



## **Evaluation of Income Tax Incentives (PPh) Article 21 In the Midst of The Covid 19 Outbreak at PT Sanipak Indonesia**

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<b>ARTICLE INFO</b>	<b>ABSTRACT</b>
Received: August, 2023 Accepted: August, 2023 Published; August, 2023	The government made regulations regarding income tax incentives for income tax article 21 as outlined in PMK No.110/PMK.03/2020, this is the impact of covid 19. COVID (Coronavirus Disease) 19 is a virus that causes respiratory infections in humans from the common cold to serious illnesses. Since the Covid-19 outbreak found in Wuhan, China in 2019 has affected the economy of the entire world, including Indonesia. Therefore, the government made a new regulation regarding income tax incentives for article 21 income tax. The author conducted research using a descriptive method so that the results obtained were data on PT Sanipak Indonesia employees who received article 21 income tax incentives and data on PT Sanipak Indonesia employees who did not receive article 21 income tax incentives. A total of 445 employees who did not receive article 21 income tax incentives. Employees who do not receive income tax incentives article 21 are mostly because they do not have an NPWP.
Keywords: Incentives, PPh Article 21, covid 19, NPWP	

### **INTRODUCTION**

Taxes are one of the sources of state revenue that play an important role in the construction of state facilities. According to Oetomo (2008), taxes are people's contributions to the state treasury based on the law as a manifestation of people's devotion and participation to finance the state and national development. One form of tax is Income Tax (PPh) article 21. PPh article 21 is a tax on income in the form of salaries, honorarium wages, allowances, and other payments in the name and in any form in connection with work or position, services, and activities carried out by individuals as domestic tax subjects.

Currently, the government is making regulations regarding income tax incentives for income tax article 21 as outlined in PMK No.110/PMK.03/2020, this is the impact of covid 19. COVID (Coronavirus Disease) 19 is a virus that causes respiratory infections in humans from the common cold to serious illnesses. Since the Covid-19 outbreak found in Wuhan, China in 2019 has affected the economy of the entire

world, including Indonesia. Therefore, the government made a new regulation regarding income tax incentives for article 21 income tax.

One of the latest regulations from the Regulation of the Minister of Finance of the Republic of Indonesia is PMK No.110/PMK.03/2020. This article 21 income tax incentive lasts from the April 2020 tax period to the December 2020 tax period. In February 2021, the latest regulation from the Regulation of the Minister of Finance of the Republic of Indonesia, namely PMK No.9/PMK.03/2021, has come into effect until June 2021. One of the requirements for income tax incentive PPh 21 is to have an NPWP. For those who have an NPWP, the tax deduction will be borne by the government or Government Borne Tax (DTP) and the company returns the tax deduction money to the taxpayer, but for those who do not have an NPWP, the tax deduction will still be charged and not borne by the government.

PT Sanipak Indonesia was established on September 20, 1991, the company is engaged in making plastic bags, including garbage bags and food bags. There are still many employees of PT Sanipak Indonesia who do not get income tax incentives article 21 from the government because they do not have an NPWP. The reason employees do not have an NPWP is due to lack of self-awareness to make an NPWP and report taxes which is the obligation of every taxpayer who has earned income and there is no regulation from the company that requires employees to make an NPWP.

So, in this matter, the author took the initiative to discuss more deeply about article 21 income tax incentives considering that there is no certainty when the Covid-19 outbreak ends. Companies must provide deeper socialization to employees so that there is no misunderstanding why there are still employees who do not get this article 21 income tax incentive.

PPh article 21 according to the Regulation of the Director General of Taxes Number PER-32 / PJ / 2015 is a tax on income in the form of salaries, wages, honorarium, allowances and other payments in the name and in any form in connection with work or position, services, and activities carried out by individual domestic tax subjects.

According to Official (2017), income tax 21 hereinafter referred to as PPh Article 21 is a tax passed against domestic individual taxpayers on income related to work, services, or activities. The income in question includes wages, salaries, honorariums, alimony, and other payments in any name and in any form.

According to Official (2017), PPh 21 is imposed on mandatory individuals who receive income as explained by the definition of income tax. The categories of subjects subject to PPh 21 are employees, non-employees, pension and severance recipients, members of the board of commissioners, former workers and activity participants.

However, the type of income tax charged or imposed by the individual taxpayer is not paid by the person concerned. However, PPh 21 is withheld or collected by the company/employer through withholding tax PPh Article 21.

The withholding party/company/employer then deposits or pays PPh 21 withheld from the individual taxpayer who earns the taxable income to the state

treasury. Next, as the party who collected Article 21 Income Tax, will obtain proof of withholding Article 21 Income Tax from the party who withheld the income.

The income tax rate of PPh article 21 applied to Taxpayers who do not have a Taxpayer Identification Number (NPWP) is 20% (twenty percent) higher than the rate set for Taxpayers who can show an NPWP. Ownership of a Taxpayer Identification Number (NPWP) can be proven by the Taxpayer, among others, by showing an NPWP card.

Furthermore, the basis for imposition and withholding of Article 21 income tax is determined by taxable income, gross income, 50% of gross income, 50% of the cumulative amount of gross income. The amount of the rate and the basis for imposing taxes are determined by the group of income recipients and the type of income.

SPT Masa PPh Article 21 is a Notification Letter to report on employee Income Tax. The payment deadline falls on the 10th of the following month and for the reporting deadline which is every 20th. In this increasingly sophisticated era, tax reporting can be done online or *online*. Starting April 1, 2018, tax return reporting can only be done through online tax reporting (*e-Filing*) in accordance with Minister of Finance Regulation (PMK) No. 9/PMK.03/2018. Online tax reporting can be through the official *website* of DGT *Online* and there are three important things that must be completed before reporting tax returns *online*, namely already having an NPWP, having EFIN, and a *djponline* account.

PPh article 21 borne by the government must be paid in cash by the Employer, at the time of payment of income to employees, including in the event that the Employer provides income tax allowance article 21 or bears income tax article 21 to employees.

Article 21 income tax incentives borne by the government are not applied to income received by employees derived from the State Budget or Regional Revenue and Expenditure Budget because it has been borne by the government in accordance with the provisions of legislation in the field of taxation.

According to Official (2017), the Taxpayer Identification Number (NPWP) is a means of tax administration that is used as a personal identification or identity of the Taxpayer and each Taxpayer is only given one NPWP.

By having an NPWP, there are also several direct benefits such as one of the requirements when managing a Trade Business License (SIUP), as one of the requirements for creating a current account. If you do not have an NPWP, you will be subject to sanctions in accordance with applicable tax laws and regulations.

## **METHOD**

According to Sugiyono (2017), the object of research is one of the scientific targets that has certain uses and purposes about something objective. In this study, the author examines the income tax incentive of article 21 income tax in the midst of the Covid-19 outbreak which has an impact on all employees of PT Sanipak Indonesia (taxpayers), both those who have an NPWP and those who do not have an NPWP.

According to Arikunto (2013) Data are all facts and figures that can be used as material to compile information. The data used by the author in the preparation of

this proposal are documents related to PPh 21 Income Tax such as a list of employees who have an NPWP and do not have an NPWP, employee income, and so on.

The methods used in this study were documentation, observation, and interviews. In this study, the author used a descriptive method. According to Sugiyono (2017), the Descriptive Method is a method used to analyze data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the general or generalization.

## RESULTS AND DISCUSSION

### Causes Not All Employees Get Article 21 Income Tax Incentives

Based on PMK No.86/PMK.03/2020 Article 2 paragraph (3) concerning Article 21 Income Tax incentives, the requirements for employees who can get PPh 21 incentives are employees with certain criteria such as, receiving or obtaining income from employers who have a Business Field Classification (KLU) code, having an NPWP, during the relevant Tax Period obtaining a fixed gross income and less than IDR 200,000,000 (two hundred million rupiah). Based on the requirements listed in the PMK, PT Sanipak Indonesia employees have a gross income below Rp 200,000,000 so that employees can get incentives.

However, at PT Sanipak Indonesia, not all employees get Article 21 income tax incentives. The following is a comparison data between employees who get Article 21 income tax incentives and those who do not get.

**Table 4 Comparison Data of Incentivized and Unincentivized Employees**

Information	Permanent Employees	Non-Permanent Employees
Who gets incentives	207	250
Who is not incentivized	4	445
<b>Sum</b>	<b>211</b>	<b>695</b>

Based on the data above, it can be seen that out of a total of 906 employees, there are 211 permanent employees, 207 employees who get article 21 income tax incentives and 4 people who do not get article 21 income tax incentives. Four permanent employees who did not receive incentives were non-permanent employees who were newly appointed as permanent employees in less than one year. From these data, it can also be seen that out of a total of 695 non-permanent employees, there are 250 people who get article 21 income tax incentives and 445 people who do not get article 21 income tax incentives. A total of 449 employees did not receive article 21 income tax incentives.

If converted into a percentage then the data obtained is as follows:

- a. Employees who receive income tax incentive article 21: 50.4%
- b. Employees who do not receive income tax incentives article 21: 49.5%

It can be seen that almost half of the total employees of PT Sanipak Indonesia, namely 49.5%, do not receive article 21 income tax incentives. In this case, there are still employees who are disadvantaged because they do not receive article 21 income tax incentives during the Covid-19 pandemic which is extended until December 2021.

Based on the results of interviews with companies, there are problems related to NPWP including the following:

- a. There is no mandatory requirement to have an NPWP. At the time of recruitment of new employees, at the time of recruiting new employees, the company does not require prospective employees to attach an NPWP as one of the requirements for applying for a job
- b. Don't have time. Based on the results of the author's interviews with employees, many employees revealed that there was no time to take care of making a personal NPWP
- c. Do not understand making *NPWP online*. Even though it has been made easy for taxpayers to make NPWP online, there are still employees who do not understand how to make NPWP *online*.
- d. Do not have complete documents. Based on the results of the author's interviews with employees, lack of self-motivation to take care of the completeness of the documents needed when making an NPWP is one of the causes for taxpayers who do not have an NPWP not taking care of making an NPWP.
- e. Taxpayers do not want to have an NPWP. Every taxpayer must have an NPWP in accordance with the regulations contained in Law of the Republic of Indonesia Number 28 of 2007 article 2 paragraph 1, namely, every Taxpayer who has fulfilled subjective and objective requirements in accordance with the provisions of tax laws and regulations must register at the office of the Directorate General of Taxes whose working area includes the residence or place of residence of the Taxpayer and he is given a Taxpayer Identification Number. However, there are still employees who do not want to have an NPWP because they think that having an NPWP is not an important thing.

## **Solution**

### **Solutions for Companies**

- a. When recruiting new employees in the future, hopefully the company can add job application requirements, namely the obligation to have an NPWP for taxpayers who have met subjective and objective requirements. For prospective employees who are working for the first time or *fresh graduates*, a maximum of three months from the first date of entering work must or must have an NPWP. It can also be explained that employees who do not have an NPWP will be charged an additional rate of 20% when withholding article 21 income tax payable every month. If the employee concerned does not also take care of the NPWP within the given period, the company has the right to provide sanctions. Examples of sanctions that can be given such as, social sanctions announced in the names of employees who do not make NPWP after three months of work and can also be given salary reduction sanctions.
- b. Many employees say that they do not have the right time to make an NPWP. Companies can provide assistance such as facilitating the creation of an *online NPWP* for taxpayers or being given a special period of time to make an NPWP to the tax office.
- c. One of the reasons employees do not have an NPWP is because not a few still do not understand the procedures for making an *NPWP online*. For companies in the future, they can provide brief socialization during employee service hours. No

need to explain the whole only need to direct employees such as the requirements that must be completed, tutorials on making an online NPWP, and so on. d. Taxpayers do not want to have an NPWP Companies can explain or socialize the importance of having an NPWP and the benefits obtained from having an individual NPWP.

### **Solutions for Employees**

- a. Each employee gets *an off day* or holiday. Employees who do not have time due to tight working hours and targets that must be achieved can make NPWP during leisure time such as during *off days* or holidays. Making an NPWP is not difficult as long as the conditions are completed and there is a desire from oneself to make an NPWP.
- b. For employees who do not understand how to make an NPWP *online*, they are expected to take the initiative to see tutorials on how to make an online NPWP that has been spread on social media and websites about taxes.
- c. Many employees say that the lack of complete documents is one of the reasons for not making an NPWP. In the future, it is hoped that employees or prospective employees can immediately take care of these incomplete documents before applying for a job

## **CONCLUSION**

### **Conclusion**

This study was conducted to evaluate the reasons why there are still employees of PT Sanipak Indonesia who do not get article 21 income tax incentives. The benefit of this study is to add insight into the benefits obtained from article 21 income tax incentives and the importance of having an NPWP and what kind of steps can be given from the company to employees in the future so that employees can get article 21 income tax incentives. The analysis method that the author used in this study is the descriptive method.

The data collection techniques that the author uses are documentation method techniques, namely collecting data obtained from existing files or documents, observation method techniques, namely making direct observations during industrial internship practices at PT Sanipak Indonesia, interview method techniques, namely asking questions to parties directly related to payroll and taxation processing activities at PT Sanipak Indonesia and asking questions to PT Sanipak employees Indonesian.

Based on the discussion, it was concluded that from a total of 906 employees of PT Sanipak Indonesia in March there were 4 permanent employees who did not receive incentives and there were 445 non-permanent employees who did not receive article 21 income tax incentives. So that the total number of employees who did not receive article 21 income tax incentives was 449 people or equivalent to 49.5%. In this case, the aggrieved party is the employee because he does not get the incentive of article 21 income tax.

The main reason why PT Sanipak Indonesia employees do not receive article 21 income tax incentives is because there are still many employees who do not have

NPWP and lack of insight into how to make NPWP both online and in person at the tax office. The company also does not require to attach an NPWP in the administrative requirements for applying for a job, and the majority of employees say that they do not have time to make an NPWP. So, there are still many employees who do not get article 21 income tax incentives.

### **Suggestion**

The advice that the author can give is, when recruiting new employees in the future, hopefully the company can provide deeper socialization about the importance of having an NPWP, especially in the current covid 19 conditions, because NPWP is one of the requirements to get article 21 income tax incentives.

It is hoped that in the future companies can add requirements in job applications, namely the obligation to have an NPWP for taxpayers who have met subjective and objective requirements. For prospective employees who are working for the first time or fresh graduates, a maximum of three months from the first date of entering work must or must have an NPWP. If you do not also make an NPWP within a predetermined period of time, the employee is entitled to sanctions or reprimands.

Companies can provide assistance such as facilitating the creation of an online NPWP for taxpayers or being given a special period of time to make an NPWP to the tax office and provide brief socialization during employee service hours. It is expected that the company can give directions to employees such as the requirements that must be completed in making an NPWP, tutorials on making an online NPWP, and so on

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