

Paper of Tax Courting and Income Tax Rates Based on Chapter 21 for Freelances Workers and Non-permanent Employees

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This research aims to write a paper on Article 21 income tax deductions and rates on honoraria for casual workers and non-permanent employees. The research method used is to collect data from various sources such as literature, financial reports and tax reports. This research also shows that Article 21 income tax deductions and rates for the honorarium of freelance workers and non-permanent employees are different, determined by the category of worker, amount of income and applicable tax rates, and you can find out (1) the regulations that apply to Article 2 Income Tax Withholdings and Rates. 21 on Honorarium for freelance workers and non-permanent employees; (2) the type of tax that applies to the Honorarium of freelance workers and non-permanent employees; (3) withholding standards and tax rates applicable to the Honorarium of freelance workers and non-permanent employees; and (4) how to calculate withholding and tax rates that apply to the Honorarium of freelance workers and non-permanent employees. The results of this research aim to provide a deeper understanding of Article 21 Income Tax Withholdings and Rates on Honorarium for casual workers and non-permanent employees, thereby enabling companies to organize tax management efficiently

1. Introduction

Taxes in Indonesia are mandatory payments that must be paid by the Indonesian people to the government for the interests of the government and for the interests of society which are regulated by law, and taxes are also a source of government income for the development of state or regional government. There are two types of taxes in Indonesia, namely regional taxes and central taxes. Regional tax is a mandatory tax on individuals or communities to the state, which is legally binding so that it does not receive direct compensation and is used for regional needs to achieve the greatest prosperity of the people, and central tax is a tax managed by the State (Director General of Taxes) to finance current expenditure and state development (APBN). An example of central tax is income tax and an example of income tax is income tax article 21. PPh article 21 is

income tax which can be collected daily, weekly or monthly in the form of wages, bonuses, bonuses, bonuses and other payments on behalf of a person and anywhere in any form. related to work or household activities.

Income tax is a tax imposed on income earned by people in Indonesia. This tax is imposed on various types of income, including honorariums given to casual workers and non-permanent employees. For this reason, article 21 income tax deductions and rates on the honorarium of casual workers and non-permanent employees are important.

Income tax is an important source of income for the government, especially the Indonesian government. Article 21 Law no. 36 of 2008 concerning Income Tax regulates the imposition of income tax on honorarium received by casual workers and non-permanent employees. This article 21

income tax deductions and rates paper will discuss in more detail the imposition of income tax on honorariums, including the types, rates and methods of deduction. By knowing this, it is hoped that the relevant parties can understand further and implement the income tax provisions of article 21 correctly.

Based on the Regulation of the Director General of Taxes Number: PER-16/PJ/2016, experts are included as freelance workers. Casual work is work carried out by individuals who have special skills to earn income that is not tied to an employment relationship. In this regulation, experts are included as income recipients, not as employees. Experts consist of lawyers, architects, doctors, notaries, consultants.

The method for calculating Income Tax Article 21 for doctors is regulated in Article 9 paragraph (1) letter c of the Director General's Regulation, the basic tax imposition for experts as doctors who carry out freelance work is 50% of the gross amount. Specifically regarding doctors, PER-16/PJ/2016 Article 10 paragraph (6) concerning Income Tax provides an explanation of a doctor's gross income, namely that in the case of a doctor's income who practices in a hospital or clinic, the gross income is the amount of the doctor's services paid by the patient. through the hospital or clinic before deducting costs or profit sharing by the hospital or clinic.

2. Literatur Review

This article explains the concept and implementation of regional taxes and levies in Indonesia as well as the challenges and impact on regional revenues. This research is important considering that many people are still unfamiliar with the understanding of regional taxes and levies. Regional taxes and levies are part of regional income that can be used to support various regional government activities. This concept includes

various forms of taxes, excise, levies, and others.

2.1 Concept and Implementation of Regional Taxes and Levies

The article notes that regional taxes, as regulated in Law Number 28 of 2009, are mandatory contributions to autonomous regions that are owed by individuals or bodies, are coercive, and are used for regional interests. Regional taxes have characteristics such as being levied by the Regional Government (Pemda) based on statutory regulations, levied under certain circumstances, can be enforced, has no direct relationship with rewards, and the proceeds are deposited into the regional treasury.

Types of regional taxes include provincial taxes (such as motor vehicle tax, motor vehicle title transfer fees, surface water tax, and cigarette tax) and district/city taxes (such as taxes on hotels, restaurants, billboards, street lighting, etc.). The article notes that local tax collection procedures can be carried out through the Official Assessment System or Self Assessment System. Apart from that, the article discusses regional levies as autonomous regional levies as payment for services or granting certain permits. The characteristics of regional levies include that they are collected by the regional government based on statutory regulations, collected if services are provided by the regional government, recipients who pay the levies receive direct compensation, economic sanctions if they do not pay, and the results are deposited into the regional treasury.

Retribution objects include general services, business services and certain permits. This type of general service levy involves various services such as health, waste, funerals, parking, markets, and others. Business services levies involve the use of regional assets, wholesale markets, terminals, accommodation, and others.

Meanwhile, certain licensing levies involve building construction permits, permits for places selling alcoholic beverages, nuisance permits, and others.

2.2 Challenges in Implementing Regional Taxes and Levies

The research results show that regional taxes and levies in Indonesia have a complex and diverse structure, which makes their management difficult. Although regional taxes and levies are one of the main sources of regional income, various problems such as unclear regulations, lack of personnel competence, legal uncertainty, and other problems affect the management of regional taxes and levies.

2.3 Impact of Regional Taxes and Levies on Regional Income

Original Regional Income (PAD) is considered the backbone of regional finances, and large PAD contributions can reduce dependence on central government assistance. While the Balancing Fund also makes a major contribution, the article emphasizes that regions must be more creative in increasing PAD to increase the accountability and flexibility of Regional Revenue and Expenditure Budget (APBD) expenditures.

By referring to previous literature and research, this article strengthens its findings by including several references such as Mardiasmo's work and Law Number 28 of 2009 concerning Regional Taxes and Levies. Several previous studies, such as the work of Adi Wahyu Titis (2018) and Ahmad Faris (2018), are also included to support findings regarding the influence of tax knowledge, taxpayer awareness, and tax sanctions on taxpayer compliance.

3. Methodology

The research method used in this journal is Descriptive Analysis, descriptive analysis is used to identify and describe the

characteristics of deductions and income tax rates for article 21 on honoraria for casual workers and non-permanent employees. This method can also help to find out how article 21 income tax deductions and rates vary between casual workers and non-permanent employees.

4. Results and Discussion

Article 21 income tax deductions and rates on the honorarium of casual workers and non-permanent employees can be divided into two main categories, namely direct tax deductions and indirect tax deductions. Direct tax deductions include withholding PPh Article 21, PPh Article 21 on honorarium, PPh Article 21 on honorarium paid to casual workers, and PPh Article 21 on honorarium paid to non-permanent employees, based on Law Number 36 of 2008 concerning Income Tax, people who work as freelance workers or are not permanent employees are subject to income tax in accordance with Article 21.

Regarding income tax deductions and rates for article 21 on the honorarium of casual workers and non-permanent employees, there are different categories of deductions that apply. If freelance workers or non-permanent employees receive an honorarium, then the income received will be subject to income tax rates article 21.

There are various types of deductions and rates for Article 21 income tax on the honorarium of casual workers and non-permanent employees. This tax deduction will vary depending on the amount of honorarium received by casual workers and non-permanent employees. In addition, this tax deduction will also vary according to whether the worker is included in the type of worker who requires a tax deduction or not. Article 21 income tax rates for casual workers and non-permanent employees who receive honorariums depend on the amount of income received.

PPH 21 Rate

Non-Employee under Article 17 paragraph (1) letter a of the Income Tax Law is applied to the cumulative amount of:

- 1) Taxable Income (PKP) of 50% (fifty percent) of the total gross income minus PTKP per month, received or obtained by non-employees who meet the PPh 21 reduction provisions above.
- 2) 50% of total gross income for each payment of benefits to non-employees of a continuous nature that does not meet the reduction provisions of PPh 21 above.
- 3) Total gross income in the form of production services, bonuses, gratuities, bonuses or other irregular rewards received or received by former employees; or
- 4) Total gross income in the form of pension fund withdrawals by pension program participants who still have employee status, from pension funds whose establishment has been approved by the Minister of Finance.
- 5) 50% (fifty percent) of total gross income for each compensation payment to non-employees that is not continuous; And
- 6) The amount of gross income for each payment, which is in full and not split, received by activity participants.

Table 1. Article 21 Income Tax Rate and Withholding List Rates

Lapisan Tarif	UU PPh	
	Rentang Penghasilan	Tarif
I	0 - Rp 50 juta	5%
II	>Rp 50 - 250 juta	15%
III	>Rp 250-500 juta	25%
IV	>Rp 500 juta	30%
V		

Withholding income tax article 21

For Experts Who Do Free Work Income Tax Article 21 on income paid to experts who carry out freelance work is calculated by applying the rate of Article 17 Paragraph (1) letter a of the Income Tax Law

for a cumulative amount of 50% (fifty percent) of the total gross income paid or payable in 1(one) calendar year. In the event that these experts are doctors who practice in hospitals and/or clinics, the amount of gross income is equal to the doctor's services paid by the patient through the hospital and/or clinic before deducting fees or profit sharing by the hospital and/or clinic.

Domestic Individuals Are Not Employees For those who already have a NPWP and only receive income from the relevant Tax Withholder, PPh Article 21 is calculated by applying the rate of Article 17 Paragraph (1) letter a of the Income Tax Law on the cumulative amount of taxable income. The amount of taxable income is equal to gross income minus PTKP per month. For those who do not have a NPWP and only receive income from Tax Withholding Relevant PPh Article 21, it is calculated by applying the Tariff of Article 17 Paragraph (1) letter a of the Income Tax Law on the cumulative amount of gross income in the calendar year concerned

Table 2. Article 21 Income Tax Withholding Formula for Non-Employee PKP

No.	Rumus
1	Not an Of 1.1 Non-Sustainable Employees Obtain PTKP 50% times Gross Income reduced by PTKP a month later multiplied by Article 17 rates calculated cumulatively. 2.2 Non-Sustainable Employees Do Not Earn P 50% times Gross Inc then multiplied by Article rates calculated cumulat

Calculation of income tax article 21

The calculation of Article Income Tax is by applying the tariff of article 17 of Law

Number 38 of 2008 multiplied by the Gross income that has been reduced by:

1) Gross Income

Based on the Regulation of the Director General of Taxes Number: PER 16/PJ/2016 Article 10 paragraph (1). The amount of gross income earned from the entire amount of income received or earned by the taxpayer in one period or at the time it is paid.

2) Gross Income Deduction:

Based on the Regulation of the Director General of Taxes Number: PER 16/PJ/2016 Article 10 paragraph (3). The reduction in gross income is:

3) Position fee of 5% x Gross Income with a maximum limit of IDR 6,000,000/year or IDR 500,000/month (ses. PMK No. 250/PMK.03/2008)

4) Net Income

Based on the Regulation of the Director General of Taxes Number: PER 16/PJ/2016 Article 10 paragraph (4), the amount of net income for recipients of periodic pensions deducted by Article 21 Income Tax is the entire amount of gross income reduced by pension costs, amounting to 5% (five percent) of gross income, at a maximum of Rp200,000.00 (two hundred thousand rupiah) a month or Rp2,400,000.00 (two million four hundred thousand rupiah) a year.

		times Gross Income reduced by PTKP a month multiplied by Article 17 r calculated cumulatively. 2.2 Non-Sustainable Employees Do Not Earn P 50% times Gross Income then multiplied by Article rates calculated cumulati
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Figures and Tables

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No.	Rumus
1	Not Officer 1.1 Non-Sustainable Employees Obtain PTKP

5. Conclusion

The conclusion drawn from the research results is grounded in the meticulous calculation of Income Tax Article 21, as stipulated by the Director General of Taxes Regulation No. PER16/PJ/2016. The essence of the calculation hinges on the application of a 50% (fifty percent) rate for basic deductions, which is deemed appropriate for each payment of benefits to non-employees. Specifically, Article 21 of the income tax regulations delineates the deductions and rates applicable to casual workers and non-permanent employees concerning the honorarium they receive.

This tax obligation is a mandatory contribution to the government and necessitates a timely transfer to a designated government account. It is imperative to note that these deductions extend to casual workers operating within Indonesian territory. The honoraria received by both casual workers and non-permanent employees are obligated to be subjected to Article 21 income tax. A nuanced understanding of the intricacies of Article 21 income tax deductions and rates is crucial to ensure accurate compliance and prevent any instances of over or underpayment of taxes. This underscores the significance of adherence to the stipulated regulations for a fair and equitable taxation system.

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