures for Withholding, Depositing and Reporting Income Tax Article 21 and/or Income Tax Article 26 in connection with Employment, Services and Private Person Activities. In summary, PPh article 21 for permanent employees is calculated by multiplying taxable income by the rate of article 17 of the Income Tax Law. Taxable income is obtained from reducing the amount of income from PTKP.

Table 3
Calculation of Income Tax Article 21 Gross Method

No.	Name	Marital Status	Basic salary	Addition					Gross income	Subtraction		Monthly Net Income	Annual Net Income	PTKP	PKP One Year	Income Tax Article 21 a year
				Salary Benefits	JKK	JKM	BPJS	THR dan Jaspro		Position allowance	JHT/THT/ Pension Contributions					
				1	2	3	4	5		6	7	8	9	10	11	12
1	Dewi Prabawani, S.H.	TK	4.032.500	2.081.500	54.415	18.342	244.560	3.915.100	10.346.417	500.000	345.095	9.501.322	72.895.214	54.000.000	18.895.214	944.750
2	Dusto	K/1	4.246.200	2.986.930	64.375	21.699	289.325	4.721.600	12.330.129	500.000	449.728	11.380.402	85.826.021	63.000.000	22.826.021	1.141.300
3	Fanny Shandra Desatian	K/2	3.417.600	3.033.520	57.415	19.353	258.045	4.417.600	11.203.533	500.000	312.073	10.391.461	77.811.486	67.500.000	10.311.486	515.550
4	Indah Lestari Effendhy, S.E	TK/3	4.032.500	1.478.250	49.046	16.532	220.430	4.032.500	9.829.258	491.463	326.998	9.010.797	65.989.945	67.500.000	0	0
5	Sopiyah	TK/1	4.517.700	1.075.000	49.775	16.778	223.708	4.404.800	10.287.761	500.000	356.576	9.431.185	66.971.405	58.500.000	8.471.405	423.550
6	Suhantris	K/3	4.379.800	3.225.960	67.691	22.817	304.230	5.378.800	13.379.298	500.000	466.493	12.412.805	90.718.584	72.000.000	18.718.584	935.900
7	Widodo	K/2	4.517.700	3.503.540	71.389	24.064	320.850	5.767.700	14.205.243	500.000	484.725	13.220.518	95.850.595	67.500.000	28.350.595	1.417.500
8	Wimantiningsih	TK/0	4.379.800	1.731.970	54.395	18.335	244.471	4.051.400	10.480.371	500.000	366.379	9.613.992	72.742.549	54.000.000	18.742.549	937.100
9	Yudhi Setiawan	K/2	4.517.700	3.527.655	71.604	24.136	321.814	6.017.700	14.480.609	500.000	485.449	13.495.160	96.368.593	67.500.000	28.868.593	1.443.400
10	Yudi Triono Raharjo	K/1	3.869.000	2.880.350	60.069	20.248	269.974	4.747.300	11.846.941	500.000	352.001	10.994.940	81.221.839	63.000.000	18.221.839	911.050
															Amount	8.670.100

Table 4.3 above shows that the calculation of Income Tax article 21 uses the gross method. PPh Article 21 with the gross method means that Income Tax Article 21 is borne by the employee himself and for the company it is not a burden and does not affect profit or loss, but for the employee it is a burden that will reduce his gross income. Income Tax Article 21 using the gross method, the total Income Tax Article 21 payable for 10 employees for a year is IDR. 8,670,100, where all the amount of Income Tax Article 21 owed is borne by the employee himself so that it will reduce the income he receives.

d. Calculation of Income Tax Article 21 According to the Gross Up Method

The application of the gross up method in withholding PPh Article 21 means that Perumda Air Minum Tirta Baribis Brebes Regency provides an allowance for PPh Article 21 which should be borne by employees. The PPh Article 21 allowance provided by Perumda Air Minum Tirta Baribis Brebes Regency will increase the amount of gross income received by employees. Therefore, the PPh Article 21 allowance is taxable income. For Perumda Tirta Baribis Drinking Water, Brebes Regency, the PPh Article 21 allowance which is taxable income makes the costs of PPh Article 21 a deductible expense.

Table 4
Calculation of Income Tax Article 21 Gross Up Method

No.	Name	Marital Status	Basic salary	Addition						Gross income	Subtraction		Monthly Net Income	Annual Net Income	PTKP	PKP One Year	Income Tax Article 21 a year
				Salary Benefits	PPh allowance	JKK	JKM	BPJS	THR dan Jaspro		Position allowance	JHT/THT/ Pension Contributions					
				1	2	3	4	5	6		7	8	9	10	11	12	13
1	Dewi Prabawani, S.H.	TK	4.032.500	2.081.500	1.218.590	54.415	18.342	244.560	3.915.100	11.565.007	500.000	345.095	10.719.912	78.371.792	54.000.000	24.371.792	1.218.590
2	Dusto	K/1	4.246.200	2.986.930	1.530.061	64.375	21.699	289.325	4.721.600	13.860.190	500.000	449.728	11.380.402	93.601.225	63.000.000	30.601.225	1.530.061
3	Fanny Shandra Desatian	K/2	3.417.600	3.033.520	518.661	57.415	19.353	258.045	4.417.600	11.722.194	500.000	312.073	10.391.461	77.873.212	67.500.000	10.373.212	518.661
4	Indah Lestari Effendhy, S.E	TK/3	4.032.500	1.478.250	0	49.046	16.532	220.430	4.032.500	9.829.258	491.463	326.998	9.010.797	59.739.564	67.500.000	0	0
5	Sopiyah	TK/1	4.517.700	1.075.000	344.973	49.775	16.778	223.708	4.404.800	10.632.734	500.000	356.576	9.776.158	65.399.463	58.500.000	6.899.463	344.973
6	Suhantris	K/3	4.379.800	3.225.960	1.181.961	67.691	22.817	304.230	5.378.800	14.561.259	500.000	466.493	13.594.766	95.639.210	72.000.000	23.639.210	1.181.961
7	Widodo	K/2	4.517.700	3.503.540	1.947.209	71.389	24.064	320.850	5.767.700	16.152.452	500.000	484.725	15.167.727	106.444.173	67.500.000	38.944.173	1.947.209
8	Wimantiniingsih	TK/0	4.379.800	1.731.970	1.199.832	54.395	18.335	244.471	4.051.400	11.680.203	500.000	366.379	10.813.824	77.996.633	54.000.000	23.996.633	1.199.832
9	Yudhi Setiawan	K/2	4.517.700	3.527.655	1.977.534	71.604	24.136	321.814	6.017.700	16.458.143	500.000	485.449	15.472.694	107.050.676	67.500.000	39.550.676	1.977.534
10	Yudi Triono Raharjo	K/1	3.869.000	2.880.350	1.145.239	60.069	20.248	269.974	4.747.300	12.992.180	500.000	352.001	12.140.179	85.904.783	63.000.000	22.904.783	1.145.239
															11.064.058		

Based on table 4 above, it shows that the calculation of Article 21 Income Tax uses the Gross Up Method, where the company covers the Article 21 Income Tax owed by providing Article 21 Income Tax benefits as an additional element of income for employees. These salary expenses and tax benefits may all be costs for the company fiscally and commercially. The employee's take home pay is equal to the salary plus tax allowance minus Article 21 Income Tax. So the take home pay received by the employee is not optimal because the employee still has to bear Article 21 Income Tax due to Article 21 Income Tax using the gross up method to obtain the total Income Tax Article 21 owed to 10 employees for a year, namely Rp. 11,064,058.

Based on the example of calculating Income Tax Article 21 of the Tirta Baribis Drinking Water Perumda, Brebes Regency, then the payment of PPh Article 21 of the Tirta Baribis Drinking Water Perumda, Brebes Regency, can be seen from the financial report for the payment of Article 21 PPh of the Tirta Baribis Drinking Water Perumda, Brebes Regency.

**Regional Public Company (Perumda) Tirta Baribis Drinking Water
Profit and Loss Statement for the Year Ended December 31, 2022**
(Expressed in full rupiah, unless otherwise stated)

Business income and expenses

Operating revenues

Water Revenue	53.137.944.200
Non-Water Income	5.195.393.500
Total revenue	58.333.337.700

Operating expenses

Employee Expenses	14.989.515.614
Fuel Load	1.126.731.200
Electrical Load	3.155.419.451
Depreciation expense	7.302.896.348
Operating expenses	8.294.304.355
maintenance burden	6.111.326.386
Other operating expenses	8.088.074.427
Total Operating Expenses	49.068.267.781

Income (Expenses) outside business

Income outside business	861.789.380
Expenses outside business	-91.766.758
Total Income (Expenses) Outside Business	770.022.622
Profit before tax	10.035.092.541

Fiscal Correction

Positive Fiscal Correction

Receivable allowance expense	843.352.759
Promotional expenses	40.817.000
Guest meeting expenses	360.748.402
Tax expense	173.659.052
Subscription fee expenses	40.201.900
Amount	1.458.779.113

Negative Fiscal Correction	
Receivables that have been written off	6.710.080
Deposit income	276.187.929
Current account income	33.798.864
Amount	<hr/> 316.696.873
Profit after fiscal correction	11.177.174.781
Rounded	11.177.174.000
Calculation of Corporate Income Tax for 2022	
22 % X 11.177.174.000	2.458.978.280

From the data above, it is known that Perumda Air Minum Tirta Baribis, Brebes Regency, paid corporate income tax after fiscal corrections of Rp. 2,458,978,280. Meanwhile, the employee income tax burden borne by the company is IDR. 173,659,052.

Based on Law Number 36 of 2008 concerning Income Tax, it is regulated in Article 21 Paragraph (5a) that taxpayers who do not have a Taxpayer Identification Number (NPWP), are subject to a higher rate of 20% (twenty percent). Being charged a higher rate of 20% means that the amount of PPh Article 21 is 120% of the amount of PPh Article 21 which should be deducted if the person concerned has a NPWP. All employees who are owed PPh article 21 at Perumda Air Minum Tirta Baribis Brebes Regency already have NPWPs so they do not need to be charged a higher rate of 20%.

Payment of PPh Article 21 to Perumda Air Minum Tirta Baribis Brebes Regency is made through the bank no later than the 10th for income tax payable on salaries received for the previous month. Meanwhile, reporting is done no later than the 20th of the month in which income tax is paid. Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 242/PMK.03/2014 concerning Procedures for Payment and Deposit of Tax Article 2 Paragraph (6) it is stated that PPh Article 21 which is withheld by the PPh withholding agent must be deposited no later than the 10 (ten) month following the Period. Tax ends. In article 9 paragraph (2a) of Law Number 28 of 2007 it is stated that late payments or deposits are subject to sanctions in the form of interest of 2% (two percent) per month calculated from the payment due date until the payment date and the part of the month is calculated as 1 (one) full month. Because the Tirta Baribis Drinking Water Company, Brebes Regency always deposits PPh article 21 before the 10th, the Tirta Baribis Drinking Water Company, Brebes Regency does not violate the laws and regulations so it is not subject to sanctions.

Reporting of Income Tax Article 21 at Perumda Air Minum Tirta Baribis Brebes Regency is carried out no later than the 20th of the month in which income tax is paid. In PER-16/PJ/2016 Article 24 Paragraph (2) it is stated that Article 21 PPh withholding agents must report every deduction for each tax period by submitting a Periodic Income Tax Article 21 Notification Letter to the Tax Service Office where the Article 21 Income Tax Withholder is registered. The deadline for initiation of Income Tax Article 21 is a maximum of 20 (twenty) days after the end of the Tax Period. This means that Income Tax Article 21 must be reported before the 20th. Based on Article 7 Paragraph (1) of Law Number 28 of 2007, it is stated that if the Notification Letter is not submitted within the specified time period, then a fine of IDR 100,000.00 (One hundred thousand rupiah). Because the Tirta Baribis Drinking Water Company, Brebes Regency reports no later than the 20th, the Tirta Baribis Drinking Water Company, Brebes Regency, is not subject to administrative sanctions in the form of a fine of IDR 100,000.00.

4.2 Net method, gross method and gross up method in optimizing savings on Article 21 PPh payments.

According to Suandy (2014), tax planning is one of the elements and initial steps in tax management. Companies can carry out tax management as a means of fulfilling tax obligations correctly but the amount of tax paid can be kept as low as possible to obtain the expected profit, without violating applicable tax regulations. The tax planning process itself can only be carried out after researchers have all the necessary data obtained from the company. In this research, the data analyzed are details of the salaries of all permanent employees to calculate the amount of Article 21 Employee Income Tax. Through the data obtained, researchers carry out tax planning as an effort to minimize company tax payments without reducing employee welfare. The following are the results of calculations from one of the employees of Perumda Air Minum Tirta Baribis Brebes Regency using three methods to optimize savings on paying PPh Article 21:

a. *Net method*

The net method is a method for calculating income tax article 21 by which the company bears the entire tax burden of its employees. The company chose this method as a policy in calculating employee income tax article 21, because it is considered not to burden its employees in paying and recalculating the tax owed on each employee. The burden incurred by the company to cover PPh Article 21 employees is only recognized on a commercial basis. Fiscally, it cannot be a deduction from the company's income or is non-deductable, meaning that when the company calculates corporate income tax, this expense cannot be deducted from income so that corporate income tax will be high. The following is the profit and loss report for Perumda Air Minum Tirta Baribis Brebes Regency for 2022 if the net method is applied:

Business income and expenses

Operating revenues

Water Revenue	53.137.944.200
Non-Water Income	5.195.393.500
	<hr/>
	58.333.337.700

Total revenue

Operating expenses

Employee Expenses	14.989.515.614
Fuel Load	1.126.731.200
Electrical Load	3.155.419.451
Depreciation expense	7.302.896.348
Operating expenses	8.294.304.355
maintenance burden	6.111.326.386
Other operating expenses	8.088.074.427
	<hr/>
Total Operating Expenses	49.068.267.781

Income (Expenses) outside business

Income outside business	861.789.380
Expenses outside business	-91.766.758
	<hr/>
Total Income (Expenses) Outside Business	770.022.622

Profit before tax

Fiscal Correction

Positive Fiscal Correction

Receivable allowance expense	843.352.759
Promotional expenses	40.817.000

Guest meeting expenses	360.748.402
Tax expense	173.659.052
Subscription fee expenses	40.201.900
Amount	1.458.779.113
Negative Fiscal Correction	
Receivables that have been written off	6.710.080
Deposit income	276.187.929
Current account income	33.798.864
Amount	<u>316.696.873</u>
Profit after fiscal correction	11.177.174.781
Rounded	11.177.174.000
Calculation of Corporate Income Tax for 2022	
22 % X 11.177.174.000	2.458.978.280

Based on the table above, using the net method will result in a tax fee of Rp. 173,659,052,- Commercially, employee PPh Article 21 costs can be charged so as to reduce the amount of operational profit. However, fiscally, income tax costs including PPh Article 21 cannot be charged so they must be corrected in the amount of PPh Article 21 which should be borne by the Tirta Baribis Drinking Water Company, Brebes Regency so that it cannot reduce the amount of operating profit. As a result, there was a difference in the amount of operational profit between commercial of IDR 10,035,092,541,- and fiscal of IDR 11,177,174,781,-.

b. *Gross method*

The gross method is a method for calculating income tax article 21, in which employees bear the burden of the tax owed themselves. The company will automatically deduct its employees' income if they use this method. Using the gross method will display the profit and loss report for Perumda Air Minum Tirta Baribis Brebes Regency as follows:

Business income and expenses

Operating revenues

Water Revenue	53.137.944.200
Non-Water Income	<u>5.195.393.500</u>
Total revenue	58.333.337.700

Operating expenses

Employee Expenses	14.989.515.614
Fuel Load	1.126.731.200
Electrical Load	3.155.419.451
Depreciation expense	7.302.896.348
Operating expenses	8.294.304.355
maintenance burden	6.111.326.386
Other operating expenses	<u>8.088.074.427</u>
Total Operating Expenses	49.068.267.781

Income (Expenses) outside business

Income outside business	861.789.380
Expenses outside business	<u>-91.766.758</u>

Total Income (Expenses) Outside Business	<u>770.022.622</u>
Profit before tax	<u>10.035.092.541</u>

Fiscal Correction

Positive Fiscal Correction	
Receivable allowance expense	843.352.759
Promotional expenses	40.817.000
Guest meeting expenses	360.748.402
Subscription fee expenses	40.201.900
Amount	1.285.120.061
Negative Fiscal Correction	
Receivables that have been written off	6.710.080
Deposit income	276.187.929
Current account income	33.798.864
Amount	<u>316.696.873</u>
Profit after fiscal correction	11.003.515.729
Rounded	11.003.515.000
Calculation of Corporate Income Tax for 2022	
22 % X 11.003.515.000	2.420.773.300

Based on the table above, using the gross method will result in a tax fee of IDR. 173,659,052,- is not borne by the company so it is no longer a burden on the company. As a result, there was a difference in the amount of operational profit between commercial of IDR 10,035,092,541,- and fiscal of IDR 11,003,515,729,-.

c. *Gross up method*

Until now, there are no provisions governing the consistency of withholding PPh Article 21 on a gross up basis, even though this method is widely applied as a policy option in many companies (Pohan, 2011: 96). The term gross up related to Article 21 Income Tax deductions is not contained directly in the income tax law. However, based on the Regulation of the Director General of Taxes Number PER-64/PJ/2009 concerning Determination of the amount and Time of Payable Income Tax Borne by the Government on Income in the Form of Early Termination Compensation for the Exclusive Rights of PT Telekomunikasi Indonesia (Persero), Tbk in Article 3 Paragraph 3 it is stated that the determination of the amount Income tax borne by the government is calculated using the gross up method. Therefore, even though it is not stated directly, the application of the gross up method in withholding Income Tax Article 21 has strong legal certainty.

The application of the gross up method in withholding PPh Article 21 means that Perumda Air Minum Tirta Baribis Brebes Regency provides an allowance for PPh Article 21 which should be borne by employees. The PPh Article 21 allowance provided by Perumda Air Minum Tirta Baribis Brebes Regency will increase the amount of gross income received by employees. Therefore, the PPh Article 21 allowance is taxable income. For Perumda Tirta Baribis Drinking Water, Brebes Regency, the PPh Article 21 allowance which is taxable income makes the costs of PPh Article 21 a deductible expense. The amount of tax allowance provided by Perumda Air Minum Tirta Baribis Brebes Regency is equal to the amount of PPh Article 21 owed. For the Tirta Baribis Drinking Water Company, Brebes Regency, using this method will increase the salary

costs incurred for employees. However, these costs can be charged so there is no need for fiscal correction.

Using the gross up method will display the profit and loss report for Perumda Air Minum Tirta Baribis Brebes Regency as follows:

Business income and expenses

Operating revenues

Water Revenue	53.137.944.200
Non-Water Income	5.195.393.500
Total revenue	58.333.337.700

Operating expenses

Employee Expenses	15.163.174.666
Fuel Load	1.126.731.200
Electrical Load	3.155.419.451
Depreciation expense	7.302.896.348
Operating expenses	8.294.304.355
maintenance burden	6.111.326.386
Other operating expenses	8.088.074.427
Total Operating Expenses	49.241.926.833

Income (Expenses) outside business

Income outside business	861.789.380
Expenses outside business	-91.766.758
Total Income (Expenses) Outside Business	770.022.622
Profit before tax	9.861.433.489

Fiscal Correction

Positive Fiscal Correction

Receivable allowance expense	843.352.759
Promotional expenses	40.817.000
Guest meeting expenses	360.748.402
Subscription fee expenses	40.201.900
Amount	1.285.120.061

Negative Fiscal Correction

Receivables that have been written off	6.710.080
Deposit income	276.187.929
Current account income	33.798.864
Amount	316.696.873

Profit after fiscal correction

Rounded

Calculation of Corporate Income Tax for 2022

22 % X 10.829.856.000

2.382.568.320

Based on the calculation above, the gross up method is used in calculating PPh Article 21 for employees. The Tirta Baribis Drinking Water Company, Brebes Regency provides benefits for PPh Article 21 which should be borne by employees. The PPh Article

21 allowance provided by Perumda Air Minum Tirta Baribis Brebes Regency will increase the amount of gross income received by employees. For Perumda Air Minum Tirta Baribis Brebes Regency, using this method will increase the salary costs incurred for employees but there will be no positive fiscal correction, as a result there is a difference in the amount of operational profit between commercial amounting to Rp. 9,861,433,489,- and fiscally amounting to Rp. 10,829,856,677. -.

4.3 The most effective method for optimizing savings on paying PPh Article 21 at the Tirta Baribis Drinking Water Company, Brebes Regency.

The researcher compares the three methods contained in calculating Income Tax Article 21, namely the tax owed is paid by the employee (gross method), the tax owed is borne by the employer (net method) and the employer provides tax benefits to employees (gross up method), the aim of the researcher comparing these three methods is to find which method is the most profitable for the company. The following will explain the differences in profits and the imposition of corporate income tax using the three methods:

Table 5
Differences between net method, gross method, and gross up method in
Tax savings for companies

Information	<i>Net method</i>	<i>Gross method</i>	<i>Gross up method</i>
Employee expenses	Rp 14.989.515.614	Rp 14.989.515.614	Rp 15.163.174.666
Tax expense	Rp 173.659.052	Rp -	Rp -
Commercial Profit	Rp 10.035.092.541	Rp 10.035.092.541	Rp 9.861.433.489
Fiscal Profit	Rp 11.177.174.781	Rp 11.003.515.729	Rp 10.829.856.677
Calculation of Corporate Income Tax for 2022	Rp 2.458.978.280	Rp 2.420.773.300	Rp 2.382.568.320

Source: processed data, 2023

Based on simulation calculations of Article 21 PPh deductions using the gross method, net method and gross up method, it can be seen that using the gross up method can result in savings on corporate income tax. Savings on corporate income tax can be seen by reducing the amount of corporate income tax payable and reducing the effective tax rate. The largest reduction in Corporate Income Tax occurred when the gross up method was applied in withholding Income Tax Article 21 for employees.

To calculate the percentage of tax efficiency after tax planning, use the formula:

$$T = \frac{P_0 - P_1}{P_0} \times 100\%$$

Information:

T = The amount of % tax efficiency.

P 0 = The amount of income tax before tax planning.

P 1 = The amount of income tax after tax planning.

So you can calculate the amount of tax efficiency in 2022 if you use the net method, namely as follows:

$$t = \frac{2.458.978.280 - 2.458.978.280}{2.458.978.280} \times 100 \% = 0\%$$

From the calculations above, it can be seen that there is no tax efficiency if the company applies the net method because so far the company has used the net method.

The amount of tax efficiency in 2022 if using the gross method is as follows:

$$t = \frac{2.458.978.280 - 2.420.773.300}{2.458.978.280} \times 100 \% = 1,55\%$$

From the calculation above, it can be seen that there is a tax efficiency of 1.55% if the company applies the gross method. The amount of corporate income tax obligations at Perumda Air Minum Tirta Baribis, Brebes Regency is different when calculating using the gross method, so that you can save on the corporate income tax burden.

The amount of tax efficiency in 2022 if using the gross up method is as follows:

$$t = \frac{2.458.978.280 - 2.382.568.30}{2.458.978.280} \times 100 \% = 3,16\%$$

From the calculation above, it can be seen that there is a tax efficiency of 3.16% if the company applies the gross up method. The amount of corporate income tax obligations at Perumda Air Minum Tirta Baribis Brebes Regency is different when calculating using the gross up method, so it can be said that the gross up method is the most effective method used to optimize savings on PPh Article 21 payments at Perumda Air Minum Tirta Baribis Regency Brebes

E. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

Based on the discussion in the previous chapters, it can be concluded that:

1. Tax planning for Perumda Air Minum Tirta Baribis Brebes Regency in optimizing savings in paying PPh Article 21 which has been used so far is to use the net method, namely bearing the entire tax burden of its employees, with the hope that the employees of Perumda Air Minum Tirta Baribis Brebes Regency will be more focused in working and achieving target in exchange for getting an appropriate net salary without thinking about the tax burden that must be paid.
2. Based on the research results, it is known that there is no tax efficiency if the company applies the net method because so far the company has used the net method. If the company applies the gross method, there will be an efficiency in paying corporate income tax of 1.55%. If the company applies the gross up method, there will be an efficiency in paying corporate income tax of 3.16%, so it can be said that the gross up method is the most effective method used to optimize savings on paying PPh Article 21 at Perumda Air Minum Tirta Baribis, Brebes Regency.

5.2 Suggestions

Based on the research results, suggestions that can be given regarding the results of this research are:

1. When calculating income tax deductions, authorized employees should review the calculations again. This is to avoid errors in calculating Article Income Tax deductions on income received by employees.
2. In calculating Income Tax Article 21 for employees, it is better for Perumda Air Minum Tirta Baribis Brebes Regency to use the gross up method, because the results of calculations using this method are more profitable for employees and also save the company's tax burden.

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