

EVALUATION OF FINAL INCOME TAX ON CONSTRUCTION SERVICES BASED ON GOVERNMENT REGULATION NUMBER 9 OF 2022 AT CV.CIDA

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Abstract:

Government Regulation Number 9 of 2022 is the second amendment to Government Regulation Number 51 of 2008 concerning Income Tax on Income from Construction Services Business. This change is a policy issued by the government to assist the Construction Services sector in dealing with the impact of the covid-19 pandemic so that this business process can be maintained. This new regulation has changed the final income tax rate, classification and scope of construction services. This study aims to evaluate the application of the final income tax on construction services based on Government Regulation Number 9 of 2022 on CV. Cida, in this case, is the imposition of final income tax rate, calculation, withholding, deposit and reporting of final income tax on Construction Services. The research method used is the descriptive qualitative method. The study results show that the final income tax rate is imposed on CV. Cida, according to business qualifications and applicable regulations, namely 1.75%. For calculation, withholding and final income tax deposit CV. Cida complies with existing regulations. However, the final income tax reporting is not following the existing tax regulations.

Keywords: Final Income Tax, Construction Services, Government Regulation Number 9 of 2022.

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INTRODUCTION

According to Waluyo (2008) in Nur, Aini Dian Intansari (2017), one of the efforts to realize the independence of a nation and state in financing and development is by exploring domestic sources of funds. To finance the country's development, both routine and non-routine, the state obtains revenue from taxes, customs duties, stamp duties, levies, dues, donations, BUMN profits, foreign and domestic loans, and other levies. Of the many state revenues, the largest is the tax sector.

Article 1 of Law Number 16 of 2009 concerning General Provisions and Tax Procedures explains that tax is a mandatory contribution to the state owed by individuals or entities that are compelling based on the law, with no direct reward and used for state purposes for the greatest prosperity of the people. Therefore, citizens as taxpayers should support the government, in this case, complying with existing tax laws and regulations in Indonesia. One type of tax known in Indonesia is Income Tax (PPh). The role of Income Tax (PPh) in business activities benefits the state. Income Tax (PPh) is a tax imposed on taxpayers, individuals and corporations on income earned in one tax year. Of the many taxpayers, companies engaged in construction service business activities are one of the taxpayers who carry out tax obligations to support the development and improve facilities and infrastructure (Ratuela et al., 2018).

The construction service sector is a community activity that realizes buildings that function as support or infrastructure for socio-economic activities to support the realization of national development goals. Construction services are regulated along with the times. Construction service companies have a very prominent role in developing facilities and infrastructure in Indonesia. Therefore, the imposition of tax on income from construction services business is applied differently from other types of business. The imposition of tax on income from construction services business is regulated in the Minister of Finance Regulation No. 153/PMK.03/2009, an amendment to the Minister of Finance Regulation No. 187/PMK.03/2008 stipulates that the income received by domestic taxpayers and permanent establishments from businesses in construction services is subject to income tax based on the Income Tax Law, where the income received can be subject to final tax withholding based on final income tax article 4 paragraph 2. Final means that the income does not need to be combined with other income in calculating income tax payable. The construction services business has been regulated in Government Regulation 51 of 2008, which underwent 2 changes. The first change is Government Regulation Number 40 of 2009, and the second is Government Regulation Number 9 of 2022 concerning Income Tax on Income from Construction Services Business, which is a tax object included in the final income tax article 4 paragraph 2 and is subject to the rates listed in the regulation. Government Regulation Number 9 of 2022 is a policy issued by the Government with the hope that it can help the construction sector deal with the impact of the COVID-19 pandemic so that the sustainability of this business process can be maintained.

Income tax calculation can be done by multiplying the tax rate by the Tax Imposition Base (DPP) of the construction services business. After that, the final income tax withholding article 4, paragraph 2 is carried out following existing calculations. Furthermore, depositing the final income tax article 4 paragraph 2 on construction services business is carried out by the service user as the tax withholding party no later than the 10th of the following month after the tax deduction is made or can be deposited by the contractor as the service provider no later than the 15th of the following month after receiving payment. After depositing, the service user and the service provider must report income tax article 4, paragraph 2 on construction services no later than the 20th of the following month after tax withholding or receipt of payment.

CV. Cida is one of the companies engaged in the construction implementation services business. One of the tax obligations that must be carried out is the final income tax article 4, paragraph 2, on construction services. Everything must be in accordance with existing regulations, from the imposition of tax rates, calculations, deductions, and deposits, to reporting. CV.Cida is also one of the companies affected by the policy of final income tax article 4 paragraph 2 on construction services by the Government in the form of a reduction in the tax rate imposed. In accordance with the Construction Services Business License, CV.Cida is included in the qualification of small businesses so that for the final income tax, income article 4 paragraph 2 on construction services is subject to a tax rate in accordance with existing regulations, namely 1.75%. VAT and income tax deductions have been made directly by service users. However, CV.Cida often experiences problems related to tax reporting problems caused by service users often being late in providing documents that will be used at the time of reporting. So researcher conducted a study entitled "Evaluation of Final Income Tax on Construction Services Based on Government Regulation Number 9 Of 2022 At CV.Cida".

METHODS

Types of Research. This research is descriptive qualitative, namely research procedures that produce descriptive data in the form of words or writing or pictures collected directly from data

sources. This research was conducted at the CV.CIDA office located in Kelurahan III, Liningaan Village, East Tondano District.

Types, Sources and Methods of Data Collection. The types of data in this study are qualitative data and quantitative data. The qualitative data used in this research is the history of CV. Cida, company organizational structure and job descriptions, and government regulations relating to the construction service business in accordance with the references used. Quantitative data used in this study, such as calculating final income tax article 4 paragraph 2 for construction services at CV. Cida. Sources of data in this study are primary data and secondary data. Primary data is the type of data collected directly from the primary source through interviews. Secondary data is a variety of information that has existed before and is used to complement research data needs. Secondary data can be collected through various sources such as books, websites or government documents. There are two methods of data collection used in this study: (1) Interview is a method of collecting data by carrying out a question and answer session with informants who have a direct connection with the research topic in order to obtain the required data or information; (2) Documentation is a data collection technique that is carried out by examining or viewing the documents, files and books used in the form of SPM (Payment Order), SP2D (Fund Disbursement Order), and tax invoices.

Process Analysis Method. The analytical method used is a qualitative descriptive analysis method. The analysis process in this study is as follows: (1) Collect data and information from related parties; (2) Evaluate whether the calculation and withholding of Article 4 Paragraph 2 Income Tax on Construction Services on CV. CIDA is in accordance with Government Regulation Number 9 of 2022; (3) Evaluate whether depositing and reporting Income Tax Article 4 Paragraph 2 on Construction Services to CV. CIDA is in accordance with Government Regulation Number 9 of 2022; (4) The author concludes and provides suggestions or input deemed necessary for improvements in dealing with problems.

RESULT AND DISCUSSION

Government Regulation Number 9 of 2022 is one of the tax provisions, which is the third amendment to Government Regulation Number 51 of 2008, which then underwent a second amendment, namely Government Regulation Number 40 of 2009 and the third or which is still valid, namely Government Regulation Number 9 of 2022 concerning Income Tax from Construction Services Business. Furthermore, there is Regulation of the Minister of Finance Number 153/PMK.03/2009 which is an amendment to Regulation of the Minister of Finance Number 187/PMK.03/2008 concerning Procedures for Withholding, Depositing, Reporting, and Administration of Income Tax on Income from Construction Service Businesses, where any income from this construction service business is subject to final income tax. Each Income Tax rate charged for this construction service business varies according to the ownership and validity period of the Business Entity Certificate. For the type of construction service business, the imposition of tariffs varies according to the contractor's competency qualification level stipulated in the Regulation of the Minister of Public Works Number 08/PRT/M/2011 concerning the Distribution of Sub-classifications and Sub-qualifications of Construction Service Businesses.

CV.Cida, one of the companies engaged in the construction service business, certainly has a Business Entity Certificate. Where the Business Entity Certificate from CV.Cida shows that this company is included in the minor business qualifications. In accordance with the provisions contained in Government Regulation Number 9 of 2022 concerning Income Tax on income from construction services business, the final income tax rate of article 4 paragraph 2 that is imposed is 1.75%.

Calculation of Final Income Tax on Construction Services. The final income tax calculation for construction services is taken from a sample of projects whose implementation started from October 2021 – March 2022, at which time CV.Cida received a project from the North Sulawesi Provincial Public Works and Spatial Planning (PUPR) Office for improving roads Sonder – Tincep – Maruasei section 2 with a contract value of Rp. 3,445,573,187.89 (VAT included). Furthermore, the payment is made in stages according to the progress of the work by the North Sulawesi Provincial Public Works and Spatial Planning (PUPR) Office.

Final Income Tax Withholding on Construction Services. Based on existing regulations, final income tax withholding on construction services can be done in two ways. If the service user is a tax withholder, the withholding is made at the time of payment by the service user or is deducted by CV. Cida has the status of a service provider. The tax withholder here is a government agency, which is a domestic tax subject, a permanent establishment, and or an individual appointed by the Director General of Taxes as an income tax withholder.

Table 1. List of Tax Payments and Withholdings for the Sonder-Tincep-Maruasei Road Section 2 Improvement Project

Date	Payment	Agreement Value (Includes VAT)	Tax base	Value-Added Tax	Final Income Tax (2%) PP No. 40/2009	Final Income Tax (1,75%) PP No. 9/2022
20 October 2021	Advance Installments (15%)	Rp.516.835.978,00	Rp.469.850.890,00	Rp.46.985.089,00	Rp.9.397.017,00	-
1 November 2021	Installment Term 1 – Term 3	Rp.1.059.771.746,00	Rp.963.428.860,00	Rp.96.342.886,00	Rp.19.268.577,00	-
28 December 2021	Installment Term 4 – Term 5	Rp.1.007.572.167,00	Rp.915.974.697,00	Rp.91.597.469,00	Rp.18.319.494,00	-
28 February 2022	Payment Installments (95%)	Rp.689.114.637,00	Rp.620.823.997,00	Rp.68.290.640,00	-	Rp.10.864.420,00
10 March 2022	Installment Payment Retention/Maintenance Guarantee (5%)	Rp.172.278.659,00	Rp.155.206.000,00	Rp.17.072.660,00	-	Rp.2.716.105,00
Total		Rp.3.445.573.187,00	Rp.3.125.284.444,00	Rp.320.288.744,00	Rp.46.985.088,00	Rp.13.580.525,00

Source: Data Processed 2022

Table 2. List of Tax Withholding for the Implementation of Projects that Have Used Government Regulation Number 9 in the Year 2022

Payment Date	Project Name	Gross Revenue	Tax base	Value-Added Tax	Final Income Tax (2%)	Final Income Tax (1,75%)
12 October 2021 s/d 10 March 2022	Improvement of Sonder – Tincep – Maruasei Road Section 2	Rp.3.445.573.187,00	Rp.3.125.284.444,00	Rp.320.288.744,00	Rp.46.985.088,00	Rp.13.580.525,00

Total	Rp.3.445.573.187, 00	Rp.3.125.284.444, 00	Rp.320.288.744, 00	Rp.46.985.088, 00	Rp.13.580.525, 00
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Source: Data Processed 2022

Final Income Tax Deposit on Construction Services. For this Income Tax deposit, if the service user has the status as an Income Tax withholder, CV. Cida as a service provider no longer deposits Income Tax, so the repayment of Income Tax is made through Income Tax withholding by service users whose deposits are made no later than the 10th of the following month after tax withholding is made. Conversely, if the service user does not have the status as an Income Tax withholder, then CV. Cida, as the service provider, is obliged to self-remit the income tax payable no later than the 15th of the following month after receiving payment. Income tax deposits no longer use a Tax Payment Slip (SSP) but have been made through the e-billing system.

Final Income Tax Reporting on Construction Services. Based on existing regulations, after completing all tax obligations, namely, calculation, withholding, and depositing, service users and service providers must submit a Periodic Tax Return no later than 20 days after the month the tax is withheld or payment is received.

Evaluation of Calculation and Withholding of Final Income Tax on Construction Services. Based on the data obtained, the calculation and deduction of final income tax on construction services are in accordance with CV's Construction Services Business License. Cida is included in the small business qualification, with final income tax revenue on construction services subject to a tax rate of 1.75%. This tax rate is stated in Government Regulation Number 9 of 2022. This regulation was promulgated on February 21, 2022. The results showed that payment for the Sonder-Maruasei-Tincep section 2 road improvement project was made gradually along with the project's progress. For advance payments of 15% up to the fifth term payment, a tax rate of 2% is still charged in accordance with Government Regulation Number 40 of 2009. Furthermore, for payments (95%) up to retention/maintenance guarantee payments of (5%), a tax rate of 1.75% has been imposed in accordance with Government Regulation Number 9 of 2022. When adjusted to the current tax regulations, namely Government Regulation No. 9 of 2022 and Minister of Finance Regulation No. 153 / PMK.03 / 2009, it can be said that the calculation and deduction of final income tax on Construction Services at CV.CIDA is in accordance with applicable tax provisions.

Evaluation of Final Income Tax Deposit on Construction Services. After being calculated and deducted, this final income tax will be deposited into the State treasury through the Post Office or a bank appointed by the Minister of Finance. And for CV. Cida itself no longer carries out tax obligations in depositing final income tax because this final income tax deposit has been carried out by the government treasurer or withholding treasurer, who, in this case, has the status of a service user. When adjusted to the current tax regulations, namely the Minister of Finance Regulation Number 153 / PMK.03 / 2009 concerning Procedures for Withholding, Depositing, Reporting, and Administration of Income Tax on Income from Construction Services Business, it can be said that the final income tax payment on Construction Services at CV.Cida is in accordance with applicable tax provisions.

Evaluation of Final Income Tax Reporting on Construction Services. For the reporting of final income tax on construction services at CV.Cida often experiences problems because the service user is often late in providing proof of deduction to be used in reporting, which impacts the delay in reporting final income tax on construction services from CV.Cida. In addition, the company assumes that the final income tax on Construction Services does not need to be reported because this type of tax is final. If adjusted to the tax provisions, namely Minister of Finance Regulation Number 153/PMK.03/2009 concerning Procedures for Withholding, Depositing, Reporting, and Administration of Income Tax on Income from Construction Services Business, then for tax

obligations in terms of reporting final income tax on Construction Services at CV.Cida is not in accordance with applicable tax provisions.

CONCLUSION

Based on the discussion of the research results on the final income tax on construction services at CV.CIDA, it can be concluded that for the imposition of tax rates, calculation, withholding to depositing final income tax on CV.CIDA is in accordance with applicable tax provisions, namely Government Regulation Number 9 of 2022 and Minister of Finance Regulation Number 153 /PMK.03/2009. For the reporting of final income tax on construction services at CV.CIDA often experiences delays because service users are often late in providing documents that will be used to report, namely in the form of proof of deductions. This results in the company experiencing delays and sometimes even not reporting. So it can be said that the final income tax reporting at CV.CIDA is not in accordance with the existing tax provisions, namely the Minister of Finance Regulation Number 153/PMK.03/2009 concerning Procedures for Withholding, Depositing, Reporting and Administration of Income Tax from Construction Services Business.

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