

Application of Fiscal Reconciliation Towards Corporate Income Tax Calculations in Quality Fried Chicken Financial Reports

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Abstract

The purpose of research is to determine the application of Fiscal Reconciliation to the calculation of Corporate Income Tax in the financial statements of Quality Fried Chicken Banda Aceh. This topic was chosen because tax reconciliation is an important part of business tax reporting. The data used in this study are quantitative and qualitative. The data source used in this study is primary data. The results of this study indicate that Quality Fried Chicken Banda Aceh does not prepare its financial statements completely in accordance with Law Number 36 of 2008 concerning Income Tax. This is evidenced by several expense accounts that have not been subject to tax adjustments in the company's financial statements. Quality Fried Chicken Banda Aceh still does not have good evidence. Quality Fried Chicken Banda Aceh must know, understand and follow the development of taxation in Indonesia. Quality Fried Chicken Banda Aceh must also have good records in case of problems or events that are detrimental to the business.

Keywords: Tax, Fiscal Reconciliation, Fiscal Correction, Corporate Income Tax.

Abstrak

Tujuan penulisan penelitian ini adalah untuk mengetahui penerapan Rekonsiliasi Fiskal terhadap perhitungan PPh Badan pada laporan keuangan Quality Fried Chicken Banda Aceh. Topik ini dipilih karena rekonsiliasi pajak merupakan bagian penting dalam pelaporan pajak bisnis. Data yang digunakan dalam penelitian ini bersifat kuantitatif dan kualitatif. Sumber data yang digunakan dalam penelitian ini adalah data primer. Hasil dari penelitian ini menunjukkan bahwa Quality Fried Chicken Banda Aceh tidak menyusun laporan keuangannya secara lengkap sesuai dengan Undang-Undang Nomor 36 Tahun 2008 tentang Pajak Penghasilan. Hal ini dibuktikan dengan beberapa akun beban yang belum dikenakan penyesuaian pajak dalam laporan keuangan perseroan. Quality Fried Chicken Banda Aceh masih belum memiliki bukti yang baik. Quality Fried Chicken Banda Aceh harus mengetahui, memahami dan mengikuti perkembangan perpajakan di Indonesia. Ayam Goreng Banda Aceh yang berkualitas juga harus memiliki catatan yang baik jika terjadi masalah atau kejadian yang merugikan usaha.

Kata Kunci: Pajak, Rekonsiliasi Fiskal, Koreksi Fiskal, Pajak Penghasilan Badan.

Introduction

Regarding General Provisions and Tax Procedures (Law No. 28, 2007) states that tax is a mandatory payment made by citizens or entities to the state. According to this law, taxes are paid without receiving any direct compensation and are instead used to achieve state goals in a manner that best benefits the public. This law mandates that taxpayers prepare tax returns based on actual income and make adjustments if there are differences between commercial financial reporting and tax regulations for fiscal reconciliation.

One type of tax that aims to impose taxes is corporate income tax on company income as determined by financial statements. Profit is calculated using

the income statement generated in accordance with financial accounting rules (SAK). However, the amount of tax payable must be determined in accordance with tax laws and regulations (tax laws on income, fiscal profit). To determine the amount of tax owed, taxpayers must conduct fiscal reconciliation either independently or with the assistance of an auditor. Fiscal profit is used to calculate fiscal reconciliation, which seeks to ensure that the taxpayer (corporate) has sufficient funds to maintain accounts in accordance with Financial Accounting Standards. In addition, the results will be part of the annual financial report in the annual tax return (SPT). Therefore, fiscal reconciliation is necessary.

The process of modifying commercial income that deviates from fiscal provisions to generate net income or profit in accordance with tax laws and regulations is known as fiscal reconciliation (Agoes, 2016). (Fitriya, 2022) explains that fiscal reconciliation is a step to align differences between fiscal and commercial financial reports.

Micro, small, and medium enterprises (MSMEs) have long been a significant force in the Indonesian economy and continue to grow. According to (Kumaratih et al., 2020), MSMEs in Indonesia receive legal support thanks to Government Regulation (PP) Number 23 of 2018 concerning Income Tax (PPh) on Income from Businesses Received or Obtained by Taxpayers with Certain Gross Income. (PP No. 55, 2022) concerning Adjustments to Regulations in the Income Tax Sector has amended this regulation. Based on this clause, domestic corporate or individual taxpayers whose gross business income does not exceed IDR 4.8 billion in one tax year will be subject to a final PPh rate of 0.5%.

This research was conducted on the Quality Fried Chicken business in Banda Aceh, established in 2016 and operating in the food and beverage sector. Quality Fried Chicken has paid all its taxes, including local taxes, since its inception. However, in One type of tax that aims to impose taxes is corporate income tax on company income as determined by financial statements. Profit is calculated using the income statement generated in accordance with financial accounting rules (SAK). However, the amount of tax payable must be determined in accordance with tax laws and regulations (tax laws on income, fiscal profit). To determine the amount of tax owed, taxpayers must conduct fiscal reconciliation either independently or with the assistance of an auditor. Fiscal profit is used to calculate fiscal reconciliation, which seeks to ensure that the taxpayer (corporate) has sufficient funds to maintain accounts in accordance with Financial Accounting Standards. In addition, the results will be part of the annual financial report in the annual tax return (SPT). Therefore, fiscal reconciliation is necessary.

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In the financial report of Quality Fried Chicken in Banda Aceh, there are income and expenses recorded by the business sector but not by the government, such as employee benefits, basic necessities, company product discounts, and others. This difference in recognition causes a difference in income in the calculation of income tax payable, so that fiscal corrections are needed in the commercial financial report to determine the amount of taxable income as the basis for calculating income tax payable.

The introduction is the background which is justification for the reasons research writing. References from various relevant and preferred articles from a scientific journal a maximum of 5 years backward and other sources that can be accounted for.

Research Methods

In this study, the data source used is primary data. The author obtained this data directly from the company's financial reports. The types of data used in this study include: a) Qualitative data is details about the Quality of Fried Chicken Banda Aceh which can be obtained from written and oral sources, such as its history, vision and mission, b) Quantitative Data in the form of financial reports, namely the 2023 profit and loss report, a list of fixed asset depreciation according to accounting, and a summary of 2023 income. Data collection technique as, a) Observation, b) Interview, c) Documentation

The following are the actions required to complete the Fiscal Reconciliation of Corporate Income Tax Calculation for Quality Fried Chicken Banda Aceh's Financial Report as a) Collecting data through documentation methods by conducting direct observations at Quality Fried Chicken Banda Aceh to obtain the data needed for the research, such as financial reports in the form of profit and loss reports and organizational structures, b) Make necessary adjustments to the commercial financial reports prepared by Quality Fried Chicken Banda Aceh, c) In accordance with related requirements, prepare fiscal reconciliation based on fiscal corrections, d) Determine the tax owed using fiscal financial records, then compare it with the tax owed using commercial financial information, e) Compile discussions and conclusions drawn from the findings of completed research.

Result and Discussions

Positive Fiscal Correction

1. Employee Bonus Expense. Based on the 2023 profit and loss report, there is an Employee Bonus Expense in operating expenses. According to the Circular Letter of the Director General of Taxes Number SE – 03 / PJ.23 / 1984, all types of awards received by employees, their families from employers that are

not in the form of money. A positive fiscal correction to in-kind expenses in 2023 is necessary because providing enjoyment or compensation in the form of goods is not permitted as a reduction in gross income based on Article 9 paragraph (1) of Law Number 36 of 2008. Quality Fried Chicken Banda Aceh in 2023, in-kind provision in the form of basic necessities on Islamic religious holidays is only given to employees.

2. Banner Expenses. Based on the Profit and Loss Report of Quality Fried Chicken Banda Aceh, there are banner expenses of Rp 5,815,000. Expenses if the nominative list is included in the Annual Tax Return to Taxpayers (SPT) in accordance with PMK No. 02 / PMK.03 / 2010, then it can be claimed fiscally as a reduction in gross income. However, promotional expenses must be adjusted fiscally because Quality Fried Chicken Banda Aceh does not include a nominative list of promotional costs in its Annual Tax Return report.
3. Ramadan Promotion Expenses. Ramadan Promotion Expenses in operational expenses include costs incurred by the company for special marketing and promotional activities during the month of Ramadan. In the Profit and Loss Report of Quality Fried Chicken Banda Aceh, there are banner and banner expenses of Rp 2,000,000. If the promotional costs are actually incurred to generate, collect, and retain income (3M expenditure), they can be taxed as promotional costs based on Law Number 36 of 2008 concerning Income Tax (PPH Law) Article 6: Paragraph 1 Quality Fried Chicken Banda Aceh carries out Ramadan promotions by providing free food to local residents during the month of Ramadan. Promotional costs can be claimed as fiscal deductions from gross income by paying attention to the requirements of PMK Number 02 / PMK.03 / 2010, including the inclusion of a nominative list in the Taxpayer's Annual Tax Return (SPT). However, promotional expenses must be adjusted fiscally because Quality Fried Chicken Banda Aceh does not include a nominative list of promotional costs in its Annual Tax Return report.
4. Other Expenses. Quality Fried Chicken Banda Aceh recorded additional other expenses in the profit and loss statement of Rp3,000,000. Based on Article 6 Paragraph 1 letter a of the Income Tax Law Number 36 of 2008. In this case, additional costs include costs that are not sufficiently proven by evidence. adequate. For example, some costs such as waste management, purchasing flower arrangements for certain events, and so on mentioned by the staff or accounting of Quality Fried Chicken Banda Aceh, with a total price of Rp1,000,000.

Negative Correction.

Depreciation Expenses for Machinery, Vehicles, and Equipment. Based on the Minister of Finance Regulation (PMK) No. 72/2023 which regulates the depreciation and amortization of tangible and intangible assets in Indonesia, Quality Fried Chicken Banda Aceh's income statement records depreciation for machinery such as fryers and warmers, as well as depreciation expenses for vehicles and equipment in operating expenses. There are differences in depreciation recognition between accounting and taxation that cause differences in depreciation expenses at the end of the period. According to the tax regulations stipulated in PMK No. 72/2023, the depreciation rate and useful life have been determined. The difference between the useful life of commercial accounting and

taxation arises because of different objectives. Quality Fried Chicken Banda Aceh sets the useful life of assets such as machinery at 10 years, equipment at 7 years, and vehicles at 10 years. However, according to the tax regulations in PMK No. 72/2023, machinery is included in group 2 with a useful life of 8 years, equipment in group 1 with a useful life of 4 years, and vehicles are also in group 1 with a useful life of 4 years. Therefore, to address this gap, fiscal adjustments are required. In the income statement of Quality Fried Chicken Banda Aceh, the difference between fiscal and commercial depreciation should be recorded as a negative correction.

Calculation of Corporate Income Tax.

Determining fiscal net profit is the first step in calculating corporate income tax. The amount of corporate income tax on Quality Fried Chicken Banda Aceh is calculated using Government Regulation No. 55 of 2022, which is an adjustment to income tax regulations. Following positive and negative adjustments to income and expenses, the final Income Tax Rate applies to individuals or entities in countries whose gross business income in a tax year does not exceed IDR 4.8 billion, based on this regulation.

Corporate Income Tax Payable = (Taxable Income × Tax Rate)

Corporate Income Tax Payable = (Rp 101,863,750 × 0.5%) = Rp 509,319

Conclusion

During its operations, Quality Fried Chicken Banda Aceh has not implemented fiscal reconciliation due to its relatively small annual turnover. The company also lacks an adequate understanding of tax regulations, particularly regarding the differences between commercial and fiscal financial statements, making it difficult to perform proper reconciliation. There are differences in recognition between commercial and fiscal statements, requiring positive and negative corrections. Income tax payable is calculated using the MSME rate. Income Tax Regulation (PPh) PP No. 55 of 2022 regulates this for income from companies with a certain gross turnover.

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