



Received: August 15, 2022 Revised: September, 15 2022 Accepted: September 21, 2022 Published: September 30, 2022

The Implementation of Tax Management in The Effort Tax Efficiency

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ABSTRACT

This research aims to apply tax management for tax efficiency and reliable tax data. In this research, the method used is Applied Research. The data collection techniques used are interviews and documentation. The results of this study show that PT X is a taxpayer who complies with taxation; this can be seen from tax administration or compliance tax, where tax payments and reporting are made before maturity. The company has complete accounting records, audited financial statements, and proof of transactions that are neatly arranged and sequentially numbered. The tax management strategies applied are making tax equalization working papers in the Periodic Tax Return VAT with the Corporate Income Tax Return, making working papers reconciling income tax withholding and collection with the Corporate Income Tax Return, improving accounting records separated between service costs and material costs to avoid the imposition of higher taxes, changing the PPh 21 tax burden borne to be supported and avoiding expenses that cannot be deducted according to tax regulations. From this application, PT X can avoid administrative sanctions and save taxes. This research is a development of previous research on tax management applied in the form of administration and compliance, tax planning, tax control, and Other Tax Matters.

Keywords: *Equalization, Reconciliation, Tax Management.*

1. INTRODUCTION

Tax is the state's largest revenue sector which plays a significant role in realizing the country's goals, namely people's prosperity. However, in the middle of 2020, the Corona Virus Disease 2019 (COVID-19) Pandemic occurred, significantly impacting the economic sector and causing many companies to experience a business decline. , so that the government imposes tax incentives in the form of Income Tax Article 21 Borne by the government, exemption from Income Tax Article 22 on Imports, exemption from Import VAT for the need to deal with the Covid-19 pandemic, reduction of corporate Income Tax rates, reduction of Article 25 Income Tax instalments, Final Income Tax Borne by the Government for MSME Taxpayers, as well as accelerated restitution facilities, to maintain

taxpayer liquidity resulting in significant pressure on the realization of 2020 tax revenue, namely IDR 1,069.98 trillion or 89.25 per cent of the target set. Meanwhile, the 2021 tax revenue target was agreed to be IDR 1,229.6 trillion, an increase that is not too significant because the state is recovering economically. However, the government remains optimistic about achieving revenue in 2021, with several strategies to optimize state revenue, including directly going to the field or going door to door. For this reason, a neat tax administration must be ready whenever an inspection occurs.

The tax collection system in Indonesia of which adheres to a self-assessment system. Namely, the government gives full authority to taxpayers to carry out calculations, payments, and self-reporting of the amount of tax to be



paid. The interest received by the government based on the self-assessment collection system requires that taxpayers can understand and apply and comply with applicable laws. The tax obligation regarding self-assessment is to calculate the corporate income tax that must be paid and reported annually through the Annual Tax Return. In the Annual SPT, it is reported in the gross circulation obtained in one year, along with the costs allowed as a deduction from the gross circulation.

In addition to self-assessment, Indonesia implements a withholding tax system policy with the provision that every employer who pays income to service providers or executors must withhold income tax, which is then deposited into the state treasury and reported to a registered KPP. From daily transactions within a company, taxpayers must be able to understand transactions that can generate taxes, such as sales transactions, payment of salaries, payment of rent, and receipt of service income, and administer them properly, so that data from these transactions can be equated with each other; so that minimal incorrect tax calculation arising from the transaction.

A common phenomenon is that there are not a few taxpayers, primarily entities, who think that the obligation to pay taxes is a burden due to the transfer of company assets to the state treasury, resulting in reduced people's purchasing power. However, taxes can be avoided legally (tax avoidance) by exploiting loopholes. Regulations so that tax savings can be made and available cash inflow resulting from tax savings can be used for other purposes to develop the business. As research has been conducted by Dewi and Hananto (2014) concluded that PT Rutan has carried out tax planning well, but it could be more optimal. It can save taxes by carrying out several strategies, including making a nominative list of entertainment costs and sales promotion costs, replacing food money become employee catering costs, charging telecommunications expenses by 50% and charging internet service fees, replace the method of giving pocket money on business trips with the reimbursement method, make religious donations and national disasters determined by the government, can only charge 50% of

vehicle maintenance costs sedans. The last point is conducting capital leasing to procure assets such as motorized vehicles.

In his research, Nur's opinion (2010) concluded that, theoretically, PT NT has carried out tax management. However, the tax management implemented by PT NT is not carried out properly, so there is much waste. Hence, companies need to equate bookkeeping methods for commercial accounting or fiscal accounting so that there are no significant differences in bookkeeping, which in the future will reduce the occurrence of fiscal adjustments, which will cause the tax burden to become more significant. With the implementation of optimal tax planning, it is hoped that it can assist company management in minimizing cash flows related to taxes and not violating applicable regulations. Even though this tax planning is simple, it can help companies maximize profits.

Tax planning is part of tax management carried out legally, not against laws and regulations. Efficiency in taxation is aimed at minimizing the tax burden and avoiding findings that conflict with tax regulations. Tax management is beneficial for good tax management; this can help taxpayers, especially in responding to or clarifying appeals and SP2DK received by taxpayers. Only a few corporate taxpayers have yet to implement tax management, which makes it very easy to minimize findings of non-compliance with tax regulations.

PT X is a company engaged in the service sector. It has implemented its tax administration neatly when paying and reporting taxes promptly and takes advantage of tax incentives according to the rules. However, it is necessary to educate tax staff on tax management so that all things relating to tax affairs can be managed appropriately, economically, effectively and efficiently. In general, PT X has carried out its tax administration well, such as promptly paying and reporting its tax obligations. However, for efficient tax management, adequate tax understanding is needed so that it does not incur costs in the future. PT X is a corporate taxpayer who complies with tax rules to improve good tax management. It is deemed necessary to implement tax management. If

carried out consistently, tax management activities can help management save taxes, minimize tax calculation errors and prepare for tax audits or respond to Letters of Requests for Explanation of Data and Information (SP2DK) issued by the Tax Service Office, which so far has responded to letters clarification issued from the tax office, PT X needs time to open bookkeeping archives or recapitulate the necessary tax data as well as tax data in a more orderly administration.

The urgency of this research is that it will be able to contribute ideas to the state or fiscus and the public regarding awareness of taxpayers in fulfilling their tax obligations properly, starting from orderly administration and bookkeeping in reporting. The benefits of an orderly administration can help the correct tax

2. LITERATURE REVIEW

This study uses Agency theory and Signaling Theory. Agency theory focuses on the relationship between two actors with different interests, namely agents and principals. This theory also provides an overview of the separation between management and shareholders. This separation aims to achieve effectiveness and efficiency in managing the company by employing the best agents to manage the company. The agent may prioritize his interests by sacrificing the principal, but on the other hand, the principal wants a high rate of return on the resources that have been invested. Shabriani and Fuad (2013) state that managers will manage funds invested by investors and try to improve company performance which will later be reflected in financial reports.

On the other hand, investors will provide information in the company's financial statements and use it to predict how many shares they will acquire in the future. Problems arise when managers have different interests from owners, which is called the agency problem. Agency problems will then give rise to agency costs, commonly known as agency costs. Agency costs must be incurred by the company, which will reduce the principal's wealth to ensure that the agent acts in the principal's interests.

calculations or minimize tax calculation errors and minimize the emergence of administrative sanctions in the form of fines or interest.

This study aims to implement tax management for tax efficiency and reliable tax data. In order to help manage tax administration, an adequate understanding of taxes is needed not to cause tax sanctions that waste the company's cash flow. Based on the above background, the authors are interested in conducting research, including applied research and evaluating the implementation of tax management to implement orderly tax management in a company, so the title taken in this study is "Implementation of Tax Management in Tax Efficiency Efforts at PT X".

Signalling theory emphasizes the importance of information released by companies on investment decisions of parties outside the company. The signal theory states that good-quality companies will deliberately give signals to the market. Thus, the market is expected to be able to distinguish good and bad quality companies (Jogiyanto et al., 2017)

According to Pohan (2016), in general, there is a primary goal to be achieved from good tax planning, namely minimizing the tax burden payable, the actions that must be taken in the context of tax planning are in the form of efforts to streamline the tax burden which is still within the scope of taxation and not violating tax regulations, maximizing profit after tax, minimizing the occurrence of tax surprises in the event of a tax audit by the Fiscus and fulfilling their tax obligations correctly, efficiently, effectively, by tax provisions, among others.

According to Pohan (2016), the functions of tax management, namely, Tax Management, are businesses that include tax planning so that taxes paid by companies are genuinely efficient. Tax Administration / Tax Compliance includes efforts to fulfil tax administration obligations by calculating taxes. Correctly, by tax provisions, compliance in paying and reporting on time according to deadlines for



payment and tax reporting that have been set, tax audits, including strategies for handling tax audits, responding to audit results, and strategies for filing objections or letters of appeal and Other Tax Matters, includes other functions related to taxation, such as communicating the provisions of the taxation system and procedures to parties or parts of the company, including training for staff related to taxation issues.

According to Santoso and Rahayu (2019), the requirements for good tax management are at least 3 (three) things, namely not violating/contradicting the applicable provisions/rules, business sense (reasonable) because tax management is an inseparable part of the global corporate strategy and is supported by valid and adequate evidence, both in terms of financial accounting records and in terms of legal agreements/agreements (such as proof of bills /invoices, agreement contracts, and other supporting documentation). The implementation of tax management that will be carried out is VAT Management, Income Tax Withholding, and Collection Tax Management.

According to Pohan (2016), VAT planning can be done with several efforts, namely by maximizing the VAT crediting mechanism, maximizing facilities in the VAT sector, centralizing the imposition of VAT, maximizing VAT refunds, building your business activities, VAT on free goods for promotional purposes, maintaining cash flow, controlling VAT and joint responsibility. Referring to Santoso & Rahayu (2019), VAT management must be supported by valid and adequate evidence, both in financial accounting records and legal agreements.

According to Angelia & Widuri (2014), Equalization correction is the difference in the turnover reported in the Corporate Income Tax Return (SPT) and Periodic VAT Returns. The cause for this difference in the Corporate Income Tax SPT turnover and Period VAT SPT must be known. Therefore, the equalization process is not a process to find the exact figure between the two SPTs, but to find out what causes the difference in the company's turnover to be reported differently. The cause must be explained by Taxpayers who report the SPT.

In this study by Angelia & Widuri (2014), VAT management can be implemented using tax administration /compliance tax, tax control, and Other Tax Matters. The steps proposed are equalization and orderly administration of documents and records to assist in answering SP2DK.

According to Santoso and Rahayu (2019), the reconciliation of objects withholding Income Tax withholding taxes can be reviewed in two aspects. First, the reconciliation of objects of Income Tax put for companies as deductors. Identification of the difference in the results of reconciliation of Withholding and Collection of Income Tax objects according to bookkeeping and tax reporting because it is influenced by several factors, including that the cost is not a Withholding and Collection of Income Tax object (interpretation problem), the amount that becomes a Withholding and Collection of Income Tax object is not entirely correct/accurate about reimbursement problems, VAT or combined fees, time difference problems, for example, prepaid expenses for which the Withholding and Collection of Income Tax obligation are carried out at the time of payment, the difference that occurs, is not the object of Withholding and Collection of Income Tax and the difference occurs due to differences in exchange rates.

Second, reconciliation of Withholding and Collection of Income Tax objects for companies deducted; companies can reconcile Withholding and Collection of Income Tax objects based on proof of withholding received by customers with income reported in the Annual Income Tax Return of the Agency's audit report on its financial statements. The difference in the reconciliation is that the company has recognized income when issuing invoices to customers, while the Income Tax deductions are made across years; when the customer is paying. To support the explanation to the examiner, the company can provide documents, bills, and proof of receipt from the bank, SPT, et cetera.

The implementation of tax management carried out by Ashari & Aerial (2022) uses the tax planning method (tax planning), the implementation of tax obligations (tax implementation), and tax control. These three

methods can streamline income tax baden more optimal.

In this research, which is a dimension in the management of withholding and collection Income Tax, Ashari & Haerial (2022) developed research with stages, namely, tax

3. RESEARCH METHOD

The object of this research is PT X, which provides labour services. The type of research used is Applied Research (Applied Research/Practice), which aims to apply, test, and evaluate the ability of a theory to be applied in solving practical problems. According to (Sugiyono, 2013), Applied research is a type of research conducted to apply, test, and evaluate abilities in a theory that can be applied in solving practical problems. This research is about information that can be used to solve problems. This research uses the type of applied research with the type of evaluation research: meaning to carry out an assessment of each stage carried out in research, such as planning, implementation, and the research results.

3.1. Data Collection Techniques

This data collection method is carried out to obtain the information needed to achieve the research objectives. Data collection in this study were interviews and document analysis. Interview techniques used This research uses unstructured interview techniques that have prepared a list of questions that can be developed during the interview on accounting and tax. The documents used in this study are the annual tax return, ledger, and financial statements for 2020. The framework of this research concept is as follows:

planning, tax implementation, tax administration, and tax control/review. Applying tax management with the concept of reconciliation and equalization can benefit the company because of the methods used in maintaining the profitability of the company.

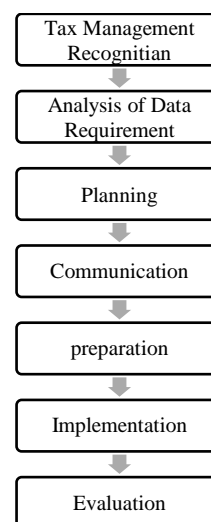


Figure 1: Conceptual Framework

In this study, each stage of the framework of the concept of data collection methods was carried out using interviews and document analysis with measuring instruments, namely interview guidelines and documentation sheets. The introduction stage of tax management, addressed to the management of PT X, aims to ensure tax efficiency and produce reliable tax reports to face tax audits and answer SP2DK. The next stage is analysing data needed for developing tax management techniques. The third stage is planning which is preparing a plan according to the target to be achieved, and that is to determine the human resources owned by the company that will exercise the rights and fulfil corporate tax obligations—the communication stage to convey messages related to matters of tax management implementation plans. The preparatory stage is to conduct training and assistance. The implementation and evaluation phase are to implement tax management.

Informants selected in this study there are 3 (three) parts /functions involved in tax administration to be asked for data and information, namely the tax department that



specifically manages Tax Administration, Finance Department that manages bills, and the business unit that manages customer contracts. In addition, interviews were conducted with financial managers and directors related to several tax policies.

3.2. Data Analysis Techniques

This application aims to provide a comprehensive understanding reviewing the aspects of taxation in business transactions and managing taxes in a healthy, economical, efficient, and effective manner, making it easier to organize tax administration in the company,

4. RESULTS AND DISCUSSIONS

4.1. Results

The part or function involved in implementing tax obligations in PT X is carried out by the finance division involving personnel, one of which is the Tax Division. Staff who handle tax administration have an educational background in accounting and tax which must understand the calculation and tax reporting procedures. Some changes in tax rules and new provisions from the Directorate General of Taxes require companies to update information about the latest tax provisions, one of which is to follow the information through social media DGT and tax classes organized by the Directorate General of Taxes.

For the implementation of tax obligations is carried out by the accounting and tax Supervisor and supervised by the financial manager. The task of the accounting and tax Supervisor is to record financial transactions, calculate taxes, deposit taxes, and report them to the tax office through the means of SPT (tax return).

From the interview results and the documentation, PT X has kept bookkeeping properly, using Microsoft Excel. However, the bookkeeping is done in total, starting from the journals and ledgers for each account. The attached financial reports have been audited annually by a Public Accounting Firm for annual SPT reporting so that the reported value

as for the stages undertaken in this study, namely collecting data, interviews with related informants, analyzing and reviewing data on financial statements and tax returns of all types, making tax planning techniques, making reconciliation working papers between withholding and collection income taxes on corporate income, prepare a working paper on equalization of tax return of VAT period with the tax return of entity, analysis of expense and income transactions, implementation or implementation of work, evaluation of implementation and recommendations.

of assets and profits can be relied on in the report.

PT X records transactions on an accrual basis, in which revenues and expenses are recognized when incurred even though payments have not been made. Complete financial reports that are prepared are carried out routinely and are accompanied by a subsidiary book. The Accounting Firm consistently audits the annual financial reports prepared by the company, so an Independent Auditor's Report has been attached when reporting the annual SPT.

Revenue recognition is recognized on an accrual basis. Namely, revenue is recognized when the invoice is issued. The issuance of tax invoices does not accompany the issuance of invoices for services submitted to service users. Revenue is recognized by the amount of the invoice excluding VAT. When a tax invoice is issued, there is no recognition of VAT payable due to a tax invoice issued with serial code 030 or transactions to VAT collectors.

1. VAT Tax Planning

Based on PT X's financial reports, the income data for the year is by the audit report, and these figures are reported in PT X's annual tax return for the 2021 tax year. In this study, the proposed VAT Tax Management at PT X is to maximize the input VAT crediting mechanism even though there are not many transactions acquisitions related to the service business at PT X. Input VAT arises from acquisitions of vehicle rental transactions as well as from other non-routine transactions.

Input VAT every month has been credited for Input VAT so that VAT savings have been applied.

2. Tax administration /compliance tax

The researcher reviewed the VAT period tax return reporting and the issuance of tax invoices, showing that PT X 2021 has paid and reported VAT on time, that is, before it is due, calculating the tax correctly—business in fulfilling tax obligations, for most tax invoices issued by the bill made to the Collector.

3. Tax Audit

Review to minimize VAT tax sanctions resulting from recording errors and delays in payment and reporting of VAT. Other purposes are to prepare or anticipate efforts if, at any time, the company faces a tax audit or responds to data clarification from tax authorities such as SP2DK. With the tax review, PT X is expected to fulfil its VAT tax obligations correctly and appropriately. The tax review procedure that PT X can do is to carry out equalization activities between the ledger and VAT return. PT X every month has made a complete ledger of each account. From the ledger, data can be reconciled or equalized between the VAT return period with bookkeeping data, both sales and purchase data. Revenue Data Based on financial statements, there is a difference in revenue recognition or business circulation reported on the tax return period of Rp—634,547,902, a sale not subject to taxation.

Currently, PT X does not have a scheme for reconciliation, so equalization is only carried out globally when needed, and searches and even recaps are carried out to find differences. In good tax management, the equalization procedure of business circulation can be carried out periodically in a short period, such as on a monthly, quarterly, or even weekly basis. The preparation of reconciliation consistently can make it easier for PT X to know the differences, trace the circulation of business that has not been recorded, and anticipate making corrections in the event of human errors. Equalization data recap can be helpful to provide a clarification response if the company receive SP2DK from the Tax Office. PT X, if it receives a letter of clarification, SP2DK, or other types of financial data, often responds with a long time because usually, the data

requested is data from several months or years back; with the creation of a format like this, it can help management in controlling VAT, especially tax findings.

Difference Rp. 1,098,433,675 is the difference between the ledger and the VAT tax return period. To analyze the difference, a VAT tax review must be done with details of tax invoices issued each period, then compared with the total income each month, which is the object of VAT and not the object of VAT. The difference can be seen in the January VAT period tax return reported in the December 2020 bill of Rp. 630,516,775, while the turnover in January 2021 has yet to be made an e-factor; the difference directly provides records in the table, so it will keep track when there are tax findings later. VAT tax review can be done on purchases or acquisitions.

4. Other Tax Matters

The tax rules have undergone many changes related to the issuance of UU HPP no. 7 tahun 2021; there are many derivative PMK that companies must follow; for this reason, management must appoint an accounting and tax SPV to update changes in tax provisions, which can be through social media, seminars, or socialization tax classes organized by the Directorate General of taxes.

PT X is engaged in services and taxes related to services, namely withholding income tax article 23 by employers. Regarding acquisition transactions, PT X deducts Article 23 Income Tax on vehicle rental transactions and loan interest payments. Tax management carried out on Article 23 Income Tax deductions, and levies are as follows:

1. Tax Planning on Withholding and Collection of Income Tax can be done as follow:

- a. To avoid overpaying taxes, good tax management is applied to propose taking advantage of the momentum of filing a free certificate (SKB) to avoid overpaying income tax. The procedure to be taken for filing the SKB is to fill out the SKB PPh Article 23 in total; PT X can apply for free uncut Income Tax Article 23 for the next tax year using the letter format in Appendix 1 Per 32/PJ/2013 to avoid overpaying Income



Tax, first before submitting the SKB PPh for the last tax year. PT X has reported the annual tax return for the 2021 tax year, so to avoid overpayment in 2022 and make an estimated calculation of the body income tax payable for the year submitted by including business circulation, fiscal costs, and Estimated Income Tax that will be deducted/collected and or paid in the current year, then continue to apply for Article 23 of the Income Tax SKB for 2022.

- b. Mechanisms for recording expenses or costs that can be the centre of attention of examiners, some transactions that often occur every month are vehicle service fees. If some of the service providers are just ordinary repair shops and there is no agreement with Article 23 withholding income tax, then the tax burden will be borne by PT X; deducting Article 23 income tax will avoid the tax burden in the future. For service cost accounting records, service costs can be separated from the cost of purchasing spare parts to save on tax imposition and tax burden in the future.
- c. Article 21 income tax which is calculated every month, is the burden of Article 21 income tax borne by the company; this has an impact and must be made positive fiscal correction on the calculation of taxable income, for example, if income tax expense Article 21 every month is Rp. Eight million four hundred fifty-one thousand three hundred twenty companies can make gross-up on the Income Tax Article 21 calculation for tax savings.

2. Tax Administration

Based on the SPT of Article 23, PT X has applied for Article 23 withheld income tax payments, which are maximum on the 10th of the following month and reported maximum on the 20th of the following month. The Financial Statements of PT X have been audited by a public accounting firm, meaning that PT X has carried out recording or bookkeeping properly and correctly by Generally Accepted Accounting Standards in Indonesia. Tax

management application in tax administration activities is carried out by making a report on deductions and levies of Income Tax Article 23, and documents related to proof of tax deductions, recording, or bookkeeping must be kept neatly for ten years.

3. Tax Reviews

PT X has not carried out a reconciliation or equalization of Withholding Income Tax and levies. Routinely every monthly period carries out routine commercial fiscal reconciliations, namely the objects of Income Tax Articles 21, 23, 26, 4(2), 15) are as follows:

- a. Equalization on Income Tax Article 21 in January, the equalization of salary costs according to financial statements and income tax return Article 21 obtained a difference of Rp. 57.271.174. This difference or difference must be traced by conducting a tax review of the ledger; this may take a long time to find out the cause of the difference; the results of this tax review are caused by the recognition of costs that are the object of Income Tax Article 21 of 2020 which are recognized on a cash basis in January 2021 and for some of the costs of the object of Income Tax Article 21 of January 2021 are recorded in February. The reporting of the SPT for the Article 21 Income Tax Period in January is the object of Article 21 Income Tax that occurs in January 2021, and on the ledger, some costs are not Article 21 Income Tax objects, such as pension funds
- b. Equalization of Income Tax Article 23 minute tax review juxtaposed with SPT Future Income Tax Article 23 there is a difference of 18,230,454. With this table, recognition of the acquisition cost of rental services is recognized as Gross, including VAT. At the same time, reporting the Income Tax Article 23 object is net without VAT. An object of Income Tax Article 23 has yet to be paid, but this must be traced to the details of its service costs and separated between material purchases and service costs. Objects are net without VAT. Income Tax Article 23 objects have yet to be paid, but this needs to be traced to the

details of the service fees and must be separated between material purchases and service fees.

- c. In addition to equalization, tax management is applied by tracking income and expense transactions on the ledger and income statement. Namely, the company bears the Burden of Income Tax Article 21. Burden Of Tax Sanctions, uncredited and recognized tax expenses, and travel expenses are provided free of charge.

4.2. Discussion

The data review steps are carried out by equalizing the data in the taxpayer'S tax return, namely the pairing of turnover data in the annual income tax return with submission in the VAT return period. Steps in conducting a tax review

1. Review each transaction from bookkeeping and contracts and related evidence documents to identify any transactions that need fiscal correction in calculating corporate income tax, then identify any taxable transactions, both income tax and Value Added Tax.
2. If there are transactions where the tax rules are unclear or in a grey area but have the potential to be taxed, then the transaction is identified c separately. Calculate the amount of the tax object and the potential tax object of the transaction.
3. Calculate the tax payable of the tax object and the potential tax object of the transaction.
4. Perform tax recapitulation on taxes that have been calculated, paid, and reported through tax returns, and then calculate the estimated amount of tax payable that must be paid and underpaid, if any, as well as potential taxes that must be paid at a later date

This activity must be routinely carried out so that one day PT X checks have prepared complete data and information to respond to tax findings. In addition, IU tax review is carried out to avoid the existence of VAT objects that are not paid and reported so that it will save tax costs in the future.

This VAT Review is helpful because, in practice, there are often differences in which the

VAT return period is based on tax invoice documents and documents that are equated to tax invoices. At the same time, the bookkeeping section will record transactions not all based on documents but on accruals from reconciliation or equalization working papers and other examples of documents. It can help management handle checks and provide reasonable responses to inspection and clarification results such as SP2DK. In addition to this, the tax and accounting department must request evidence or documents for cross-checks against the VAT object. The Accounting and Tax Department of PT X Selali records transactions daily based on invoices or other receipts and Archives based on sequence numbers and listed in the ledger so that one day it can facilitate the search if needed for the examination.

The obstacle faced by PT X is that the tax invoice does not coincide with the date of delivery of services, as has been recognized in the ledger, because the tax invoice is issued at the counterparty's request. However, as long as PT X has complete data and information and can be accounted for, there is no need to be afraid if facing or responding to the examination results. Another thing that must be improved in the future is to optimize the crediting of input VAT; although not all input VAT must be credited, this can save VAT payments.

The implementation is done smoothly because PT X has made several auxiliary books. However, it could be better because they cannot explain the difference from the equalization results, so it is necessary to consistently equalize based on the proposed format. The tax savings resulting from applying VAT management to minimize the tax burden in the form of sanctions in the future is effective in VAT tax administration because the data is organized clearly and thoroughly, accompanied by evidence that is neatly arranged both in numbering and archiving.

The steps that will be taken in the PT X tax management framework can help management minimize errors or findings during the examination, especially in 2021. There is an overpayment of taxes, which the tax will most



likely check if the company applies for a refund.

The importance of tax management through the filing of income tax SKB Article 23 is done; in addition to avoiding overpayment of Income Tax Article 23, it can also maintain cash flow so that money can be used for office operations.

It is essential to make equalization, to know the difference between the Income Tax Return of Article 21, 23, and Article 4(2), which is routinely reported every month by PT X. The results of this application can be seen that some of the constraints on the equalization of Income Tax Article 21 are related to accounting records there is a mixture between accrual basis and cash basis, so it takes a long time to be able to sort out transactions because they are split into different periods.

The results of the equalization of Income Tax Article 23, carried out in one month, are necessary to sort the accounting records

5. CONCLUSIONS

Based on the research and discussion results, it can be concluded that PT X is a taxpayer who complies with taxation; this can be seen from the tax administration or compliance tax, where payment and tax reporting are made before the due date. The company has complete accounting records, audited financial reports, and evidence of neatly arranged and numbered transactions sequentially. However, PT X needs to carry out tax management so that tax management can be carried out effectively without causing a tax burden in the future and have data and information that can be prepared to face tax audits which the Fiscus can carry out at any time. Implementing VAT management at PT X is relatively easy because it has competent staff. However, this VAT tax management needs to be implemented consistently with the aim of orderly tax administration. If the fiscus conducts an audit, PT X is ready to prepare data and information according to the evidence without needing a long time.

Tax management on withholding income tax and levies can be carried out by applying SKB Income Tax Article 23; in addition to avoiding overpayment of Income Tax Article 23, it can also maintain cash flow so that money can be

between the object of Income Tax Article 23 and the non-object Income Tax Article 23. So that if there is an examination finding related to this, the company is not subject to more significant taxes.

The tax management application is a manageable obstacle because the staff has competence in tax and accounting, so they can easily understand it. However, they need additional training to master the company's bookkeeping and tax provisions.

Operating expenses of the company that are not deductible can be changed, among others, the burden of Income Tax Article 21 borne by the company into the gross-up method, for uncredited tax credits can be submitted free of deductions so as not to be deducted from Income Tax Article 23. Administrative tax penalties can be minimized by increasing compliance.

used for office operations. In addition, a tax review through equalization needs to be carried out between Income Tax objects that are on the ledger and Periodic Income Tax SPT; this must be done consistently to avoid the tax burden in the future and have data and information that can be prepared to face a tax audit which can be obtained at any time Tax authorities.

The advice that the author can give for PT X is that tax reporting has been carried out correctly. However, for the sake of tax review, financial reporting can be done so that companies can quickly take advantage of the SKB filing facility to avoid overpaying taxes and consistently carry out tax reviews. Separate accounting records for service fee transactions with 2 (two) sub-accounts between service costs and material costs

Further research on the application of tax management can be done on SOP taxation or simple manual text tutorials used as implementation guidelines. The limitation of this study is that the sample used is a service company with a small size, so the tax function is performed in tandem with the accounting function.

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