

Analysis Of Tax Implementation On Income In Tax Harmonization Law.

Ratih Ayu Yuniarti

DOI: 10.29322/IJSRP.12.07.2022.p12760
<http://dx.doi.org/10.29322/IJSRP.12.07.2022.p12760>

Paper Received Date: 01st July 2022
Paper Acceptance Date: 15th July 2022
Paper Publication Date: 20th July 2022

Abstract- The HPP Law is the Tax Harmonization Law which is part of the tax reform system with the aim of strengthening the economy and accelerating national development. . In the law there are new tax regulations that are considered more in favor of the interests of the general public. Included in the Tax Harmonization Law are changes to personal income taxes and micro, small and medium enterprises (MSMEs).

Administratively, the Law on the Harmonization of Tax Regulations serves to close gaps in tax regulations that still occur frequently and adapt to the times, one of which is the number of businesses with digital platforms. The Tax Harmonization Law is expected to be part of tax justice, especially in terms of the burden that must be borne by the community, including efforts to strengthen the Micro, Small and Medium Enterprises sector.) on October 7, 2021 ago. Then, President Joko Widodo officially promulgated the Draft Law on the Harmonization of Tax Regulations into Law Number 7 of 2021 on October 29, 2021. This law will take effect in the 2022 fiscal year.

This law also regulates the principles and objectives. The Law on the Harmonization of Tax Regulations is implemented based on the principles of justice, simplicity, efficiency, legal certainty, benefit, and the national interest.

Index Terms- income tax, Law on the Harmonization of Tax Regulations

I. BACKGROUND

Oa. Background of the problem

One of the efforts to realize the independence of the nation (state) in terms of development financing is to explore sources of funds originating from within the country in the form of taxes. Taxes are used to finance development that is useful for the common good. Mardiasmo (2018) states that one of the functions of taxes is for the budget (budgetair), namely taxes are used to finance state expenditures. The expenditure is quite large, especially for state spending, the largest portion of which is personnel expenditure, spending on education, infrastructure development as well as transfers to regions and village funds. According to Yosep Poernomo (2020).

Tax is the dominant source of revenue in the structure of the State Revenue and Expenditure Budget (APBN), which exceeds 80% in the 2018-2020 State Budget and income tax is the largest component of domestic tax revenue among other domestic tax revenues. Although the government targets tax revenues to increase every year, for 2022 tax revenues are targeted at IDR 1,265 trillion, lower than the realization of tax revenues in 2021 amounting to IDR 1,277.5 trillion. to issue tax regulations (policies) that can lead to the achievement of these targets.

Accompanying these reforms, has several important points. In the structural sector, the Law on the Harmonization of Tax Regulations aims to improve the ease of doing business and the investment climate, expand employment opportunities, and accelerate economic growth. In the financial system sector, tax reform is expected to create a financial system that is inclusive, healthy, and able to efficiently serve the dynamics of social economic activity.

Then in the fiscal sector, this reform is expected to improve the quality of state spending for the protection of vulnerable people, be able to provide quality public facilities, and increase the effectiveness of economic growth. Finally, in the state governance sector, tax reform is expected to create a mature democratic system, an efficient and effective bureaucracy, and build constructive government and regional relations.

The Law on Harmonization of Tax Regulations covers General Provisions and Tax Procedures, Income Tax (PPh), Value Added Tax (PPN), Taxpayer Voluntary Disclosure Program, Carbon Tax, to Excise. This law also regulates the principles and objectives. The Law on the Harmonization of Tax Regulations is implemented based on the principles of justice, simplicity, efficiency, legal certainty, benefit, and the national interest.

The purpose of drafting this law is to increase sustainable economic growth and support the acceleration of economic recovery, optimize state revenues to finance national development independently towards a just, prosperous and prosperous Indonesian society, realize a tax system that is more just and legal with certainty, implement administrative reform, consolidated taxation policies, tax expansion, and increasing taxpayer compliance.

The concrete objectives of tax reform through the Law on Harmonization of Tax Regulations are to expand the tax base, increase compliance, strengthen tax administration, and create justice, equality, and legal certainty. In addition, tax reform is also intended to protect the lower middle income community and Micro, Small and Medium Enterprises.

Tax reform needs to be carried out to realize Indonesia as a developed country. This reform is an integral part of the agenda for Structural Reform (Real Sector), Fiscal Reform, Financial System Reform, and State Governance Reform.

The implementation of income tax in the Law on the Harmonization of Tax Regulations is interesting to discuss. The Directorate General of Taxes, as the Indonesian tax authority, can provide solutions to the tax revolution that applies in Indonesia for the future. In this research journal, the author will conduct an analysis of the Implementation of the Harmonization of Tax Regulations on Income Tax Regulations, Comparison of Income Tax Laws based on the Harmonization of Tax Regulations Law, and the government's strategy so that the Income Tax Tax Regulation Harmonization Law can be implemented. well received by taxpayers in the future.

b. Question

The questions in writing this research journal are as follows:

1. How is the Implementation of the Law on Harmonization of Tax Regulations on Income Tax Arrangements?
2. What are the Comparison of Income Tax Laws based on the Law on Harmonization of Tax Regulations?
3. What is the government's strategy so that the Law on Harmonization of Tax Regulations on Income Tax can be well received by taxpayers?

A. THEORETICAL BASIS

a. Definition of Income Tax.

Income Tax (PPh) according to Law No. 17 of 2000 Article 1 is a tax imposed on tax subjects on income received or earned in the tax year. What is meant by tax year in Income Tax Law no. 17 of 2000 is a calendar year, however, taxpayers may use a financial year that is not the same as the calendar year, as long as the financial year covers a period of 12 (twelve) months. Income tax is a direct tax levied by the central government or is a state tax. As a direct tax, the income tax is the responsibility of the taxpayer concerned, in the sense that the income tax may not be delegated to other parties or included in the calculation of the selling price or as a production cost.

b. Types of Subjects and Objects of Income Tax.

1. Income Tax Subject.

The subject of Income Tax is the person or party who is responsible for the income tax received or earned in the tax year or part of the tax year. The subject of income tax means a person who has to pay income tax and is referred to as a taxpayer (WP). The status as a Taxpayer is determined by the way the person concerned first registers with the Tax Service Office (KPP) to obtain a Taxpayer Identification Number (NPWP). Self-registration as a Taxpayer at the Tax Service Office must be in accordance with the domicile area concerned.

Income Tax Subject Type

Referring to the Income Tax Law, the subject of income tax is divided into several types, including:

- 1) Personal Income Tax Subject
 - Domestic Personal Income Tax Subject
 - Foreign Individual Income Tax Subject.
- 2) Undistributed Inheritance Income Tax Subject
- 3) Corporate Income Tax Subject
- 4) Permanent Business Entity Income Tax Subject (BUT)

2. Tax Object.

Included in the Objects of Income Tax are:

Income as a Tax Object

Income Tax Objects in the Income Tax Law are detailed as follows :

- 1) Reimbursement or remuneration in respect of work or services received or obtained including salaries, wages, allowances, honoraria, commissions, bonuses, gratuities, industrial money, or other forms of remuneration, unless otherwise provided for in this law .
- 2) Prizes from sweepstakes or work or activities, and awards
- 3) Operating profit.
- 4) Gains due to sale or transfer of property include:
 - Gains due to transfer of assets to companies, partnerships, and other entities in lieu of shares or equity participation.
 - Gains due to the transfer of assets to shareholders, partners, or members obtained by companies, partnerships and other entities.
 - Gains due to liquidation, merger, consolidation, expansion, split, takeover, or reorganization in any name and form.
 - Gains due to the transfer of assets in the form of grants, assistance, or donations, except for those given to blood relatives in a straight line of one degree and religious bodies, educational bodies, social institutions including industry, cooperatives, or private individuals who run micro and small businesses, the provisions of which are: further regulated by a Regulation of the Minister of Finance, as long as there is no relationship with the business, occupation, ownership, or control between the parties concerned.
 - Gains due to sale or transfer of part or all of mining rights, participation in financing, or capitalization in mining companies.
- 5) Receipt of tax payments that have been charged as fees and additional payment of tax refunds
- 6) Interest includes premiums, discounts, and rewards for guaranteed debt repayments
- 7) Dividends, in any name and form, including dividends from insurance companies to policyholders, and distribution of the remaining operating results of cooperatives.
- 8) Royalties or rewards for exercising rights
- 9) Rent and other income in connection with the use of property
- 10) Receiving or obtaining periodic payments
- 11) Gain due to debt relief, except up to a certain amount stipulated by Government Regulation
- 12) Gain on foreign exchange rate difference
- 13) More difference due to asset revaluation
- 14) Insurance premium
- 15) Contributions received or obtained by the association from its members consisting of Taxpayers who run a business or work independently;
- 16) Additional net assets originating from income that has not been taxed
- 17) Income from industry-based businesses
- 18) Interest payments as referred to in the Law which regulates general provisions and taxation procedures
- 19) Bank Indonesia surplus.

Income Subject to Final Income Tax:

- Income in the form of interest on deposits and other savings, interest on bonds and government bonds, and interest on deposits paid by cooperatives to individual cooperative members
- Income in the form of raffle prizes
- Income from stock and other securities transactions, industrial transactions traded on the exchange, and share sales transactions or transfers of equity participation in partner companies received by venture capital companies
- Income from property transfer transactions in the form of land and/or buildings, construction service businesses, real estate businesses, and land and/or building rentals
- Other certain income regulated by or based on Government Regulation.

c. Changes in Income Tax Rates in the Law on Harmonization of Tax Regulations (UU HPP).

1) Individual Income Tax (PPh)

In the context of Income Tax, the Law on Harmonization of Tax Regulations changes the Income Tax Law, namely Law no. 36 of 2008. Individual income tax is regulated in Article 17 regarding changes in Income Tax rates and the addition of a new bracket. Here's the comparison:

LayerTariff	Income Tax Act	Law on Harmonization of Tax Regulations (HPP)
I	0 - IDR 50 million subject to 5% tariff	0 - IDR 60 million subject to 5% tariff
II	> IDR 50 - 250 million subject to 15% tariff	> IDR 60 -250 million subject to 15% tariff
III	> IDR 250 - 500 million subject to 25% tariff	> IDR 250 - 500 million subject to 25% tariff
IV	> 500 million subject to 30% tariff	> 500 million - 5 billion subject to 30% tariff
V		> IDR 5 billion subject to 35% tariff

2) Natural Income Tax (PPh)

In the Law on the Harmonization of Tax Regulations, there is an additional paragraph regarding grants in kind by employers as employee income which is not included as a tax object. In accordance with article 4 paragraph 1 (d), which are included in the nature of non-tax objects are:

- food, food ingredients, beverage ingredients, and/or drinks for all employees
- nature and/or enjoyment due to assignment in an area
- in kind and/or enjoyment due to necessity in carrying out work, such as uniforms
- in kind and/or enjoyment financed by the State Budget (APBN)/Regional Revenue and Expenditure Budget (APBD)
- in kind and/or with certain types and limitations.

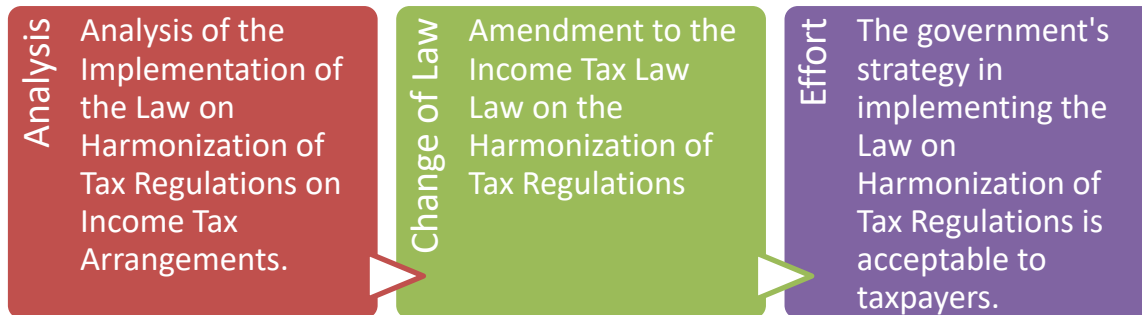
3) Income Tax (PPh) of Individual and Corporate Entrepreneurs

The Law on the Harmonization of Tax Regulations also changes the rules for corporate income tax (regulated in article 17 paragraph 1) and adds to the strengthening of regulations regarding income tax for micro, small and medium enterprises (regulated in article 7 paragraph 1 and 2a).

Taxpayer	Law on General Provisions of Taxation	Law on Harmonization of Tax Regulations
Individual Entrepreneurs (MSMEs)	not set yet (regulated in PP No. 23 of 2018)	final income tax calculation 0.5% rate for a maximum turnover of IDR 500 million is not subject to income tax
Body	Domestic corporate taxpayers and forms permanent business of 28% (twenty eight percent).	Domestic corporate taxpayers and forms fixed business by 22% (twenty two percent) which enters into force in the 2022 tax year.

d. Framework

The framework for writing this research journal. The author will conduct an analysis of the implementation of income tax in the Law on the Harmonization of Tax Regulations. From the results of the analysis of the implementation of income tax in the Law on the Harmonization of Tax Regulations, we will know the changes in income tax policies made by the government in the analysis. Furthermore, the author will try to provide the government's strategy for changes in tax regulation policies for Indonesian taxpayers to face future income tax policy reforms.



Picture
Framework Thought .

B. PROBLEM ANALYSIS

a. Research methods

1. Types of research

Study this is study qualitative .

2. Data collection technique

Technique data collection used in study this is studies bibliography . Writer To do analysis to books , journals scientific , and mass media coverage related Implementation of Income Tax in the HPP Law . Besides To do studies bibliography .

3. Technical Data Analysis

For answer problem research journal , author use technique qualitative data analysis for produce descriptive-analytical data . Analysis this chosen because very flexible and make it easy search for ideas and instruction about situation problem .

b. Discussion and Discussion.

1. Analysis of the Implementation of the Harmonization of Tax Regulations on Tax Regulations on Income

The latest tax regulations related to the types of personal income tax, in the Law on the Harmonization of Tax Regulations, the rates for personal income tax are set and the personal income tax bracket has changed. The latest Tax Law which regulates the personal income tax rate or Article 21 income tax rate is a revision of the income tax law in the Law on the Harmonization of Tax Regulations. Changes in personal income tax rates and layers in this Law on the Harmonization of Tax Regulations can make the calculation of Article 21 Personal income tax lower than when still using the calculation according to the Personal income tax rate in the Law on Harmonization of Tax Regulations.

Provisions regarding nature in the Tax Regulation Harmonization Law group are also regulated again in the Tax Regulation Harmonization Law. There are several meanings of Natura, as according to the Big Indonesian Dictionary (KBBI), the notion of Natura is actual goods and not in the form of money.

Meanwhile, according to the Circular Letter of the Director General of Taxes Number SE-03/PJ.03/1984, enjoyment in kind is any remuneration received or obtained by an employee, employee, or female employee and/or her family not in the form of money from the employer. Regarding the imposition of taxes on in-kind, in the Law on the Harmonization of Tax Regulations which regulates personal income taxes, it is stated that in-kind grants to employees can be paid for by the employer and is income for the employee. Meanwhile, certain Natura do not constitute income for the recipient, including:

- Provision of food/drink for all employees
- Nature in certain areas
- In nature due to work requirements, for example: work safety equipment or uniforms

- Natura sourced from APBN/APBD
- Nature with certain types and limitations

Individual entrepreneur income tax (MSME) is a change in the final tax rate from 0.5% (PP No.23/2018) to 0% or not subject to tax for a year's gross turnover of up to IDR 500 million Income tax for small and medium businesses with a turnover certain income tax is imposed in accordance with PP No. 23/2018 (Micro, Small and Medium Enterprises tax). In the Law on the Harmonization of Tax Regulations, provisions in the Income Tax Law are also regulated regarding Personal Entrepreneur taxpayers who are exempt from the imposition of income tax by stipulating that a gross turnover of up to Rp. 500,000,000 per year is not subject to income tax. With the existence of a gross turnover limit (similar to non-taxable income (PTKP) for individual taxpayers as employees) which is not subject to this income tax, this means that SMEs or individual taxpayers with income above the gross turnover limit are not subject to income tax, the amount of income tax paid will be smaller.

Latest Corporate Income Tax Rates in the Law on Harmonization of Tax Regulations. corporate income tax, namely there is a change in the rate for 2022 from 20% Back to 22%. As for the personal income tax, it is the Individual Tariff in the form of Changes in the layer of tax rates of Article 17 paragraph (1) letter a of the Income Tax Law Number 36 of 2008.

2. Comparison of Income Tax Laws based on the Law on Harmonization of Tax Regulations.

Law on the Harmonization of Consolidated Tax Regulations after the Job Creation Act	Law on Harmonization of Tax Regulations	Information
Article 4 (1) letter a : a. compensation or remuneration in respect of work or services received or obtained including salaries, wages, allowances, honoraria, commissions, bonuses, gratuities, pensions, or other forms of remuneration, unless otherwise provided for in this Law;	Article 4 (1) letter a : a. replacement or remuneration in connection with work or services received or obtained including salaries, wages, allowances, honoraria, commissions, bonuses, gratuities, pensions, or other forms of remuneration including in-kind and/or enjoyment, unless otherwise provided for in this Law.	Change
Article 4 (1) letter d No 4: 4. gains due to the transfer of assets in the form of grants, assistance, or donations, except for those given to blood relatives in a straight line of one degree and religious bodies, educational bodies, social institutions including foundations, cooperatives, or private individuals who run micro and small businesses, the provisions of which will be further regulated by a Regulation of the Minister of Finance, as long as there is no relationship with business, employment, ownership, or control between the parties concerned; and	Article 4 (1) letter d No 4: 4. gains due to the transfer of assets in the form of grants, assistance, or donations, except for those given to blood relatives in a straight line of one degree and religious bodies, educational bodies, social institutions including foundations, cooperatives, or private individuals who run micro and small businesses, as long as there is no relationship with business, employment, ownership, or control between the parties concerned; and	Change
Article 4 (1a): a. have certain skills; and	Article 4 (1a): a. have certain expertise in accordance with the provisions of the legislation ; and	Change
Article 4 (1d): Further provisions regarding certain skill criteria and procedures for imposing Income Tax for foreign nationals as referred to in paragraph (1a) shall be regulated in a Regulation of the Minister of Finance.	Article 4 (1d): 1d) Deleted.	Change
Article 4 (2) letter a :	Article 4 (2) letter a :	Change

<p>a. income in the form of interest on deposits and other savings, interest on bonds and state debt securities, and interest on deposits paid by cooperatives to individual cooperative members;</p>	<p>a. income in the form of interest on deposits and other savings, interest on bonds and government bonds, interest or discount on short-term securities traded on the money market, and interest on deposits paid by cooperatives to individual cooperative members;</p>	
<p>Article 4 (2) letter e: other certain income</p>	<p>Article 4 (2) letter e: other certain income, including income from business received or earned by the Taxpayer which has a certain gross turnover,</p>	<p>Change</p>
<p>Article 4 (3) letter a no. 1 & 2 : What is excluded from the tax object are: a. 1. assistance or donations, including zakat received by amil zakat bodies or amil zakat institutions established or approved by the government and received by entitled zakat recipients or religious contributions that are mandatory for believers recognized in Indonesia, received by the institution religions established or approved by the government and received by eligible recipients, the provisions of which are regulated by or based on Government Regulations; and 2. grant property received by blood relatives in a straight line of one degree, religious bodies, educational bodies, social bodies including foundations, cooperatives, or individuals running micro and small businesses, the provisions of which are regulated by or based on a Regulation of the Minister of Finance</p>	<p>Article 4 (3) letter a no. 1 & 2: Exempt from tax objects are: a. 1. assistance or donations, including zakat, infak, and alms received by amil zakat bodies or amil zakat institutions established or approved by the government and received by entitled zakat recipients or religious contributions that are mandatory for recognized religions in Indonesia , received by religious institutions established or authorized by the government and received by eligible recipients of donations, the provisions of which are regulated by or based on Government Regulations; and 2. grant property received by blood relatives in a straight line of descent of one degree, religious bodies, educational bodies, social bodies including foundations, cooperatives, or private persons running micro and small businesses,</p>	<p>Changes</p>
<p>Article 4 (3) letter d: compensation or compensation in connection with work or services received or obtained in kind and/or enjoyment from the Taxpayer or the Government, except for those given by non-Taxpayers, Taxpayers who are subject to final tax or Taxpayers who use special calculation norms (deemed profit) as referred to in Article 15;</p>	<p>Article 4 (3) letter d : reimbursement or remuneration in connection with work or services received or obtained nature and/or enjoyment, including: 1. food, food ingredients, beverage ingredients, and/or drinks for all employees; 2. in kind and/or enjoyment provided at certain areas; 3. nature and/or pleasure that must be provided by the giver work in the execution of work; 4. in kind and/or enjoyment sourced or financed by the State Revenue and Expenditure Budget, Regional Revenue and Expenditure Budget, and/or Village Revenue and Expenditure Budget; or 5. in kind and/or enjoyment with certain types and/or limitations;</p>	<p>Change</p>

<p>Article 4 (3) letter f no.10 : further provisions regarding: a) certain criteria, procedures and time period for investment as referred to in number 1, number 2, and number 7; b) procedures for exemption from the imposition of income tax as referred to in number 1, number 2, and number 7; and c) changes to the limit of dividends invested as referred to in number 4 and number 5, regulated in the Regulation of the Minister of Finance;</p>	<p>Article 3 letter f no.10 : deleted;</p>	<p>Change</p>
<p>Article 4 (3) letters g and h: g. contributions received or obtained by a pension fund whose establishment has been approved by the Minister of Finance, whether paid by the employer or employee; h. income from the capital invested by the pension fund as referred to in letter g, in certain fields stipulated by the Decree of the Minister of Finance;</p>	<p>Article 4 (3) letters g and h: g. contributions received or obtained by a pension fund whose establishment has been approved by the Financial Services Authority, whether paid by the employer or employee; h. income from the capital invested by the pension fund as referred to in letter g, in certain fields;</p>	<p>Change</p>
<p>Article 4 (3) letter k no. 1: 1. is a micro, small, medium-sized company, or which carries out activities in business sectors regulated by or based on a Regulation of the Minister of Finance; and</p>	<p>Article 4 (3) letter k no. 1: 1. is a micro, small and medium company, or which carries out activities in business sectors regulated by or based on a Regulation of the Minister of Finance; and</p>	<p>Change</p>
<p>Article 4 (3) letter l : l. scholarships that meet certain requirements whose provisions will be further regulated by or based on a Regulation of the Minister of Finance;</p>	<p>Article 4 (3) letter l : l. scholarships that meet certain requirements;</p>	<p>Change</p>
<p>Article 4 (3) letters m, n, o, p : m. the excess that is received or obtained by a non-profit agency or institution engaged in education and/or research and development, which has been registered with the agency in charge of it, is reinvested in the form of facilities and infrastructure for educational and/or research and development activities, within a short period of time. not later than 4 (four) years since the excess is obtained, the provisions of which are further regulated by or based on the Regulation of the Minister of Finance; n. assistance or compensation paid by the Social Security Administering Body to certain Taxpayers, the provisions of which are further regulated by or based on a Ministerial Regulation</p>	<p>Article 4 (3) letters m, n, o, p : m. the excess that is received or obtained by a non-profit agency or institution engaged in education and/or research and development, which has been registered with the agency in charge of it, is reinvested in the form of facilities and infrastructure for educational and/or research and development activities, within a short period of time. a maximum period of 4 (four) years since the excess is obtained; n. assistance or compensation paid by the Social Security Administrative Body to certain Taxpayers ; o. funds for the deposit of Hajj Organizing Fees (BPIH) and/or special BPIH, and income from the development of Hajj finance in certain financial fields or instruments, received by the Hajj Financial Management Agency (BPKH); and</p>	<p>Change</p>

<p>Finance; o. funds for the deposit of the Hajj Organizing Fee (BPIH) and/or special BPIH, and income from the development of Hajj finance in certain financial fields or instruments, are received by the Hajj Financial Management Agency (BPKH) whose provisions are regulated by or based on a Ministerial Regulation Finance; and p. surplus received/obtained by social and religious bodies or institutions registered with the agency in charge of them, which is reinvested in the form of social and religious facilities and infrastructure within a maximum period of 4 (four) years from the receipt of said excess, or placed as funds perpetual, whose provisions are further regulated by or based on the Regulation of the Minister of Finance. not later than 4 (four) years since the excess is obtained, or placed as an endowment fund, the provisions of which are further regulated by or based on the Regulation of the Minister of Finance.</p>	<p>p. surplus received/obtained by a social and /or religious agency or institution registered with the agency in charge of it, which is reinvested in the form of social and religious facilities and infrastructure within a maximum period of 4 (four) years from the date the excess was obtained, or placed as an endowment .</p>	
<p>Article 6 (1) letter a no 7 : 7. promotion and sales costs regulated by or based on a Regulation of the Minister of Finance;</p>	<p>Article 6 (1) letter a no 7 : 7. promotion and sales costs ;</p>	<p>Change</p>
<p>Article 6 (1) letter c : c. contributions to pension funds whose establishment has been approved by the Minister of Finance;</p>	<p>Article 6 (1) letter c : c. contributions to pension funds whose establishment has been approved by the Financial Services Authority;</p>	<p>Change</p>
<p>Article 6 (1) letter h no. 4: h. receivables that clearly cannot be collected on the following conditions: 4. the conditions as referred to in number 3 do not apply to the write-off of bad debts from small debtors as referred to in Article 4 paragraph (1) letter k; whose implementation is further regulated by or based on a Regulation of the Minister of Finance;</p>	<p>Article 6 (1) letter h no. 4: 4. the conditions as referred to in number 3 do not apply to the write-off of bad debts from small debtors as referred to in Article 4 paragraph (1) letter k;</p>	<p>Change</p>
<p>Article 6 (1) letter l, m, : l. donation of educational facilities whose provisions are regulated by a Government Regulation; and m. donations in the framework of sports development whose provisions are regulated by Government Regulations.</p>	<p>Article 6 (1) letter l, m, n : l. donation of educational facilities whose provisions are regulated by a Government Regulation; m. donations in the framework of sports development whose provisions are regulated by Government Regulations; and n. replacement costs or benefits provided in kind and/or enjoyment.</p>	<p>Change Addition</p>
<p>Article 7 (1) : Non-Taxable Income per year is given at least slightly as big as:</p>	<p>Article 7 (1) : Non-Taxable Income per year is given at least:</p>	<p>Change</p>

<p>a. Rp.15,840,000.00 (fifteen million eight hundred and forty thousand rupiah) for an individual Taxpayer; b. IDR 1,320,000.00 (one million three hundred and twenty thousand rupiahs) additional for married Taxpayers; c. Rp15,840,000.00 (fifteen million eight hundred and forty thousand rupiahs) additional for a wife whose income is combined with the husband's income as referred to in Article 8 paragraph (1); and d. IDR 1,320,000.00 (one million three hundred and twenty thousand rupiahs) additional for each blood family member and family by marriage in a straight line and adopted children, who are fully dependent, for a maximum of 3 (three) person for each family.</p>	<p>a. Rp54,000,000.00 (fifty-four million rupiah) for an individual Taxpayer; b. IDR 4,500,000.00 (four million five hundred thousand rupiahs) additional for married Taxpayers; c. IDR 54,000,000.00 (fifty four million rupiahs) additional for a wife whose income is combined with the husband's income as referred to in Article 8 paragraph (1); and d. IDR 4,500,000.00 (four million five hundred thousand rupiahs) additional for each blood family member and family by marriage in a straight line as well as adopted children, who are fully dependent, for a maximum of 3 (three) people every family.</p>	
<p>Article 7 (2a): There isn't any</p>	<p>Article 7 (2a): (2a) Individual Taxpayers who have a certain gross turnover as referred to in Article 4 paragraph (2) letter e are not subject to Income Tax on the share of gross turnover up to Rp. 500,000,000.00 (five hundred million rupiahs) in 1 (one) year tax.</p>	Addition
<p>Article 7 (3) : The adjustment of the amount of Non-Taxable Income as referred to in paragraph (1) shall be stipulated by a Regulation of the Minister of Finance after consultation with the House of Representatives.</p>	<p>Article 7 (3) : Size adjustment: a. Non-Taxable Income as referred to in paragraph (1); and b. The limit on gross turnover is not subject to Income Tax as referred to in paragraph (2a), determined by a Regulation of the Minister of Finance after consultation with the House of Representatives of the Republic of Indonesia.</p>	Change
<p>Article 9 (1) letter c no. 1 and 6: c. formation or accumulation of reserve funds, except: 1. reserve for bad debts for businesses of banks and other business entities that provide credit, leases with option rights, consumer finance companies, and factoring companies; 6. reserve costs for closing and maintaining industrial waste disposal sites for industrial waste treatment businesses,</p>	<p>Article 9 (1) letter c no. 1 and 6: c. formation or accumulation of reserve funds, except: 1. reserve for bad debts for businesses of banks and other business entities that provide credit, leases with option rights, consumer finance companies, and factoring companies calculated based on applicable financial accounting standards with certain limits after coordinating with the Financial Services Authority; 6. reserve costs for closing and maintaining industrial waste disposal sites for industrial waste treatment businesses, that meet certain requirements;</p>	Change
<p>Article 9 (1) letters d and e: d. health insurance premiums, accident insurance, life insurance, endowment insurance, and scholarship insurance, which are paid by individual taxpayers, unless paid by the employer and premiums</p>	<p>Article 9 (1) letters d and e: d. premiums for health insurance, accident insurance, life insurance, endowment insurance, and scholarship insurance , which are paid by individual taxpayers, unless paid by the employer and</p>	Change

<p>it is calculated as income for the relevant Taxpayer; e. replacement 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 to the implementation of work regulated by or based on regulations. Minister of Finance;</p>	<p>the premium is calculated as income for the relevant Taxpayer; e. deleted;</p>	<p>Change</p>
<p>Article 9 (1) letter k : k. administrative sanctions in the form of interest, fines, and increases as well as criminal sanctions in the form of fines relating to the implementation of legislation. invitation in the field of taxation.</p>	<p>Article 9 (1) letter k : k. administrative sanctions in the form of interest, fines, and increases as well as criminal sanctions in the form of fines relating to the implementation of the provisions of laws and regulations in the field of taxation.</p>	<p>Change</p>
<p>Article 11 (6a): There isn't any</p>	<p>Article 11 (6a): (6a) If the permanent building as referred to in paragraph (6) has a useful life of more than 20 (twenty) years, the depreciation as referred to in paragraph (1) shall be carried out in equal parts, in accordance with the useful life as referred to in paragraph (1). (6) or according to the actual useful life based on the Taxpayer's books.</p>	<p>Addition</p>
<p>Article 11 (7) : Further provisions regarding depreciation on tangible assets owned and used in certain business fields shall be regulated by a Ministerial Regulation Finance.</p>	<p>Article 11 (7) : Shrinkage on tangible assets owned and used in certain business fields can be regulated separately .</p>	<p>Change</p>
<p>Article 11 (11) : Further provisions regarding the group of tangible assets according to the useful life as referred to in paragraph (6) shall be regulated by a Ministerial Regulation Finance</p>	<p>Article 11 (11) : Removed</p>	<p>Change</p>
<p>Article 11 (1a): Amortization begins in the month the expenditure is made, except for certain business fields which are further regulated by a Regulation of the Minister of Finance.</p>	<p>Article 11 (1a): Amortization begins in the month the expenditure is made, except for certain business fields .</p>	<p>Change</p>
<p>Article 11 (2a): There isn't any</p>	<p>Article 11 (2a): (2a) If the intangible assets as referred to in paragraph (2) have a useful life exceeding 20 (twenty) years, the amortization as referred to in paragraph (1) is carried out in accordance with the useful life as referred to in paragraph (2) for group intangible assets. 4 or according to the useful life which is actually based on the Taxpayer's books.</p>	<p>Addition</p>

<p>Article 17 (1) letters a and b: a. Domestic individual taxpayers are as follows:</p> <table border="1" data-bbox="261 243 678 1045"> <thead> <tr> <th>Layers of Taxable Income</th> <th>Rates Tax</th> </tr> </thead> <tbody> <tr> <td>up to Rp.50,000,000.00 (fifty million rupiah)</td> <td>5%</td> </tr> <tr> <td>above Rp.50,000,000.00 (fifty million rupiah) up to Rp.250,000,000.00 (two hundred and fifty million rupiah) million rupiah)</td> <td>15%</td> </tr> <tr> <td>above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)</td> <td>25%</td> </tr> <tr> <td>above IDR 500,000,000.00 (five hundred million rupiah)</td> <td>30%</td> </tr> </tbody> </table> <p>b. Domestic corporate taxpayers and permanent establishments are 28% (twenty eight percent).</p>	Layers of Taxable Income	Rates Tax	up to Rp.50,000,000.00 (fifty million rupiah)	5%	above Rp.50,000,000.00 (fifty million rupiah) up to Rp.250,000,000.00 (two hundred and fifty million rupiah) million rupiah)	15%	above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)	25%	above IDR 500,000,000.00 (five hundred million rupiah)	30%	<p>Article 17 (1) letters a and b: a. Domestic individual taxpayers are as follows:</p> <table border="1" data-bbox="711 243 1166 926"> <thead> <tr> <th>Layers of Taxable Income</th> <th>Rates Tax</th> </tr> </thead> <tbody> <tr> <td>up to Rp 60,000,000.00 (sixty million rupiah)</td> <td>5%</td> </tr> <tr> <td>above IDR 60,000,000.00 (sixty million rupiah) up to IDR 250,000,000.00 (two hundred and fifty million rupiahs) million rupiah)</td> <td>15%</td> </tr> <tr> <td>above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)</td> <td>25%</td> </tr> <tr> <td>above IDR 500,000,000.00 (five hundred million rupiah) up to Rp5,000,000,000.00 (five billion rupiah)</td> <td>30%</td> </tr> <tr> <td>above IDR 5,000,000,000.00 (five billion rupiah)</td> <td>35%</td> </tr> </tbody> </table> <p>b. Domestic corporate taxpayers and permanent establishments of 22% (twenty two percent) which will come into effect in the fiscal year 2022 .</p>	Layers of Taxable Income	Rates Tax	up to Rp 60,000,000.00 (sixty million rupiah)	5%	above IDR 60,000,000.00 (sixty million rupiah) up to IDR 250,000,000.00 (two hundred and fifty million rupiahs) million rupiah)	15%	above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)	25%	above IDR 500,000,000.00 (five hundred million rupiah) up to Rp5,000,000,000.00 (five billion rupiah)	30%	above IDR 5,000,000,000.00 (five billion rupiah)	35%	<p>Change</p>
Layers of Taxable Income	Rates Tax																							
up to Rp.50,000,000.00 (fifty million rupiah)	5%																							
above Rp.50,000,000.00 (fifty million rupiah) up to Rp.250,000,000.00 (two hundred and fifty million rupiah) million rupiah)	15%																							
above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)	25%																							
above IDR 500,000,000.00 (five hundred million rupiah)	30%																							
Layers of Taxable Income	Rates Tax																							
up to Rp 60,000,000.00 (sixty million rupiah)	5%																							
above IDR 60,000,000.00 (sixty million rupiah) up to IDR 250,000,000.00 (two hundred and fifty million rupiahs) million rupiah)	15%																							
above Rp.250,000,000.00 (two hundred and fifty million rupiah) up to Rp.500,000,000.00 (five hundred million rupiah)	25%																							
above IDR 500,000,000.00 (five hundred million rupiah) up to Rp5,000,000,000.00 (five billion rupiah)	30%																							
above IDR 5,000,000,000.00 (five billion rupiah)	35%																							
<p>Article 17 (2) and (2a), (2b): (2) The highest tariff as referred to in paragraph (1) letter a may be reduced to a minimum of 25% (twenty five percent) which is regulated by a Government Regulation. (2a) The rate as referred to in paragraph (1) letter b will be 25% (twenty five percent) which will come into effect since the 2010 fiscal year. (2b) Domestic corporate taxpayers in the form of a public company that are at least 40% (forty percent) of the total number of paid-up shares traded on the stock exchange in Indonesia and fulfill certain other requirements may receive a rate of 5% (five percent) more lower than the tariff as referred to in paragraph (1) letter b and paragraph (2a) which is regulated by or based on a Government Regulation.</p>	<p>Article 17 (2) and (2a): (2) The tariff as referred to in paragraph (1) letter a can be changed by a Government Regulation after being submitted by the government to the House of Representatives of the Republic of Indonesia to be discussed and agreed upon in the preparation of the Draft State Revenue and Expenditure Budget. (2a) deleted (2b) Domestic corporate taxpayers: a. in the form of a public company; b. with the total number of paid-up shares traded on the stock exchange in Indonesia at least 40% (forty percent); and c. meet certain requirements, may obtain a tariff of 3% (three percent) lower than the tariff as referred to in paragraph (1) letter b .</p>	<p>Change</p>																						
<p>Article 17 (2e): There isn't any</p>	<p>Article 17 (2e): Further provisions regarding certain requirements</p>	<p>Addition</p>																						

	as referred to in paragraph (2b) letter c shall be regulated by or based on a Government Regulation.	
Article 17 (3) : The amount of the layer of Taxable Income as referred to in paragraph (1) letter a can be changed by: Decree of the Minister of Finance.	Article 17 (3) : The amount of the layer of Taxable Income as referred to in paragraph (1) letter a can be changed by: Minister of Finance Regulation .	Change
Article 18 (1) : The Minister of Finance has the authority to issue a decision regarding the ratio between debt and company capital for the purpose of calculating taxes under this Act.	Article 18 (1) : The Minister of Finance has the authority to set limits on the amount of borrowing costs which can be charged for the purposes of calculating taxes based on this Law.	Change
Article 18 (3e): Implementation of the provisions as referred to in paragraph (3b), paragraph (3c), and paragraph (3d) shall be further regulated by or based on a Regulation of the Minister of Finance.	Article 18 (3e): Removed	Change
Article 32A : The government is authorized to enter into agreements with the governments of other countries in the context of avoiding double taxation and preventing tax evasion.	Article 32A : The government is authorized to form and/or implement agreements and/or agreements in the field of taxation with the governments of partner countries or partner jurisdictions, both bilaterally and multilaterally in the context of: a. avoidance of double taxation and prevention of tax evasion; b. prevention of erosion of the taxation base and shifting of profits; c. exchange of tax information; d. tax collection assistance; and e. other tax cooperation.	Change
CHAPTER VIIA DELEGATION OF AUTHORITY : Article 32C There isn't any	CHAPTER VIIA DELEGATION OF AUTHORITY: Article 32C Further provisions regarding: a. income in the form of gains due to the transfer of assets in the form of grants, assistance, or donations that are excluded from the object of taxation because they are given to blood relatives in a straight line of one degree and religious bodies, educational bodies, social institutions including foundations, cooperatives, or individuals who run micro-enterprises and small, as long as there is no relationship with business, work, ownership, or control between the parties concerned as referred to in Article 4 paragraph (1) letter d number 4; b. certain skill criteria and the imposition of Income Tax for foreign nationals as follows: referred to in Article 4 paragraph (1a);	addition

	<p>c. donated assets received by blood relatives in a straight line of one degree, religious bodies, educational bodies, social institutions including foundations, cooperatives, or private individuals who run micro and small businesses, as long as they are not related to business, work, ownership, or control between the parties concerned, who are excluded from the tax object as intended in Article 4 paragraph (3) letter a number 2;</p> <p>d. replacement or remuneration in connection with work or services received or obtained in kind and/or enjoyment that is excluded from the tax object as referred to in Article 4 paragraph (3) letter d;</p> <p>e. criteria, period, and changes to the limits on dividends invested, as well as provisions for exemption from Income Tax on dividends or other income as referred to in Article 4 paragraph (3) letter f;</p> <p>f. income from investment in certain fields received by the pension fund, which is excluded from the tax object as intended in Article 4 paragraph (3) letter h;</p> <p>g. scholarships that meet certain requirements that are excluded from the tax object as intended in Article 4 paragraph (3) letter l;</p> <p>h. the excess that is received or obtained by a non-profit agency or institution engaged in education and/or research and development, which is excluded from the tax object as intended in Article 4 paragraph (3) letter m;</p> <p>i. assistance or compensation paid by the Social Security Administering Body to certain Taxpayers, which are excluded from the tax object as follows: referred to in Article 4 paragraph (3) letter n;</p> <p>j. deposit funds for Hajj Organizing Fees (BPIH) and/or special BPIH, and income from the development of Hajj finance in certain financial fields or instruments received by the Hajj Financial Management Agency (BPKH), which are excluded from the tax object as referred to in Article 4 paragraph (3) letter o;</p> <p>k. the excess that is received/obtained by social and religious bodies or institutions, which is excluded from the tax object as referred to in Article 4 paragraph (3) letter p;</p>	
--	---	--

	<p>l. promotion and sales expenses which can be deducted from gross income as referred to in Article 6 paragraph (1) letter a number 7;</p> <p>m. receivables that are clearly uncollectible which can be deducted from gross income as referred to in Article 6 paragraph (1) letter h;</p> <p>n. replacement cost or compensation provided in kind and/or enjoyment which can be deducted from gross income as referred to in paragraph (1) referred to in Article 6 paragraph (1) letter n;</p> <p>o. the formation or accumulation of reserve funds that can be deducted from gross income as referred to in Article 9 paragraph (1) letter c;</p> <p>p. group of tangible assets, useful lives, and calculation of depreciation as referred to in Article 11 paragraph (6) and paragraph (6a);</p> <p>q. depreciation on tangible assets owned and used in certain business fields as referred to in Article 11 paragraph (7);</p> <p>r. at the commencement of amortization for certain business fields as referred to in Article 11A paragraph (1a);</p> <p>s. calculation of amortization as referred to in Article 11A paragraph (2) and paragraph (2a);</p> <p>t. limit on the amount of borrowing fees that can be charged for the purposes of calculating taxes as referred to in Article 18 paragraph (1);</p> <p>u. determination of the time when dividends are obtained by a resident Taxpayer for equity participation in a foreign business entity other than the business entity that sells its shares in stock exchange as referred to in Article 18 paragraph (2);</p> <p>v. application of the principle of fairness and business practice in the context of calculating the amount of Taxable Income for Taxpayers who have a special relationship with other Taxpayers as referred to in paragraph (1) referred to in Article 18 paragraph (3);</p> <p>w. implementation of the agreement to establish transaction prices between parties who have a special relationship as referred to in Article 18 paragraph (3a);</p> <p>x. determination of the party who actually purchases the company's shares or</p>	
--	--	--

	<p>assets through another party or an entity formed for such a purpose (special purpose company) as referred to in Article 18 paragraphs (3b);</p> <p>y. stipulation on the sale of the transfer of shares of an entity established or domiciled in Indonesia or a permanent establishment in Indonesia as referred to in Article 18 paragraph (3c);</p> <p>z. re-determination of the amount of income earned by a domestic individual Taxpayer from an employer who has a special relationship with another company that is not established and is not located position in Indonesia as referred to in Article 18 paragraph (3d);</p> <p>a A. special relationship criteria as intended in Article 18 paragraph (4);</p> <p>bb. the formation and/or implementation of the agreement and/or agreement in the field of taxation as referred to in Article 32A, regulated by or based on a Government Regulation.</p>	
--	---	--

3. The government's strategy is to ensure that the Law on the Harmonization of Tax Regulations on Income Tax can be well received by taxpayers.

The reform strategy adopted through the Law on the Harmonization of Tax Regulations is so that the implementation of this policy regulation can be accepted by government taxpayers through several things, namely:

- strengthen tax administration General Provisions and Tax Procedures (KUP),
- taxpayer voluntary disclosure program Voluntary Disclosure Program (PPS),
- and expansion of the tax base aimed at creating justice and equity through policy improvements in Income Tax, Value Added Tax, excise duty and the introduction of a carbon tax.
- Realizing a Fair and Legal Taxation System
- Increasing the tax ratio in a sustainable manner as a driver of resilience (APBN) is due to an increase in spending productivity.
- Provide counseling to taxpayers.

C. CONCLUSION

As for things that can concluded from paper this is as following :

1. The Law on Harmonization of Tax Regulations is the Law on Tax Harmonization which is part of the tax reform system with the aim of strengthening the economy and accelerating national development.
2. The Law on Harmonization of Tax Regulations serves to close gaps in tax regulations that still often occur and adapt to the times, one of which is the number of businesses with digital platforms.
3. Income Tax (PPh) according to Law No. 17 of 2000 Article 1 is a tax imposed on tax subjects on income received or earned in the tax year.
4. The subject of income tax is the person or party who is responsible for the income tax received or earned in the tax year or part of the tax year
5. Tax objects are divided into 2, namely: Income as a tax object and Income Subject to Final PPh
6. The Law on Harmonization of Tax Regulations amends the Income Tax Law (PPh), namely Law no. 36 of 2008. Individual income tax is regulated in Article 17 related to changes in income tax rates and the addition of a new bracket.

7. In the Law on the Harmonization of Tax Regulations, there is an additional paragraph regarding grants in kind by employers as employee income which is not included as a tax object. In accordance with article 4 paragraph 1 (d) which is included in nature and is not a tax object
8. The Law on Harmonization of Tax Regulations, amends corporate Income Tax (PPh) regulations (regulated in Article 17 paragraph 1) and adds strengthening of regulations regarding Income Tax (PPh) for Micro, Small and Medium Enterprises (regulated in Article 7 paragraphs 1 and 2a).
9. The Directorate General of Taxes expands the tax base with the aim of creating justice and equality through policy improvements in Income Tax

The Directorate General of Taxes implements a Fair and Legal Taxation System

REFERENCES

- [1] <https://www.online-pajak.com/seputar-pajakpay/poin-penting-uu-hpp>
- [2] <https://www.pajakku.com/read/61679de64c0e791c3760b892/Come-Simak-Perubahan-UU-KUP-dalam-UU-HPP->
- [3] <https://economy.okezone.com/read/2021/10/08/320/2483130/latar-back-dan-unjuk-uu-perpajakan-yang-jadi-tonggak-sejarah?page=2>
- [4] <https://proconsult.id/pajak/uu-hpp/#:~:text=UU%20HPP%20is%20part%20dari%20, happened%20dua%20tahun%20later%20ini> .
- [5] 1097-Article Text-4853-1-10-20220124.pdf
- [6] Matrix_Persandingan_UU_HPP_PPh_DDTC .pdf
- [7] Article 17 paragraph (1) letter a Tax Law Income Number 36 of 2008.
- [8] UU no. 36 of 2008 concerning income tax .

AUTHORS

First Author – Ratih Ayu Yuniarti (BC211120005)