

Analysis of Income Tax Revenue After Application of Single Tariff on Income Tax Payable and Its Contribution to Tax Revenue

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Abstract

The purpose of this study is to analyze the tax revenue of 2013, 2015 and 2017 that did not reach the target of tax revenue and know its contribution to tax revenue for APBN and know the amount of tax payable or tax expense paid after the application of 25% single rate to the corporate taxpayer. This research method is qualitative research method by using secondary data of tang come from financial report of the manufacturing company of chemical sub-sector from Indonesia Stock Exchange (IDX). Percentage of tax target achievement that did not meet the target in 2013, 2015 and 2017 caused by several things. The tax deductions paid due to several things typically occur due to fixed and time differences in the financial statements.

Keywords: Single Tariff, Tax Receipts, APBN.

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I. Introduction

The role of taxes in a country is critical in economic development. The size of the tax rate in a country has been determined based on the Tax Law. Indonesia is a developing country with a large population. Equitable distribution of facilities and infrastructure development is still very much needed to increase Indonesia's economic growth. In carrying out the distribution of facilities and infrastructure in Indonesia, the Indonesian government requires a large amount of funding. One way to fill the state treasury for funding government operational activities is obtained through taxes. Taxes are one of the most effective ways to serve the state treasury because taxes are obtained from the Indonesian people and are forced. Taxes have two essential functions: the revenue (Budgeter) and the regulating function (Regular). Budgeter function is a tax that serves to put money into the state treasury. The regular function is a function that understands that taxes can be used as an instrument to achieve specific goals.

Law No. 36 of 2008 concerning Income Tax Article 17 stipulated a single corporate income tax rate from 28% in 2009 to 25% in 2010. The purpose of the single tariff application is to comply with the principle of simplicity. The reduction in corporate income tax rates is intended to reduce the company's tax burden so that companies have the additional economic capacity for business development, investment and competitiveness improvement. Meanwhile, the gradual reduction in income tax rates is intended to maintain state revenues and state budget financing stability. With changes in tax rates, analysis needs to be carried out (1) How are the analysis of income tax revenue in the APBN and its contribution to the APBN and (2) how is the revenue for corporate income tax after a single rate?

II. Literature Review

The definition of tax according to Law Number 16 of 2009 concerning the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Article 1 paragraph 1 reads: "Taxes are mandatory contributions to the state-owned by individuals or entities that are coercive in nature based on the law, without receiving direct compensation and are used for the needs of the state for the greatest prosperity of the people."

According to the Law on Income Tax Number 36 of 2008, income tax is "Taxes imposed on income are additional economic capabilities obtained by an individual or corporate taxpayers, both economic additions from Indonesia and outside Indonesia for consumption or to increase the wealth of the taxpayer concerned in any name and any form."

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The single tariff for entities is regulated in Law no. 36 of 2008 Article 17 Paragraph 2a. The effective corporate income tax rate from 2010 to the present is 25%. The aims and objectives of reconstructing the corporate income tax collection system are based on the

value of justice because of the strategic role of corporate income tax collection in development and state revenue. The change from the original progressive tariff to single taxation is the answer to many proposals from business actors as well as various considerations made by the government so that tax rates in Indonesia are more straightforward and can encourage the business world (corporations) to be more competitive, both with internal and external strengths. The presence of investments from abroad.

Corporate Income Tax is the tax payable by corporate taxpayers on their taxable income in a tax year. The tax subject in Corporate Income Tax is an entity, a legal entity with a deed of establishment. Such as PT, BUMN, BUMD and others. The principles of collection adopted area. The source principle is the imposition of tax on income originating from that country regardless of the status of the tax subject of the recipient of the revenue; b. Domicile principle (Residence Principle), namely the imposition of taxes on SPDN on all income, on SPLN on income originating from that country; and c. Principle of Citizenship (Citizenship), taxation based on citizenship status.

Contributions are used to determine the extent to which corporate income tax in the sample taken contributes to the APBN. Knowing the grant is done by comparing the payment of corporate income tax for a certain period with the total tax revenue for a certain period. According to the Law of the Republic of Indonesia Number 18 of 2016 concerning the State Revenue and Expenditure Budget for Fiscal Year 2017. "The State Revenue and Expenditure Budget, from now on abbreviated as APBN, is the annual financial plan of the state government approved by the House of Representatives."

III. Methodology

The type of research used is descriptive qualitative because the data analysis is in the form of written or spoken words and considers the opinions of other people who can be called sources. The design in this study in this study was used to develop a theory built through data obtained in the field. In the qualitative method, the researcher initially carried out an exploration and in-depth data collection, starting from observations to preparing reports. The population of this study is the annual financial report data of chemical manufacturing companies listed on the Indonesia Stock Exchange (IDX). There are 11 (eleven) companies listed on the Indonesian stock exchange. The sample in this study was to take five companies with the years 2012 - 2017.

IV. Results and Discussion

4.1. Results

Amount of Taxes Payable or Tax Expense Paid After the Application of the Single 25% Tariff Is Enforced Against Corporate Taxpayers

Table 1. Total Tax Revenue

No	Year	Total Tax revenue	Difference
1.	2012	59.743.652.946	
2.	2013	56.090.683.364	(3.652.969.582)
3.	2014	53.467.642.019	(2.632.041.345)
4.	2015	53.243.042.437	(224.599.582)
5.	2016	38.215.113.089	(15.027.929.350)
6.	2017	60.328.676.624	22.113.563.540

In 2012 the total tax revenue from the sample was Rp. 59,743,652,946. This total is the second-highest total after 2017. This year's total is high because this year is the 3rd year the single tariff has been implemented.

From 2013 to 2016, the total tax revenue from the sample decreased. The biggest decline occurred in 2016 with a total of Rp. 38,215,113,089. The decline was generally due to the slow pace of economic growth in Indonesia. It was coupled with the depreciation of the Rupiah against the US Dollar. In particular, this occurs due to adjustments caused by time differences and fixed differences in taxation in the company's financial statements.

In 2016 corporate tax revenue was very small because, this year, tax law enforcement is being implemented with the Tax Amnesty program. In this program, there are facilities provided by taxes to taxpayers, namely the elimination of taxes that should be owed (PPH and PPN and PPnBM), administrative sanctions, and criminal sanctions, for which tax assessments have not been issued and the elimination of administrative sanctions for tax assessments that have been given. Published. Because the company utilizes the facilities provided. One of them by PT. Duta Pertiwi, in 2016 and 2017, received tax refunds.

In 2017, total corporate tax revenue experienced a significant increase. This increase occurred because, in 2016, the Tax Amnesty program was implemented. This program increases total admissions as the program ended in March 2017.

The revenue contribution ratio is used to determine how enormous tax revenue contribution is to the State Budget. The greater the amount of income, the more outstanding the gift to the state budget.

Table 3. Contribution of Tax Revenue to APBN

Year	Realization of APBN	Tax Revenue	Contribution	Certification
2012	1.338.109.600.000.000	980.518.100.000.000	73.28%	Very Good
2013	1.438.891.100.000.000	1.077.306.700.000.000	74.87%	Very Good
2014	1.550.490.800.000.000	1.146.865.800.000.000	73.97%	Very Good
2015	1.508.020.400.000.000	1.240.418.900.000.000	82.25%	Very Good
2016	1.786.225.000.000.000	1.539.166.200.000.000	86.17%	Very Good
2017	1.750.283.400.000.000	1.498.871.600.000.000	85.64%	Very Good

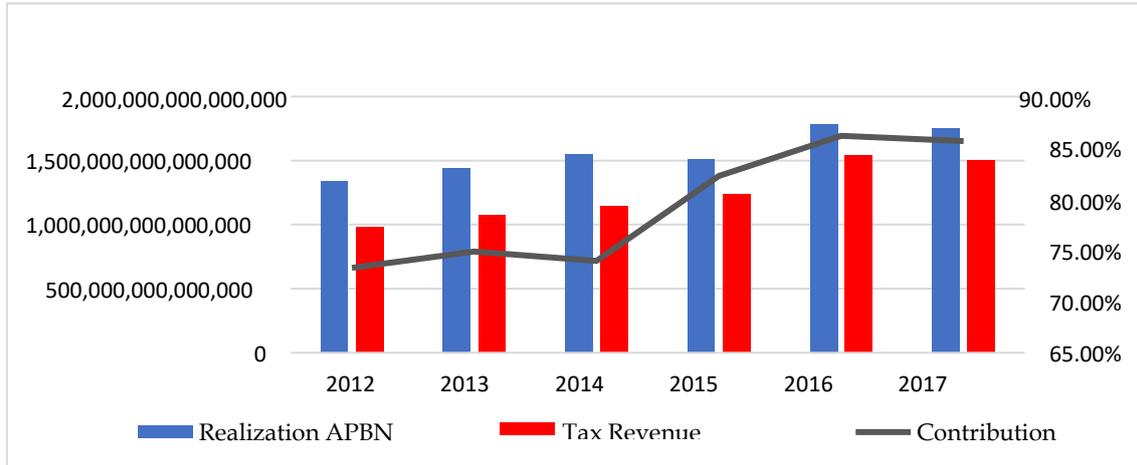


Figure 1. Realization and Tax Revenue

Based on the figure above, the Realization of APBN and Realization of Tax Revenues, the contribution that occurs every year has increased except for 2014, which has decreased. Although in 2014 there was a decline, the decline was not too significant. Contributions that continue to rise above 50% indicate that applying a single tariff of 25% can encourage corporate taxpayers to pay their taxes owed.

However, the total realization in 2017 has decreased from 2016. However, although it has reduced, revenue realization in 2017 is still higher than in 2012 - 2015. In 2016 it could be higher because the total includes the receipt of the Tax Amnesty program ransom.

4.2. Discussion

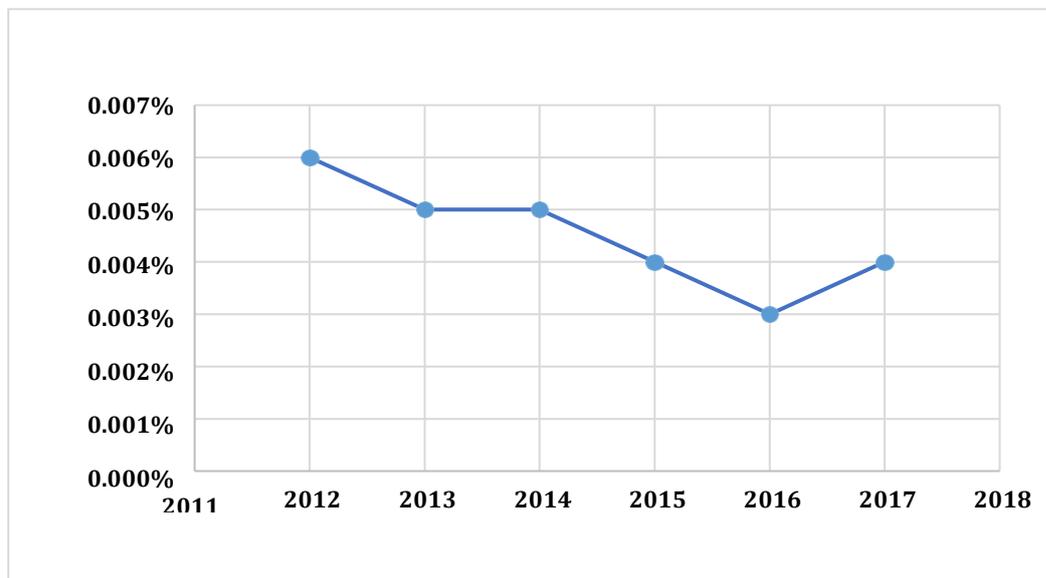


Figure 2. Contribution of Corporate Tax Revenue After Single Tariff With Tax Revenue in APBN

Based on the figure above, the contribution of corporate tax revenue after a single rate. It is seen that the contribution result is significantly less. Due to the decrease in the realization of corporate tax revenues after applying the single tariff, it continued to decline but increased in

2017. Another factor causing the meagre contribution is the small total amount of corporate income tax compared to the realization of tax revenues in the APBN. However, the completion of tax revenues in the APBN after implementing a single tariff is seen as very effective because it continues to increase every year. One of the contributing factors is that it is deficient because corporate tax revenues continue to decline due to time differences and fixed differences in the company's financial statements, and declining sales for the chemical sub-sector. In addition, many companies carry out earnings management to reduce corporate income tax payments.

V. Conclusion and Recommendation

Contribution of Tax Revenue to the APBN, the assistance that occurs every year has increased except for 2014, which has decreased. Although in 2014 there was a decline, the decline was not too significant. Contributions that continue to rise above 50% indicate that applying a single tariff of 25% can encourage corporate taxpayers to pay their taxes owed. However, the total realization in 2017 has decreased from 2016. However, although it has reduced, revenue realisation in 2017 is still higher than in 2012 - 2015. In 2016 it could be higher because the total includes the receipt of the Tax Amnesty program ransom.

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