

Comprehensive Analysis Of Income Tax Article 23 Based On Literacy In Various Companies In Indonesia

Ahmad Fais El Wajdi^{1*}, Anggara Ramadhansyah², Devi Liana³, Khairunnisa Agustin⁴, Rizki Purwanti⁵, Galih Supraja⁶

^{1,2,3,4,5,6} Department of Accounting, Faculty of Social Sciences, Universitas Pembangunan Panca Budi, Indonesia

Corresponding Author

Email : ahmadfais6789@gmail.com, svahputraanggara950@gmail.com, devilianaaa210@gmail.com, kagustin716@gmail.com, purwantirizki7@gmail.com, galih@dosen.pancabudi.ac.id

Abstract

Income Tax Article 23 (PPh 23) is one of the important instruments in the Indonesian taxation system that targets deductions on income from capital, services, or gifts and awards. This study aims to review the implementation, calculation, recording, and reporting of PPh 23 based on studies that have been conducted in various companies such as PT Semara Perkasa Lestari, PT Store Sent e-Logistik Indonesia, Perum Bulog, PT Grin Kar Indonesia, and PT Perkebunan Nusantara Enam. The method used is a literature study of relevant journals, tax regulations such as Government Regulation No. 36 of 2008, and the practice of implementing e-Bupot Unification. The results of this study indicate significant challenges in terms of compliance, technical mastery of calculations, and adaptation to electronic reporting systems. This study recommends increasing socialization and training for business actors and optimizing the e-Bupot system. This study is expected to be a reference for academics, tax practitioners, and taxpayers in understanding and implementing PPh Article 23 more appropriately and efficiently.

Keywords: *Income Tax Article 23, Deductions, Reporting, E-Bupot, Tax Compliance.*

INTRODUCTION

Tax is one of the most vital and strategic sources of state revenue in supporting the continuity of national development and governance. In the context of a developing country like Indonesia, the existence of tax is not only a fiscal instrument, but also a tool for redistributing income and controlling the economy. Therefore, optimizing tax collection is crucial in order to maintain fiscal stability and financing development. One form of tax collection that plays an important role in the structure of state revenue is Income Tax (PPh) Article 23, which is imposed through a deduction mechanism by the party providing the income.

Article 23 Income Tax regulates the obligation to withhold income from capital, services, and gifts, as well as other income received by domestic Taxpayers or permanent establishments (BUT). The objects of Article 23 Income Tax include various types of transactions such as technical services, management services, consulting services, rent on assets other than land and/or buildings, to the distribution of dividends and interest. This provision has been explicitly regulated in Law No. 36 of 2008 concerning Income Tax, which was then strengthened by various implementing regulations such as the Regulation of the Minister of Finance (PMK), the Regulation of the Directorate General of Taxes (PER), and official circulars from the tax authorities.

In practice, Income Tax Article 23 is one of the most common types of tax faced by business entities, whether in the form of service companies, trade, logistics, banking, or agribusiness. Income Tax Article 23 deductions are made at the time of payment or when income is owed to the recipient

of the service. Although it looks simple, the process of implementing Income Tax Article 23 requires a comprehensive understanding, because it involves a series of procedures such as identifying tax objects, determining the right rates, accurate accounting records, to reporting and deposits that must be made on time to the state.

However, the reality in the field shows that the level of compliance and understanding of Taxpayers towards the mechanism of PPh 23 is still very diverse, even in many cases systematic errors are found that cause administrative sanctions to potential uncollectible taxes. This can be caused by several factors, including: lack of socialization of the latest tax regulations, low quality of human resources handling taxes within the company, the accounting system has not been integrated with the tax reporting system, to changes in technology and regulations that are not balanced with adequate technical training.

For example, a study at PT Semara Perkasa Lestari showed that there were still errors in determining the tax base for construction services. On the other hand, companies such as PT Store Sent e-Logistik Indonesia experienced difficulties in data integration between the finance division and the tax division, which caused delays in e-Bupot reporting. In the banking services sector, PT Bank Sulut faced challenges in detailed recording in accordance with PSAK and tax provisions simultaneously. Another case is at Perum Bulog, Divre North Sumatra, which succeeded in carrying out deposit and reporting procedures on time but still experienced system constraints in filling out the e-Bupot form online. This problem is increasingly complex along with the implementation of the Unification e-Bupot system, namely an electronic reporting system for proof of tax deductions that requires companies to carry out digital reporting periodically.

This phenomenon shows a gap between theory and practice in the implementation of PPh 23 in various companies. Although the tax system has been digitized, it does not fully guarantee an increase in taxpayer compliance if it is not accompanied by an increase in tax literacy and technical competence of business actors. Therefore, comprehensive research is needed to understand how PPh Article 23 is implemented in the field, the extent of the effectiveness of the electronic reporting system, and what challenges and solutions are faced by business entities in managing this tax obligation. This article is compiled using the literacy method, namely by reviewing various previous studies that have been conducted on companies from various sectors and business scales. This study aims to describe holistically how Article 23 Income Tax is applied, how the withholding and reporting procedures are carried out, and how effective the implementation of e-Bupot Unification is in improving tax compliance. With this approach, it is hoped that this article can provide academic and practical contributions in supporting a better understanding and implementation of tax obligations, especially related to Article 23 Income Tax.

RESEARCH METHODS

This study uses a literature study method (library research) as the main approach. The literature study was conducted by reviewing various journals, research reports, books, and regulations relevant to the theme of Income Tax Article 23. The main focus is on the implementation, calculation, recording, and reporting of Income Tax Article 23 in various business sectors. The main sources in this research include:

1. Scientific journals and academic articles from national and international databases.

2. Case study reports from companies such as:

- PT Semara Perkasa Lestari (construction services)
- PT Store Sent e-Logistik Indonesia (logistics)
- Perum Bulog Kantor Divre Sumatera Utara (mendistribusikan pangan)
- PT Grin Kar Indonesia (manufaktur)
- PT Perkebunan Nusantara Enam (agribisnis)
- PT Bank Sulut (perbankan)

3. Related regulations and legislation such as:

- Law No. 36 of 2008 concerning Income Tax
- Regulation of the Director General of Taxes on e-Bupot
- Minister of Finance Regulation (PMK) regarding procedures for withholding and reporting PPh 23

The analysis process is carried out with a qualitative approach, where each study analyzed will be classified based on the main issues: deduction mechanism, accounting recording method, deposit to the state treasury, and compliance with e-Bupot-based reporting. Data triangulation techniques are carried out by comparing the results of the literature with applicable legal provisions to obtain the validity of the information.

RESULTS AND DISCUSSION

This study aims to analyze the implementation of Income Tax Article 23 from various aspects, including calculation, recording, deposit, and reporting, as applied to a number of companies from various sectors. Based on the results of a review of a number of journals and case study reports, it was found that the implementation of Income Tax Article 23 still faces various challenges. The results and discussions are divided into the following subsections to provide a more structured and in-depth understanding.

1. Implementation and Calculation of Income Tax Article 23

The application of Article 23 Income Tax in various companies shows a gap between understanding regulations and operational practices. Based on a study at PT Semara Perkasa Lestari, it was found that common errors occurred in determining tax objects. This company is engaged in construction and services, but in several subcontractor service payment transactions, the company did not deduct Article 23 Income Tax because it mistakenly classified the service as not a tax object. This resulted in underpayment of taxes and potential administrative sanctions.

Likewise, at PT Store Sent e-Logistik Indonesia, which operates in the logistics sector, it was found that certain delivery services that should be subject to PPh 23 were instead subject to PPh 21, due to a mistaken understanding between personal services and corporate services. This shows that the classification of tax objects and subjects is the most crucial aspect in the application of PPh 23.

In terms of tariffs, many companies still do not properly understand the provisions as stipulated in Government Regulation No. 36 of 2008, where the PPh 23 rate for services is generally 2% of the gross amount excluding VAT. In some cases, the tax base used is the value including VAT and other costs, so that the deduction value is higher and does not comply with the provisions. This can be detrimental to partners and cause inaccuracies in the SPT report.

2. Recording and Accounting of Income Tax Article 23

Recording of PPh 23 is an important part of a company's accounting information system. In companies that have integrated accounting and taxation systems digitally, such as PT Bank Sulut, recording is done automatically through accounting software that is connected to the ERP system. The results of the study show that recording is done by creating a journal of PPh 23 deductions when the obligation arises, which

is then adjusted after the deposit is made. This facilitates the audit process and reduces the potential for recording errors.

However, different conditions were found at PT Grin Kar Indonesia, which still uses a manual recording system. This limitation makes the documentation process and tracking of withholding evidence slow and prone to errors. For example, recording of PPh 23 for training services that does not match the transaction date causes a mismatch in the matching between the financial report and the Periodic Tax Return.

Another weakness found is the lack of consistent reconciliation between tax reports and financial statements. Some companies do not record tax expenses deducted as short-term liabilities, which should be included in the "PPh 23 Debt" account, and are only reduced when deposits are made. This irregularity in recording can affect the audit opinion and the accuracy of the financial statements as a whole.

3. Deposit and Reporting of Article 23 Income Tax

A study at Perum Bulog, North Sumatra Divre Office, provides a fairly ideal example in terms of PPh 23 deposit and reporting. They use a digitalization system that is integrated with the Directorate General of Taxes' system, so that the deposit process is carried out in a timely and systematic manner. However, even though the deposit is on time, there are technical constraints on the e-Bupot reporting system, especially in inputting the NIK and NPWP data of the withheld party, which are not always valid or in accordance with the DJP master data. The implementation of e-Bupot Unification, as occurred in PTH Surabaya and PT Grin Kar Indonesia, also showed mixed results. On the one hand, the e-Bupot system has provided convenience and transparency, because proof of deductions

can be sent directly electronically to the withheld party and to the DGT. However, companies that are not yet accustomed to using this system actually experience obstacles in operation, such as errors in selecting tax object codes, tariff inconsistencies, and delays in data input that cause delays in reporting.

One of the main problems in reporting PPh 23 is the lack of synchronization of the company's internal system with the format required in e-Bupot. Many companies still manage transaction data in Excel or internal systems that are not compatible with the DJP system, requiring additional time and effort for data conversion, which often leads to reporting errors.

4. Compliance Levels and Implementation Challenges

Compliance with PPh 23 provisions varies between companies and is highly dependent on the scale of the business, internal systems, and the level of understanding of human resources. Large companies such as PT Bank Sulut and Perum Bulog tend to have a high level of compliance because they are supported by a solid organizational structure and adequate information technology. However, medium and small companies such as PT Grin Kar Indonesia and several other service companies still face serious challenges. The main challenges found across all case studies include:

- Lack of technical training related to PPh 23 regulations and reporting systems.
- The integration between the internal accounting system and the e-Bupot reporting system is still low.
- Limitations in understanding the classification of services and objects of PPh 23 tax.

- Dependence on external accounting personnel or tax consultants who do not necessarily understand the company's internal conditions.

Based on the overall literacy, it can be concluded that the digitalization of the tax system through e-Bupot Unification is a positive step, but its implementation still requires a significant adjustment process in terms of HR, technology, and company regulations. Without readiness from these three aspects, compliance with PPh 23 reporting will not increase optimally, and even risks recurring administrative violations

CONCLUSION

Income Tax Article 23 is an important component in the national taxation system, especially in encouraging taxpayer participation in reporting and paying final taxes on services and capital. Based on the results of literary studies from various companies in the service, logistics, banking, and agribusiness sectors, it can be concluded that:

1. The implementation of PPh 23 still faces significant challenges in terms of identifying tax objects, accuracy of rates, and recording transactions.
2. Accounting calculations and recording require a deep understanding of tax regulations and financial accounting standards.
3. Reporting via e-Bupot Unification is a modern solution, but still requires technical training for users to avoid system or data errors.
4. Tax compliance is greatly influenced by HR capacity, availability of information technology, and tax awareness of company management.

REFERENCES

Law of the Republic of Indonesia Number 36 of 2008 concerning Income Tax.

Regulation of the Director General of Taxes Number PER-04/PJ/2017 concerning the Form, Content, Procedures for Filling in and Submission of Evidence of Withholding and/or Collection of Income Tax Article 23.

Journal "Implementation of Income Tax Accounting Article 23 at PT Semara Perkasa Lestari", State University of Medan, 2022.

Journal "Analysis of the Implementation of Income Tax Article 23 on Services at PT Store Sent e-Logistik Indonesia", Trisakti University, 2021.

Journal "Analysis of PPh 23 Deductions and Reporting at Perum Bulog, North Sumatra Divre Office", University of North Sumatra, 2023.

Journal "Assistance in Reporting PPh 23 through e-Bupot Unification at PT Grin Kar Indonesia", Jakarta State Polytechnic, 2022.

Journal “Analysis of PPh 23 and PPh 25 Recording at PT Bank Sulut”, Sam Ratulangi University, 2021.

Directorate General of Taxes. (2023). “Unification e-Bupot Guide”.

Rahmawati, N. (2020). “Tax Compliance Analysis through Digitalization System”.
Indonesian Accounting Journal.

Siahaan, D. (2022). “Effectiveness of Using e-Bupot in Increasing Tax Compliance”,
Journal of Tax Administration, University of Indonesia.