

# Calculation of Income Tax (VAT) Agency 2014 in the International Hotel by Law Number 36/2008

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**Abstract.** This research was conducted at international hotel that has a gross circulation above Rp4.8 M. Goal is research to calculate the income tax body in accordance with the regulations of the law No. 36 year 2008. In this study researchers using the method descriptive that is calculation and calculation procedures of the Agency in accordance with the income tax regulations that the Government Law No. 36/2008. The results of this study the authors can present a paper containing about the procedures of tax calculations in accordance with the regulations.

Keywords: calculation of income tax agency, act 36/2008

## Introduction

The tax is the contribution of taxpayers to the state owed by private persons or entities who are forced by law, by not getting the reciprocal directly and used for the purposes of the State to the people's prosperity. The payment of taxes is an embodiment of the obligation for the community especially taxpayers to directly and together carry out the obligation of taxation to finance the financing of State and national development (Resmi, 2014).

In addressing such matters then to achieve the goals of national development, the increase in state revenue is the principal thing to support construction of Indonesia. The increase in revenue is not only relying on the results of its natural resources, but must also be maximal receipt of the country especially the tax sector. Tax is one of the country's largest source of acceptance which is used in the implementation of the improvement of national development. Over 70% of the country's largest source of receipts derived from taxes (Resmi, 2014).

To maximize tax revenues required level of consciousness and the role of the community in paying taxes. The current corporate world is already more

advanced, it can be a positive impact for the tax revenue of the state, but on the other hand, still visible lack of knowledge society and companies as tax payers on taxation, so that taxpayer compliance to meet the obligation to pay taxes is still very far from expectations. One of the Taxpayers who haven't learned the importance of tax reporting is international hotel on the calculation and reporting of income tax agency or the better known PPh Badan.

The PPh Badan can be interpreted as a tax that applies to the taxpayer's agency on the income received or acquired in a tax year. Calculation of the PPh Badan imposed upon the gross circulation on the income from the businesses that received or retrieved the taxpayer using the calculation of law No. 36 year 2008 has exceeded Rp4.800.000.000 (four billion eight hundred million rupiah) in one year tax.

International hotels is engaged in the field of hospitality services namely rental of rooms, ballroom, as well as a restaurant. As tax payers, company taxation activities doing the calculation of income tax agency. Basically it is a company that has a turnover or gross circulation above Rp4.800.000.000 (four billion eight hundred million rupiah). Company calculation the tax using law No. 36 year 2008 to pay

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his taxes. There are fiscal depreciation calculations errors in calculating profit/loss (L/R) the fiscal body of PPh in 2014 and SPT Annual Agency last reported by 2013.

## Literature Review

### *Income Tax*

According to the explanation of Act No. 36/2008 article 1, income tax is a tax that applies to the subject of the tax or revenue received or acquired in a tax year. The basic law is contained in the income tax regulations that govern income tax in Indonesia, namely Act No. 36/2008 which previously has undergone many changes.

Income is became the object of taxation. According to Act No. 36 of 2008 article 4 paragraph 1, additional capabilities are any earnings economical received or retrieved the taxpayer either originating from Indonesia as well as from outside Indonesia that could be used for consumption or to increase the wealth of the concerned taxpayers, by name and in any form. Understanding in the Act is not showed income from a particular source, but on the existence of an additional ability economically. Additional capabilities of the economical received or acquired by the taxpayer is the best size on the taxpayer's ability to join together to bear the necessary costs of government for the routine activities in development.

Said income tax comes from two syllables and contains two unified understanding. The first sense of the word "tax" and the second sense of the word "earnings". Taxes are dues mandatory of the people to the State Treasury by law (the data imposed) and got no reciprocal service which can be directly addressed, and used to pay for public expenditure (official, 2014).

According to Law Number 36/2008 article 4 paragraph 1, understanding earnings is any additional capabilities of economical received or retrieved the taxpayer either originating from Indonesia as well as from outside Indonesia that can be used for consumption taxpayer wealth is concerned, with the name and in any form.

According to the explanation of the law No. 36/2008 article 2 paragraph 1 subparagraph (b), the agency is a group of people and/or capital which is the unity of both doing business and not doing business that includes limited liability company, the company, the company's other state-owned enterprises or business entity belonging to the area with the name in

any form, firm, peers, cooperatives, pension funds, Fellowship, Sorority mass organizations, foundations, social organization, political, or other organizations, institutions, and other bodies including the collective investment contract and business form anyway. Income tax agency refers to a tax levied against the tax payers of the agency on the income received or earned in one year a tax such as that referred to in the general provisions of laws and ordinances of tax (Law No. 28 of 2007).

### *The Subject of Income Tax*

Based on the income tax Act No. 36/2008 article 2 paragraph 1 of the income tax, the subject is anything that has the potential to earn revenue and be a target for taxed income. The subject of taxes, grouped as follows:

#### 1. The subject of the tax

The subject of taxation differentiated into the subject of domestic tax and subject to tax abroad. The subject of taxes within the country:

a. personal living in Indonesia, a private person residing in Indonesia more than 183 days within a period of 12 months, or a private person within one year of the tax are in Indonesia and have the intention to live in Indonesia.

b. the governing body that is established or domiciled in Indonesia, except for certain units of government agencies that meet the criteria: Formation based on the provisions of the legislation; Funding sourced from the budget of the State Expenditures Revenue (BUDGET) Income or budget Shopping area (BUDGETS); the reception is included in the budget of the Central Government or local governments; its books examined by supervisory apparatus functional State; the legacy has not been divided as one eligible substitute.

2. the fixed form of business is a business form that is used by a private person not residing in Indonesia are nothing more than 183 days within a period of 12 months, and the Agency is not established and domiciled in Indonesia not to run a business or do activities in Indonesia, which can be:

- a. seat management;
- b. branches of the company;
- c. the representative office;
- d. office buildings and others.

3. Reconciliation is the process of fiscal adjustment over the different commercial profit by the fiscal provisions to generate revenue/profit that net in accordance with the provisions of the tax. Fiscal

Reconcile done by taxpayers because there is a difference calculation, especially the profit according to accounting (commercial) with a profit according to taxation (fiscal). Commercial financial statements is intended to assess the performance of the economy and the financial circumstances of the private sector, while the fiscal financial report more intended to calculate the tax. The cause of the difference in the commercial and financial report financial report of fiscal is because there is a difference in accounting principles, methods and procedures of accounting differences, differences in the recognition of income and expenses, as well as the difference in income and cost of treatment.

4. Reduction of earnings is the reduction of expenditure to expenses which can reduce tax payers in paying taxes. These costs are distinguished into 2 according to tax:

a. expenses can be charged as costs (deductible expense).

b. expenditure that should not be charged as expenses (non-deductible expense).

5. Letter of Notification (SPT) in annual Taxpayer Parent Body consists of SPT and attachments-attachment which is a unity which is inseparable. SPT's parent and attachments are each given a number, code, and the name of the form as follows:

a. the annual Notice 1771 PPh Badan.

b. 1771-I Income Calculation Net Fiscal.

c. 1771-II breakdown of cost of goods sold, other business Costs, and the cost of outside commercial ventures.

d. 1771-III tax credit.

e. 1771-IV PPh Final and that does not include Income Tax Object

f. 1771-V list of shareholders and owners of capital by the amount of dividends distributed as well as arrangement of the Trustees and Commissioners.

g. 1771-VI List of equity capital in the company affiliate, lists debts of shareholders or affiliated companies, and the list of accounts receivable to shareholders or affiliated companies.

#### *Income Tax Object*

According to the official (2014), the object of the tax is everything (goods, services, activities, or circumstances) that are subject to tax. Income tax revenue is the object, i.e., each additional economical ability received or obtained tax payers, both originating from Indonesia as well as from outside of Indonesia, which can be used for consumption or

increase the wealth of the concerned taxpayers, by name and in whatever form.

Seen from flowing out of the additional capabilities of economical to taxpayers, income can be grouped into:

1. Income from employment in employment relationships and the work free as honorarium salary, income from the practice of a physician, notary, Actuaries, accountants, lawyers, and so on;

2. Income from business activities;

3. Income from capital, which consists of property moving or motionless treasures, such as interest, dividends, royalty, rental, sales and profits of property or rights that are not used for the effort;

4. Other Income, such as the exemption of debts and gifts.

#### *List Depreciation Rules*

Depreciation in calculating the fiscal correction errors often occur between tax depreciation depreciation rates with commercial with the fiscal depreciation rules based on law No. 36/2008:

1. in article 11, the shrinking top of expenditure for the purchase, repair, additions, or changes in intangible property, except the land are property rights, use rights, use rights, and the right business wear, owned and used to obtain, collect, and maintain an income that has benefits over a period of one year conducted in parts of the same great benefits during the period that was specified for the property.

2. Article 11A, top amortization expenses for acquiring intangible property and other expenses including the cost of the extension of the building use rights, use rights, usage rights, and muhibah (goodwill) which has more benefits period of one year to be used to acquire, collect, and preserve, revenue carried out in equal parts big or in parts declined during the period of benefit, which is calculated by means of applying the expenditure in amortization over the remaining book value up and at the end of their benefits are amortized at the same time the condition made in basic obedience.

#### **Results and Discussion**

In 2014 the company hasn't done international remittance and reporting the PPh Badan. It happened because of the lack of knowledge employees in conducting tax calculations such as the reconciliation of the fiscal and the use of SPT for reporting income

tax agency. Over it then the author will assist companies in calculating and reporting the PPh Badan. As for things to do in deposit and reporting of the Agency's income tax is as follows:

1. Reconciliation report fiscal report profit/loss commercial.

Reconciliation is a process of fiscal adjustment over the different commercial profit by the fiscal provisions to generate revenue/profit that net in accordance with the provisions of the tax.

2. Calculate income tax payable upon taxable income

Taxable income is the income of the taxpayer who is the basis for calculating the income tax. Taxable income is set out in Article 6 of Act No. 7 Year 1983 regarding income tax as amended by Act No. 36 of 2008 about the fourth Change in the law number 7 of 1983 income tax.

3. Calculate Taxes for less Pay/income tax article 29.

Income tax article 29 is the tax that must be paid for by tax payers of private persons and/or taxpayers as a result of the agency's income tax payable in the letter of notification (SPT) annual income tax credit greater than the tax that has been deducted or withheld by the other party and which has been deposited on its own.

4. Fill In The Form A Letter Of Tax Deposit.

Mail tax deposit (CNS) is proof of payment or remittance of tax that has been done by the taxpayer using form or has been done by other means to the state treasury through the payment place designated by the Minister of Finance (Mardiasmo, 2011). CNS standards made in paragraph five, which was allocated as follows:

- a. the sheet to one: For the archives of the taxpayer;
- b. sheet to two: For tax services office (CTF) through the services office country;
- c. Sheet into three: to be reported by the taxpayer to the CTF;
- d. Sheet into four: For an archive office of the payee;
- e. Sheet into five: mandatory archives to collect or to the other party in accordance with the provisions of the applicable tax legislation.

The company may make the payment in the bank to pay less tax over who owned the company. From the results of the payment the company get proof of payment Transaction Receipt Number (NTPN), as evidence that the company has to make a payment over the tax payable.

5. Filling and reporting income tax Agency 1771 manually.

SPT in annual taxpayer parent body consists of SPT and attachments-attachment which is a unity which is inseparable. SPT's parent and attachments are each given a number, code, and the name of the form as follows:

- a. the annual Notice 1771 PPh WP Badan.
  - b. 1771-I Income Calculation Net Fiscal.
  - c. 1771-II breakdown of cost of goods sold, other business costs, and the cost of outside commercial ventures.
  - d. 1771-III tax credit.
  - e. 1771-IV PPh Final and that does not include Income Tax Object.
  - f. 1771-V list of shareholders and owners of capital by the amount of dividends distributed as well as arrangement of the trustees and commissioners.
  - g. 1771-VI list of equity capital in the company affiliate, lists debts of shareholders or affiliated companies, and the list of accounts receivable to shareholders or affiliated companies.
6. The calculation of the Fines due to belated report income tax Agency.

To delay or not to report the annual SPT will be penalized administratively Rp1,000,000 for each annual SPT late or not reported. Submission of annual maximum reported agency SPT 4 months after the end of the tax year in general on 30 April, allowing for an annual maximum of 2014 SPT reported on April 30, 2015. In addition to administrative sanctions and fines, there were also sanctions in the form of interest on the tax that was paid late and reported a 2% per month for each tax period (monthly or annual period). This administrative sanctions will be delivered in the form of a letter of tax bill.

## Conclusion

Based on the author's observations and discussion then the conclusion is as follows: (1) The employee's lack of knowledge about still counting depreciation and amortization which in accordance with the rules of taxation. (2) Deposit Revenue that should have corrected the company still include them in calculating taxable income. (3) Still the existence of errors in the filling of 1771 SPT body.

From the discussion of the above calculation of the PPh Entity based on law No. 36 year 2008, then authors can give advice that may help the company in connection with the things that need to be fixed. As for the advice that can be given by the author:

1. To facilitate the calculation of income tax data, as well as input body that is good and right, should the company provide leadership training to tax section so that it can perform calculations and input is good.

2. Still a lack of knowledge about the rules of taxation employees, employees should update to the latest regulation so as not wrong in doing the calculations.

3. The calculation of income tax is one of the company's obligations towards the country is a source of revenue for the country. This requires that for a company to do the calculation of taxes as well as pay his taxes and reported in accordance with applicable government regulations.

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