



# Comparison of Income Tax Calculations for Individual Taxpayers with PKP of More Than 5 Billion Based on Law Number 36 of 2008 and Law Number 7 of 2021

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## Abstract

This study aims to compare and analyze the calculation of income tax for Individual Taxpayers (WPOP) who have Taxable Income (PKP) of more than IDR 5 billion before the HPP Law was enforced, namely based on Law No. 36 of 2008 and after the HPP Law was enforced. The method used in this study is a qualitative descriptive method with data collection techniques using literature and then analyzed based on calculation analysis. The results of the study show that for individual taxpayers with PKP of more than IDR 5 billion, the tax burden paid is higher under the HPP Law compared to the PPh Law. The application of the HPP Law is in accordance with the principle of justice, namely that taxes are imposed according to the ability of the taxpayer. The higher the income, the higher the tax that must be paid.

## 1. INTRODUCTION

The source of state revenue which is one of the government's main targets is taxes (Putri & Aslami, 2022). In UU KUP (General Provisions and Procedures for Taxation) Number 28 of 2017 Article 1 paragraph 1, it is stated that taxes are a mandatory contribution of every citizen to the state which is coercive by not getting compensation directly and is used for the prosperity of the people. Taxes are channeled to finance development that benefits the common interest (Pramudita & Okfitasari, 2022). Every citizen who meets the criteria as a tax subject and object is said to be a taxpayer ([pajakonline.com](http://pajakonline.com)). Quoted from the [Tax.go.id](http://Tax.go.id) page, a Taxpayer is an individual or entity that pays, withholds, and collects taxes that has tax rights and obligations based on the provisions of the tax law. Thus, broadly speaking, taxpayers are divided into two, namely individual taxpayers (WPOP) and corporate taxpayers.

The object of tax imposed on individual taxpayers and corporate taxpayers is income. An income earned by a taxpayer in a tax year that fulfills the requirements as a tax subject

and object will be subject to income tax (PPh). This tax is a subjective tax, where the collection takes into account the ability of the taxpayer (Kusbiantoro, 2020). The basis for calculating income tax is in the form of a tax rate applied to Taxable Income (PKP).

Further guidelines regarding this income tax rate have been regulated by the government in Law Number 36 of 2008. Government policy regarding income tax has undergone four changes with Law Number 36 of 2008 as the last amendment. Renewal of the Law which is a tax regulation is carried out continuously in accordance with the economic, social and technological developments of society so that it can become a strong foundation in fair and equitable tax collection (Soerjatno, 2022).

In 2021, the government issued the latest tax law, namely Law Number 7 of 2021 concerning Harmonization of Tax Regulations (HPP) which will take effect in the 2022 tax year. This regulation aims to optimize state revenues to finance national development and increase sustainable economic growth towards a just, prosperous, prosperous society, as well



as a society that creates a more legal and just tax system (Nurillah & Andini, 2022). One of the changes in the HPP Law is regarding the income tax rate (PPh) for Individual Taxpayers (WPOP), which was previously regulated in Article 17 of Law Number 36 of 2008. The HPP Law also includes an additional layer (bracket) of Taxable Income (PKP ) For new companies, namely the 5th layer with a PKP amount of more than IDR 5 billion, a 35% rate is imposed.

Based on the above, this study aims to compare and analyze the calculation of income tax for individual taxpayers who have PKP of more than IDR 5 billion before the enactment of the HPP Law, namely based on Law Number 36 of 2008 and after the HPP Law was enacted. This research was conducted to find out whether after the enactment of the latest law, individual taxpayers with PKP of more than IDR 5 billion will have a higher, equal, or lower tax burden compared to the previous income tax law.

## 2. LITERATURE REVIEW

### 2.1 Income Tax (PPh)

According to Mardiasmo (2019), income tax is a tax imposed on individuals, entities or other companies that are declared as tax subjects for the income they earn in one tax year. Income tax subjects include individuals, inheritance that has not been divided as a unit to replace those who are entitled, entities, and permanent establishments (Sirait, 2021). The legal basis for income tax is Law Number 7 of 1983 which then continued to undergo successive updates, starting with Law Number 7 of 1991, Law Number 10 of 1994, Law

Number 17 of 2000, and finally Law Number 36 of 2008 (Sogen, 2021).

### 2.2 Personal Income Tax (PPh).

The tax base for calculating personal income tax is using taxable income (PKP) which is determined from net income minus non-taxable income. (Mardiasmo, 2019). Quoted from the website Tax.go.id, the amount of Non-Taxable Income (PTKP) is adjusted to the status of a Taxpayer at the beginning of the tax year concerned. Meanwhile, net income or net income itself is obtained from gross income minus costs for obtaining, collecting and maintaining income (Mardiasmo, 2019).

### 2.3 Individual Income Tax (PPh) Rates

The amount of domestic individual income tax (PPh) rates which were previously regulated in Law Number 36 of 2008 underwent adjustments after the government officially issued Law Number 7 of 2021 concerning Harmonization of Tax Regulations (HPP). The purpose of this regulation is to restore the country's economy through optimizing state revenue in the tax sector due to the impact of COVID-19 (Pramudita & Okfitasari, 2022). Prior to the existence of the HPP Law, there were only four layers of Taxable Income (PKP) which were used as the basis for imposing tax rates, but now it has changed to five layers (pajakku.com). Another change is that the government has also increased the taxable income limit (PKP) in a year for the first and second layers (Praniela, 2022). The following table compares the tax rates of the previous Income Tax Law with the HPP Law.

**Table 1. Comparison of the Tariffs of the Income Tax Law and the HPP Law**

Tariff Layer	Law Number 36 of 2008 (PPh)	Law Number 7 of 2021 (HPP)
I	0 - IDR 50 million subject to a 5% rate	0 - IDR 60 million subject to a 5% rate
II	>Rp 50 - 250 million subject to 15% tariff	>Rp 60 - 250 million subject to a 15% tariff
III	>Rp 250 - 500 million subject to a 25% tariff >	>Rp 250 - 500 million subject to 25% tariff
IV	>Rp 500 million subject to 30% tariff	> IDR 500 million - 5 billion subject to a 30% tariff
V	-	>Rp 5 billion subject to 35% tariff

## 3. RESEARCH METHODS

The method used in this research is a qualitative descriptive method with data

collection techniques using library research (library research). Literature study is a data collection method by studying and



understanding theories to obtain the required data and information from various literature related to research (Fadli, 2021). Various literature used as the basis for this theory include journals, books, internet sites, and government documents in the form of laws that are appropriate to the topic of taxation in research. The data analysis technique used is an illustrative calculation by comparing the old income tax regulations, namely Law Number 36 of 2008 and Law Number 7 of 2021 (Sogen, 2021).

#### 4. RESULTS AND DISCUSSION

Based on Law Number 36 of 2008, Individual Taxpayers (WPOP) with Taxable Income (PKP) of more than IDR 5 billion are subject to a PPh rate of 30%. This is the highest tax rate with a PKP layer of more than IDR 500 million. Then after the HPP Law Number 7 of 2021 was passed and took effect starting in the 2022 tax year, the income tax rate imposed on WPOP with PKP of more than 5 billion changed to 35%. This rate is a layer of new tax rates added in the HPP Law. The type of tax rate used in the imposition of income tax is a progressive rate where the percentage of the rate will be greater if the amount subject to tax is greater (Mardiasmo, 2019). The following is an illustrative example of calculating income tax for WPOP with PKP of more than IDR 5 billion based on the Income Tax Law and the HPP Law (k1c2.kemenkeu.go.id).

**Table 2. Illustration of Income Tax Calculation**

The illustration of the calculation above shows that the amount of income tax (PPh) paid by individual taxpayers (WPOP) after the enactment of the HPP Law is higher than the calculation based on the PPh Law. This reflects the existence of justice that people with high incomes will contribute more, while those with low incomes will be protected by imposing lower taxes.

#### 5. CONCLUSION

Based on the results of the analysis, the

Someone with Taxable Income (PKP) IDR 6,000,000,000	
Law Number 36 of 2008 (PPh Law)	Law Number 7 of 2021 (HPP Law)
5% x IDR 50,000,000 = 2,500,000	5% x IDR 60,000,000 = 2,500,000
15% x IDR 200,000,000 = 30,000,000	15% x IDR 190,000,000 = 30,000,000
25% x IDR 250,000,000 = 62,500,000	25% x IDR 250,000,000 = 62,500,000
30% x IDR 5,500,000,000 = 1,650,000,000	30% x IDR 4,500,000,000 = 1,650,000,000
1,650,000,000	35% x IDR 1,000,000,000 = 350,000,000
<b>IDR 1,745,000,000,000</b>	<b>IDR 1,794,000,000</b>

calculation illustration shows that for individual taxpayers with taxable income (PKP) of more than IDR 5 billion, the tax burden paid is higher under the HPP law compared to the PPh law. The application of the HPP Law is in accordance with the principle of justice, namely that taxes are imposed according to the ability of the taxpayer. The higher the income, the higher the tax that must be paid. It is hoped that the enactment of the HPP Law will encourage economic growth (Pramudita & Oktifiasari, 2022).

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