

Analysis of Tax Planning for Corporate Income Tax Case Study at PT.Victoria Care Indonesia Year 2022

Kharisma Endarty¹, Ida Farida Adi Prawira²
Indonesian education university
email: endarty.kharisma@gmail.com

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Abstract

The purpose of this study is to delve into the tax planning strategies employed by PT Victoria Care Indonesia, aimed at optimizing the company's tax liabilities. Tax planning is a crucial aspect of corporate finance, allowing businesses to strategically manage their tax obligations within the bounds of the law. Through meticulous planning and analysis, companies can identify opportunities to minimize tax burdens while remaining compliant with regulatory requirements. In this research, secondary data is utilized, drawing from various sources within PT Victoria Care Indonesia. The quantitative approach adopted facilitates a systematic examination of the company's tax planning practices. By employing descriptive analysis methods, the study provides a comprehensive overview of the tax planning landscape within the organization. The findings reveal significant efficiencies derived from the implementation of tax planning measures. Specifically, two key areas emerge as focal points of tax optimization: investment in human capital through training and development initiatives, and the provision of health benefits to employees in monetary form. These strategies not only contribute to enhancing employee welfare but also serve as effective tax planning tools, enabling the company to capitalize on tax incentives and deductions associated with such expenditures. Moreover, the study underscores the importance of integrating tax planning into broader corporate strategies, emphasizing its role as a proactive financial management tool rather than a reactive compliance exercise. By aligning tax planning efforts with organizational goals, PT Victoria Care Indonesia can not only minimize tax liabilities but also drive sustainable growth and profitability. In essence, this study sheds light on the nuanced complexities of tax planning within the context of corporate governance, underscoring its significance in optimizing financial performance and ensuring long-term viability for businesses operating in an increasingly intricate regulatory environment.

1. Introduction

The background of this study illustrates the importance of tax planning for companies in managing their tax burden efficiently. Tax is one of the largest sources of revenue for a country, but for companies, tax is a burden that can reduce potential profits. In an effort to maximize the net profit earned, companies tend to carry out various strategies including tax planning. Tax planning is a strategy used by companies to optimize their tax obligations. By minimizing the amount of tax to be paid, the company can increase its net profit. The purpose of tax planning is not only to reduce the tax burden, but also to encourage after-tax profit growth, reduce the risk of tax audits, and fulfill tax obligations effectively and efficiently. The definition of tax planning is also given in the context of tax management which is a strategic tool for businesses to achieve various

objectives such as increasing profits, maintaining business continuity, and complying with applicable tax regulations. In this case, an understanding of the company's tax rate is also important, where the rate can change in accordance with applicable tax laws. To do tax planning effectively, companies need to understand the stages involved in this process. These stages include identifying potential tax reductions, analyzing company needs and strategies, implementing planning actions, evaluating the effectiveness of actions taken, and monitoring changes in tax regulations. By understanding the importance of tax planning and the stages involved in the process, companies can take the right steps to optimize their tax obligations, so as to increase their net profit and maintain their business sustainability in the long run.

2. Literature Review

(Febria & Madjid, 2019) regarding the Analysis of the Implementation of Tax Planning as an Effort to Efficiently Expense Corporate Taxpayers. The purpose of this study was to determine the application of article 21 income tax planning according to law number 36 of 2008 at PT SKF Indonesia. The equation of this research is to use tax planning as a strategy for efficient tax payments, the difference from this research is that previous research used the Gross Up method as a strategy in tax planning. (Raditya et al., 2021) regarding Analysis of the Implementation of Corporate and Final Income Tax Planning as an Effort to Streamline Tax Expenses at PT Lippo Karawaci Tbk in 2017 - 2019.

The purpose of this study was to determine tax planning using corporate and final Pph for the calculation of tax burden and to determine the comparison of tax calculations in streamlining the tax burden, the similarity of this study is to choose an alternative with the lowest tax burden if the company is in profit condition, the update from previous research is the method of adding expenses that can reduce fiscal and obtain benefits for the company.

3. Research Methods

This research uses secondary data and uses a quantitative approach. PT Victoria Care Indonesia provided the data for this study, and the author also used descriptive analysis. Analyzed the company's income statement data to find several factors that can reduce or maximize the company's expenses. In the end, tax liabilities are reduced through fiscal adjustments made in accordance with some tax regulations of the expenses payable. Therefore, the tax burden paid by the company is optimized.

4. Results and Discussion

4.1 Profile about PT Victoria Care Indonesia

PT Victoria Care Indonesia is a company based in Semarang which was founded in 2006 and started selling cosmetics and toiletries in 2007. PT Victoria Care Indonesia Tbk is a well-

known manufacturer of hair care, antibacterial and body care products in Indonesia, which has been involved in in this business for almost a decade. PT Victoria Care Indonesia Tbk is globally renowned for creating well-known brands such as Miranda and Herborist. Asia is where PT Victoria Care Indonesia Tbk exports most of its products. China, Japan, Malaysia, Hong Kong and Brunei Darussalam are the main export destinations in Asia. Currently there are thirty distributors for PT Victoria Care Indonesia Tbk, starting from Aceh, Kupang, Manado, Sorong, Luwuk, Ambon, NTT, Bau-Bau and Irian Jaya. There are around 3,000 outlets owned by this company, with modern retailers, modern retailers and traditional wholesalers.

4.1 Research Results

Research results The following is the Profit/Loss report of PT. Victoria Care Indonesia for 2022.

Table 1 Profit/Loss Report As of December 2022 (In Rupiah)

INCOME		1,045,720,530,167
Other income		1,373,783,371
Financial		5,834,900
Income		
COST OF		496.245.283.593
GOODS SOLD		
GROSS		550,854,864,845
PROFIT		
Sales and	271,638,006,454	
marketing		
expenses		
General and	130.423.220.937	
admin		
expenses		
Other	597,581,873	
expenses		
Financial	15,799,587,052	
Burden		
TOTAL LOAD		418.458.396.316
PROFIT		132,396,468,529
BEFORE		
INCOME TAX		
EXPENSE		

Source: PT Victoria Care Indonesia

Tax costs owed by PT. Victoria Care Indonesia can be calculated using the Profit/Loss Report

in Table 1 before implementing tax planning, as follows:

Fiscal Profit	132,396,468,529
PPh rates for 2022	
22% x IDR	(29,127,223,076)
132,396,468,529	
Profit after tax	103.269.245.453

The calculation of the tax payable before tax planning is carried out is IDR 29,127,223,076. In this case, PT Veronica Care Indonesia pays IDR 2,427,268,590 to fulfill its tax obligations every month. To achieve a plan to save the tax owed, the author in this case formulates tax planning as follows:

1. HR Training and Development If PT Veronica Care Indonesia provides training and human resource development to its employees, it will help its employees to improve their skills, learn new concepts and can increase a lot of knowledge about work so that it can help the company achieve its goals and benefit the company in the future. An analysis of the implementation of PT Victoria Care Indonesia's tax planning by comparing the amount of income owed before and after using HR training and development is shown below.
2. Providing health benefits in cash According to Law No. 7 of 2021, starting from the 2022 tax year, income will be in the form of reimbursement or compensation in kind, enjoyment or services related to work is subject to income tax for the recipient and can be charged fiscally for the giver. However, not all in kind and enjoyment are subject to income tax. By using tax planning, companies can arrange the provision of health benefits to employees according to the agreement and can be applied in a cash/reimbursement system. For example, the tax budget for providing health benefits is IDR 125,000,000.

4.2 Research Discussion

From the data taken based on the explanation above, a Profit/Loss report after tax planning can be presented as follows:

**Tabel 2 Laporan Laba/Rugi
Per 31 Desember Tahun 2022 (Dalam
Rupiah)**

INCOME	1,045,720,530,167
Other income	1,373,783,371
Financial	5,834,900
Income	496.245.283.593
COST OF	496.245.283.593
GOODS SOLD	550,854,864,845
GROSS	550,854,864,845
PROFIT	
Sales and	271,638,006,454
marketing	
expenses	
General and	130.423.220.937
administrative	
expenses	
Other	597,581,873
expenses	
Financial	15,799,587,052
burden	
HR training	100,000,000
and	
development	
burden	
Health	125,000,000
benefits	
expense	
TOTAL LOAD	418.458.396.316
PROFIT	132.171.468.529
BEFORE	
INCOME TAX	
EXPENSE	

Sumber : Data Olahan, 2023

Fiscal Profit	132.171.468.529
PPh rates for 2022	
22% x IDR	(29,077,723,076)
132,396,468,529	
Profit after tax	103.093.745.453

If PT Victoria Care Indonesia does not carry out tax planning, it can be clearly seen that the income tax payable before Tax Planning is carried out is 29,127,223,076 to 29,077,723,076 after Tax Planning is carried out. This efficiency is obtained from the two points above, namely training and development of human resources and

providing health benefits to employees in the form of money.

5. Closing

Based on the discussion above, the following conclusions can be drawn:

1. PT Victoria Care Indonesia has carried out corporate PPH tax planning in accordance with applicable laws but is not yet optimal
2. Corporate PPH tax planning applied to PT Victoria Care Indonesia with the two strategies that have been discussed has proven to be able to streamline the tax payable amounting to Rp. 29,077,723,076. The results obtained from the calculation that must be paid if not using tax planning are 29,077,723,076 so that savings are found. tax of IDR 49,500,000.

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