

Conference Paper

The Impact of Implementation of PMK No. 101/PMK.010/2016 about Adjustments in the Amount of Personal Exemption Against the Income Tax Article 21 Notice Period, December 2016

Thesa Adi Purwanto and Fadhilah Haris

Tax Administration Laboratorium, Vocational Program of Universitas Indonesia, Depok, Indonesia

Abstract

The Government through the Ministry of Finance of the Republic of Indonesia has just launched a massive adjustment policy about personal exemption in the Regulation of the Minister of Finance No. 101/PMK.010/2016 on June 22, 2016. The provisions concerning the personal exemption is governed by Article 7 Law Act No. 7 of 1983 about Income Tax as amended by Act No. 36 of 2008 that allows the government to adjust personal exemption through the Minister of Finance after consultation with the House of Representatives. Since the implementation of Regulation related to the adjustment of this personal exemption, the amount of the new tax personal exemption became effective for the 2016 tax year or by January 1, 2016. This study describes the impact of the increase in personal exemption to the Income Taxes 21 Notice Period December 2016 on PT.X. Research was conducted using data from 156 taxpayer respondents who are employees of the PT.X. The processed data are about gross income and income tax Article 21 withheld by PT.X in the year 2015. The data then will be simulated in the calculation of income tax Article 21 of the year 2016. Gross income in 2015 will be adjusted to follow the average inflation rate from January until August 2016. With the assumption of *ceteris paribus*, the gross income shall be reduced by the cost of getting to collect and maintain the income. In the simulation calculation of Income Tax Article 21 year 2016, personal exemption minimum is Rp. 54,000,000, – according to the Ministry of Finance Regulation No. 101/PMK.010/2016. The tax rates are also the same as in 2015, according to the *ceteris paribus* assumption.

Keywords: personal exemption, notice period, income tax article 21)

Corresponding Author:

Thesa Adi Purwanto
thesa@vokasi.ui.ac.id

Received: 8 June 2018
Accepted: 17 July 2018
Published: 8 August 2018

Publishing services provided by
Knowledge E

© Thesa Adi Purwanto and Fadhilah Haris. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the 2nd ICVHE Conference Committee.

OPEN ACCESS

1. Introduction

Government through various policy instruments that are owned, in this case fiscal policy, has a strategic role in influencing the course of the economy in order to conform with the expected direction, either through the instruments of government spending or through tax instruments.

Noting the recent developments of the national economy is in a slowdown due to global economic conditions that are in a situation of uncertainty and turmoil, the Government through the instruments of fiscal policy has strived to push the performance of the economy. In terms of spending (government spending, a variety of social welfare programs to support the purchasing power of people, especially the lower classes, Card Family Welfare, and others. In addition, through the expenditure side, the increase in infrastructure spending sizable also expected to become a lever for moving the economy and job creation.

From the reception, through the instrument of taxation policy the Government has also provided tax incentives (tax allowances, tax holidays, BM DTP, etc.) which are expected to provide a stimulus for the dynamics of the national economy. Most recently, the government has just launched a massive adjustment policy is non-taxable income (taxable income) from Rp. 36,000,000 to Rp. 54,000,000 for themselves an individual taxpayer. Provisions concerning PTKP itself governed by Article 7 of Law No. 7 of 1983 on Income Tax as amended by Act No. 36 of 2008 (Income Tax Act) which allows the government to pass the adjustment PTKP through the Minister of Finance after consultation with the House of Representatives. Thus, since the enactment of the Finance Minister Regulation taxable income related to adjustments, then effectively the amount of new personal exemption came into force as the basis for calculating individual income tax liability for the tax year 2016 or as per January 1, 2016.

There are several key considerations scale adjustments in this year's taxable income. First, to maintain purchasing power. As known in the past few years, the movement of the prices of basic needs are significant, particularly in 2014 and 2015 as a result of the fuel price hikes. Second, in recent years the adjustment of the Provincial Minimum Wage (UMP) and the Minimum Wages District/City (MSEs) in almost all areas, related to the last economic conditions that showed the economic slowdown.

The Government sees the need to provide economic stimulus to boost aggregate demand in the economy is in a slowdown, while encouraging the expansion of the tax base of VAT, which in turn have an impact on the VAT increase, based on historical data, the increase in the amount of taxable income does not affect the decline in tax

revenue in nominal terms compared the previous year. However, the increase in the taxable income for income tax effect of slowing Article 21 and Article 25/29 Personal, which is temporary.

The enactment of the Finance Minister Regulation No.101/PMK.010/2016 Adjustments exemption benefit the taxpayer. Companies that cut or have a policy to bear the income tax on the income of employees Article 21, benefit from the reduction in the burden of payment of income tax Article 21. Taxpayers who have been granted full trust to count themselves the amount of tax to be paid. Although it has been awarded profit with taxable income adjustment policy, but in practice there are still many Taxpayers who do not implement the tax provisions obediently.

2. Methodology

This study describes the impact of the increase in personal exemption to the Income Taxes 21 Notice Period December 2016 on PT.X. Research conducted using data from 156 taxpayer respondents who are employees of the PT.X. The processed data is about gross income and income tax Article 21 withheld by PT.X in the year 2015. The data then will be simulated in the calculation of income tax Article 21 of the year 2016. Gross income in 2015 will be adjusted to follow the inflation rate average January until August 2016. With the assumption of *ceteris paribus*, the gross income shall be reduced by the cost of getting to collect and maintain the income. In the simulation calculation of Income Tax Article 21 year 2016, personal exemption minimum is Rp. 54,000,000, - according to the Ministry of Finance Regulation No. 101/PMK.010/2016. The tax rates are also the same as in 2015, according to the *ceteris paribus* assumption.

3. Discussion

The increase in non-taxable income (taxable income) in accordance with the PMK Number 101/PMK.010/2016 from Rp. 36,000,000.00 to Rp. 54,000,000.00 as one of the instruments to calculate Tax Article 21, have seriously affected the amount of Income Tax Article 21 of the cut. PTKP Rp. 54,000,000.00 retroactive since January 2016 when compared with previous applicable PTKP cause a reduction in income tax withheld 21 in 2016 compared to 2015. Table 1 presents a list of tax cuts on income Article 21 permanent employees of PT. X 2015.

TABLE 1: Article 21 of the Income Tax Year 2015 (one year tax).

No.	Name	Gross Income	Tax Cut
1	A	37,988,183	249,400
2	B	694,733,810	137,925,200
3	C	78,830,403	2,461,450
4	D	26,840,123	39,420
5	E	89,436,046	3,839,800
6	F	62,511,193	1,491,250
7	G	29,650,618	199,620
8	H	33,031,573	386,940
9	I	35,671,542	343,250
10	J	32,507,819	114,660
11	K	58,576,357	1,308,900
12	L	33,294,513	30,300
13	M	27,620,040	70,550
14	N	51,479,480	1,179,500
15	O	27,034,954	42,750
16	P	126,124,796	9,004,150
17	Q	32,238,579	84,800
18	R	36,501,586	180,400
19	S	27,615,267	70,300
20	T	47,480,693	994,800
21	U	37,574,613	532,350
22	V	75,982,455	2,120,300
23	W	27,232,605	52,100
24	X	37,443,267	224,200
25	Y	47,155,094	778,000
26	Z	35,842,450	453,250
27	AA	36,138,791	162,800
28	AB	348,093,338	47,794,250
29	AC	33,577,080	174,060
30	AD	61,544,907	1,657,200
31	AE	27,986,371	87,300
32	AF	27,332,140	56,250
33	AG	28,382,806	105,900
34	AH	52,667,071	1,236,200
35	AI	32,877,523	112,400
36	AJ	37,511,977	530,750
37	AK	47,961,469	612,350
38	AL	32,783,492	209,200

No.	Name	Gross Income	Tax Cut
39	AM	26,501,626	16,800
40	AN	128,721,017	8,482,450
41	AO	30,021,361	182,300
42	AP	27,716,138	121,800
43	AQ	55,052,334	1,091,650
44	AR	27,895,505	132,000
45	AS	30,306,359	264,000
46	AT	29,692,912	202,740
47	AU	97,558,609	5,257,000
48	AV	36,056,911	494,700
49	AW	34,569,000	512,400
50	AX	37,145,143	448,100
51	AY	69,513,938	1,783,150
52	AZ	36,882,900	644,280
53	BA	36,288,000	508,650
54	BB	35,545,143	169,600
55	BC	34,973,952	288,900
56	BD	28,351,452	131,650
57	BE	79,308,000	2,147,100
58	BF	28,725,351	149,450
59	BG	220,304,000	28,200,720
60	BH	206,970,667	21,500,500
61	BI	31,115,185	262,950
62	BJ	28,000,000	138,000
Sub Total		4,014,470,527	290,047,190
The number of recipients of income that does not exceed PTKP: 74		1,893,112,822	-
Total		5,907,583,349	290,047,190

Source: SPT Masa PPh 21 December 2015, Form 1721-1 One Year Tax.

Data presented in Table 1 are taken from Form 1721-I The SPT Tax Year 1721 PT. X. PTKP applicable in accordance with the PMK No 122/PMK.010/2015 the number of employees was cut income tax of 62 people with an average income of employees was cut income tax article 21 of Rp. 64,749,524.00. While for 2016 the number of employees that cut income tax 21 until the end of August are as many as 24 people, of which details are presented in the following table:

Calculation of Income Tax Article 21 employees of PT. X in Table 2 are calculated based on the data of payroll employees whose income exceeds PTKP accordance with

TABLE 2: Article 21 of the Income Tax Year 2016 (until August).

No.	Name	Annualized Gross Income	Tax Cut
1	B	695,359,944	133,442,000
2	C	84,320,842	2,136,350
3	E	93,728,651	2,694,100
4	D	40,244,440	102,240
5	K	61,947,190	785,400
6	N	77,665,096	1,817,500
7	P	132,387,916	8,185,450
8	T	52,255,427	633,950
9	Z	38,807,085	7,550
10	AB	348,719,472	45,027,250
11	AD	72,018,925	1,563,750
12	AH	55,964,205	806,700
13	AQ	61,273,060	608,300
14	AU	129,057,154	7,805,350
15	AY	78,043,594	1,394,300
16	BA	45,838,427	338,150
17	BG	240,162,348	22,914,250
18	BH	240,000,000	23,350,000
19	BI	43,007,000	242,800
20	BJ	38,620,000	41,340
21	CA	60,107,580	1,263,480
22	CB	41,339,631	189,180
23	CC	170,343,628	17,042,340
24	CD	40,295,000	136,800
Sub Total		4,014,470,527	290,047,190
The number of recipients of income that does not exceed PTKP: 74		1,893,112,822	-
Total		5,907,583,349	290,047,190

Source: Working Paper Income Tax 21, until August 2016, annualized.

PMK No. 101/PMK.010/2016. Employees on behalf of CA, CB, CC, and CD just started

working in 2016, to maintain accuracy in comparing the income tax cuts of Article 21 in 2015 and 2016, then only compare employees working in both years, earnings of employees are out and a new entry 2016 does not compare.

PT. X as a company, has a policy of giving facilities to its employees to bear the Tax Article 21 since January–November 2016 and has reported income tax cuts of Article 21 with the SPT Masa PPh Article 21 with the status NULL, while SPT Tax Article 21 Period December 2016 planned to companies not will provide facilities Tax Article 21 by the employees. SPT PPh 21 Period January–November 2016 made SPT submitted Rectification 1. PT. X is different from the actual situation. Under the terms of taxation what has been done by PT. X does not comply with the legislation in force, PT. X does not submit tax returns Tax Period Article 21 from January to November 2016 correctly.

4. Conclusion

The impact of the enactment of PMK Number 101/PMK.010/2016 on Adjustment exemption causes a decrease in income tax cuts of Article 21 in 2016 employees of PT. X. As a company that provides the facility to bear the income tax article 21 employees, PT. X is winning big with this policy because of the financial burden shouldered Tax Article 21 of the employees decreased by 6% (compared to 2015), of which details are presented in the following table:

TABLE 3: Comparison of Tax Article 21 of the Year 2015 and 2016.

No.	Name	2015	2016	Difference	Ratio
1	A	-	249,400	249,400	100%
2	B	133,442,000	137,925,200	4,483,200	3%
3	C	2,136,350	2,461,450	325,100	13%
4	D	-	39,420	39,420	100%
5	E	2,694,100	3,839,800	1,145,700	30%
6	F	-	1,491,250	1,491,250	100%
7	G	102,240	199,620	97,380	49%
8	H	-	386,940	386,940	100%
9	I	-	343,250	343,250	100%
10	J	-	114,660	114,660	100%
11	K	785,400	1,308,900	523,500	40%
12	L	-	30,300	30,300	100%
13	M	-	70,550	70,550	100%
14	N	1,817,500	1,179,500	-638,000	-54%
15	O	-	42,750	42,750	100%

No.	Name	2015	2016	Difference	Ratio
16	P	8,185,450	9,004,150	818,700	9%
17	R	-	180,400	180,400	100%
18	S	-	70,300	70,300	100%
19	T	633,950	994,800	360,850	36%
20	U	-	532,350	532,350	100%
21	V	-	2,120,300	2,120,300	100%
22	W	-	52,100	52,100	100%
23	X	-	224,200	224,200	100%
24	Y	-	778,000	778,000	100%
25	Z	7,550	453,250	445,700	98%
26	AA	-	162,800	162,800	100%
27	AB	45,027,250	47,794,250	2,767,000	6%
28	AC	-	174,060	174,060	100%
29	AD	1,563,750	1,657,200	93,450	6%
30	AE	-	87,300	87,300	100%
31	AF	-	56,250	56,250	100%
32	AG	-	105,900	105,900	100%
33	AH	806,700	1,236,200	429,500	35%
34	AI	-	112,400	112,400	100%
35	AJ	-	530,750	530,750	100%
36	AK	-	612,350	612,350	100%
37	AL	-	209,200	209,200	100%
38	AM	-	16,800	16,800	100%
39	AN	-	8,482,450	8,482,450	100%
41	AP	-	121,800	121,800	100%
42	AQ	608,300	1,091,650	483,350	44%
43	AS	-	264,000	264,000	100%
44	AT	-	202,740	202,740	100%
45	AU	7,805,350	5,257,000	-2,548,350	-48%
46	AV	-	494,700	494,700	100%
47	AW	-	512,400	512,400	100%
48	AX	-	448,100	448,100	100%
49	AY	1,394,300	1,783,150	388,850	22%
50	AZ	-	644,280	644,280	100%
51	BA	338,150	508,650	170,500	34%
52	BB	-	169,600	169,600	100%
53	BC	-	288,900	288,900	100%
54	BD	-	131,650	131,650	100%
55	BE	-	2,147,100	2,147,100	100%

No.	Name	2015	2016	Difference	Ratio
56	BF	-	149,450	149,450	100%
57	BG	22,914,250	28,200,720	5,286,470	19%
58	BH	23,350,000	21,500,500	-1,849,500	-9%
59	BI	242,800	262,950	20,150	8%
60	BJ	17,042,340	138,000	-16,904,340	-12250%
Total		270,897,730	289,648,090	18,750,360	6%

From the comparison of income tax withheld Article 21 in 2015 and 2016 in accordance PTKP prevailing at each year, Income Tax Article 21 employees of PT. X which works in both years decreased by 6% compared to 2015 due to adjustment PTKP. The impact on countries experiencing a slowdown in income tax revenue Article 21, which means that disrupt the function BudgetAir which states that the main function of the tax is to fill state coffers.

References

- [1] B. Richard, "Kajian Perpajakan Dalam Konteks Kesejahteraan dan Keadilan," Jakarta: Mitra Wacana Media, 2014.
- [2] G.S. Risco, "Mekanisme Pengisian Surat Pemberitahuan Elektronik (ESPT) Masa Pajak Penghasilan (PPh) Pasal 21 dan/atau Pasal 26 berdasarkan PER-14/PJ/2013 (studi kasus PT. RRR)," unpublished.
- [3] Mardiasmo, "Perpajakan Edisi Revisi 2011," Yogyakarta: Andi Yogyakarta, 2011.
- [4] N.J. Agus, "Pengaruh Sikap Wajib Pajak Pada Pelaksanaan Sanksi Denda, Pelayanan Fiskus dan Kesadaran Perpajakan Terhadap Kepatuhan Wajib Pajak," unpublished.
- [5] R. Haula and S.I. Edi, "Pengantar Ilmu Pajak Kebijakan dan Implementasi di Indonesia," Jakarta: 2012.
- [6] R. Haula and T. Rasin, "Perpajakan Teori dan Aplikasi," Jakarta: Rajagrafindo Persada, 2005.
- [7] Widyasari, "Permasalahan Pada Aplikasi e-SPT PPh Pasal 21/26 – Studi Kasus PT. ABC," unpublished.