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Fiscal Reconciliation Analysis of Commercial Reports in the Determination of Corporate Income Tax (Case Study on Grand Jamee Sharia Hotel)

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Abstract

This research aims to analyze the fiscal reconciliation process conducted by Hotel Syariah Grand Jamee to determine corporate income tax. The core issue addressed is the discrepancy between commercial and fiscal financial statements arising from the application of PSAK and tax regulations in Indonesia. A descriptive-quantitative approach was used to analyze financial data from the year 2023. The findings indicate a total positive fiscal adjustment of IDR 114,127,906, comprising non-deductible donations (IDR 33,983,623), excess consumption expenses (IDR 71,364,078), and unsupported miscellaneous expenses (IDR 8,780,205). These adjustments reduced the fiscal loss from IDR 611,247,618 to IDR 497,119,712. Despite these corrections, the company reported zero corporate income tax payable due to the remaining fiscal loss. The results emphasize the critical importance of accurate and systematic fiscal reconciliation to minimize the risk of administrative sanctions and potential tax disputes. This study provides practical insights for businesses in aligning their commercial financial reports with prevailing tax regulations, thereby ensuring compliance and reducing legal and financial risks.

Keywords : *Fiscal Reconciliation, Corporate Income Tax, Hotel Financial Management, Tax Compliance, Financial Reporting Adjustment*

INTRODUCTION

Taxes are one of the sources of state revenue that plays an important role in financing national development. The contribution of taxes to the State Revenue and Expenditure Budget (APBN) is very significant. In the 2024 State Budget, state revenue is allocated IDR 2,802.3 trillion, of which IDR 2,309.9 trillion or around 71% comes from taxes. This tax revenue is used to support various sectors, such as infrastructure, education, health, and social welfare. Therefore, the compliance of taxpayers, including business entities, in reporting and paying taxes according to the provisions is very necessary to maintain the country's financial stability.

Every business entity, including a hotel company, has an obligation to report and pay its taxes correctly. One of the important aspects of corporate taxation is fiscal reconciliation, which is the process of adjusting commercial financial statements and tax regulations to determine the amount of Corporate Income Tax (PPh) payable. In practice, there is often a difference between commercial financial statements prepared based on Financial Accounting Standards (SAK) or Financial Accounting Standard Statements (PSAK) and fiscal statements that follow tax provisions under the Tax Law. This difference can arise due to differences in the recognition of income and expenses, where in PSAK income and expenses are recognized based on the principle of accrual, while in taxation it refers to the provisions in Law Number 36 of 2008 concerning Income Tax

(Income Tax Law). The difference in the treatment of assets and depreciation, where in PSAK asset depreciation is calculated based on the benefit age determined by management, while in taxation refers to the depreciation rate regulated in the Minister of Finance Regulation (PMK) Number 96/PMK.03/2009.

Deductible expense recognition, where not all expenses recognized in commercial financial statements can be recognized in fiscal statements. This is regulated in Article 6 and Article 9 of the Income Tax Law, which regulates deductible and non-deductible expenses from gross income. A case relevant to this phenomenon occurred at the Grand Jamee Sharia Hotel, where the Directorate General of Taxes (DGT) found indications of a discrepancy between the data reported in the Annual Corporate Income Tax Return and the VAT Period Return. Some of the differences identified include; The difference between the amount of purchases on the Corporate Income Tax Return and the amount of turnover on the Periodic VAT Return.

The discrepancy between the costs reported in the Corporate Income Tax Return and the total gross income in the Income Tax Return 21. The difference between the value of the Tax Imposition Basis (DPP) in the Tax Invoice and the value of the DPP in the Article 23 Income Tax Deduction Receipt. Recognition of depreciation costs on assets/assets that should not be charged. Consequences If the company does not make fiscal corrections for discrepancies in commercial and fiscal financial statements, various consequences can arise, including; Administrative Sanctions. Based on Article 13 paragraph (1) of the KUP Law (Law on General Provisions and Tax Procedures) Number 6 of 1983, Taxpayers who do not make fiscal corrections correctly can be subject to sanctions in the form of a fine of 2% per month of underpaid taxes.

Tax Audit and Potential Correction by the DGT. If the DGT finds any discrepancy between commercial and fiscal reports, the company may be subject to tax audits. Based on Article 29 of the KUP Law, the DGT has the right to determine the amount of tax payable through the Underpaid Tax Determination Letter (SKPKB) which can have an impact on increasing the company's tax burden. Tax Criminal Sanctions. If errors in fiscal reconciliation lead to indications of tax evasion or incorrect tax reporting, then the company may be subject to criminal sanctions in accordance with Article 39 of the KUP Law, with a criminal threat in the form of imprisonment for a minimum of 6 months to 6 years and a fine of 2 to 4 times the amount of unpaid tax due. Delay in Tax Refund (Restitution). If the company applies for a restitution (tax refund), but a discrepancy is found that is not corrected in the fiscal report, then the tax return can be rejected or delayed until clarification and correction are made. This condition shows that fiscal reconciliation that is not done properly can have a serious impact on a company's tax liability. Therefore, this study aims to analyze the fiscal reconciliation process carried out by Hotel Syariah Grand Jamee in determining Corporate Income Tax as well as identify the factors that cause the differences between commercial and fiscal financial statements. Through this research, it is hoped that a deeper understanding of the challenges in fiscal reconciliation can be obtained and provide recommendations for companies in improving tax compliance and reducing potential disputes with tax authorities.

LITERATURE REVIEW

2.1 Definition of Tax

Taxes are one of the government's efforts to obtain funds from the community to finance the public interest (Aqmarina & Furqon, 2020). Taxes are mandatory levies imposed on the community and are coercive (Sulastyawati, 2014).

Some experts define taxes as follows:

1. Arini and Isharijadi (2015) stated that taxes are mandatory contributions that must be paid by individuals or entities to the state, based on the law, without direct compensation, and used for the prosperity of the people.
2. Soemitro Rochmat in the book Mardiasmo (2014:1) defines tax as a contribution from the people to the state treasury which is mandatory and can be forced without direct reciprocal services, to finance public expenditure.
3. Kesuma (2016) refers to taxes as mandatory contributions imposed by the state on parties who are obliged to pay based on applicable regulations, without receiving direct benefits, and are used to finance state expenditures.
4. Dr. Soeparman Soemohamijaya in Waluyo (2013:3) defines tax as a mandatory contribution in the form of money or goods collected by the government based on legal norms for public welfare.

2.2 Tax Collection Requirements

In the implementation of tax collection, there are often obstacles and challenges. Therefore, according to Dana, Suyandi Imam, and Faisal (2015), tax collection must meet the following conditions:

1. Requirements for Justice – Tax collection must be fair, both in terms of legislation and implementation. Taxes must be imposed in general and evenly according to the ability of each taxpayer. In addition, taxpayers have the right to file objections, delay in payment, and appeal.
2. Juridical Requirements – Tax collection must have a clear legal basis, as stipulated in the 1945 Constitution Article 23 Paragraph 2, which provides legal certainty for the state and citizens.
3. Economic Conditions – Taxes collected must not hinder economic activities, both in production and trade, so as not to cause an economic slowdown.
4. Financial Requirements – Tax collection must be efficient with a lower collection cost than tax revenue.
5. Simple System – An easy-to-understand tax collection system will encourage people to fulfill their obligations.

2.3 Tax Grouping

According to Mardiasmo (2011:5), taxes can be categorized based on three main aspects:

1. By Group:
   a. Direct Tax – Taxes that must be borne by the taxpayer themselves and cannot be transferred to other parties, such as Income Tax (PPh).
   b. Indirect Taxes – Taxes whose burden can be transferred to other parties, such as Value Added Tax (VAT).
2. By Nature:

   a. Subjective Tax – Taxes that are based on the taxpayer's personal circumstances, such as Income Tax.
   b. Objective Tax – Taxes imposed based on tax objects without paying attention to the taxpayer's condition, such as Value Added Tax (VAT) and Sales Tax on Luxury Goods (PPnBM).
3. Based on the Collection Agency:
   a. Central Tax – Taxes collected by the central government, such as Income Tax, VAT, PPnBM, and Stamp Duty.
   b. Regional Taxes – Taxes collected by local governments, including:
      1) Provincial Taxes – For example, Motor Vehicle Tax and Motor Vehicle Fuel Tax.
      2) Regency/City Tax – For example, Hotel Tax, Restaurant Tax, and Entertainment Tax.

2.4 Tax Collection Procedures

According to Sulistyowati, Amah, and Styaningrum (2018), tax collection is carried out with a certain system to make it easier for taxpayers. There are three main tax collection systems:

1. Official Assessment System
   a. The amount of tax that must be paid is determined by the government (fiskus).
   b. Taxpayers are passive and only pay in accordance with the tax provisions given.
2. Self Assessment System
   a. Taxpayers determine the amount of tax that must be paid.
   b. Taxpayers have an active role in calculating, paying, and reporting their taxes.
3. Withholding System
   a. Third parties (non-taxpayers and non-fiscal authorities) are given the authority to determine the amount of tax that must be paid by the taxpayer.

2.5 Definition of Income Tax

According to (Johannes and Saerang, 2014), it states that Income Tax is a tax imposed directly from the net income (profit) of a business organization (called corporate income tax) or a certain individual calculated based on tax regulations and this tax is imposed on the taxable profit of the entity.

Runtuwarow and Elim, 2016 state that income tax is a tax imposed on tax subjects (individuals, permanent business entities) on income received or earned in the tax year. In accordance with SAK No. 46, income tax is a tax calculated based on tax regulations and this tax is imposed on the company's taxable income.

Wikepedia Indonesian, Income Tax is an official levy aimed at people who earn income or on income received and earned in the tax year for the benefit of the State and the community in the life of the nation and state as an obligation that must be carried out.

In Law No. 7 of 1983 concerning income tax (pph) which has been made by Law No. 7 of 1991, Law No. 17 of 2000 and finally amended by Law No. 36 of 2008 regulating taxes on income received or earned by individuals or entities.

Income tax is imposed on the tax subject in respect of the income received or earned by him in the tax year. The tax subject is taxed if he receives or obtains income.

2.6 Tax Subject and Taxpayer

Income tax is levied on tax subjects with respect to income earned within a fiscal year. Astuti (2015) distinguishes between domestic and foreign tax subjects.

Domestic tax subjects include: (a) individuals residing in Indonesia for more than 183 days within a 12-month period, or those intending to reside permanently; (b) corporate entities established or domiciled in Indonesia, excluding certain government bodies financed by the state or regional budgets, whose revenues are incorporated in government accounts and supervised by state auditors; and (c) undivided inheritances, treated as a single taxable unit.

Foreign tax subjects comprise: (a) individuals present in Indonesia for no more than 183 days within 12 months, and entities not established or domiciled in Indonesia but conducting business through a permanent establishment in Indonesia; and (b) non-resident individuals or entities deriving income from Indonesia without conducting business through a permanent establishment.

2.7 Income Tax Object

The object of income tax is defined as any additional economic capacity received or accrued by taxpayers, whether from domestic or foreign sources, that can be consumed or increase wealth in any form. According to Anastasia and Lilis (2011, p. 173), income tax objects include: (1) employment income such as salaries, wages, insurance premiums paid by employers, allowances, commissions, bonuses, pensions, and in-kind compensation unless exempted by law; (2) prizes and awards, including lottery or savings raffle winnings; (3) business profits; (4) gains from the sale or transfer of assets, including transfers to partnerships, entities, shareholders, or affiliates; (5) additional payments previously charged as expenses and tax refunds; (6) interest, premiums, discounts, and debt repayment rewards; (7) dividends in any form, including distributions from cooperatives or insurance companies; (8) excess amounts from share repurchases or shareholder contributions; (9) repayment of paid-up capital; (10) royalties for the exercise of rights; (11) rental income from property use, such as vehicles, offices, or housing; (12) gains from foreign currency exchange differences; and (13) surplus arising from asset revaluation.

2.8 Not an Income Tax Object

In addition to taxable income, the Income Tax Law also recognizes categories of non-taxable income. These include: (1) assistance or donations in the form of money or goods; (2) grants or donations from family, religious, educational, and social institutions, or individuals; (3) inheritance received by individuals or organizations; (4) assets received as substitutes for shares or capital contributions; (5) in-kind rewards from services rendered; (6) insurance payments related to health, accidents, scholarships, or endowment policies; (7) contributions to approved pension funds, whether paid by employers or employees; (8) scholarships provided by taxpayers to Indonesian citizens pursuing primary, secondary, or higher education; and (9) social security benefits or compensation disbursed by institutions such as BPJS, Taspen, ASABRI, ASKES, and other authorized social security bodies

2.9 Income Subject to Final Income Tax

According to Article 4 paragraph (2) of the Income Tax Law, certain types of income are subject to final income tax. This tax is withheld or paid at the time the income arises and is not recalculated in the annual corporate income tax return, although it must still be reported.

The categories of income subject to final tax include: (1) interest on deposits, savings, and Bank Indonesia certificates, as well as traded cooperative and government bonds; (2) lottery prizes; (3) transactions of stocks and securities on the stock exchange; (4) transfers of land and/or buildings; (5) income from construction service contracts; and (6) capital gains from bond sales on the stock exchange, including cooperative and government bonds, which are taxed at a final rate of 20 percent.

2.10 Income and Expenses According to Taxes

According to Law No. 7 of 1983 on Income Tax, as most recently amended by Law No. 36 of 2008, Article 4 paragraph (1), the tax object is income, defined as any additional economic capacity received or obtained by taxpayers, either from domestic or foreign sources, that can be consumed or increase wealth in any name or form. Marsono and Muamarah (2018) classify income tax objects into three categories: (1) income that constitutes a tax object, (2) income exempted from tax objects, and (3) income subject to final income tax.

Not all expenses incurred by companies are recognized as deductible for tax purposes. Tax regulations distinguish between deductible and non-deductible expenses. According to Article 6 paragraph (1) of the Income Tax Law, deductible expenses include those incurred to obtain, collect, and maintain income. These encompass the purchase of materials, employment-related costs such as wages, salaries, bonuses, and allowances, as well as interest, rent, royalties, and verified business travel. Other deductible items include waste treatment, uncollectible receivables, employee insurance premiums, non-income taxes (e.g., property tax, stamp duty, local taxes), promotion expenses, and contributions to approved pension funds.

Furthermore, losses from asset sales or transfers, foreign exchange differences, research and development conducted in Indonesia, and the costs of scholarships, internships, and training aimed at enhancing human resources may also be charged as expenses. Certain expenditures with long-term benefits, such as acquisition of tangible and intangible assets, must be allocated through depreciation or amortization. All deductible expenses are subject to the principle of reasonableness, and amounts exceeding fair limits due to special relationships are not allowable.

Commercial Financial Statements

According to Hery (2013), a commercial financial report is a report prepared with generally accepted accounting principles that are neutral and impartial. In the basic framework of financial accounting standards, it is stated that the purpose of financial statements is to provide information about the financial position, performance and changes in the financial position of a company that is useful for a number of people who are interested in making decisions in a company. However, financial statements do not provide all the information that may be needed in decision-making because they generally describe the financial impact of past events, and are not required to provide non-financial information. The management is free to choose the accounting standards, methods or practices that are considered most suitable for the needs of management in the preparation of financial statements.

2.11 Fiscal Financial Statements

Fiscal financial statements are financial reports prepared using accounting standards and practices that comply with prevailing tax regulations (Wijaya and Widjaja, 2019). Tax law does not prescribe a specific format but provides certain limitations regarding income and expense recognition. These statements are generally derived through reconciliation with commercial financial statements. The main components include the fiscal balance sheet, profit and loss statement, changes in retained earnings, explanatory notes, reconciliation between commercial and fiscal reports, and a summary of tax obligations.

Fiscal reconciliation is defined as the adjustment of commercial accounting results to align with tax provisions, thereby producing taxable income consistent with fiscal rules (Hermawan and Widjaja, 2021; Zovira and Widjaja, 2019; Wicaksono, 2016).

Fiscal correction refers to adjustments made prior to calculating income tax for both corporate and individual taxpayers who maintain bookkeeping. Such corrections are required when discrepancies arise between accounting standards used in commercial reporting and those mandated for fiscal reporting. These differences reflect the state's fiscal policy interests in utilizing taxation as a regulatory instrument.

2.12 Tax Rates

Tax rate refers to a percentage or nominal amount stipulated by law as the basis for calculating the amount of tax that must be paid, remitted, or collected by taxpayers. In Indonesia, tax rates are generally expressed as percentages, although certain taxes apply fixed nominal amounts. The tax liability is determined by multiplying the tax rate with the tax base (DPP), which may consist of gross turnover, net income, sales, compensation, or other relevant measures.

Yuliawati (2021) classifies tax rates into four categories. First, the Proportional Rate, which applies a constant percentage, resulting in a tax liability that is proportional to the taxable value. Second, the Fixed Rate, which imposes a uniform nominal amount regardless of the taxable value. Third, the Progressive Rate, where the percentage increases as the taxable amount rises. Fourth, the Degressive Rate, where the percentage decreases as the taxable amount increases.

RESEARCH METHOD

The type of research carried out is quantitative descriptive analysis, which is carried out by describing facts in the form of data collected in the form of numbers which are then followed by analysis. This research was conducted at the Grand Jamee Sharia Hotel, Medan, the data studied is the 2024 commercial financial statements.

The variables of this study are Commercial Profit and Loss and Fiscal Profit and Loss in 2024. The analysis technique used in this writing is qualitative descriptive analysis. The existing fiscal financial statement data is processed by the researcher by analyzing each financial statement account that is corrected by the company whether it is in accordance with tax rules in Indonesia. After analyzing each account, the researcher made corrections for the calculation of taxable profit and income tax calculation on the financial statements of Grand Jamee Sharia Hotel.

RESULTS AND ANALYSIS

4.1 Fiscally Corrected Account Posts on Commercial Financial Statements by Grand Jamee Sharia Hotel for the 2024 Tax Year.

Based on the Annual Taxpayer Income Tax Return for the Tax Year of Grand Jamee Sharia Hotel for the 2024 Tax Year, details of the fiscal correction are obtained as follows:

1. Positive Correction

a. Positive Correction of Donation Fee IDR 33,983,623

The legal basis for fiscal correction is Article 6 paragraph (1) of Income Tax Law No. 36 of 2008, which defines deductible expenses as those incurred to obtain, collect, and maintain income. This provision does not explicitly mention donations, as it primarily addresses taxable income and expenses directly related to revenue generation.

Donations are deductible only under specific conditions. According to Regulation of the Director General of Taxes No. PER-22/PJ/2013 and Government Regulation No. 46 of 2013, contributions may be deducted if allocated for legitimate social activities or other purposes explicitly recognized by tax law. Thus, while general contributions are not deductible, exceptions exist where donations fulfill clearly regulated criteria.

2. Government Regulation No. 46 of 2013

This regulation states that donations can be deducted if they are used for certain social activities in accordance with the provisions of applicable regulations. Some of the main criteria that need to be met are as follows:

Deductible Contribution Criteria:

a. Social or Religious Activities: Donations can be deducted if they are channeled for social, religious, or humanitarian and general welfare activities. This includes donations to social foundations, houses of worship, and other legitimate charitable activities.
b. Legally Registered Organizations: Donations can only be deducted if they are made to a legally authorized organization or institution, such as an institution that is registered and has an official license from the government.
c. Not for Personal Interest: Donations made must not have personal benefits for the employer or the donor. For example, donations used for political or personal interests cannot be deducted.
d. Valid Documentation: Expenses for donations must be accompanied by valid evidence, such as receipts or adequate certificates as proof of transaction.

3. Regulation of the Director General of Taxes No. PER-22/PJ/2013

This regulation provides further clarification of deductible expenses, including contributions. Basically, this regulation focuses on provisions related to expenditure that are fiscally recognized, and those expenditures must meet the expenditure standards allowed in income tax.

Criteria for Deductible Contributions (According to PER-22/PJ/2013):

a. Useful for Legitimate Social Activities: This regulation states that only donations used for social activities or activities that meet the public interest are deductible from taxable income.

b. Donations to Legitimate Organizations: Donations made to social organizations, educational institutions, or religious institutions that are registered and approved by the government may be deducted.
c. Transparency and Accountability: Organizations that receive donations must be able to provide reports of the use of funds and valid evidence to show that the funds are being used for activities that meet legitimate social objectives.
a. Examples of Deductible Donations:
   1. Donations to Social Foundations: If a company makes a donation to the construction of a legally registered orphanage, the donation can be deducted from taxable income. Donations to Houses of Worship: Donations for the establishment of a house of worship or the maintenance of a legitimate house of worship may be deducted if the house of worship is registered and used for the public good. Donations in Humanitarian Activities: Donations made for natural disasters or other humanitarian activities carried out by legitimate institutions may also be deducted.

General Conditions:
a. Donations that are voluntary and do not involve a return or personal benefit to the giver, such as gifts or other benefits, are the most commonly recognized as deductible expenses.
b. All expenses must have valid proof of transaction, such as receipts, receipts, or other valid documents.

4. Consumption Cost (IDR 85,564,680)

Consumption costs are corrected based on:

a. Article 6 (1) letter a of the Income Tax Law: The fees that may be charged must be directly related to gross income.
b. PMK-02/PMK.03/2022: The maximum limit of consumption costs is 0.5% of gross turnover (turnover).

This regulation regulates the restriction of the recognition of consumption costs as a deduction of gross income to calculate Corporate Income Tax. Maximum limit: 0.5% of gross turnover (total operating income). Fees include:
a. Food/beverages for employees (office).
b. Consumption of meetings, trainings, or business banquets (clients/vendors).
c. Excludes: Consumption fees that have been charged as part of the service package (e.g. hotel breakfast for guests).
d. There must be evidence such as invoices, meeting attendance lists, or consumption recipients.

The calculation of consumption costs that can be charged is:
Gross turnover (turnover): IDR 2,840,120,300 (service income).
Consumption cost booked: IDR 85,564,680.
Account:
Limits on consumption charges that may be charged:
0.5%×2,840,120,300=Rp 14,200,601.5
Excess cost:

85,564,680−14,200,601.5=Rp 71,364,078.5

So that the fiscal correction of IDR 71,364,078.5 must be added back to the taxable profit (positive correction), because it exceeds the allowed limit. Before correction, Commercial Profit/Loss: (IDR 611,247,618) (loss). Consumption costs are fully acknowledged (IDR 85,564,680).

After correction, fiscal consumption costs: IDR 14,200,601.5 (only 0.5% of turnover). Fiscal profit adjustment:

1) Commercial loss+Positive correction=(611,247,618)+71,364,078.5=(IDR 539,883,539.5)

The impact of this fiscal correction adjustment caused fiscal losses to decrease by IDR 71.3 million, so that loss compensation for next year was also reduced.

5. Bank Interest Fee (IDR 429,886,221)

It is necessary to study whether this is official bank loan interest. If it goes to a non-bank party, it can be deducted. Based on Article 9 paragraph 1 of the Income Tax Law No. 36/2008, loan interest paid to parties other than legitimate financial institutions cannot be deducted from taxable income.

Bank Interest Costs (IDR 429,886,221) in financial statements are often the object of fiscal correction in the calculation of corporate income tax, especially in the tax system in Indonesia. This fiscal correction was made because tax regulations in Indonesia stipulate that not all interest costs paid by companies can be directly deducted from gross income to calculate taxable income (PhKP).

Reasons for the Need for Fiscal Adjustment:

a) Deductibility Restrictions:
   1) Based on Article 9 Paragraph 1 of the Income Tax Law No. 36/2008, expenses that can be deducted from income are only expenses that are directly related to business activities and meet the provisions regulated by the Directorate General of Taxes.
   2) Bank interest charges can be deducted from income to calculate DPP (Tax Basis) if the interest is paid on loans used in legitimate business activities and directly related to the company's operations.
   3) Non-deductible interest is interest paid on loans that are not directly related to business activities, such as personal loans or loans used for non-business purposes.

b) Non-Business Loan Interest:
   1) If interest is paid on personal loans or for financing that is not related to business operations, then the interest fee cannot be deducted.
   2) This applies especially to companies that have personal loans or debts that are not related to business activities or that are used for non-business purposes (e.g., loans for the purchase of personal assets or investments that are not related to the company).

c) Fiscal Correction Based on Loan Interest Restrictions:
   1) There is a limit on the reduction of loan interest that can be imposed on the company in accordance with the applicable provisions, especially if the company receives a loan from a related party or has debts from a foreign party that involves transfer pricing transactions.

2) In Indonesia, there is a rule called the Thin Capitalization Rules, which limits interest deductions if a company's debt is too high compared to its equity, especially on transactions with affiliated parties or with interest rates that are considered too high by market standards.

d) Other Required Settings:

To ensure appropriate interest reduction, companies usually have to prove that the interest paid is indeed used to support business activities. This means that the company needs to have valid documents for the debt-receivables transaction as well as proof that the loan was used in business activities.

In the context of Grand Jamee's Profit and Loss Report, the bank's interest expense of IDR 429,886,221 may be required to be fiscally corrected depending on several factors, which need to be adjusted to Indonesian tax provisions. For Grand Jamee, whether or not the bank's interest costs need to be fiscally corrected depends on the following factors:

a) Purpose of the Loan: If the interest paid by Grand Jamee comes from a loan used for business operations (for example, for the purchase of goods or services used in hotel business activities), then the interest does not need to be corrected.
b) Non-Business or Personal Loans: If the interest comes from personal loans or loans used for non-business purposes (e.g., the purchase of personal assets or investments not related to the hotel), then the interest is mandatory as it cannot be deducted in the tax calculation.

If the bank interest paid is related to a loan that is not directly used for business activities, then you must make a fiscal correction by:

a) Adding back the non-deductible interest expense into the fiscal profit.
b) If part of the interest is used for business purposes, then you only need to adjust the amount of interest that can be deducted.

If part of the bank's interest is for loans that are not directly related to hotel operations, for example Rp 100,000,000 is used for non-business investments, then that part must be fiscally corrected.

Example of Correction:

a) Total interest cost: IDR 429,886,221
b) Correction (if IDR 100,000,000 for non-business investment):
c) Fiscal profit = Commercial profit + IDR 100,000,000 (additional correction)

In Grand Jamee's Income Statement, the bank's interest expense of IDR 429,886,221 must be corrected if the interest is paid for loans not related to business activities, such as personal loans or for non-business investments. If interest is paid on loans used for hotel operations, then there is no need for a fiscal correction.

However, if the company cannot prove that the interest is related to legitimate business activities, then this interest expense needs to be fiscally corrected to ensure compliance with tax rules.

6. Miscellaneous Fees (IDR 8,780,205)

Miscellaneous expenses of IDR 8,780,205 in Grand Jamee's income statement need to be corrected fiscally because in the Indonesian tax system, there are strict rules regarding the types of expenses that can be deducted from income to calculate Taxable

Income. Costs that are not directly related to business activities or do not meet certain tax provisions must be corrected.

Here's a more detailed analysis of why these costs need to be corrected:

1. Non-Deductible Expenses

According to Article 9 Paragraph 1 of the Income Tax Law No. 36 of 2008, costs that are not directly related to business and income cannot be deducted for tax purposes. Miscellaneous expenses are often used to record expenses that cannot be grouped into legitimate categories of operating expenses, such as administrative expenses of a personal nature, expenses for social or political purposes, or expenses that are not relevant to legitimate business activities.

Irreducible Withdrawal Criteria:

a. Personal Expenses: If these miscellaneous expenses are related to personal expenses that are not directly related to business operational activities, then these expenses must be corrected.
b. Non-Business Expenses: Miscellaneous expenses may also include expenses related to non-business activities or those used for personal or other purposes that do not support the company's operational objectives.

The analysis of this fiscal correction is based on Article 9 Paragraph 1 of the Income Tax Law No. 36 of 2008 states that: "Expenses incurred to obtain, collect, and maintain income are deductible." Therefore, if miscellaneous expenses do not have a direct relationship with the business or cannot be proven to be expenses that support business activities, then these costs cannot be deducted.

Regulation of the Director General of Taxes No. PER-22/PJ/2013 provides further guidelines regarding deductible expenses in tax calculation. This regulation states that only costs related to business operations can be deducted from income to calculate the DPP (Tax Basis).

In the context of Grand Jamee's Income and Loss Report, if the miscellaneous expenses of Rp 8,780,205 do not have a valid explanation or justification related to the hotel's business activities, then the cost must be added back (corrected) in the tax calculation. Some examples of miscellaneous costs that may not be deductible include:

a) Expenses for private events that are not related to hotel operations.
b) Fees that do not have valid proof of transactions, such as expenses without receipts or clear documentation.
c) Donations or social expenses that do not meet the criteria for tax deductions.

If there are other expenses that cannot be proven related to business activities, then it is in accordance with tax provisions. The amount of these miscellaneous expenses (Rp 8,780,205) must be added back to the fiscal profit because it cannot be deducted to calculate taxable income.

If these miscellaneous expenses consist of expenses for activities not directly related to the business, then the following steps are performed in the fiscal correction:

a) Fiscal profit = Commercial profit + Non-deductible expenses (e.g. IDR 8,780,205).
b) If the miscellaneous expenses turn out to be related to non-business activities, then these costs must be added back in the tax calculation.

Based on the results of the analysis of Grand Jamee's 2024 profit and loss statement, the total fiscal correction and its impact on fiscal profit/loss are as follows:

1. Total Fiscal Correction

Types of Corrections	Amount (Rp)	Types of Corrections	Information
Donation Fee (Article 9 of the Income Tax Law)	+33.983.623	Positive	Corrected
Excess Consumption Costs (PMK-02/2022)	+71.364.078	Positive	Not yet corrected
Miscellaneous Charges (not supported by evidence)	+8.780.205	Positive	Not yet corrected
Total Positive Correction	**114.127.906**		

Corrections for bank interest costs and depreciation have not been calculated because additional data (debt/capital ratio of asset useful life are needed).

2. Impact on Fiscal Losses & Income Tax Payable

Based on the total results of the fiscal correction, it can be seen that the impact on the Fiscal Loss of Grand Jamee Hotel is:

1) Initial Commercial Profit/Loss: (IDR 611,247,618)
2) Positive Correction: + IDR 114,127,906
3) Fiscal Profit/Loss: (611,247,618)+114,127,906 = (IDR 497,119,712)

The result caused fiscal loss to decrease from IDR 611.2 million to IDR 497.1 million, and Income Tax Repayable: IDR 0 (because it was still a loss).

DISCUSSION

In the research of Hermawan and Widjaja (2021), there are costs that must be fiscally corrected such as salary costs, bonuses, and others related to the provision of in-kind (for example, parcels or recreational costs) that cannot be directly deducted according to taxation. This result is in line with the findings in the Grand Jamee report, namely bank interest costs and other expenses, which if not directly related to business activities, must be fiscally corrected.

Hermawan and Widjaja's research shows that commercial and fiscal financial statements have differences in the recognition of costs and income, which affects the calculation of income tax payable. This resulted with the case in Grand Jamee, where certain costs had to be fiscally corrected to ensure taxes owed were calculated correctly. Hermawan and Widjaja's research also found that income tax owed to PT. XXX becomes smaller because some costs have not been fiscally corrected. Similarly, in Grand Jamee, the fiscal correction on interest costs and miscellaneous expenses affects fiscal profits, which in turn reduces income tax payable (smaller fiscal losses).

Hermawan and Widjaja's research focuses more on costs related to in-kind and entertainment, while in Grand Jamee, the correction focuses more on donation costs, interest and other costs that are not directly related to business operations.

The results of the fiscal correction at the Grand Jamee Hotel 2024 show some similarities and differences with the findings of other studies that have also been conducted previously. In general, the fiscal correction made by Grand Jamee is in line with previous research in terms of the implementation of tax provisions, such as Income Tax Law Articles 6, 9, and 18, as well as related PMK. that is, a positive correction of donation costs and consumption that exceeded the limit was also found in the research of Nür Atniyah (2018) and Lely Kumalawati (2018), although the amount of correction was different. Grand Jamee corrected a total of Rp 114.1 million (temporary), while other studies such as Lely Kumalawati (2018) recorded a larger correction, reaching Rp 171.9 million. This difference is mainly due to variations in the scale of the business and the complexity of transactions.

However, there is also a significant difference in the impact of corrections on financial statements. In Grand Jamee, fiscal correction only reduces losses without incurring income tax payable, similar to the case of PT. Manado Water in research by Ruth Hartinah (2019). Meanwhile, research by Aditya Kirillanto (2024) and Alfesî Sahindeko (2022) shows that corrections actually increase income tax payable or decrease the company's net profit. This depends on the initial condition of each entity's financial statements.

In terms of methods, Grand Jamee uses a descriptive-quantitative approach as applied in the research of Alfesî Sahindeko (2022) and Aditya Kirillanto (2024). However, the object of the correction is different. Grand Jamee focuses on donation costs, consumption, and bank interest, while Stihlâ Kellah's research (2022) focuses more on salary corrections, THR, and BPJS.

CONCLUSION

Based on the analysis of the Grand Jamee Hotel's financial statements for 2024, a fiscal correction was made which resulted in several crucial findings. The total temporary positive correction reached IDR 114,127,906, coming from donation costs (IDR 33,983,623), excess consumption costs (IDR 71,364,078), and miscellaneous costs (IDR 8,780,205). This correction reduced fiscal losses from IDR 611,247,618 to IDR 497,119,712, but it has not incurred income tax payable because the company continues to suffer losses.

The addition of a correction to bank interest costs (if the debt ratio exceeds 4:1) has the potential to add a positive correction of up to IDR 85,977,244, so that fiscal losses can be further reduced to IDR 411,142,468. However, this loss can be compensated for a maximum of 5 years to reduce taxes in the coming period.

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