

Value Added Tax Restitution Process in an Effort to Protect the Rights of Corporate Taxpayers at Massaniga & Rekan Tax Consultant Office

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Keywords:**Abstract**

Restitution,
Value Added
Tax, Taxpayer
Rights

Tax restitution is an application for the return of tax overpayments made by taxpayers to the state. This tax overpayment is actually a basic right for taxpayers which otherwise becomes an obligation of the tax authority. The purpose of this research is to find out the value-added tax restitution process in an effort to protect the rights of corporate taxpayers at the Massaniga & Rekan Tax Consultant Office. The research object of this Final Project is "The Value Added Tax Restitution Process in an Effort to Protect Corporate Taxpayer Rights at the Massaniga & Rekan Tax Consultant Office". The type of research conducted with an applied skinative approach. The data collection technique used is to use the Interview, Documentation and Observation methods. The results of this study indicate that the value-added tax restitution process carried out by the Massaniga & Rekan tax consultant office has been carried out with applicable rules and implemented to fulfill the rights of corporate taxpayers.

1. Introduction

Value added tax (VAT) is a tax that worn on company or businessman, called as businessman hit tax (PKP). Even taxes increase mark (PPN) worn on businessman taxable (PKP), but the tax costs are borne by the final consumer for example, consumer a restaurant pay food Which ordered along with additional tax value (VAT) of the restaurant due to consumers have enjoyed the goods or services provided by the restaurant. This is because the main object of value added tax (VAT) is taxable goods (BKP) and taxable services (JKP). But still Many people don't understand the additional tax payment system value (VAT) resulting in a difference in tax payments Good excess or also underpaid tax.

The self-assessment system is a collection system where taxpayers can calculate, pay and report their own tax costs to the nearest tax service office (KPP). This system is implemented by the government to make taxpayers more active, concerned and aware of the importance of taxes in Indonesia. In this system the state provides complete freedom and trust . to taxpayers to manage their own tax obligations starting from calculating to reporting the amount of tax

owed, however with the implementation of this system there are often differences in calculations by the tax service office and taxpayers so that this can lead to payment errors made by taxpayers in this case entrepreneurs are subject to tax (PKP) which can cause over or underpayment. Tax overpayments are often related to the value of tax revenues, because the amount of tax credits or the amount of tax paid is greater than the amount of tax owed or an inappropriate tax payment has been made. In this case, it is necessary to implement restitution and compensation which is useful for dealing with tax overpayments.

Tax law provides the right to carry out and fulfill tax obligations. One of these rights is the right to compensation or restitution. Restitution can be submitted for all types of taxes. Value added tax refund is defined as a refund of value added tax because the amount of input tax exceeds output tax. One of the purposes of tax refunds is to protect taxpayers' rights. At the same time as a guarantee of trust to taxpayers from the government as well transparency efforts in tax calculations. Restitution or return of excess value added tax payments is the right of all taxpayers.

Therefore, taxpayers must know how to apply or the mechanism for submitting refunds. Submissions for value added tax refunds can be made in any tax period, but those who can make refunds in each tax period are only taxable entrepreneurs who export tangible taxable goods, deliver taxable goods or taxable services to VAT (value added tax) collectors, deliver taxable goods or taxable services that are not subject to VAT (value added tax), exports of intangible taxable goods, exports of taxable services or are still in the production stage, apart from taxable entrepreneurs, others can only make restitution at the end of the year book.

Based on the description above, the author is interested in researching how value added tax refunds are implemented in an effort to protect taxpayers' rights at the Massaniga & Partners tax consultant office, where the Karya Artha Bhakti Group tax consultant office is a private agency that provides assistance to corporate taxpayers in the compliance process. rights and obligations of taxpayers. Especially in this case is the application for restitution or return excess payment of value added tax (VAT).

Based on the findings stated above, the author is interested and interested in conducting research with the title " Value Added Tax Restitution Process in Efforts to Protect the Rights of Corporate Taxpayers at the Massaniga & Partners Tax Consultant Office.

2. Literature Review

2.1 Restitution

Djuanda & Lubis (2011: 121) define restitution as the reimbursement of excess value-added tax resulting from input tax payments exceeding the collected output tax in a given tax period. According to Article 17b of the law on general taxation provisions, tax refunds become the entitlement of taxpayers, specifically corporations, when the value of input tax surpasses the output tax. The state reimburses taxes to taxpayers in cases where the tax credits or payments exceed the owed

tax, provided there are no other outstanding tax debts. The mechanism for obtaining a tax overpayment refund is governed by general principles outlined in Chapter 17, paragraph (1), stating that the Directorate General of Taxation issues tax assessment letters for overpayment after conducting inspections.

The Directorate General of Taxation (DJP) issues a Tax Overpayment Assessment Letter (SKPLB) when audits reveal that the amount of input tax exceeds the output tax. SKPLB may be reissued based on audit results or new data indicating a greater overpayment. Minister of Finance Regulation number 72/pmk.03/2010 details the procedures for refunding excess value-added tax. According to this regulation, PKP can request the return of excess tax by submitting an application through the VAT Periodic SPT, specifying restitution in the application letter if the VAT SPT lacks a specific column for restitution. The application is submitted to the relevant Tax Service Office (KPP), and each application covers one tax period.

A special restitution mechanism, applicable to specific PKPs, known as preliminary restitution, differs from the general procedure. Low-risk PKPs, those meeting criteria set by the Director General of Taxes, and those meeting requirements established by the Minister of Finance regulations fall under this category. Preliminary restitution involves research without examination, and within one month of receiving a complete tax refund request letter, the DJP can issue a preliminary tax refund decision letter (SKPPKP). This allows certain PKPs to receive excess VAT payments more quickly compared to the general restitution mechanism.

2.2 Taxpayer rights

The law on general provisions and tax procedures aims to ensure a fair balance between the rights of the state and taxpayer citizens. Taxpayers (WP) are granted various rights to safeguard their interests in the taxation process. These rights include: Tax

Overpayment Right: Taxpayers have the right to receive a refund if they have paid, deducted, or levied more taxes than owed.

The refund can be processed within 12 months of the complete acceptance of the application letter. **Confidentiality Right:** Taxpayers are entitled to confidentiality protection for all information submitted to the Directorate General of Taxes (DJP) to enforce tax provisions. However, in cases of investigation, prosecution, or cooperation with other government agencies, certain information or evidence about taxpayers may be disclosed to specified parties determined by the Minister of Finance. **Installment or Postponement Right:** Under specific conditions, taxpayers can request installments or a delay in tax payments in accordance with Indonesian tax regulations. **Extension of Annual Tax Return Reporting Right:** Taxpayers have the option to request an extension for submitting annual tax returns, whether for corporate income tax (PPH) or personal income tax.

Exemption from Income Tax Withholding/Collection Right: Taxpayers can apply for exemption from income tax deductions or collections, such as in the case of land/building rights transfers or the import of capital goods. **Preliminary Refund of Tax Overpayments Right:** Taxpayers meeting certain compliance criteria can receive a preliminary refund of tax overpayments within one month for value-added tax (VAT) and three months for PPH from the application date. **Taxes Borne by the Government (DTP) Right:** Under specific conditions, the government can implement policies to bear certain taxes, providing relief such as tax incentives for MSMEs related to the Covid-19 pandemic. **VAT Incentives Right:** Certain activities or taxable goods (BKP) may enjoy VAT exemption facilities, including books, aircraft, trains, ships, and military/police equipment imported or delivered to the customs area by specified taxpayers. **Right to Legal Action:** Taxpayers have the right to take legal action against legal products issued by the DJP. This includes objections, appeals, lawsuits,

reduction/elimination of sanctions, and judicial reviews.

3. Research Methods

This research will be carried out at the Massaniga & Partners Tax Consultant Office, located on Jl. Royal Education 1 Block B3 No. 26, Rapocini District, 90232 South Sulawesi, during the period February to April 2023. The main source of information for this research is Massaniga, chairman of the Massaniga & Rekan Tax Consultant Firm, who has technical and detailed knowledge of the issues being investigated. In addition, supporting informants, especially staff involved in the value added tax (VAT) refund application process at the Massaniga & Partners Tax Consultant Office, will provide additional information to enrich the analysis and discussion in the research. Two main data collection techniques will be used: **Documentation:** This method aims to obtain data held by the Massaniga & Partners Tax Consultant Office in the form of documents related to VAT refunds. **Interviews:** Direct interviews with individuals at Massaniga & Partners Tax Consultant Firm will be conducted to gather information, especially regarding excess tax refunds. In addition, observation methods will be used to collect data directly from the field, in particular by observing activities at the Massaniga & Partners Tax Consultant Office regarding VAT refunds.

The data analysis technique applied in this research is qualitative, which provides a systematic and accurate understanding of the research objectives. The stages of qualitative data analysis, according to Miles and Huberman's framework, involve: **Data Collection:** Gathering information from interviews, observations, and various documents, categorized according to the research problem. **Data Reduction:** Summarizing and selecting key information to focus on important aspects, thereby providing a clear picture. **Data Presentation:** Presents data that has been summarized to facilitate

understanding of the events being studied. Data Verification: Ensuring the accuracy and validity of conclusions drawn from compiled data. Drawing Conclusions: Organizing notes, patterns, statements, configurations, and propositions to draw conclusions that have been validated throughout the research process.

4. Results and Discussion

4.1 Research result

Based on the results of research from the Massaniga & Partners Tax Consultant Office, data was obtained in the form of Value Added Tax (VAT) calculations from 2019 to 2022, resulting in an excess of tax payments.

a. Value Added Tax (VAT) at the Consultant Office Massaniga Tax & Colleague

A comprehensive grasp of input and output taxes at Massaniga & Partners Tax Consultant facilitates the identification of tax differentials. When the input tax surpasses the output tax, indicating an overpayment, entrepreneurs have the option to either seek restitution or compensation for the excess payment. It's essential to note that the company operates in the construction services sector, collaborating with both private and government agencies. In this scenario, the government, serving as the work provider, collects taxes related to the work.

In the calculation of Value Added Tax (VAT), the determination of overpayment or underpayment involves the formula: VAT Calculation: Tax Imposition Basis (DPP) X VAT Rate KB/LB: Input Tax - Output Tax VAT Calculation: Tax Imposition Basis (DPP) X VAT Rate KB/LB: Input Tax - Output Tax Upon identifying an overpayment, taxpayers can choose between two courses of action: Restitution (Returned): This entails returning the excess payment. However, selecting restitution entails undergoing an inspection by the Directorate General Tax (DJP).

Specific conditions and procedures must be met during the restitution process, and the excess tax return letter should be issued no later than approximately one month for VAT if

the application is complete. Compensation for the Next Tax Period: Alternatively, if an overpayment occurs in an SPT reporting transaction, it can be compensated for in the subsequent tax period. Essentially, if excess tax is identified during SPT reporting, the company can use the surplus amount to offset the tax in the following period.

b. VAT Restitution for 2019-2021 at the Massaniga & Partners Tax Consultant Office

In VAT refunds, the Massaniga & Partners tax consultant office takes over the submission and process of the refund. This restitution comes from companies operating in the construction services sector where the company received work projects by participating in tenders and through partners in the sense of private companies. This company's work projects hold a lot of tenders and carry out government work, which means it has a transaction counterparty, namely the treasurer, where all types of taxation are the treasurer who collects taxes in the work project, in this case, if a stage of work has been completed, the taxpayer issues the opponent's output tax invoice. transaction. According to the results of an interview with the Manager of the Massaniga & Partners Tax Consulting Office who stated that:

"This VAT refund can occur because of the purchase of goods, meaning a building can be built because of a purchase that is subject to tax, so a tax invoice is issued, now the input tax invoice is given by the seller to the buyer. Therefore, restitution occurs because taxpayers build buildings and sell them to the government, then the government pays the full tax. "So the money paid at the time of purchase can be taken back because payments are made twice for the same item."

Our restitution this time focuses on construction services that have experienced tax overpayments which will be explained from data that has been summarized from January 2019 to December 2021 so that it obtains a value that can be said to be quite good.

Therefore, a request for restitution can be made to take away the taxpayer's rights, because not only is paying tax the taxpayer's right/obligation, but restitution/return of excess tax is the taxpayer's right.

"The VAT refund process begins with the taxpayer submitting a VAT SPT where the Output Tax is smaller than the Input Tax, this is stated in the Periodic VAT SPT, after that the taxpayer fills in the Periodic VAT SPT, so that the difference between the amount of VAT paid is smaller... output tax starts from sales and input tax starts from purchases or deductions from third parties, for example purchasing goods. So, this is formulated in the Periodic VAT SPT. The time period for taxpayers to submit their SPT is 12 months. The SPT submitted or proposed will be examined and there will be certain criteria. From the results.

The inspection will issue a SKPLB (Overpaid Tax Assessment Letter) of course by conducting research on whether the credited

tax invoice is correct in accordance with the taxpayer's process with the credited amount, the correct value or not and the tax invoice is appropriate or not, the issuer is valid or not. If the inspection results are correct and appropriate, the overpaid amount will be issued by SKPLB. Next, a Decree on Tax Overpayment (SKKPP) will be issued. Then a letter of order to carry out the payment will be transferred. Next, from the inspection section, a service section will be carried out and a letter of order to repayment of the tax owed will be issued. Then it will be submitted to the KPN and the overpaid amount will be transferred to the account taxpayer."

To find out how much tax overpayment was for 2019, 2020 and 2021, you can see the table, which can be described as follows.

1) PPN Year 2019

The following is a table of PKPs who submitted VAT refunds until the refunds were disbursed during 2019 :

Table 3.1 Data VAT refund Year 2019

| MONTH | TAX INPUT | | TAX OUTPUT | | | | AMOUNT |
|-----------|----------------|---------------|---------------|-------------|-----------------|-------------|---------------|
| | | | 10 (PRIVATE) | | 20 (GOVERNMENT) | | |
| | DPP | PPN | DPP | PPN | DPP | PPN | |
| JANUARY | 54,247,273 | 5,424,727 | | | | | 5,424,727 |
| FEBRUARY | 19,230,909 | 1,923,091 | 800,000,00 | 80,000,00 | | | 7,347,818 |
| MARCH | 861,418,180 | 86,141,818 | 600,000,00 | 60,000,00 | | | 93,489,636 |
| APRIL | 112,000,000 | 11,200,000 | | - | | | 104,689,636 |
| MAY | 0 | - | | - | | | 104,689,636 |
| JULY | 40,340,909 | 4,034,091 | | - | | | 108,723,727 |
| JUNE | 39,409,091 | 3,940,909 | | - | | | 112,664,636 |
| AUGUST | 4,108,721,061 | 410,872,106 | 500,000,00 | 50,000,00 | 3,806,520,909 | 380,652,091 | 523,536,742 |
| SEPTEMBER | 10,227,437,603 | 1,022,743,760 | 500,000,00 | 50,000,00 | | - | 1,546,280,503 |
| OCTOBER | 818,340,908 | 81,834,091 | 300,000,00 | 30,000,00 | | - | 1,628,114,593 |
| NOVEMBER | 2,630,405,071 | 263,040,507 | 8,590,093,800 | 859,009,380 | | - | 1,891,155,101 |

| | | | | | | | |
|----------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|----------------------|
| DECEMBER | 458,572,361 | 45,857,236 | 1,000,000,000 | 100,000,000 | 86,742,926,923 | 8,674,292,692 | 1,937,012,337 |
| TOTAL | 19,370,123,366 | 1,937,012,337 | 12,290,093,800 | 1,229,009,380 | 90,549,447,832 | 9,054,944,783 | |

(source: office consultant tax massaniga & colleague)

Based on the table above, it can be seen that in 2019 the turnover data and the material purchase data, it can be explained that in 2019 have material purchases with a total VAT of IDR. 1,937,012,337, settlement term or turnover stages has been completed and liquid is starting from January until December 2019 amounting to Rp. 10.283.954163, which is divided between worker private Rp. 1,229,009,380, And agency government IDR

9,054,944,783. with listed values in the table above you can It is known that the 2019 VAT Overpayment value is IDR 1,937,012,337. So mandatory Tax the choose For compensate value more pay in year 2019.

2) PPN 2020

The following is a table of PKPs who submitted VAT refunds until the refunds were disbursed during 20 20 :

Table 3.2 Data Restitution PPN 2020

| MONTH | TAX INPUT | | TAX | | OUTPUT | | AMOUNT |
|-----------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|------------------|
| | | | 10 (PRIVATE) | | 20 (GOVERNMENT) | | |
| | DPP | PPN | DPP | PPN | DPP | PPN | |
| JANUARY | 24,513,745 | 2,451,375 | 1,000,000,000 | 100,000,000 | 0 | 0 | 2,451,375 |
| FEBRUARY | 60,663,005 | 6,066,306 | 1,500,000,000 | 150,000,000 | 0 | 0 | 8,517,681 |
| MARCH | 1,650,000,000 | 165,000,000 | 1,000,000,000 | 100,000,000 | 755,074,436 | 75,507,444 | 173,517,681 |
| APRIL | 0 | - | 500,000,000 | 50,000,000 | 0 | - | 173,517,681 |
| MAY | 844,185,600 | 84,418,560 | - | - | 0 | - | - |
| JUNE | 3,477,326,400 | 347,732,640 | 0 | - | 6,357,056,364 | 635,705,636 | 521.250.321 |
| JULY | 3,687,797,832 | 368,779,783 | 0 | - | 0 | - | 890.030.104 |
| AUGUST | 7,859,765,644 | 785,976,564 | 5,321,619,091 | 532,161,909 | 4,767,722,727 | 476,772,273 | 1,676,006,668 |
| SEPTEMBER | 4,397,204,207 | 439,720,421 | 4,357,295,273 | 435,729,527 | 4,767,893,182 | 476,789,318 | 2,115,727,089 |
| OCTOBER | 1,020,388,636 | 102,038,864 | 5,321,619,091 | 532,161,909 | 3,575,863,636 | 357,586,364 | 2,217,765,953 |
| NOVEMBER | 2,499,001,299 | 249,900,130 | 8,940,321,073 | 894,032,007 | 4,771,281,818 | 477,128,182 | 2,467,666,083 |
| DECEMBER | 2,955,907,867 | 295,590,787 | 2,767,241,927 | 276,724,193 | 7,545,464,091 | 754,546,409 | 2,763,256,870 |
| TOTAL | 28,476,754,285 | 2,847,675,430 | 30,708,095,455 | 3,070,809,546 | 32,540,356,254 | 3,254,035,625 | |

Source: office consultant tax massaniga & colleague

Based on the table above, it can be seen that in 2020 the turnover data and material

purchase data, it can be explained that in 2020 have material purchases with a total VAT of

IDR. 2,847,675,429, settlement term or turnover stages that have been completed and liquidation has begun from January until December 2020 amounting to Rp. 6,324,845,171, which is divided between worker private IDR 3,070,809,546, And agency government collected IDR 3,254,035,625, with mark Which listed on table in on has can It is known that the 2020 VAT Overpayment value is (purchase of materials Rp. 2,847,675,429, turnover private

3,070,809,546, = IDR 2,847,675,429), So this company own More Pay Tax PPN year 2020 as big as (Rp. 1,426,746,368) will but For year 2020 choose For compensate the Tax Overpayment to the next period, namely period January 2021.

3) PPN Year 2021

The following is a table of PKPs who submitted VAT refunds until the refunds were disbursed during 20-21 :

Table 3.3 Data VAT refund Year 2021

| MONTH | TAX INPUT | | TAX OUTPUT | | | | AMOUNT |
|--------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|---------------|
| | | | 10 (PRIVATE) | | 20 (GOVERNMENT) | | |
| | DPP | PPN | DPP | PPN | DPP | PPN | |
| JANUARY | 10,445,455 | 1,044,546 | | | | | 1,044,546 |
| FEBRUARY | 8,775,000 | 877,500 | | - | | | 1,922,046 |
| MARCH | 13,500,000 | 1,350,000 | | - | | | 3,272,046 |
| APRIL | 1,525,836,022 | 152,583,602 | 1,632,695,455 | 163,269,546 | 8,728,857,091 | 872,885,709 | 155,855,648 |
| MAY | 0 | - | 1,959,272,727 | 195,927,273 | | - | 155,855,648 |
| JULI | 5,177,119,241 | 517,711,924 | 261,236,363 | 261,236,364 | 1,196,697,727 | 119,669,773 | 673,567,572 |
| JUNE | 1,947,513,378 | 194,751,338 | | 130,618,182 | 6,020,701,091 | 602,070,109 | 868,318,910 |
| AUGUST | 1,373,676,237 | 137,367,624 | 1,306,181,818 | - | | - | 1,005,686,534 |
| SEPTEMBER | 2,274,928,228 | 227,492,823 | 545,319,090 | 54,531,909 | 9,610,794,273 | 961,079,427 | 1,233,179,357 |
| OCTOBER | 298,086,819 | 29,808,682 | 2,282,720,669 | 228,272,067 | 4,861,215,818 | 486,121,582 | 1,262,988,039 |
| NOVEMBER | 1,532,170,162 | 153,217,016 | | - | 5,983,488,636 | 598,348,864 | 1,461,205,005 |
| DECEMBER | 105,413,135 | 10,541,314 | | - | 9,224,299,181 | 922,429,918 | 1,426,746,369 |
| TOTAL | 14,259,565,677 | 1,426,746,414 | 7,987,426,122 | 1,033,855,341 | 45,626,053,817 | 4,562,605,382 | |

(source: office consultant tax massaniga & colleague

Based on the table above, it is known that in 2021 the turnover data and data on material purchases, it can be explained that in 2021 own purchase material (Tax Input) with total PPN IDR 1,426,746,368, completion of the term or turnover stages that have been completed and liquid starting from January to December 2021 (output tax) as big as IDR 5,596,460,722, Which Where divided between worker private IDR 1,033,855,340, while government agencies (collected) IDR 4,562,605,382. will but excess pay PPN on period January 2020 worth (Rp.2,847,675,429)+ purchases (PM)

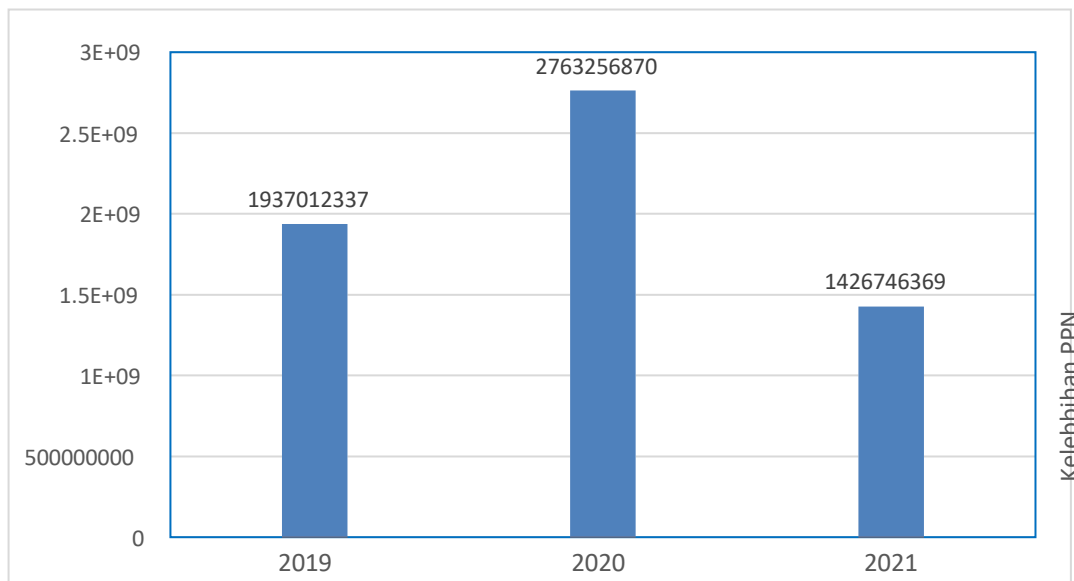
Rp.1,426,746,368 Turnover of private workers (PK) IDR 1,033,855,340 =Rp.911,888,605. So company own More Pay Tax PPN on year 2021 as big as Rp. 2,995,536,695 choose unique retribute the overpayment. In this case, it was successfully restituted worth Rp. 2,995,536,695.

PPN year 2019, 2020, 2021 The following is a table of PKPs who apply for VAT refunds until the refund is disbursed at the consultant's office tax massaniga & colleagues 2019 - 2021 :

Table 3.4 PPN year 2019, 2020, 2021

| Excess PPN Year 2019,2020,2021 | |
|--------------------------------|-------------------|
| Year | Excess PPN |
| 2019 | Rp. 1,937,012,337 |
| 2020 | IDR 2,763,256,870 |
| 2021 | Rp. 1,426,746,369 |

Table 3.4 PPN Year 2019, 2020, 2021



(source Data managed, 2022)

From data in on showing that No forever every year experience excess payment tax Which big, We Can Look data excess tax payments in 2019 Rp. Rp. 1,937,012,337. Year 2020.RP. 1,426,746,368, And For year 2021 Rp. 2,995,536,695, This It means every time The year the VAT excess changed and the highest VAT excess was in 2019 currently Which lowest on year 2020. And in year 2019 done restitution tax, 2020 do compensation to period

next that is year 2021, as place of application for VAT refunds. As the office manager said consultant massaniga tax & colleague.

"Every year in our office there are certainly applications for restitution, but the restitution that we apply for is not always a large excess, this is due to each company depending on how much sales/excess tax has been paid."

4.2 Discussion

Massaniga & Partners Tax Consultant Office is actively involved in Value Added Tax (VAT) restitution, a process triggered by disparities between input and output tax values. The decision to opt for restitution or compensation for excess payments depends on the identified discrepancies and is designated for the subsequent tax period. The official procedure for VAT restitution, or the return of overpaid VAT, is outlined as follows: Taxable Entrepreneurs (PKP) can initiate the VAT refund application process by completing the Periodic VAT SPT and marking the "returned" (restitution) column. In cases where the column is not filled or lacks a request for an excess tax refund, PKP can submit a separate application letter. The refund process is facilitated by the tax payment payer, and requests for returns must be submitted in writing in Indonesian, signed by the paying party, including Must Tax individuals, corporate taxpayers, and individuals or entities without a Taxpayer Identification Number.

If the application is signed by a non-paying party, a special power of attorney must be attached. Essential components of return requests include original proof of tax payment, such as a Tax Payment Letter or equivalent administrative documents, along with calculations of taxes that should not be owed and a detailed explanation for requesting a refund. Applications for returns are submitted directly to the relevant KKP or through alternative means, such as post, expedition service, or courier service, with documented proof of delivery. Proof of receipt of the letter is a crucial element in ensuring the intended application's receipt. Following examination by the Directorate General of Taxes, a Decision Letter on the Introduction of Tax Advantages (SKPPKP) is issued, considering the amount of tax credit. The excess tax refund must be issued within 12 months after the complete application is received.

The legal basis for VAT refund procedures is outlined in Law Number 42 of 2009 and Minister of Finance Regulation number 72/PMK.03/2010. Specific eligibility

criteria for PKP include adherence to Articles 17C and 17D of the KUP Law, reflecting taxpayer obedience, and not being classified as a low-risk PKP.

Challenges in the restitution process may include the absence of tax invoices for asset purchases, substantial transactions in KMK/loan accounts, undocumented VAT tax payments on work projects, and unreported turnovers. Various solutions exist for overcoming these obstacles, such as seeking supporting evidence for asset purchases, providing accurate information about loan/KMK account transactions, conducting book transfers, and addressing penalties for unreported turnover. The Massaniga & Partners tax consultant office engaged in VAT restitution for construction services, submitting a restitution worth IDR 911,888,605 in 2021. The money, upon successful completion of the audit process, enters the company's account. However, deductions may occur for outstanding tax debts or obligations.

5. Closing

5.1 Conclusion

Based on the results of the research and discussion above, it is possible concluded that :

Tax refund is a request for the return of tax overpayments made by taxpayers to the state. This excess tax payment is actually a basic right for taxpayers which is otherwise an obligation of the tax authorities. The KUP Law generally refers to restitution as a return of tax overpayments. This means that the state pays back or refunds the taxes that have been paid. This right arises if there is an overpayment of tax as reported in the Tax Return (SPT) or if there is an error in collection or withholding which results in an overpayment of tax. Restitution can be made after submitting an application to the Directorate General (Ditjen) of Taxes where the PKP is confirmed.

Excess tax payments can be caused by two things, namely the tax credit is greater than the tax owed as reported in the SPT and there is a tax payment that should not be owed. In implementing value added tax refunds in an effort to protect the rights of corporate

taxpayers at tax consultant offices in companies, each year there will be tax overpayments, but in 2019, 2020 they chose to compensate in the following year, which means that in 2021 value added tax refunds have been carried out (VAT), and a restitution process is required to complete this restitution. So that the refund of excess tax can run smoothly and systematically.

In the VAT refund process carried out by the Massaniga & Partners Tax Consultant Office, there are supporting factors that cause this entire process to be completed more quickly, namely cooperation between both parties which is demonstrated with a cooperative attitude. However, there is also an inhibiting factor in the VAT refund process, namely the counterparty to the treasurer who does not pay attention to the completeness of the project completion files relating to the tax that has been collected.

5.2 Suggestion

For taxpayers, please pay more attention to the documents needed for VAT refunds and prepare as well as possible the data as explained in the regulations so that the public, especially taxpayers who are doing business with taxable goods, can understand how important taxes are and also learn things about taxes specifically regarding register refunds

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