

Analysis Of Income Tax Article 21 And Income Tax Article 4 Paragraph (2) And Income Tax Article 26 To Calculate Employees Salaries In Companies

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Abstract: One of the largest state revenues is from the tax sector. In connection with the description above, one type of tax that is emphasized in this study is income tax, especially in income tax article 21, income tax article 4 paragraph (2) and income tax article 26. The formulation of the problem in this study is to determine whether Company employees have calculated, deducted, deposited and reported income tax article 21, income tax article 4 paragraph (2) and income tax article 26 in accordance with the applicable tax regulations. The method used in this study is descriptive approach, this type of research is descriptive qualitative and the nature of this research is explanatory research. The population and sample in this study is a list of salary data for 30 employees for the period 2019. The data collection method was carried out by literature study, interviews and documents. The data analysis technique used in this research is descriptive analysis. The results showed that there were still employees who did not report income tax article 21, income tax article 4 paragraph (2) and miscalculate income tax article 26 due to lack of information about income tax.

Keywords: Income Tax Article 21, Income Tax Article 4 paragraph (2), Income Tax Article 26

INTRODUCTION

One of the largest state revenues is from the tax sector. For the state, taxes are an important source of revenue that will be used to finance state expenditure, both routine expenditure and development expenditure.

Tax is a mandatory contribution to the state owed by a person or entity that is coercive based on the law, without direct compensation and is used for the state's needs for the prosperity of the people.

Tax collection in Indonesia is realized in various types, such as income tax, land and building tax, value added tax, sales tax on luxury goods, entertainment tax, billboard tax, gift tax and others. In connection with the description above, one type of tax emphasized in this research is income tax.

Income tax is levied on income earned by individuals, undivided inheritances and permanent establishments whose income in Indonesia is based on Income Tax article 21, income earned abroad or outside Indonesia based on PPh article 26 and income in the form of interest from savings and other savings, interest on bonds and state debt securities, prizes in the form of lotteries/draws and interest on savings paid by cooperatives to individual cooperative members based on income tax article 4 paragraph (2).

To run a business, companies need employees where employees receive compensation such as salaries, wages, honorarium, allowances and other rewards. These awards are the result of the relationship between employer and employee. From the relationship between the two parties, tax obligations will arise, namely Income Tax Article 21 and Income Tax Article 26. Income Tax Article 21 is a provision that regulates withholding and payment of income tax in connection with work, services or activities in any form. the form received or obtained by domestic taxpayers for income tax article 26 which is regulated by individual taxpayers abroad and for income tax article 4 paragraph (2) represents employee income from prizes in the form of lotteries/draws.

Calculate income tax article 21 and income tax article 26 using employee salary data in the company, and for income tax article 4 paragraph (2) using prize data in the form of a lottery/draw carried out annually by the company. Income tax is calculated by the entrepreneur on a monthly basis. The basis of employee salaries and other compensation that must be paid to employees and for income tax from lottery/draw prizes is calculated using the prizes obtained each year. The calculation must be based on the tax regulations of the applicable law.

The company is a company engaged in the production of financial services. The reason the author conducted research on this company was because there were still employees who did not report their income tax and also made mistakes in calculating and withholding both income tax article 21, income tax article 4 paragraph 2 and income tax article 26.

Based on the description above, the author is interested in writing a thesis with the title " Analysis of Income Tax Article 21 and Income Tax Article 4 paragraph (2) and Income Tax Article 26 for Calculating Employee Salaries in Companies ".

Based on the background of the problem above, the researcher identified the problem as follows:

1. There are employees who do not report income tax article 21.
2. The company does not report income tax article 4 paragraph 2.
3. Employees make miscalculations and withhold income tax article 26.

In order to clarify the direction of this research, the researcher set the boundaries of the problem, namely that the research only focuses on income tax article 21, income tax article 4 (2) and income tax article 26 to calculate employee salaries at PT Generali Medan.

Based on the problem identification described previously, the problem formulation in this research is:

1. Have the calculations, reporting and payment of income tax article 21 been carried out by all employees of PT Generali Medan?
2. Have the lottery winners at the PT Generali Medan annual event reported income tax article 4 paragraph 2?
3. Has income tax article 26 been calculated, reported and deposited in accordance with the latest tax regulations?

Based on the problem formulation previously described, the objectives of this research are:

1. To see whether all employees of PT Generali Medan have reported income tax article 21.
2. To see whether the lottery winner at the Company's annual event has reported income tax article 4 paragraph 2.
3. To find out whether the calculation of income tax article 26 has been carried out in accordance with the latest tax regulations.

LITERATURE REVIEW

Income Tax Article 21

According to Lubis (2018:206) Income tax article 21 is a tax that is passed on to domestic individual taxpayers on income related to work, services or activities, including wages, salaries, honorariums, allowances and other payments in name and in any form. This PPh payment is made in the current year through deductions by certain parties. PPh Article 21 which is withheld by another party, as long as it is not final, can be credited by domestic individual taxpayers against the income tax (PPh) payable at the end of the relevant tax year . The higher the income an employee receives, the higher the income tax article 21 will be, so if the employee does not calculate, deposit and report the tax, this will affect state income.

Income Tax Article 4 paragraph 2

According to Mardiasmo (2018:309), Article 4 paragraph 2 of the Income Tax Law states that: " On income in the form of interest on deposits and other savings, income from stock/other securities transactions on the stock exchange, income from the transfer of assets in the form of land and buildings and certain income otherwise, the imposition of tax is regulated by Government Regulation ."

The higher the income an employee receives, the higher the income tax article 4 paragraph 2 will be, so that if the employee does not calculate, deposit and report the tax, this will affect state income.

Income Tax Article 26

According to TMBooks (2015:220), " PPh Article 26 is income tax originating from Indonesia which is received/obtained by foreign taxpayers other than permanent establishments in Indonesia. A Permanent Establishment is a tax subject whose tax treatment is the same as that of a corporate tax subject ."

The higher the income an employee receives, the higher the income tax article 26 will be, so if the employee does not calculate, deposit and report the tax in accordance with applicable regulations, this will affect state income.

Framework of thinking

According to Muchson (2016:60) "A framework of thinking is a conceptual model of the relationship between research variables which is built from various theories, literature and previous research results which have been described and analyzed critically and systematically so as to produce relationships between the variables studied."

The thinking framework is the main element of research for the equality of perceptions about how an independent variable is related to the dependent variable . In this case the author contains a framework of thought by linking the above problems with related concepts. To further deepen the treatment of Income Tax article 21, Income Tax article 4 paragraph 2, and Income Tax article 26 for its application to Companies.

METHODS

This research was conducted at PT. Generali Indonesia, whose research location is in the Jalan Haji Misbah Multatuli Indah complex no. 25 - 28 Block CC, Aur Village , Medan Area District, Medan City, North Sumatra, 20151. The time of this research starts from September 2020 - December 2020. According to Trisliatanto (2020:271) "Population is the total number of units or individuals whose characteristics are to be studied." Population is also the totality of all individuals or data obtained from counting results or measurement results, both qualitative and quantitative. The population used in this research is a list of salary data for 30 employees and their dependents in their families who work at PT. Generali Indonesia.

According to Jaya (2020:74) "A sample is a part taken from the entire object being studied and is considered to represent the entire population." The sample in this research is a list of salary data for 30 employees for the 2019 period.

Data collection technique

Data collection techniques are steps taken by researchers, namely by means of literature studies, interviews and documents.

1. Literature Study

According to Jaya (2020:149) "In literature study, research is carried out by reviewing and studying various literature (books , journals , legal regulations, etc.) which are used as references based on the main problem being studied."

This literature study method is carried out by studying and taking data from the literature, related textbooks and other sources that are considered to provide information about the research.

2. Interview

According to Jaya (2020:153) "Interviewing is a data collection technique used to obtain information directly by asking questions to the data source (informant)."

This interview method was carried out by interviewing employees of PT Generali Medan to obtain information regarding the employees' responsibilities regarding income tax deductions.

3. Documents

According to Jaya (2020:157) "A document is a record or a phenomenon that has occurred." This documentation method is carried out by collecting documents regarding employee salary slips for the 2019 period.

Data Types and Sources

According to Jaya (2020:84-85) Types of data can be divided based on their nature, source, method of obtaining, and time of collection." Types of data based on how to obtain them include :

1. Primary Data

Data obtained from respondents through questionnaires, focus groups, panels, or also data from researchers' interviews with sources.

2. Secondary Data

Data obtained from notes, books and magazines. For example, this data can be in the form of company published financial reports, government reports, articles, theoretical books, magazines and so on.

Research Variables and Operational Definitions

According to Jaya (2020:62) "A research variable is something determined by the researcher based on the research to be carried out or an attribute of a standing object, and in this variable there is data that completes it."

According to Jaya (2020:65) "An operational definition is a research variable that is intended to understand the meaning of each research variable before carrying out analysis, determining instruments, and knowing the source of measurement." Operational definitions are scientific information that is very helpful for other researchers who want to conduct research using the same variables.

Data analysis technique

According to Siyoto and Sodik (2015:98) "Data analysis is the process of organizing and sorting data into patterns, categories and basic units of description so that themes can be found and working hypotheses can be formulated as suggested by the data."

The data analysis technique used in this research is descriptive analysis. The descriptive analysis method is a method that provides information about the data held and does not aim to test hypotheses, but is only used to present and analyze data.

RESEARCH RESULTS

The author will carry out data analysis of company research results based on the research title " Analysis of Income Tax Article 21 and Income Tax Article 4 paragraph 2 and Income Tax Article 26 for Calculating Employee Salaries in Companies ". The author will use one month's employee salary data for the 2019 period.

Table 1. Employee salaries

Tri Utami	
<u>income :</u>	<u>(TK/0)</u>
Wages	Rp. 51,600,000
THR	<u>Rp. 4,300,000</u>
Total Gross Income	Rp. 55,900,000
<u>Subtraction:</u>	
<u>Position allowance</u>	<u>(Rp. 2,795,000)</u>
<u>Calculation of PPH Article 21:</u>	
Total Net Income	Rp. 53,105,000
Income Not Affected Tax	(<u>Rp. 54,000,000</u>)
Taxable income	0

Source: Author's analysis results

Tri Utami has non-taxable income and does not have a NPWP, but in August Tri Utami received a salary increase of IDR 1,000,000 to IDR 5,300,000. The salary increase is retroactive to January 1 2019. With this retroactive salary increase, Tri Utami received a report in the amount of IDR 7,000,000 (the difference in salary that should have been received for the period January - August 2019). So his current income is subject to tax, but due to his ignorance of taxes and usually not paying tax, Tri Utami did not deposit PPH 21 in the amount of:

Table 2. Difference in salary that should be received

<u>income :</u>	<u>(TK/0)</u>
Wages	Rp. 63,600,000
THR	<u>Rp. 5,300,000</u>
Total Gross Income	Rp. 68,900,000
<u>Subtraction:</u>	
Position allowance	<u>(Rp. 3,445,000)</u>
<u>Calculation of PPH Article 21:</u>	
Total Net Income	Rp. 65,455,000
Income Not Affected Tax	(<u>Rp. 54,000,000</u>)
Taxable income	Rp. 11,455,000
Article 21 Income Tax rates	
120% * 5% * 11,455,000	<u>Rp. 687,300</u>
Article 21 Income Tax rates	Rp. 687,300/Year
Rp. 687,300 : 12 =	Rp. 57,275/Month

Source: Author's analysis results

The company held a lottery with a prize of Rp. 30,000,000 The winner of the prize worth Rp. 30,000,000 is Ruhmeinda.

Article 4 paragraph 2 is IDR 7,500,000 (25% x IDR 30,000,000). The prize money Ruhmeinda received was Rp. 22,500,000 (Rp. 30,000,000 - Rp. 7,500,000).

PT Generali Medan, after making a tax deposit, did not continue its tax obligations to the next stage, namely tax reporting. This is due to a lack of knowledge of the employee responsible for handling income tax article 4 paragraph 2 on lottery prizes because the employee has only worked for 1 month replacing the previous employee who suddenly resigned.

David is a foreigner who works and lives in Indonesia for less than 12 months. He is single and his monthly salary is US\$3,000. The exchange rate used is Rp. 13,920. Meanwhile, the exchange rate set by the Minister of Finance or KMK (Minister of Finance Exchange Rate) is IDR 14,012. So there is a miscalculation and deduction of income tax article 26 due to exchange rate differences.

Gross income for a month:

$$\text{Rp. } 13,920 \times \$ 3,000 = \text{Rp. } 41,760,000$$

$$\text{Tariff: } 20\% \times \text{Rp. } 41,760,000 = \text{Rp. } 8,352,000$$

Article 26 income tax on a salary of \$ 3,000 calculated by David is Rp. 8,352,000

Meanwhile, income tax article 26 that should be charged is

$$\text{Rp. } 14,012 \times \$ 3,000 = \text{Rp. } 42,036,000$$

$$\text{Tariff: } 20\% \times \text{Rp. } 42,036,000 = \text{Rp. } 8,407,200$$

DISCUSSION

From the calculation of Income Tax Article 21 and Income Tax Article 4 paragraph 2 and Income Tax Article 26, the author evaluates Income Tax Article 21 and Income Tax Article 4 paragraph 2 and Income Tax Article 26 in the Company as follows:

The position fee used by the Company is 5% multiplied by total gross income with a maximum of IDR 6,000. 000,- .

The calculation of tax payable income is taxable income multiplied by the tax rate. The calculation of tax payable income is the amount of taxable income less than or equal to Rp. 50,000,000.00 subject to 5%, taxable income above Rp. 50,000,000.00 up to Rp. 250,000,000.00 is subject to 15%, taxable income above Rp. 250,000,000.00 to Rp. 500,000,000.00 is subject to a 25% fee, and finally if taxable income is above Rp. 500,000,000.00, a 30% fee is charged.

The amount of non-taxable income used by the company is in accordance with applicable regulations.

Employees who do not report income tax article 21 do not have a Taxpayer Identification Number so they do not know about tax information, while other employees who have a Taxpayer Identification Number are obedient in calculating, withholding , depositing and reporting tax in accordance with applicable tax regulations.

Recipients of income whose income tax article 21 is withheld but do not have a Taxpayer Identification Number will be subject to withholding at a rate of 20% higher than the rate determined for taxpayers who have a Taxpayer Identification Number, with the calculation of the amount of article 21 income tax that must be withheld amounting to 120% of the amount of income tax article 21 that should be withheld if the person concerned has a Taxpayer Identification Number.

The company did not report income tax article 4 paragraph 2 because the employee in charge of reporting tax did not know the information regarding income tax article 4 paragraph

2 and the employee had only worked for 1 month replacing the previous employee who suddenly resigned .

The employee who miscalculated and withheld income tax article 26 was a foreign citizen who was working abroad for the first time and therefore still did not understand the tax regulations in Indonesia.

CONCLUSIONS

Based on the research results and discussion, the conclusions in this research are as follows:

1. The calculation of income tax article 21 is in accordance with tax regulations, but there are still employees who do not know enough information about taxes so that taxes are not reported.
2. The calculation of income tax article 4 paragraph 2 has been calculated in accordance with tax regulations, but there are still employees who do not know enough information about taxes so that taxes are not reported.
3. The calculation of income tax article 26 is not in accordance with tax regulations because employees do not know enough information about taxes, resulting in miscalculations of taxes.
4. The amount of non-taxable income used by the company is in accordance with applicable regulations.
5. The position fee used by the Company is in accordance with applicable regulations, namely 5% multiplied by total gross income with a maximum of IDR 6,000. 000,- .
6. The income calculation for Taxpayer Identification Number holders and non-Taxpayer Identification Number holders is in accordance with applicable regulations.

RECOMMENDATIONS

The suggestions in this research are:

1. PT Generali Medan must maintain and improve compliance in the field of taxation, especially the process of calculating, withholding, depositing and reporting taxes must be in accordance with the latest tax regulations.
2. PT Generali Medan must always collect the latest data on its employees regarding employee status so that there are no miscalculations, including regarding the number of dependents the taxpayer has.

3. PT Generali Medan must also know information regarding the latest tax laws so that errors do not occur in the process of calculating, withholding, depositing and reporting taxes.
4. Companies must post information regarding the latest taxation on the company wall magazine.
5. Companies must also employ employees according to their expertise, especially in the field of taxation, so that there are no more miscalculations and non-reporting of taxes.

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