CHAPTER I
INTRODUCTION

1.1   BACKGROUND OF THE STUDY

The main reason of every company established is to make a lot of profit. Profits that the company gets are expected to be an increase in every period which means it is for sustaining the corporate development both in increasing the welfare of employees and fulfilling the obligation of corporate related income tax. In order to achieve company's goals, there are many kinds of alternative to be done such as pressing and managing the expenses to gain some profit

However, the implementation of Indonesian's Tax system gives different interest between Taxpayer and government. On the other side Taxpayers want to pay taxes least possible harm while the government has a mission to optimize tax payment. Thus, businessmen or manager has a responsibility to give decision and solve the problem on how to manage the tax that will pay to the government efficiently and how to do tax avoidance that never break the rules and regulation to achieve the goal of corporate.

Therefore, the solutions to solve the problem are using tax planning strategy. CV. Surya Sejahtera Jaya is a company engaged in freight forwarding. The Company needs several of fixed assets to operate which affect the depreciation expense. One of the taxes planning strategy that are going to use is declining balance method because the company has a lot of fixed assets. This strategy is one of the methods to help them to minimize tax cost and optimizing profit after tax. Because CV. Surya Sejahtera Jaya is a company engaged in freight forwarding. This research will conduct in the selection depreciation fixed asset method.

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Based on the description above, then the problem and researched will be presented in this report also it will be used as data or material information for writer to prepare "*skripsi*". The Writer is interested and takes the title of the final project regarding in "**The Implementation of Tax Planning on Fixed Asset with Declining Balance Method at CV. Surya Sejahtera Jaya**".

1.2   PROBLEM FORMULATION

Based on the background which has been described above, then the formulation of the problem is as follows:

1. What is the difference amount of income tax using the straight-line method and declining balance method?
2. Is declining balance method a suitable method to minimize the tax payable of the company?

1.3   RESEARCH FOCUS

To make this research focuses and profound, the writers only focusing on fixed asset of the company in 2017 and Income Statement 2017.

1.4   OBJECTIVE OF THE RESEARCH

The objectives of this research are to answer the research questions that have been listed. Therefore, the aim is:

1. To compare the difference amount of tax that needs to be paid by the company before with the declining method.
2. To analysis whether the declining balance method suitable for CV. Surya Sejahtera Jaya in minimizing the tax payable.

1.5 BENEFIT OF THE RESEARCH

In this research these benefits can be seperated into two kinds of benefit, which are:

1.5.1 THEORETICAL BENEFIT

Theoretical benefit in this research is to is to provide an understanding or gain knowledge and deeper about depreciation method of fixed asset for tax purposes in a company. Also, it can be a reference for future studies for researcher to improvise about this research.

1.5.2 PRACTICAL BENEFIT

Practical benefit of this research will be divided into 2 (Two) that was:

1. For company

   The results of this research are expected to provide an overview and contribute to the company and controlling the amount of tax which will be paid and can assist management in take the right decisions and policies for the company

2. For Public

   As for the public, this research will be useful as a reference for their company that will come with the same issue of revaluation tax of fixed assets

1.6 SYSTEMS OF WRITING

Systematics of writing intended to obtain a comprehensive picture of the general but about the description that is presented, making it easier for the reader in response to the overall research that the writer carried out.

This paper is divided into five chapters, each chapter includes the main points the following description:

CHAPTER 1:   INTRODUCTION

The first chapter is the opening chapter that describes and explains the background, problem formulation, research focus, objectives and benefits and systematic of writing.

CHAPTER 2:   LITERATURE REVIEW

In this chapter explains the tax, tax planning, the method for tax planning and framework of thinking.

CHAPTER 3:   RESEARCH DESIGN

In this chapter outlines the research design, research object, data collection method and data analysis method.

CHAPTER 4:   IMPLEMENTATION AND DISCUSSION

This chapter will discuss the implementation of declining method for depreciation and discuss the results that have been obtained.

CHAPTER 5:   CONCLUSIONS AND RECOMMENDATIONS

In the last chapter will discuss relevant conclusions and give suggestions for alternatives that can be applied to improve the quality of the future research.