



ANALYSIS OF THE APPLICATION OF CONSTRUCTION SERVICE INCOME TAX ON PT. CAHAYA SUTRACO PANGKALAN SUSU

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ARTICLE INFO	ABSTRACT
Date received : 28 Oct 2022 Revision date : 19 Nov 2022 Date received : 25 Nov 2022	<i>This research is entitled "Analysis of the Application of Construction Services Income Tax at PT Cahaya Sutraco Pangkalan Susu". This study aims to determine the nature of the imposition and rates of construction services in the Final Income Tax and also to determine whether the application of construction services income tax at PT. Cahaya Sutraco is in accordance with the applicable tax law. The type of research used in this research is descriptive qualitative research. Data collection techniques in this study are interviews and documentation, and the data used are primary data and secondary data. The results of the research that has been done that PT Cahaya Sutraco there is a mistake in calculating the final income tax in the tax base. Employees in the accounting / tax section should be more careful about the calculation of the basis for the imposition of final income tax so that no errors occur in the future.</i>
Keywords: <i>Application of final income tax, construction services</i>	

INTRODUCTION

PT Cahaya Sutraco was established in 2012 and until now has built a company that is growing rapidly. The company located at Jalan Pelabuhan No. 10, Beras Basah Village, Pangkalan Susu has been registered as a Corporate Taxpayer at the Binjai Primary Tax Service Office with NPWP 01.225.329.0-119.000. As one of the growing companies, this causes PT. Cahaya Sutraco to need to apply construction service income tax while staying within the applicable tax regulations.

PT Cahaya Sutraco conducts work contracts through other companies for the income paid by the company PT Cahaya Sutraco This has a very important role in increasing State revenues, especially the tax sector. PT Cahaya Sutraco is a corporate taxpayer who has the obligation to calculate, deduct, deposit, and report its tax activities to the tax service office. The taxes collected by PT. Cahaya Sutraco include taxes on construction services that are final.

First, according to the nature of the imposition and tax rates on service income from construction services, business stipulates that on the income of taxpayers and permanent establishments from the business of construction, subject to income tax based on income tax Law No. 36 of 2008 all construction services business which regulates all construction service providers both qualified and unqualified which has been regulated in article 4 paragraph 2 which treatment is separate in the imposition of tax on this type of income including the nature, amount and procedures for payment, withholding or collection. The nature of the imposition of final income tax means that the income does not need to be combined with other income in the calculation of income tax payable which in its implementation is regulated by Government Regulation No. 51 of 2008 which in this case this company PT. Cahaya Sutraco which is engaged in construction services is subject to final tax.

PT Cahaya Sutraco is also regulated by government regulation Number 23 of 2018 concerning income tax on income from businesses received or obtained by corporate taxpayers who have a certain Gross Turnover as a replacement for Government Regulation Number 46 of 2013 where there is a decrease



in the Final Income Tax rate from 1% to 0.5%. With the following formula: Contract Value X Final Income Tax Rate = Income Tax Payable.

Based on shows that within 1 year PT Cahaya Sutracco as a service provider (Second Party) only has one contract with the company PT Pertamina Ep Asset 1 Pangkalan Susu Field as a service user (First Party). From the data also shows PT. Cahaya Sutracco's treatment of errors in calculating and withholding final income tax on construction services in the tax base should be recorded in accordance with the contract value, but the problem is that the tax base has a difference between the contract value of Rp. 2,055,270.7. 2,055,270,724 with a total tax base of Rp. 2,034,188,348 of Rp. 21,082,376 and multiplied by a rate of 0.5% so, Rp. 105,411 difference in Income Tax payable in Appendix- IV of the 2019 Annual Tax Return in table 1.1.1 above. It is not impossible that other obligations in the form of calculation and reporting of Final Income Tax Return that has been deducted related to the amount and time period are also in error.

Even previous studies also show that the application of income tax in construction services still experiences some shortcomings both from the regulations (Rangkuty, et al., 2020) and from the taxed party in the case of taxpayers in the field of construction services. Also in view of its importance, there are still few studies that discuss income tax on construction services even though construction services have an important role in the development of facilities and infrastructure to support the community in carrying out their daily activities. Also the more dominant construction services today so that more taxes can be obtained from construction services.

Second, the company's treatment in responding to the final tariff deduction and the tariff on the nature of the imposition of construction executors in construction services levied by the government so as to make the contractor service business actors and project owners are filled with uncertainty about tax treatment, especially for construction service entrepreneurs because the construction service business actors in practice seem to have no reference so that the treatment of the nature of imposition and tariffs becomes diverse among construction service businesses. Based on PP number 51 of 2008, the construction service business includes tax objects that are subject to final income tax on the implementation of construction at 2%. The final income tax rate of article 4 paragraph 2 on construction services at PT Cahaya Sutracco is subject to a 2% rate for construction carried out by companies that have small business qualifications.

Table 1. Continued Additional Appendix

Type of Income	Tax Base	Fare (%)	Income Tax Payable (Rp)
Construction service fees			
a. Construction executor	4,085,943,000	2	81,718,860
b. Construction planner	4,085,943,000	2	81,718,860
c. Construction supervisor	4,085,943,000	2	81,718,860

Source: SPT data, 2019

From Table 1 above shows that PT. Cahaya Sutracco as a service provider provides other supporting facilities such as the provision of heavy equipment and others amounting to Rp. 4,085,943,000 subject to an income tax rate of 2% to Rp. 81,718,860 Income Tax Payable that must be paid. So PT. Cahaya Sutracco does two calculations / deductions of the tax base in Article 4 Paragraph 2 and Government Regulation Number 23 of 2018. Based on the background above, therefore the researcher is interested in conducting research by taking the title: "Analysis of the Application of Construction Services Income Tax at PT. Cahaya Sutracco Pangkalan Susu".

LITERATURE REVIEW

Definition of Tax and Elements of Tax

Law of the Republic of Indonesia No. 28 of 2007 concerning General Provisions and Procedures for Taxation, taxes are mandatory contributions to the State owed by individuals or entities that are compelling based on the Law, with no direct reward and are used for State purposes for the greatest prosperity of the people. Soemitro (2010: 7), tax is the people's contribution to the state treasury based on the law (which can be imposed) with no reciprocal services (contraprestasi) that can be directly shown and used to pay for public expenditures. The definition can be concluded that taxes have elements, namely:

- 1) Dues of the people to the state; The only one who has the right to collect taxes is the state. The contribution is in the form of money (not goods).



- 2) Based on law; Taxes are levied based on or by force of law and its implementing regulations.
- 3) Without reciprocal services or counter achievements from the state that can be directly designated; In the payment of taxes can not be shown individual counter achievements by the government.
- 4) Used to finance the state household, namely expenditures that benefit the wider community.

Final Income Tax Article 4 Paragraph 2 on Construction Services

Based on the law that regulates the tax on construction services business is stated in Government Regulation (PP) Number 40 of 2009 which is an amendment to Government Regulation (PP) Number 51 of 2008, concerning Income Tax on Income from Construction Services Business and PMK (Minister of Finance Regulation) of the Republic of Indonesia Number 187/PMK. 03/2008, concerning Procedures for Withholding, Depositing, Reporting, and Administration of Income Tax on Income from Construction Services Business. Based on Taxation Law No. 36 of 2008 concerning Income Tax Article 4 paragraph 2, this construction service business is a tax object where the income is subject to final tax.

Income Tax Article 4 paragraph 2 on Construction Services

The rates charged for income tax on construction services vary according to the ownership of the business entity certificate and the validity period of the certificate. For construction executor services, the rate is determined based on the level of the contractor's authority. The final income tax rate of article 4 paragraph 2 on construction services is:

- a. 2% for Construction Implementation carried out by Service Providers who have small business qualifications;
- b. 4% for Construction Implementation carried out by Service Providers who do not have business qualifications;
- c. 3% for Construction Implementation carried out by Service Providers other than Service Providers as referred to in letter a, and letter b 17
- d. 4% for Construction Planning or Construction Supervision carried out by Service Providers who have business qualifications, and
- e. 6% for Construction Planning or Construction supervision carried out by Service Providers who do not have business qualifications.

Administrative Sanctions for Delayed Tax Payment

According to Article 9 paragraph 2 (UU KUP, 2013) concerning Administrative Sanctions for Late Payment of Taxes stipulates that payment or deposit of taxes for the tax period made after the due date for payment or deposit of taxes, which is subject to administrative sanctions in the form of interest of 2% per month calculated from the due date of payment to the date of payment, and part of the month is calculated in full one month.

Construction Services

According to Hillary. dkk (2018: 856) Construction services are one of the activities in the economic, social and cultural fields that have an important role in achieving various goals to support the realization of national development. Various laws and regulations in force have not been oriented either to the interests of the development of construction services in accordance with their characteristics which results in the lack of development of a business climate that supports optimal competitiveness, as well as for the benefit of the community.

METHOD

This research was conducted using a descriptive research approach. Descriptive analysis is a method used to describe or analyze a research analysis but is not used to use broad conclusions (Sugiyono 2011: 21). Qualitative research aims to describe an activity process based on what happens in the field as a study material to find weaknesses and shortcomings so that improvement efforts can be determined such as analyzing facts and events that occur in the field. Descriptive research in this study was conducted to discuss the analysis of the application of construction services income tax at PT Cahaya Sutracco Pangkalan Susu.

Data Source



In this study, the data sources used by researchers are primary data sources and secondary data sources.

1. Primary data is data obtained directly from the source in the form of data regarding an explanation of the company's operational activities in 2019 and an overview of construction service companies.

2. Secondary data is supporting data obtained from other sources or from certain parties outside the object of research. The data obtained comes from reference books, scientific papers, documents, previous research or other reading materials related to this research.

Techniques and Data Collection

According to (Juliandi, Irfan, & Manurung, 2014) "Research data collection techniques are ways to collect data that are relevant to research". The data collection techniques used for this research include:

a. Documentation, namely data collection carried out by collecting company documents that are relevant to the research problem to be discussed such as proof lists and SPT (Annual Income Tax Return) for 2019 at PT. Cahaya Sutracco.

b. Interviews with administrative staff to obtain data and information needed in the research.

Data Analysis Technique

Data analysis is formed from the words analysis and data. Analysis is an investigation of an event (essay, action, etc.) to find out the true situation in the causes or sitting of the case. Data is information or real material that can be used as the basis for analysis or conclusion. Data analysis is an activity of investigating an event based on real data in order to find out the true situation in order to solve problems so that a conclusion can be drawn.

To answer the problem formulation of this study, researchers used descriptive data analysis. Descriptive data analysis technique is an analysis technique used to analyze data by describing or describing the data that has been collected as it is, then processing the data and information obtained and from the results of the analysis a conclusion can be drawn and suggestions deemed necessary to make improvements to the problem at hand. The following are the technical stages taken by the author in analyzing the data:

1. Collect data on company transactions related to Final Income Tax.

2. Conduct an analysis by linking the application of income tax in the company in accordance with the general provisions of applicable taxation.

3. Draw conclusions on the descriptions and explanations that have been done.

RESULT AND DISCUSSION

The tax provisions stipulated in Government Regulation No. 40 of 2009 which is an amendment to Government Regulation No. 51 of 2008 PMK (Minister of Finance Regulation) of the Republic of Indonesia No. 187/PMK.03/2008, construction services business for its income is subject to final tax. The tax rate charged for income from construction services business is different according to the ownership of SBU and its validity period. For construction implementation services, the rates are also differentiated based on the level of qualification of the contractor's ability in accordance with the regulation of the Minister of Public Works Number 08/PRT/M/2011 concerning the Division of Subclassification and Subqualification of Construction Services Business.

PT Cahaya Sutracco, which is engaged in construction services, has a Business Entity Certificate (SBU), which is an official proof of authorization of the level of business capability that states the classification and qualification of the business or type of work that can be done by a contractor who is a tax subject. So in determining the tax rate in accordance with the provisions of the applicable tax rate based on Income Tax Article 4 Paragraph 2, the company only refers to the Construction Services Business License (SIUJK) and the Business Entity Certificate (SBU) owned, in which it shows that this company is included in a small qualification or subject to a tax rate of 2% and is based on the provisions of the applicable tax rate in government regulation No. 51 of 2008 in article 4 paragraph 2. After determining the Income Tax Article 4 paragraph 2 rate on construction services that will be used for tax calculations, the income tax value is calculated by multiplying the tax rate by the tax base of the construction services business. PT. Cahaya Sutracco does two calculations / deductions of the tax imposition base where Government Regulation Number 23 of 2018 concerning income tax from businesses received or obtained by taxpayers who have a certain Gross Distribution as a replacement for Government Regulation Number 46 of 2013 where there is a



decrease in the Final Income Tax rate from 1% to 0.5%.

Calculation and Withholding of Construction Services Income Tax at PT. Cahaya Sutracopangkalan Susu. Based on the research results, that PT Cahaya Sutracopangkalan Susu is a corporate taxpayer for its final income tax of Rp. 91,889,796. Where in calculating or deducting the rate from the tax base there is still an error or mistake in the amount of Rp. 21,082,376. and multiplied by a rate of 0.5% to Rp. 105,411. which is not attached to the total calculation of the Final Income Tax. There is also no information on the date time in the Final Income Tax in the 2019 Tax Return Appendix.

Payment of construction services income tax at PT Cahaya Sutracopangkalan Susu

From the results of research on PT Cahaya Sutracopangkalan Susu, the deposit is made by the service provider/contractor as a service provider and recipient of income, must deposit the tax payable in accordance with the provisions of the specified time limit and for depositing using a Tax Payment Slip (SSP). Final Income Tax deposits made by PT Cahaya Sutracopangkalan Susu can be said to be in accordance with applicable government regulations.

Reporting of Construction Services Income Tax at PT. Cahaya Sutracopangkalan Susu

Based on the research results, according to the author, the Final Income Tax reporting carried out by PT Cahaya Sutracopangkalan Susu is in accordance with applicable government regulations and also the company does not experience delays in reporting. PT Cahaya Sutracopangkalan Susu uses an e-filing system. Where in its development, the e-filing application was first introduced by an Application Service Provider Company and authorized through the Director General of Taxes PER Number KEP-05 / PJ./2005 concerning Procedures for Submitting Notification Letters Electronically. After submitting the Tax Return, the Corporate Taxpayer will obtain proof of reporting in electronic form, namely Electronic Receipt (BPE) from the Directorate General of Taxes (DGT), which contains: Taxpayer Name Information, Taxpayer Identification Number (NPWP), BPE Creation Date, BPE Creation Time, Electronic Receipt Number (NTTE).

CONCLUSION

Based on the discussion of the results of research on the application of construction services income tax at PT Cahaya Sutracopangkalan Susu, it can be concluded that:

1. The nature of the imposition and tariff of construction services for the calculation / withholding of construction service tax rates on PT Cahaya Konstruksi which is deducted by the government is very burdensome for the company so that there can be a difference in the amount that is not attached to the tax base, the government should refer more to Income Tax Law No.36 of 2008 than to government regulation No.51 of 2008 in the nature of its imposition for the implementation of construction services and government regulation No. 23 of 2018 for withholding rates as a reference for corporate taxpayers.
2. The application of construction service income tax at PT Cahaya Sutracopangkalan Susu in the calculation/deduction there are still errors but not with the deposit and reporting of taxes in accordance with tax regulations that have been regulated by the government so as not to result in administrative sanctions on the company.

Based on the research conducted, the authors suggest that PT Cahaya Sutracopangkalan Susu should improve and maintain compliance in terms of tax obligations that have been implemented and maintained so far in order to avoid tax sanctions that have been determined that could have occurred. Also, the company should take part in training to increase knowledge about applicable taxation and provide briefings whenever there are new tax regulations, to ensure that staff who handle taxation are aware of changes in tax regulations.

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