

ANALYSES OF PRODUCTION SHARING CONTRACT AND TAXATION ASPECTS IN OIL AND GAS UPSTREAM INDUSTRY IN INDONESIA

Siti Kamilia Albaar¹

ABSTRACT

Oil and gas is an important commodity. Mining of oil and gas is one of Indonesia's most important economic sectors. Data showed that oil and gas revenue is the main source of government revenue in PNB tax revenue. Therefore, this study aims to understand the Production Sharing Contract (PSC) because oil and gas upstream business activities in Indonesia are performed based on PSC. This scheme optimizes the state revenue and also protects from high risk exposure especially in the exploration phase. Besides, this study also identify the taxation aspect. For the calculation where the costs in calculating taxable income should be interpreted the same as costs are calculated based on the contract of PSC. Furthermore, tax issues that currently oil and gas upstream industry face five major issues that affect oil and natural gas upstream business activities. . There are tax treaty (P3B), land and building tax (PBB) offshore, value added tax (VAT), import VAT, and tax for use the facilities between Contractors. And also analyze the effectively of taxation based on tax issues.

Keywords: Oil and Gas Upstream Industry, Production Sharing Contract, Tax

¹ Accounting undergraduate student in Universitas Bakrie