

## **Analysis of Tax Planning Implementation of Corporate Income Tax in PT. Its Back to Nature**

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### **ABSTRACT**

This research is generally aimed at determine the implementation of tax planning on corporate income tax at PT. Its Back To Nature and to minimize the payment of the tax burden made by PT. Its Back To Nature. The analytical method used in this research is descriptive. The data analysis technique in this study used descriptive analysis techniques. The source of data used in this research is secondary data, namely data obtained by written company documents. The data collection method used in this research is a documentation study. The results of the analysis of the company's profit/loss report indicate that the tax planning carried out by PT. Its Back To Nature benefits can be obtained by minimizing the tax burden as a cost element so that it can save cash flows out and can estimate the cash needs to pay the tax payable and determine the right payment time so that the company can prepare a more accurate cash budget.

**Keywords:** Tax Planning, Corporate Income Tax

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**INTRODUCTION**

Tax (Tax) is a mandatory contribution from the people to the state by not receiving direct service fees based on the law to finance general expenses. What is meant by not receiving direct remuneration for services is a special fee that is closely related to the payment of the contribution.

Planning is one of the main functions of management. In general, planning is the process of determining the goals of the organization (company) and then presenting the strategies, procedures for implementing programs, and operations needed to achieve company goals.

The main purpose of a company is to provide maximum long-term returns (long term return) to investors or shareholders who have invested wealth and entrusted their management to the company. Central government. As a taxpayer, every company must comply with and carry out its tax obligations in accordance with tax laws.

Tax laws are always changing to follow the development of significant work ethnicity. Therefore, to increase state tax revenues, the applicable tax system and procedures continue to be refined and simplified by taking into account the principles of justice, equity, benefits, and community capacity through improving the quality of service and the quality of the apparatus that reflects in increasing honesty, responsibility, dedication and improvement of the administrative system.

It is no longer an open secret, if there are efforts made by taxpayers, both individuals and entities to regulate the amount of tax that must be paid. For them, taxes are considered as costs, so certain efforts or strategies need to be carried out. To reduce it. Efforts or strategies undertaken are part of tax planning (Tax Planning). The expected goal with this tax planning is to streamline the payment of taxes owed, make tax payments on time, and make the latest data to update tax regulations.

In general, the tax provisions and regulations listed and issued in laws or other tax regulations that greatly affect the business world, this will increase the competition and performance of a business entity, where business activities are carried out to achieve company goals, namely to get the maximum profit and minimize the tax burden borne by the company. Efforts to minimize taxes are often referred to as tax planning techniques, which refer to the process of engineering taxpayers' businesses and transactions so that tax debts are in a minimum amount, but are still within the framework of tax regulations. However, tax planning can also be interpreted as planning to fulfill tax obligations completely, correctly,

By doing tax planning, companies can streamline the taxes paid in a legal way and do not violate the applicable tax laws and regulations. The implementation of tax planning in a company can be done by looking for tax avoidance opportunities listed in Law number 36 of 2008 by maximizing income that is not an object of income tax.

**LITERATURE REVIEW****Definition of Taxation**

According to (Rochmat Soemitro, 2011, p. 17) Tax is a contribution to the state treasury based on the law (which can be enforced) without receiving reciprocal services (contra-achievements) that can be directly shown, and which are used to pay general expenses.

According to (Zulia Hanum, 2017) Tax is the most important source of revenue for the state to finance development in this country, in addition to revenue from the oil

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and gas sector, the government has tried hard to increase revenue from the tax sector by taking various actions such as tax extensification, socialization of tax regulations and others.etc.

According to (Brotodiharjo, 2004, p.4) Tax is an achievement that is imposed unilaterally and is owed to the authorities without any counter achievements and is solely used to cover general expenses.

Based on some of the definitions above, it can be concluded that taxes are mandatory contributions of the people to the state (government) which are coercive based on provisions that can be felt by the people and are used to organize general welfare.

### **Tax Planning**

According to Zain (2003, p. 67) Tax Planning is a structuring action related to the potential tax consequences, the emphasis is on controlling every transaction that has tax consequences.

The goal is how this control can streamline the amount of tax that will be transferred to the government, through what is referred to as tax avoidance, which is a legal process that is still within the scope of tax laws and regulations, and not tax evasion.

According to (Lumbantoruan, 2006, p. 354) Tax planning is a means to fulfill tax obligations properly but the amount of tax paid can be reduced as low as possible to obtain the expected profit and liquidity.

According to (Hafsah, 2020) Tax planning is controlling every transaction that has tax consequences. This condition aims to control the amount of tax so that it reaches the minimum number, which can be in the form of tax savings.

According to (Chairil Anwar Pohan, 2013) Tax Planning is a series of strategies to regulate accounting and company finances to minimize tax obligations in ways that do not violate tax regulations (in legal way).

From the above understanding, it can be concluded that tax planning is an effort by taxpayers to minimize taxes owed through a scheme that is clearly regulated in tax laws and regulations and does not cause disputes between taxpayers and tax authorities.

### **Corporate Income Tax**

In Article 4 paragraph (1) of the Income Tax Law, Income Tax is a tax imposed on a tax subject on income received or earned in the tax year.

Corporate Income Tax (Corporate Income Tax) is a tax imposed on income received or earned by the Agency as referred to in the KUP Law. The subjects of Corporate Income Tax are:

- a. Domestic corporate taxpayers, namely entities established or domiciled in Indonesia.
- b. Overseas corporate taxpayers, namely entities that are not established or domiciled in Indonesia that carry out business or carry out activities through a BUT in Indonesia, and or entities that are not established and are not domiciled in Indonesia that receive income from Indonesia not from running a business through BUT in Indonesia.

According to (Syafri Hani, 2016) Business entities are one of the taxpayers who contribute quite large tax revenues to state revenues. As the manager of the company,

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of course, the management of the company will convey its responsibilities in a report called the Financial Statement at the end of each period.

The object of corporate income tax is income, namely any additional economic capacity received or obtained by corporate taxpayers, both from Indonesia and from outside Indonesia, which can be used for consumption or to increase the wealth of the corporate taxpayer concerned, with the name and in any form.

### **Income Tax (Pph)**

Income tax (PPH) is the amount of income tax installments in the current tax year that must be paid by individual taxpayers and corporate taxpayers for each month from the January tax period to the December tax period.

According to (Siti Official, 2009, p. 88) Income tax is a tax imposed on tax subjects or income received or earned in one tax year.

According to (Zulia Hanum, 2018) Income Tax is Income Tax obtained by domestic Individual Taxpayers in the form of salaries, wages, honoraria, allowances, and other payments received in connection with work or position, services, and activities. Income Tax Revenue Indicators The amount of Income Tax receipts.

According to Financial Accounting Standards No. 46 (2009) “Income Tax is a tax calculated based on tax regulations and imposed on the company's taxable income.

It can be concluded that income tax is a taxpayer's contribution to the state owed by an individual or entity for any additional economic capability received by a domestic or foreign taxpayer that can be used for consumption or increase the taxpayer's wealth in any name and form with reference to the Law. Income tax as amended several times and most recently by Law No. 36 of 2008.

### **Tax Rate**

The tax rate is an important element in calculating the amount of income tax payable, because it will affect the size of the income tax payable to be paid by the taxpayer. The income tax rate for taxpayers is a single rate, namely the rate stipulated in Article 17 of Law No. 36 of 2008 concerning income tax, which is 28% in 2009 and 25% for 2010 and subsequent years. However, domestic corporate taxpayers with a gross turnover of up to Rp. 50,000,000,000 (fifty billion rupiahs) will receive a facility in the form of a reduced rate of 50% of the rate as referred to in Article 17 paragraph (1) letter b and paragraph (2a). imposed on taxes.

### **Conceptual Framework**

Tax planning refers to the process of engineering taxpayers' businesses and transactions so that the tax debt is in a minimal amount but is still within the framework of tax regulations. However, tax planning can also be interpreted as planning for the fulfillment of tax obligations in a complete, correct, and timely manner so that it can optimally avoid wasting resources.

Tax planning is the first step in tax management. Tax management itself is a means to fulfill tax obligations properly, but the amount of tax paid can be reduced to a minimum to obtain the expected profit and liquidity. The next step is the implementation of tax obligations (tax implementation) and tax control (tax control). At this tax planning stage, the collection and research of tax regulations is carried out. The goal is to select

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the type of tax saving measures to be taken. In general, the emphasis on tax planning is to minimize tax liability.

In this self-assessment system, PT. Its Back To Nature calculates, deposits, reports and calculates the amount of tax owed under the Act in a tax period, part of a tax year or a tax year. This means that the taxpayer is responsible for tax obligations according to the laws and regulations starting at the time of self-registration as a taxpayer, calculating the amount of tax payable and entering it into the Tax Return (SPP), then depositing the tax payable according to the SPT (Annual Tax Return). Through a Tax Payment Letter (SSP) to the Perception Bank, post office and checking account, and report it to the Tax Service Office (KPP) where the taxpayer registers for data recording. So that in this case it allows the taxpayer, namely PT. Its Back To Nature,

### METHOD

#### Types of research

In this study, the researcher used a descriptive approach, namely research that aims to make a systematic, factual and accurate description of the facts and characteristics of the research population (object).

According to (Nazir, 2008, p. 63) Descriptive method is a method in examining the status of a group of people, an object, a condition, a system of thought or a class of events in the present.

#### Data collection technique

The data collection technique used in this research is documentation technique, namely by studying, classifying, and analyzing secondary data in the form of notes, financial reports, and other information related to the scope of this research. Research data on tax planning, income and net income obtained from the financial report data of PT. Its Back To Nature.

#### Data analysis technique

The research data were analyzed and tested by descriptive analysis. Data collected by PT. Its Back To Nature in research is then processed by researchers, the data is then analyzed using quantitative descriptive methods, namely by thoroughly describing the data obtained during the research process through the calculation process.

According to (Sugiyono, 2012, p. 13) Descriptive research is research conducted to determine the value of independent variables, either one or more (independent) variables without making comparisons or connecting with other variables. The steps are as follows:

1. Analyze the calculation of income tax that has been done by the company.
2. Comparing the results of calculations made by the company with tax regulations.
3. Explain the difference between the calculation according to the company and tax regulations.
4. Give conclusions.

### RESULT AND DISCUSSION

#### The amount of income tax expense that must be paid by the company every year.

The burden of fiscal correction has a time difference and a fixed difference. According to (Ahmad Tjahyono, 2000, p. 559) states that the useful differences still include: bank interest income, dividend income, donation costs including zakat by zakat amil bodies formed or presented by the government, costs in kind, fines and tax interest . Meanwhile,

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according to tax regulations, the costs incurred by the company are charged to certain sales within a certain period, these costs may include: donation fees, costs in kind, penalties and tax interest. While the difference is temporary in nature depreciation costs, costs of receivable losses.

Prior to fiscal correction, a description of each implementation of fiscal correction will be presented, as follows:

**Treatment costs**

In the calculation of corporate income tax PT. Its Back To Nature, the company includes a medical fee of Rp. 41,040,304,977 as a deduction from income. Meanwhile, the medical expenses according to the tax law no. 36 of 2008 article 9 paragraph (1) states that the replacement/reward for work/services provided in kind and enjoyment except for the provision of food and drinks for all employees as well as reimbursement or compensation in the form of in-kind & enjoyment in certain areas and related to the implementation of work regulated in the Permenkeu. Thus, medical expenses incurred by the company cannot be treated as a deduction from Taxable Income. So this cost must be corrected positively by Rp. 41,040,304,977

**The cost of misfortune**

In the calculation of corporate income tax PT. Its Back To Nature,, the company included the cost of misfortune of Rp. 7,499,515,156 as a deduction from income. While the cost of misfortune according to tax law no. 36 of 2008 article 9 paragraph (1) which states that the assets that are donated, assistance or donations, and inheritance are in accordance with article 4 paragraph (3) letters a and b except, donations as stipulated in article 6 paragraph (1) letter i to m and zakat received by the amil zakat agency or amil zakat institution established/ratified by the government or religious donations that are mandatory for adherents of a recognized religion in Indonesia, which are received by a religious institution established or legalized by the government. Thus, the cost of misfortune incurred by the company cannot be treated as a deduction for Taxable Income.

**Help/donations**

In the calculation of corporate income tax PT. Its Back To Nature,, the company entered the cost of assistance/donation of Rp. 20,295,293,717 as a deduction from income. While the cost of assistance / donations according to tax law no. 36 of 2008 article 9 paragraph (1) which states that the assets that are donated, assistance or donations, and inheritance are in accordance with article 4 paragraph (3) letters a and b except, donations as stipulated in article 6 paragraph (1) letter i to m and zakat received by the amil zakat agency or amil zakat institution established/ratified by the government or religious donations that are mandatory for adherents of a recognized religion in Indonesia, which are received by a religious institution established or legalized by the government. Therefore, misfortune costs incurred by the company cannot be treated as a deduction for taxable income. So this cost must be corrected positively by Rp. 20,295,293,717

**Guest accommodation fee**

In the calculation of corporate income tax PT. Its Back To Nature,, the company includes guest accommodation costs of Rp. 6,473,134,370 as a deduction of income, these costs should not be included in the deduction of gross income. According to Law no. 36 of

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2009 article 9 paragraph (1) explains that compensation or compensation in connection with work or services provided in kind and enjoyment, except for the provision of food and drinks for all employees as well as reimbursement or compensation in kind and enjoyment in certain areas and related with the implementation of the work regulated by or based on the Regulation of the Minister of Finance. So this cost must be corrected positively by Rp. 6,473,134,370. Calculation of taxable income, the company PT. Its Back To Nature, are:

<b>Profit before income tax</b>	<b>Rp.1,084,876,652.127</b>
<b>Time difference :</b>	
Depreciation and Amortization	(Rp. 83,949,519,673)
Write Off Book Value of Fixed Assets	Rp. 5,124,622,702
Cost of Salaries at TBM	Rp. 3,010,955,539
Allowance for Investments and Receivables	Rp. 307,559,117
Work Benefits Expenses (PSAK-24)	<u>(Rp. 53,473,931,461)</u>
<b>Total Time Difference</b>	<b>(Rp.128,980,313,776)</b>
<b>Fixed Difference:</b>	
1. Physical and Spiritual Education	Rp. 5,231,130,250
2. Other Social	Rp. 23,251,559,055
3. Housekeeping	Rp. 2,668,537,477
4. Help/Donations	Rp. 20,295,293,717
5. Retirement Fee	Rp. 40,269,435,429
6. Training and Education	Rp. 1,742,402,986
7. CSR and Community Development Costs	Rp. 18,571,953,181
8. Official Travel and Lodging Costs	Rp. 9,432,594,264
9. Overhead Plasma Madina	Rp. 4,275,588,251
10. Other Expenses	Rp. 7,706,586,565
11. Interest for Current Accounts and Deposits	(Rp. 36,425,608,721)
12. Income that has been subject to Final Income Tax	(Rp. 1,950,984,604)
13. Share (Profit) Loss of subsidiaries	Rp. 46,413,500,414
<b>Fixed Difference Amount</b>	<b>Rp. 141,481,988,264</b>
<b>Tax Reconciliation Amount</b>	<b>(Rp. 12,501,674,488)</b>
<b>Estimated Taxable Income</b>	<b>Rp.1,072,374,977,639</b>
<b>Estimated Taxable Income (rounded)</b>	<b>Rp.1,072,374,977,000</b>
<b>Current Income Tax Calculation:</b>	
<b>25% x Rp.1,072,374,977,639 =</b>	<b>Rp. 268,093,744,409</b>
<b>Current Income Tax Expense</b>	<b>Rp. 268,093,744,409</b>
<b>Prepaid taxes :</b>	
<b>PPh article 25</b>	<b>Rp.183.513.795.474</b>
<b>PPh article 23</b>	<b>Rp. 7,882,590.009</b>
<b>PPh article 22</b>	<b>Rp. 21,891,751</b>
<b>Amount of prepaid tax</b>	<b>(Rp. 191.418.277.234)</b>
<b>Less (Overpay) Corporate Income Tax 2021</b>	<b>Rp. 76,675,467,175</b>
<b>Profit after 2021 Corporate Income Tax</b>	<b>Rp. 804,281,232,591</b>

The results of a tax planning can be said to be good or not, of course, it must be evaluated through various plans made. Thus the best decision on a tax planning must be in accordance with the form of transaction and the purpose of the operation. Comparison of various plans must be made as much as possible according to the desired form of tax planning. A plan must be changed in view of changes in laws and regulations. Even if additional costs are needed or the probability of success is very small. As long as there is still large tax savings that can be obtained, the plan must still be implemented.

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The advantage of a taxpayer doing tax planning is that it can reduce the tax burden that must be paid. In making tax planning, things that must be considered are looking for gaps in the Taxation Law (tax avoidance). However, this does not mean that it is permissible to violate the tax rules. Therefore knowledge of tax planning is needed by the company.

From the profit/loss report of PT. Its Back To Nature which has been presented, the researcher makes a tax reconciliation tax report. The profit/loss statement is made by way of sales minus cost of goods sold to generate gross profit, then gross profit minus operating costs to generate net income that has not been fiscally reconciled. Furthermore, fiscal correction is carried out to obtain taxable profit and tax payable.

Fiscal corrections are corrections or adjustments that must be made by taxpayers before calculating income tax (PPh) for corporate taxpayers and individual taxpayers (who use bookkeeping in calculating taxable income). To make a fiscal correction there are two differences, namely a fixed difference and a time difference.

- a. Fixed differences are costs incurred by the company that cannot be deducted from taxable income, expenses that are not related to the company's activities and others.
- b. The time difference is the difference in the charging of a cost where the period of the charge is different.

The types of fiscal corrections are:

- a. Positive fiscal correction, namely fiscal correction that causes additional taxable income and income tax (PPh) payable.
- b. Negative fiscal correction, namely fiscal correction that causes a reduction in taxable income and income tax (PPh) payable.

After the fiscal correction is made, the taxable profit will be obtained, then calculate the tax that must be paid. And the last step that must be done is to reduce net income before fiscal correction with taxes that must be paid so as to produce net income after tax.

From the above calculation, it can be seen that the amount of income tax after fiscal correction is Rp. 804,281,232,591, - the income tax that must be paid is Rp. 76,675,467,175,- income tax payable obtained from the implementation of tax planning by utilizing the regulation of Law No. 36 of 2008. Thus, the implementation of tax planning causes the tax burden to be paid to be smaller.

There are 4 important things that can be taken as an advantage from implementing Tax Planning, namely:

1. Cash out savings, taxes are considered as cost-efficient elements.
2. Manage cash flow, because with carefully managed tax planning, companies can prepare petty cash budgets more accurately, estimating cash needs for taxes.
3. Determine the time of payment, so that it is not too early or too late which results in fines or sanctions.
4. Creating the latest data to update tax regulations, this action is useful for responding to tax regulations that change from time to time. So that the company still knows the obligations and rights of the company as a taxpayer.

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**CONCLUSION**

Based on the results of research and discussion on the implementation of tax planning at PT. Its Back To Nature, which is supported by the data obtained, the authors can draw the conclusion that the company carries out tax planning in conjunction with operating activities. The Company fully understands the intent and purpose of the applicable tax laws and regulations and understands the applicable accounting theory and practice as well as fully understands the practice of tax administration. By understanding the applicable laws and regulations, the company can take advantage of the existing loopholes, by diverting the company's expenses so that they are recognized as expenses by the tax authorities.

**SUGGESTION**

Based on the conclusions described above, the authors suggest that in the preparation of tax planning the company should pay attention to the welfare of its employees because employees are one of the company's resources and assets that are important in achieving company goals. The company provides replacement costs or benefits in connection with work or services provided in kind and pleasure.

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