

ABSTRACT

ELISA

1401010007

IMPLEMENTATION OF TAX REVIEW ON CORPORATE INCOME TAX AS A TOOL TO EVALUATE TAX COMPLIANCE AT PT. ANUGERAH KARYA ABIWARA

(xiii+88 pages; 4 figures; 21 tables; 8 appendixes)

A persistent problem on taxation has been lying for the government; it is closing the “tax gap”; the difference between the taxes properly due with the amount of taxes received through voluntary compliance. To tackle this ongoing issue, the government will occasionally audit taxpayers with unreasonable tax return to score additional tax revenue and warn taxpayers who are non-compliant. The use of tax audit helped the government in the generation of genuine revenue for the state. However, this condition may result in taxpayer having to pay additional amount of administrative penalties due to some discrepancies between the company calculations with that of the tax laws. Thus, before a real audit is being commenced, it is pivotal for a company to conduct a tax review to gain prior understanding of non-compliance and find out ways to tackle tax officers inquires in the future. The purposes of this research are to assess the current level of compliance of the related research object and to determine the effect of applying a tax review on Income Tax Article 25. The method used in this qualitative research is descriptive method that compares the tax reporting according to the company with the calculation of income tax based on tax regulations applicable in Indonesia. Results of the study indicate that the company had fulfilled its obligations to deposit and report its tax obligations to the state in accordance with the standards. However, in the preparation of its tax reconciliation report contained several errors which resulted in an underpayment on the company’s tax return.

Keywords: Tax review, entity income tax, tax obligations, tax compliance

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