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Analysis of Tax Accounting Implementation at Pt. Pou Yuen Indonesia

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Abstract

With the increasing number of companies in the industrial sector in Indonesia, of course the government is increasingly aggressively implementing various regulations to control and accommodate the rights and obligations that must be given to each company. And one of the lines that must be considered is the issue of taxation, which is also an important factor for the sustainability of company activities. Because every activity carried out by the company certainly cannot be separated from the tax rules that must be met, both when purchasing goods, paying employee wages and so on. Therefore, this research aims to analyze what tax accounting is applied at PT Pou Yuen Indonesia to find out the extent of government regulations that can be implemented by companies that have various accounting activities related to taxation.

Keywords: Accounting; Tax; Implementation

1. INTRODUCTION

In this modern era, Indonesia hosts a vast array of companies, both domestic and foreign. This necessitates the government establishing various regulations, including taxation laws. For companies, tax is a crucial factor influencing profitability, as it constitutes a cost or expense they must bear (Hutri Zara et al., 2023). For instance, PT. Pou Yuen Indonesia frequently encounters tax calculation errors, particularly in the tax rates for goods and services transactions. This leads to incorrect payments and necessitates revisions, hindering the continuity of tax recording at PT. Pou Yuen Indonesia. Therefore, comprehensive information regarding tax regulations and imposition is essential. The existence of tax law within the Indonesian legal framework aims to uphold justice, utility, and legal certainty (Ryan Tantan, 2021). Generally, public trust in taxation remains low. It is often perceived as akin to tribute, burdensome, complex, and confusing to calculate and report (Ani, Purnadi & Bima, 2022). Hence, companies must adhere to all established tax regulations. Implementing taxation within companies requires careful attention, as several operational aspects are intertwined with taxation. This research will specifically examine the tax accounting sector at PT Pou Yuen Indonesia.

PT. Pou Yuen Indonesia, a manufacturing company producing sports shoes established in 2015, is the largest foreign investment company in Cianjur Regency, employing over 15,000 people. However, many companies lack comprehensive understanding and fail to fully implement tax accounting regulations. This impacts the tax accounting recording process, making it less than optimal. The government should intensify socialization efforts to ensure companies prioritize and comply with the established regulations. Therefore, understanding tax accounting is crucial. Tax accounting is a system for recording and reporting financial information to manage the tax aspects of a business. The basic concept involves collecting, managing, and reporting relevant financial information to fulfill tax obligations and optimize tax benefits in Indonesia. Tax accounting is also a vital element in business management. By maintaining legal compliance, optimizing finances, and making informed decisions, companies can achieve long-term success. According to Djajadiningrat, tax is an obligation to contribute a portion of wealth to the state treasury as a result of a circumstance, activity, or event that confers a certain status (Gultom et al, 2022).

One primary reason for the importance of tax accounting is to ensure compliance with established laws. Tax is an obligation for every business; violating tax regulations can result in serious legal sanctions and fines. Proper tax accounting ensures businesses adhere to applicable regulations.

2. METHOD

The author obtained information for this study by using qualitative descriptive research methods and interviews. The author conducted a direct survey of tax staff at PT. Pou Yuen Indonesia, to obtain complete information regarding the flow of tax payments and other information related to tax accounting. As for quoting from Sugiyo's opinion

(2005:21) "The descriptive method is a method used to describe or analyze a research result but is not used to make broader conclusions". While qualitative research according to Moleong (2005:6), "Qualitative research is research that intends to understand the phenomenon of what is experienced by research subjects such as behavior, perception, motivation, actions, and others holistically, and with descriptions in the form of words and language, in a specific natural context by utilizing various natural methods ".

3. RESULTS AND DISCUSSION

In this study, the interview was conducted at PT. Pou Yuen Indonesia located at Jalan Raya Cianjur - Bandung KM. 7, Sukasirna, Sukaluyu, Cianjur Regency, West Java 43284. PT. Pou Yuen Indonesia is part of Pou chen Corporation which has several similar companies engaged in the manufacturing industry of sports shoes in Indonesia. The source that the author interviewed was Mrs. Susi Susanti S.Ak., a tax staff at PT. Pou Yuen Indonesia records and pays for all company activities related to tax accounting. The information obtained from the interview was shown in table 1.

Table 1. Interview Data

No	Question	Respondents' Answers
1	What types of taxes are applied and used in PT. Pou Yuen Indonesia?	Types of taxes applied or used by PT. Pou Yuen Indonesia are: 1. Income Tax Article 21 2. Income Tax Article 23 3. Income Tax Article 4 paragraph 2 4. Corporate Income Tax
2	Who prepares and processes tax reporting and payments?	The section that has the authority and responsibility to handle the tax reporting and payment process is the tax staff section at PT. Pou Yuen Indonesia

3	How does the tax reporting and payment process work?	Every transaction that occurs or is carried out by PT. Pou Yuen Indonesia will certainly be a benchmark for the payment of the amount of tax that must be paid. Therefore, after a transaction is made, a check is carried out by the tax department to classify which transactions or journals are subject to tax deductions, before being recorded in the journal by the accounting department. In recording journals, it is divided into 2 categories, namely goods transactions and service transactions. Both transactions are subject to VAT and only service transactions are subject to PPh. After that, the journal that has been recorded by the accounting department is reviewed again to be analyzed and classified for tax classification, therefore as a tax department, you must know what types of transactions are included in Article 21 Income Tax, Article 23 Income Tax, Article 4 paragraph 2 Income Tax, Article 26 Income Tax, Corporate Income Tax, and so on. After that, being classified by the tax department and marked with the amount of the tax rate, it is then recorded by the accounting department in the monthly tax report paid. And the tax department makes a Billing SSP with the approval of the manager, then paid by the finance department. Article 21 Income Tax, is paid when receiving employee salaries every month by looking at employee salary reports, then grouping employee salary data which are subject to tax deductions based on the amount of salary received and their PTKP status. After that, Billing SSP is made and paid back by the finance department to the tax office before the 10th and reported before the 20th.
4	What are the obstacles encountered when processing documents and transactions related to tax accounting?	Obstacles that often occur when processing documents for transactions related to taxation are: 1. The information on the document is not synchronized with the activities carried out, where it should be a service transaction but is recorded as a purchase transaction of goods by the purchasing factory, resulting in errors in recording by the tax department whether the transaction is subject to tax or not. 2. Wrong input of the amount by the factory department, so that there are often subsequent revisions from the supplier, but the tax

		on the transaction has been paid or has entered the tax payment period for the following month, and of course, this greatly hinders the recording of tax transactions that must be revised first. 3. There are errors in recording in the accounting department, where the tax department has classified a transaction to be taxed, but the accounting department does not record it as a taxable transaction. 4. The tax department misses giving a mark on transactions that should be taxed and/or transaction documents that are scattered and unclassified. 5. Wrong choice of tax account code type usually often occurs due to accounting errors in choosing a new tax account code, so PBK (Transfer) must be carried out, namely the process of transferring tax receipts to be recorded in the appropriate tax receipts when there is an error in payment or tax deposit. 6. Constraints in the new PPh Article 21 tax payment system and also the large number of invalid employee NIKs so that tax payments cannot be made.
5	How to get a solution if there is a problem in calculating taxes that are not correct?	To overcome any obstacles or problems in tax calculations, of course we re-crosscheck the amount of tax that should be paid and what type of tax the transaction falls into. After that, we can submit PBK or transfer to the tax office by attaching several supporting documents such as proof of tax payment, invoices, proof of deduction documents and other documents.
6	What suggestions and inputs can be made to improve tax accounting records at PT. Pou Yuen Indonesia to be better?	For suggestions and input that can be done, one of them is by adding employees who already understand tax accounting because the tax department at PT. Pou Yuen Indonesia lacks personnel, thus hampering tax recording. Coupled with the new system used, namely SAP (System Applications and Products in Data Processing). Then, socialization must be held to the factory purchasing department to provide more accurate transaction information to minimize errors.

After seeing the results of the interviews that have been conducted through observations of the tax staff of PT. Pou Yuen Indonesia, it can be seen that there are two main parts, namely the central department and the factory department, both of which are interconnected to carry out their work for the sustainability of the company. The workflow starts from the factory section to tax payments is as follows:

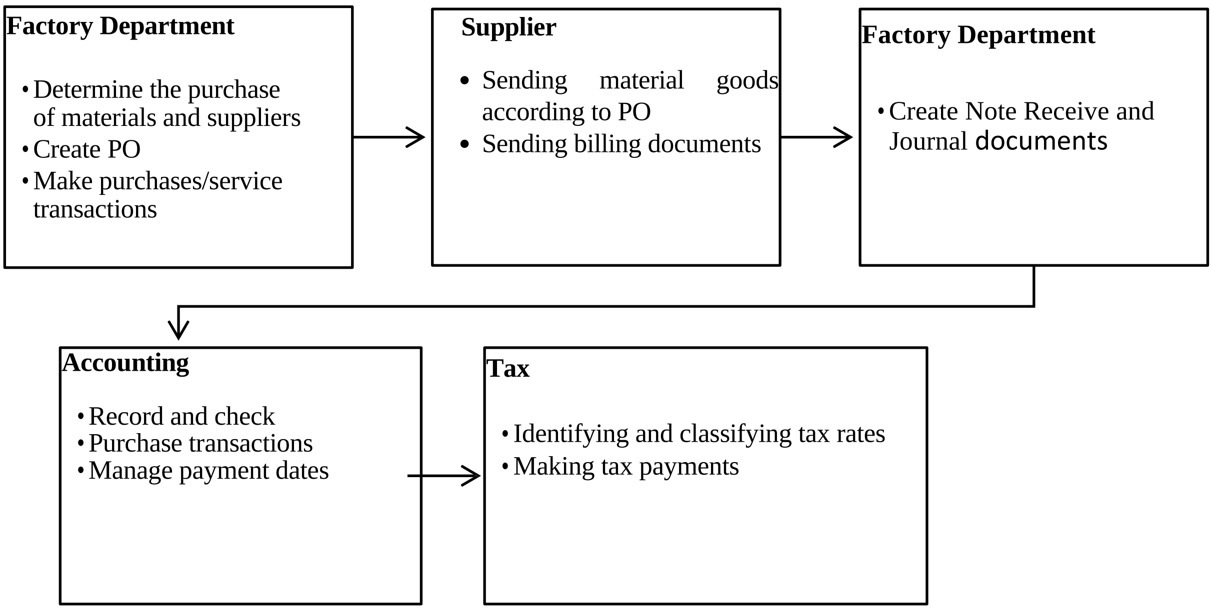

Figure 2.3 Tax payment flow

Based on the image above, it can be seen that the tax payment flow certainly begins with the purchase of goods for production needs by the factory department where they will determine the purchase of the material first and which supplier they will order. After that, the factory department will make a PO to the specified supplier, so that the shipment can be carried out by the supplier.

After the supplier receives the PO from the factory department of PT. Pou Yuen Indonesia will then send the goods according to the PO that has been received and includes several supporting documents such as invoices, delivery notes or packing lists, tax invoices (for local transactions), BC documents (Customs), memos, and other supporting documents as proof that the goods have been received. Then, the correct and valid journal documents are sent to accounting to be rechecked whether they are correct or not and then submitted to the tax department to be identified and classified for the taxes to be paid. In the process, the tax department must of course be more careful in determining the rates and types of taxes for each transaction to be processed, because if we are wrong or mistaken in identifying, of course, there will be problems and improvements must be made which will hamper the company's activities, especially those related to financial and tax issues. Some types of taxes are paid by the tax department of PT. Pou Yuen Indonesia include:

1). Income Tax (PPh) Article 21

Income Tax (PPh) Article 21 is a form of tax imposed on income earned by individual taxpayers in the country (Jusikusuma & Wijaya, 2022). This income certainly comes from income received by employees such as salaries, bonuses, allowances, honorariums and so on related to work. And it can also come from experts who have a job call at PT. Pou Yuen Indonesia. Of course, the employer is responsible for deducting the income paid to employees, and employees as recipients of income will bear the burden. PPh Pasal 23.

Income Tax (PPh) Article 23 is a deduction on income paid in the form of gifts, interest, dividends, rent, royalties, and other services other than objects of Income Tax Article 21 (Fauzan & Eko, 2023). In this case, it is related to activities at PT. Pou Yuen Indonesia, such as when there is an event that provides gifts/door prizes to employees who do have a large enough value so that tax deductions must be made.

2). Income Tax Article 4 paragraph (2)

3). Income Tax (PPh) Article 4 paragraph (2) is a deduction on income paid in connection with certain services and certain sources (construction services, land/building rental, transfer of land/building rights, and others). The use or application of PPh Article 4 paragraph (2) is usually carried out when a construction project is being carried out. Such as the recent construction of a new production building.

4). Corporate Income Tax

Corporate Income Tax is a tax imposed on income received or obtained by corporate taxpayers during one tax year. Of course, PT. Pou Yuen Indonesia, as a corporate taxpayer, must pay tax on the income received. Previously, the general corporate income tax rate was 28% of taxable income, which was then reduced to 25% starting in 2010, by Article 17 paragraph (2a) of the Income Tax Law No. 38/2008. Then, through Law No. 2 of 2020 Article 5 paragraph (1), the Corporate Income Tax rate was reduced to 22% applied starting in the 2020 and 2021 Tax Years. Furthermore, through the HPP Law No. 7/2021, the Corporate Income Tax rate was re-set at 22% starting in the 2022 Tax Year until now.

4. CONCLUSION

Based on the results and discussions from the interviews conducted with Mrs. Susi Susanti, S.Ak., a tax staff at PT. Pou Yuen Indonesia, it is evident that the company's tax accounting processes are detailed and involve multiple steps to ensure compliance with Indonesian tax regulations. The workflow integrates both the manufacturing and administrative departments, requiring close collaboration to manage tax reporting and payments effectively. The tax types applied at PT. Pou Yuen Indonesia includes Income Tax (PPh) Article 21, Income Tax (PPh) Article 23, Income Tax (PPh) Article 4 paragraph 2, and Corporate Income Tax (*PPh Badan*), each targeting different aspects of the company's transactions. From employee salaries to procurement activities, the processes are designed to classify and allocate taxes accurately, which is vital for maintaining financial order and regulatory compliance. However, challenges such as inconsistent documentation, errors in account coding, and difficulties with the new SAP system highlight areas for improvement in operational efficiency and accuracy.

To address these challenges, PT. Pou Yuen Indonesia could benefit from several strategic actions. First, increasing the number of qualified personnel in the tax department would help alleviate the workload and minimize errors in tax classification and reporting. Second, providing training and conducting workshops for factory staff, particularly in the purchasing department, can help reduce discrepancies in transaction documentation. Third, refining internal workflows and leveraging SAP more effectively can enhance data synchronization and reduce system-related issues. In conclusion, while the company demonstrates a structured approach to tax management, these improvements could significantly enhance its ability to handle taxation complexities and support its business sustainability.

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