



## An analysis of tax planning implementation on the income tax agency

Cherya Trinanda Buchika  
University Bina Dharma

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### ABSTRACT

In this case, service and non-services companies as taxpayers are required to pay taxes. For companies, taxes are a source of expenditure (*Cash Disbursement*) without direct cash for the company. So, many companies usually make efforts to pay their taxes owed as small as possible. PT. Semesta Nusantara Konstruksi is a company engaged in the construction of building construction, income/profit obtained by PT. Semesta Nusantara Konstruksi automatically. The company has become a tax subject as well as a tax object of a country. PT. Semesta Nusantara Construction provides full tax returns to its employees. However, the method used by this company is the Net method. This research used quantitative research which was conducted at PT Semesta Nusantara Konstruksi. It is one of the companies engaged in the construction field. Data collection methods was through literature studies, interviews, observations, and documentation. Calculation of Income Tax article 21 on PT. Semesta Nusantara Konstruksi related to paying income tax till uses the calculation charged to the employer (Net). It shows that PT. Semesta Nusantara Konstruksi still needs to apply the Gross up method in determining tax allowances. Calculation of Income Tax article 21 on PT. Semesta Nusantara Konstruksi related to paying income tax till uses the calculation charged to the employer (Net). It shows that PT. Semesta Nusantara Konstruksi still needs to apply the Gross up method in determining tax allowances.

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### Corresponding Author:

Yeni Widyanti,  
Bina Dharma University,  
Jenderal Ahmad Yani 3, 9/10 Ulu, Seberang Ulu, Palembang City  
Email: [yeniwidyanti@binadarma.ac.id](mailto:yeniwidyanti@binadarma.ac.id)

## INTRODUCTION

The development in Indonesia takes place continuously, aiming to improve society's welfare materially and spiritually. In order to realize these development goals, it is necessary to be more concerned with the issue of development finance (Maharda & Aulia, 2020; Zulkifli et al., 2019). Development must be separated from the problem of funds, and with support, it is possible to succeed in development (Al Fathan & Arundina, 2019). Considering that gas and nature are non-renewable resources, the government expects a source of funds from the oil and gas sector to the non-oil and gas sector in the case of tax (Chelminski, 2022).

Every community who are living in a country has the potential obligation to pay taxes. These are a source of state income that will later be distributed for the development and welfare of the community. According to the Law Number 36 of 2008 Concerning the Income Tax, in article 4 stated that: Income is an economical ability received or obtained by taxpayers both from Indonesia and from outside Indonesia which can be used for the consumption or additional wealth of the taxpayer in any forms (Al Fathan & Arundina, 2019; Chelminski, 2022).

Regarding to the income tax, the company's net profit is one of the tax objects that will be cut from tax to be deposited to the government as the income (AK, 2018; Inasius et al., 2020). Based on the current economic policy in Indonesia of increasing income for the state and source from the tax sector, various regulations, both the changes from the old regulations as well as the emergence of new regulations, these have been issued to obtain income from the tax sector for the government (GS, 2018; Pramugar & Sinaga, 2021). Tax extensification variable has no effect on also taxpayer compliance has an effect on personal income tax revenue personal income tax revenue and for tax intensification (Venny Oktavia Putri & Yeni Widyanti, 2019).

In this case, service and non-services companies as taxpayers are required to pay taxes. For companies, taxes are a source of expenditure (*Cash Disbursement*) without direct cash for the company. So, many companies usually make efforts to pay their taxes owed as small as possible. Tax saving efforts can be carried out by taxes evasion and avoidance. Tax evasion means an effort made by the taxpayers in reducing the tax burden by violating the Tax Laws, such as raising the purchase price, decreasing the income earned, raising business expenses or making dividend payments secretly (Janssens et al., 2020; Mgammal, 2019; Yeni Widyanti et al., 2021).

Different with the tax evasion, savings through tax avoidance are the businesses that do not violate the regulatory provisions of the Tax Act (Doddy Sadewo et al., 2016; Herwati & Kumala, 2021). For example, by utilizing the exemptions and deductions imposed or taking advantage of the things that have not been regulated in the applicable tax regulations to achieve this goal, what the company needs to do is Tax Planning (*Tax Planning*) (Ftouhi & Ghardallou, 2020; Khaoula & Moez, 2019). This may only be conducted if the company's management understands the provisions of taxation and organizing Accounting and Bookkeeping policies that regulate the conditions (Gallemore et al., 2019; Nurdiansyah et al., 2020; Saputra, 2020; Susilawati et al., 2022).

PT. Semesta Nusantara Konstruksi is a company engaged in the construction of building construction, income/profit obtained by PT. Semesta Nusantara Konstruksi automatically. The company has become a tax subject as well as a tax object of a country. PT. Semesta Nusantara Construction provides full tax returns to its employees. However, the method used by this company is the Net method. It is a method of withholding taxes where the company takes responsibility for its employees' taxes, but the method applied does not provide benefits for the company, but only to the employees.

In the research conducted at PT. Semesta Nusantara Konstruksi, the researcher, found that this company has carried out a policy of calculating income tax article 21 using the Net method. In this study, the researcher tried to implement tax planning, especially in the calculation of 21 employees income tax replacing the Net method by applying the gross up method because it is expected to provide benefits for both parties, companies, and employees to reduce or minimize the tax burden of PT. Semesta Nusantara Konstruksi that is in accordance with applicable tax regulations without having to violate the laws and regulations.

## RESEARCH METHODS

This research used quantitative research which was conducted at PT Semesta Nusantara Konstruksi. It is one of the companies engaged in the construction field. Data collection was carried out at the head office of PT. Semesta Nusantara Konstruksi. Data collection methods was through

literature studies, interviews, observations, and documentation. The types of data sources are primary data and secondary data. In this study, the data analysis and data processing applied was a quantitative descriptive method without using statistical analysis (Sugiyono, 2019).

## RESULTS AND DISCUSSION

"Semesta" company was formed on the initiative cooperation by several professionals who have been experienced in development projects since 2005. In the employment contract, many states that the contract is net, excluding taxes borne by the company. This must be carried out carefully because it will affect the deduction taxes and corporate income tax charges. As stated above, taxes will be a burden on PT Semesta Nusantara and this will result in income tax being borne cannot be financed in PT Semesta's income tax return. Nevertheless, there is a way so that the income tax borne by PT Semesta can be financed. The calculation of income tax must use the Gross up method. Its income tax calculation is entered into the contract value or income from PT Semesta or in other words, given a tax fee equal to the income tax owed.

The elements that make up Income Tax Article 21 in PT. Semesta Nusantara Konstruksi is as follows: (a). Basic salary, determined by rank or class and length of the employee service. (b). Overtime pay is an additional wage paid by the company for each employee who works because they do overtime from the normal working hours set by the company. (c). Bonus is additional compensation given to an employee whose value is above his normal salary. (d). Gross income is earned from the basic salary plus overtime pay and bonuses. (e). The cost of the position is a deduction in the calculation of income tax article 21, which is 5% of gross salary (f). The amount of net income is gross income minus the costs of obtaining, collecting, and maintaining the income received. (g). Non-taxable income is the amount of income that is not subject to tax deduction of the gross income of an individual taxpayer. (h). Taxable income (*PKP*) is the income of the taxpayer on which to calculate income tax. Taxable income is obtained by calculating net income minus Non-taxable income (*PTKP*). (i). The number of employees in PT. Semesta Nusantara consists of fifty people, twenty permanent employees, and thirty non-permanent employees.

Regarding The Elements Above, The Researcher Explained The Income Tax Calculation In Article 21 At PT. Semesta Nusantara Konstruksi Using The Calculation Of Income Tax Article 21 Borne By The Company. As For The Income Statement Of PT Semesta Which Used Net Method And Calculation Of Corporate Income Tax Rates For The 2021 Period:

Net method is a method of withholding taxes in which the company takes the responsibility of income tax in Article 21, as explained above that PT Semesta uses the Net method policy. PT Semesta has 50 employees with 20 permanent employees, and 30 non-permanent employees where the income of permanent employees is borne by PT Semesta using the Net method. In line with the regulations of Law No. 36 of 2008 concerning employee income tax, but with the application of this net method, employee tax remains fully borne by PT Semesta Nusantara Konstruksi . Calculation of Income Tax Article 21 from one of the employees of PT. Semesta Nusantara Construction for 2021.

Name	: Guruh Setiawan
Salary a year	: Rp. 58.800.000
Allowance	:
Transportation	: Rp. 550.000
Meal Fee	: Rp. 550.000
Hardship	: Rp. 1.500.000
Amount of allowance – allowance	: Rp. 2.600.000

Total gross income	: Rp. 7.500000
Reduction	:
5% position fee	: Rp. 375.000
Total net income	: Rp. 7.500.000
Non-taxable income (Rp. 63.000.000)	
Taxable Rp. 27.000.000	
Income Tax Article 21 a year = 5% x Rp. 27.000.000	= Rp. 1.350.000

Based on the calculation of Income Tax Article 21 above, it can be seen that the Income Tax Article 21 which is borne by the company is Rp. 1,350,000 per year. In commercial accounting, this amount can be deducted as a burden, but fiscally, the amount cannot be deducted as a burden because it is part of the allowance given to employees as explained by the decision of Director General of Taxes Number 31/pj/2009 article 9 paragraph (2) which confirms that income tax borne by the employer, including what is borne by the government is the income in the form of natura so it must not be charged. Income Tax Article 21 borne by the company is included as a form of enjoyment, as referred to in Article 4 paragraph (3) letter d, which reads that those excluded from the tax object are: reimbursement or remuneration in connection with work or services received or obtained in the form of natura and/or enjoyment from the Taxpayer or the Government except those provided by non-Taxpayers, those who are subject to tax on a final basis.

The following is a recapitulation of the Income Tax Article 21 calculation borne by the company for the 2021 tax year.

**Table 1.** Recapitulation of the Calculation of Income Tax Article 21 in the Tax Year 2021

Tax Period	Total Per Month
Januari	28.709.637
February	28.350.281
March	28.037.878
April	55.436.982
May	28.652.878
June	28.527.878
July	27.337.957
August	28.327.537
September	13.982.743
October	8.099.479
November	5.629.646
December	5.629.646
Grand Total	286.722.537

From the recapitulation table above, it can be seen that the employee's gross income per year is Rp. 3.475.412.105, while the Article 21 income tax owed is paid by PT. Semesta Nusantara Konstruksi annually is Rp. 286.878.787 where Tax Income Article 21 which will be owed by the company. Then, the employee's take home pay per year is Rp. 3.114.304.958.

#### **Calculation of Income Tax Article 21 in PT. Semesta Nusantara Konstruksi using Gross Up**

In minimizing corporate tax, the tax planning was carried out to calculate tax income in Article 21 at PT Semesta Nusantara Konstruksi. Tax planning itself involves the tax planning in minimizing a company's taxes by using legal means by utilizing the flaws in the tax law. In this time, the researcher tried to replace the Net method in the calculation of Tax Income 21 at PT Semesta by applying the Gross up method.

Gross Up Method is a method of withholding taxes in which the company provides a tax allowance of tax income Article 21, formulated as the amount equal to the amount of Income Tax Article 21 that the employees will withhold. This gross up method is used to satisfy and increase employee motivation. It is because employees feel satisfied with this method since taxes are borne

entirely by the company. Thus, employees feel being noticed and being able to motivate them will affect their productivity, which certainly affects the company's progress besides the benefits provided using the method. It can be financed and lower corporate taxes.

As for PT Semesta's income statement which uses the Gross up method and the calculation of the Corporate Income Tax rate for the 2021 period:

Profit / Loss of Corporate Income Tax Rates for the 2021 period

Bruto Sales : 17.556.841.823

Tax Profit/Loss : 3.901.623.632

Calculation of Income Tax Payable :

Income Tax Article 25 (50% x 22%)  $\frac{4.800.000.000}{17.556.841.823} \times \text{Rp. } 3.901.623.623 = \text{Rp. } 117.336.438$

(11% Rate)

Income Tax Article 3E 22% x  $\frac{17.556.841.823 - 4.800.000.000}{17.556.841.823} \times \text{Rp. } 3.901.623.623 = \text{Rp.}$

623.684.324 (22% rate)

Total Tax Payable : 117.336.438

$\frac{623.684.324}{741.020.761} +$

Calculation of Income Tax Article 21 from one of the employees of Semesta Nusantara Konstruksi in 2015 using the Gross up method

Name	: Guruh Setiawan
Salary a year	: Rp. 91.350.000
Transportation	: Rp. 550.000
Meal Fee	: Rp. 550.000
Hardship	: Rp. 1.500.000
Number of allowances	: Rp. 2.600.000
Total gross income	: Rp. 7.500.000
Subtraction	:
5% position fee	: Rp 380,625
Total net income	: IDR 7,612,500
Non-taxable Income (Rp. 63.000.000)	
Taxable	Rp. 28.350.000

Since the taxable income is in the 1st layer, then

The gross up formula used is as follows:

Income Tax Article 21 a year = 5% x Rp. 28.350.000 = Rp 1.417.500

Based on the calculation of Income Tax Article 21 with the gross up method above, it can be seen that its owed is equal to the amount of tax allowance, which is Rp. 1.417.500. With the use of the Gross up method, no income tax article 21 is deducted from the income of the employee concerned. For the method of Income Tax In Gross up, the company's accrued Income Tax is smaller than other methods. Because the provision of tax benefits that are grossed up is part of the income received by employees that is not a pleasure as referred to in Article 4 paragraph (1) letter that the object of tax is income, which is any additional economic ability received or obtained by taxpayers, both from Indonesia and outside Indonesia, which can be used for consumption or to increase the wealth of the taxpayer concerned, in any form, including: reimbursement or remuneration in respect of work or services received or obtained salary, wages, benefits, honorariums, commissions, bonuses, gratuities, pensions, or other forms of remuneration, unless considered in this Act; The following is a calculation of Income Tax Article 21 with the Gross up method at PT. Semesta Nusantara Konstruksi.

**Table 2.** Recapitulation of the Income Tax Calculation Article 21 of the 2021 Tax Year

Tax Period	Total Per Month
January	36.165.374
February	35.777.551
March	35.392.759
April	70.124.051
May	36.109.759
June	35.978.509
July	34.648.130
August	35.768.151
September	16.958.470
October	9.125.276
November	6.380.218
December	6.380.218
Grand Total	358.898.465

From the recapitulation table above, the employee's gross income per year is Rp. 3.751.457.465 while the article 21 income tax owed is paid by PT. The Semesta in each year is Rp. 358.898.465 where the Income Tax Article 21 owed is borne by the company. Then, the employee's take home pay per year is Rp. 3.716.194.202

**Table 3.** Take Home Pay Employees

Year	Information	Net Methods	Gross up Method	Efficiency of Paid Taxes
2021	Income Tax Article 21	286.878.787	358.898.465	Increase 72.019.678
	Corporate Income Tax	754.699.189	741.020.761	Down 13.678.428

From the analysis of the data above, the calculation of income tax using the Gross up method, the calculation of income tax article 21 of 2021 increased by Rp 72.019.678, while the calculation of corporate income tax decreased by Rp. 13.678.428. Based on these result, the company received tax savings of Rp. 72.019.678. A change in tax policy will actually increase employee motivation because employees' take-home pay will also increase. It is expected that their productivity and employee performance will increase and impact on increasing PT's operating profit. Semesta Nusantara Konstruksi. This is one of the alternatives to legal tax planning that can be done by PT. Semesta Nusantara Konstruksi by selecting the calculation of income tax for 21 employees in the Gross up method.

No	Profit/Loss Statement and
1.	Profit/Loss and Income Tax Rate of Net Method Agency for the period of 2021 Gross Sales : 17.556.841.823 Tax Profit/Loss : 3.973.643.310 Calculation of Income Tax Payable : Income Tax Article 25 (50% x 22%) $\frac{4.800.000.000}{17.556.841.823} \times \text{Rp. } 3.973.643.310 = \text{Rp. } 119.502.339$ (11%  Income Tax Article 31E 22% $\frac{17.556.841.823 - 4.800.000.000}{17.556.841.823} \times \text{Rp. } 3.973.643.310 = \text{Rp. } 635.196.850$ (22%  Total Tax Payable : 119.502.339 <div style="text-align: right;"><u>635.196.850+</u> 754.699.189</div>
2.	Profit / Loss and Gross-Up Method Corporate Income Tax Rates for the 2021 period Gross Sales : 17.556.841.823 Tax Profit/Loss : 3.901.623.632 Calculation of Income Tax Payable : Income Tax Article 25 (50% x 22%) $\frac{4.800.000.000}{17.556.841.823} \times \text{Rp. } 3.901.623.623 = \text{Rp. } 117.336.43$ (11%

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$$\text{Income Tax Article 3E 22\%} \times \frac{17.556.841.823 - 4.800.000.000}{17.556.841.823} \times \text{Rp. 3.901.623.623} = \text{Rp. 623.684.324}$$

Total Tax Payable : 117.336.438

$$\frac{623.684.324}{741.020.761} +$$


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In the table above, PT Semesta Nusantara Konstruksi bears taxes using the Net method on Income Tax 21 of its employees which is able to affect corporate income tax, originally Tax payable of Rp. 754.699.189. Then, after being replaced with Gross up method of tax payable to Rp. 741.020.761, the change method of income tax article 21 from Net method to Gross up method can minimize the tax of PT Semesta Nusantara Konstruksi with a difference of Rp 13.678.428. This research is expected to provide ideas to PT Semesta Nusantara Konstruksi in applying Gross up method.

## CONCLUSION

Calculation of Income Tax article 21 on PT. Semesta Nusantara Konstruksi related to paying income tax till uses the calculation charged to the employer (Net). It shows that PT. Semesta Nusantara Konstruksi still needs to apply the Gross up method in determining tax allowances. If the company uses this method, many advantages are obtained, including employees not paying the tax burden due to the company's pay. Meanwhile, the expenses incurred and tax benefits can reduce income. From the comparison of the income calculation tax article 21 using the Net method and the most efficient Gross up method, using the gross up method or the provision of allowances in the amount of the outstanding tax to produce efficiency on corporate income tax of Rp. 13.678.428. By using the Gross up method, corporate tax borne by PT. Semesta Nusantara Konstruksi is smaller than the Net method even though the income tax Article 21 that the company insures is greater than using the Net method.

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