p-ISSN 2714-6308 | e-ISSN 2714-6294
Amnesty
Jurnal Riset Perpajakan

Analysis of the Implementation of Tax Planning to Minimize Income Tax Burden at PT MAP Boga Adiperkasa Tbk in 2022

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Keywords:
Implementing Value Added Tax, Shipping Services Activities, Systems and Procedures

Abstract

The obligation to pay taxes applies not only to personal taxpayers, but also to business entities. Implementation Taxpayers must pay, deposit, and report tax calculations under the self-assessment system. However, business entities have different interests from the government in terms of taxes. Companies strive to reduce costs as low as possible including in paying taxes. Tax management is present as a bridge medium in minimizing tax payments without violating the Tax Law. The research that the author conducted was to conduct tax management planning for PT MAP Boga Adiperkasa Tbk in 2022. The research was conducted with a qualitative approach and data analysis with descriptive methods. The strategies carried out by the author to reduce the tax burden that must be paid by the company include a strategy to delay income, a strategy to maximize deductible costs, and a strategy to manage transactions related to providing employee welfare. The results of the research conducted by the researcher show that the company can save the tax burden from Rp. 36,842,250,000 to Rp. 16,889,000,000. This tax burden savings is very large for business entities which is worth Rp. 59,859,750 or with a percentage of 54%.

1. Introduction

In the current economic climate, it is imperative for businesses to formulate taxation policies that encompass the attributes of the business entity, its growth patterns, and the effect of each tax on the company's financial metrics (Zhuk & Tomashevska, 2019). Taxation serves as a source of government revenue, which contributes to the long-term growth and development of regions and countries. Taxes are inevitable, even from birth to death. Every year, the government seeks to maximize tax revenue, and then these funds are managed and distributed to the government budget. In Indonesia, the prevailing taxation system is the self-assessment system, which means that taxpayers are responsible for determining, paying, and disclosing their estimated taxes to the tax office. Therefore, it is very important for all taxpayers to understand how the tax regulations and their implementing regulations apply to them.

However, on the other hand, this contrasts with the viewpoint of corporate interests regarding taxation. Tax is a mandatory financial obligation imposed on companies that generate taxable profits (Natakharisma & Sumadi, 2014). For business entities, it is a dilemma because business entities are taxpayers who must fulfill their obligations, and there are sanctions if they do not pay and report taxes. Company management consistently seeks opportunities to strategically minimize tax liabilities to local governments and the federal government by taking advantage of government restrictions (Novita & Fahmy, 2022).

In the perspective of (Safonova et al., 2016), tax expenditure planning involves not only reducing the tax payments of an economic unit, but also achieving the broader organizational goal of providing the necessary conditions for sustainable growth through the utilization of accounting and tax management techniques. Requirements for replication used through accounting and tax administration components. Research conducted by (Ftouhi et al., 2015) successfully found a direct correlation between the amount of money saved through tax preparation and the overall success of the company. In addition, there is an opinion that taxes are a reflection of the costs incurred in running a business, and any action taken to reduce tax costs is an indication of improved company performance.

According to (Wang, 2022) The main purpose of tax planning is twofold. The main objectives are twofold: first, to minimize the total amount of income tax payable, and second, to achieve financial planning objectives by reducing overall income tax liabilities. In addition, tax planning tactics undeniably have a favorable impact on the company's financial performance and liquidity by generating greater after-tax profits (Bashiru et al., 2020). The implementation of effective tax planning strategies will also increase profitability by allocating a greater proportion of pre-tax profits to be reinvested or distributed to stakeholders (Vržina, 2018). Therefore, tax management (tax planning) is present to bridge the interests of both business entities and the state.

There are several strategies to reduce tax liabilities, such as tax avoidance and evasion. Tax avoidance is also an attempt to minimize taxes, while tax evasion is an attempt to minimize taxes that violates tax regulations and is considered a form of tax fraud. Although still practically unacceptable, tax avoidance is an attempt to reduce taxes by complying with tax regulations. For this reason, tax planning is very important to lower taxes for all taxpayers, but it is especially important for corporate taxpayers. In addition, (Saputra, 2020) tax planning is a tactic to ensure that tax obligations are met in full, appropriately, and on schedule to prevent waste of resources.

2. Literature Review

2.1 Tax Planning

Tax Planning (Resmi, 2016) argues that tax planning is the main stage of tax management. Currently, to select various types of tax savings to be applied, current tax regulations are being collected and researched. Measures to save taxes often prioritize minimizing tax liabilities.

2.2 Tax Planning Objectives

The goal of tax planning and tax avoidance is to optimize profit after tax by utilizing tax as a deduction from income that can be distributed to shareholders or reinvested. In contrast to the statement (Suandy, 2016), tax planning seeks to strategically utilize existing regulations to reduce tax liabilities, which is different from the purpose of enacting new laws.

2.3 Benefits of Tax Planning

(Pohan, 2017) mentions various advantages associated with careful tax preparation and planning, namely:

a. Utilize various savings opportunities to reduce the tax burden.
b. Effectively control cash inflows and outflows through rigorous tax planning, enabling accurate estimation of tax liabilities and the establishment of payment schedules. By determining the amount of money required for taxes and the exact timing of payments, companies can improve the accuracy of their financial budgeting.

2.4 Strategies for Tax Planning

According to (Suandy, 2016), to achieve the desired results from tax planning, it is important to formulate a strategic approach. Here are some ways that can be done to minimize corporate income tax liabilities:

a. Choosing an Alternative Basis for Bookkeeping.
b. Administration of Transactions Related to the Provision of Employee Welfare.
c. Selecting the Inventory Valuation Method
d. Selecting Funding Sources for Asset Procurement.
e. Selecting the Method of Depreciation of Fixed Assets and Amortization of Intangible Assets.
f. Withholding Tax on Tax-Related Transactions.
g. Improving the efficiency of crediting tax that has been paid.
h. Application for Reduction of Monthly Installment Payment (Income Tax Article 25 Monthly).
i. Submission of Certificate of Exemption (SKB) of Income Tax Article 22 and 23 is required.
j. Reconciliation of Tax Return.
k. Capital Participation in Domestic Limited Liability Company

In the context of tax planning for companies, (Pohan, 2017) outlines various strategies that must be considered, including:

a. Optimizing deductible costs.
b. Mergers between unprofitable companies and profitable companies.
c. Deferring income.

d. Speeding up the costing process.
e. Methods to improve operational efficiency in order to minimize corporate tax liabilities.
f. To prevent the accumulation of personal burdens, it is advisable to refrain from carrying the burden of others.

2.5 Tax Reduction

There are three ways in which companies can reduce the amount of tax they have to pay, namely:

1. Tax Avoidance An attempt to minimize the amount of tax debt through transactions or actions that do not fall within the scope of taxation.
2. Tax Evasion An attempt to minimize tax debt by manipulating legally.
3. Tax Saving By illegally manipulating income by falsifying bookkeeping (unilateral evasion) by negotiating with tax officials.

The use of agency theory can explain corporate tax planning efforts, because company management uses tax planning as a means to demonstrate their commitment to advancing their goals (Kimea & Mkhize, 2021).

3. Research Methods

3.1 Research Approach and Type

The author uses qualitative research methodology in the development of this paper. (Silaen, 2013) defines qualitative research as a methodology used to investigate and understand the meaning attributed by an individual or a group to a social or human problem. The purpose, context, time span, and nature of the research challenge are used to categorize different types of research. Based on the objectives to be achieved, this research falls into the descriptive research category. Since this research was conducted in the field, it falls under the field of field research. (Field investigation). This research belongs to the category of cross-sectional research because of its temporal dimension. segmented investigation. In addition, this research falls into the category of descriptive research because of the nature of the problem.

3.2 Data Collection Technique

This research uses the following data collection methods:

1. To get real results and ensure that the data collected is truly objective, the author uses observation data collection techniques, where the author makes direct observations of the object of research.
2. According to (Sugiyono, 2014), "Written records, such as life histories, biographies, stories, diaries, and regulations and procedures, are examples of documentation-records of events that have passed.

3.3 Data Analysis Technique

In the research and preparation of this article, using descriptive data analysis with a qualitative approach. The audited financial statements of PT MAP Boga Adiperkasa Tbk in 2022 were used as secondary data. The data is then processed using the assumption of a strategy to minimize the tax burden through fiscal reconciliation.

4. Results and Discussion

PT MAP Boga Adiperkasa Tbk is a company engaged in the food and beverage retail industry. The company was founded on January 7, 2013. The MAP Boga Adiperkasa company is located at Sahid Sudirman Center Jl. Jend. Sudirman 27th floor lot 86 Jakarta 10220. The company oversees food & beverage brands including Starbucks, Genki Sushi, Marzano 1965 Pizza, Subway, Paul Indonesia, Krispy Kreme, and Godiva. The first Starbucks store opened in 2002 at Plaza Indonesia, Central Jakarta. Since then the company has continued to grow and open its brand outlets, especially Starbucks, in all cities in Indonesia. To reach more customers, PT MAP Boga Adiperkasa Tbk continues to expand and currently has 700 outlets in 42 cities in Indonesia and will continue to grow. The company is currently listed on the Indonesia Stock Exchange with the stock code MAPB.

4.1 Research Results

The following are the results of data processing in the form of fiscal reconciliation through tax planning for PT MAP Boga Adiperksasa Tbk in 2022.

Two savings steps from the company's financial statements are related to the tax planning approach used by PT MAP Boga Adiperkasa and will be discussed in more detail in the discussion. The following are examples of accounts that can be used in tax preparation strategies:

a. Strategy to defer income
b. Strategy approach to optimize deductible expenses
c. Strategy of applying a strategic approach to oversee transactions relating to employee welfare benefits The following fiscal financial statements, both before and after tax planning, demonstrate the suggested approach.

Comparison of Before and After Tax Planning Strategies

ACCOUNTS	PROPOSED TAX PLANNING (in million rupiah)			
	COMMERCIAL	PROPOSAL	FISCAL	DESCRIPTION
Sales and operating income	3.437.108	128.790	3.308.318	
Cost of sales and revenue	1.084.937		1.084.937	
Total gross profit	**2.352.171**		**2.223.381**	
Selling expenses	(1.842.913)		(1.842.913)	
General and administrative expenses	(290.414)		(241.437)	
Finance income	2.508		2.508	
Interest and finance charges	(30.138)		(30.138)	
Foreign exchange gains (losses)	(9.941)		(9.941)	
Gain (loss) on derivative financial instruments	2.983		2.983	
Other gains (losses)	1.488		1.488	
Total profit (loss) before income tax	185.744		105.931	
Tax income	(39.448)		(39.448)	
Total income (loss) from continuing operations	146.296		66.483	
Gain (loss) from discontinued operations				
Total profit (loss)	146.296		66.483	
Other comprehensive income, net of tax				
Other comprehensive income that will not be reclassified to profit or loss, net of tax				
Other comprehensive income from gain (loss) on revaluation of property and equipment, net of tax				
Other comprehensive income on remeasurement of defined benefit obligation, net of tax	1.073		1.073	
Total other comprehensive income, net of tax	1.073		1.073	
Total comprehensive income	**147.369**		**67.556**	

Calculation of Corporate Income Tax Before and After Tax Planning

Income tax payable	Commersial	Fiscal
25 % dari Laba Kompherensif	36.842.250.000	16.889.000.000

Comparison Before and After Tax Planning

	Before Tax Planning	After Tax Planning
Net Profit/Loss Before Tax	147.369.000.000	67.556.000.000
Income Tax	36.842.250.000	16.889.000.000
Net Profit/Loss After Tax	110.526.750.000	50.667.000.000
Tax Savings	**59.859.750 (54 %)**	

Tax Planning Comparison: The company's taxable income was reduced from Rp 147,369,000,000 to Rp 67,556,000,000 after implementing tax planning. This results in tax savings of Rp 59,859,750, or 54%, which is determined by comparing the tax before and after tax planning.

4.2 Discussion

Audit of PT MAP Boga Adiperkasa's 2022 corporate income tax application.

a. Strategy to defer income

One of the strategies used in minimizing the tax burden is to postpone income recognition. The income earned by the company uses the cash basis, so that the income earned on the accrual basis must be issued or recognized in the next period. The strategy assumes a delay in revenue recognition of Rp.1,430,000,000 in 2022.

This is in line with Harnanto's tax planning theory (2013: 56), which states that corporate entities can manipulate their gross income by strategically arranging revenue recognition to manage their overall business profitability. By delaying revenue recognition to control the tax burden in the coming year or prevent over or underpayment of taxes is another way to plan taxes. This is done so that the tax burden for the following year can be determined or to avoid excessive tax overpayments or underpayments.

b. Strategic Approach to optimize deductible expenses

This approach involves oversight of expenses related to the entertainment and financial interests of directors. The company made a favorable fiscal adjustment of Rp.66,850,000 for entertainment expenses due to the absence of an exact list, which prevented verification of whether the expenses incurred were late and indeed related to the company's activities. In accordance with Article 6 paragraph (1) of Income Tax Law No. 36 of 2008, in order for entertainment expenses to be categorized as fiscal expenses, the expenses must include a nominative list that includes at least the following:

1) Sequential number, date given
2) Name/place, address of entertainment provided
3) Type and amount of entertainment
4) Relation, name, position, company name, type of business In addition, the director's personal interest expenses for personal travel amounting to Rp 75,000,000 were also subject to fiscal correction.

c. Strategy for implementing a strategic approach to oversee transactions relating to employee welfare benefits

As per the latest provision of Natura and Pleasure in PP 55 2022, facilities related to mobile phones and vehicles can be categorized as income for the recipient and chargeable expenses for the company. In this assumption, the phone expense is Rp.39,000,000 and 60% of it is used for directors' use. In addition, 50% of the directors' use is used for personal purposes. Thus, a fiscal correction of Rp. 5,850,000 is made.

4.3 Analysis of income tax savings of PT MAP Boga Adiperkasa Tbk in 2022

Companies can use several ways to reduce their corporate tax burden, and PT MAP Boga Adiperkasa Tbk has been able to save a significant amount of money on income taxes for corporate taxpayers. Before doing tax planning, PT MAP Boga Adiperkasa Tbk was responsible for paying corporate income tax of Rp 36,842,250,000. After doing tax planning, PT MAP Boga Adiperkasa Tbk's corporate income tax liability increased to Rp. 16,889,000,000. Because tax planning can reduce the tax burden by Rp. 59,859,750 or about 54% of the original, this is quite large and significant in minimizing the tax burden of PT MAP Boga Adiperkasa Tbk.

5. Cover

5.1 Conclusion

The research findings allow the following conclusions:

1. PT MAP Boga Adiperkasa can reduce the amount of tax paid by minimizing its tax burden. This tax saving strategy complies with all applicable tax regulations, namely:
   a. Strategy to defer income
   b. Strategy Approach to optimize deductible costs
   c. Strategies for implementing a strategic approach to oversee transactions related to employee welfare benefits
2. After completing the tax preparation, the company will save a significant amount of money on taxes of IDR 59,859,750.

5.2 Suggestion

The following are some recommendations that researchers provide for PT MAP Boga Adiperkasa Tbk in connection with the above conclusions:

1. Companies are advised to carry out tax planning in accordance with applicable tax regulations and consistently keep abreast of information regarding changes in tax regulations or information related to taxation.
2. Companies should use Article 6 of Tax Law No. 36 of 2008 to ensure the eligibility of deductible costs, and Article 9 to identify costs that are not tax deductible.

In addition, in accordance with research (Bashiru et al., 2020) which states that an effective tax plan will improve company performance by utilizing all the benefits provided in the tax law. Such incentives consist of pioneer status, investment allowances, double tax allowances, allowable deductions, and exemptions. At the same time, it is evident that using legally sanctioned techniques, such as tax planning, if performed accurately and proficiently, can provide enormous economic leverage and enable the achievement of targeted results without adverse impacts (Sivolapenko & Sapozhnikova, 2020).

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