

ABSTRACT

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THE ANALYSIS OF PERMANENT AND TEMPORARY DIFFERENCES IN FINANCIAL STATEMENTS BASED ON FINANCIAL ACCOUNTING STANDARDS AND INCOME TAX PROVISIONS AT PT INDRASARI KENCANA MEDAN

(xiii+77 pages; 2 figures; 9 tables; 4 appendixes)

This research is done at PT Indrasari Kencana Medan. The company is specialized in production of PVC pipe. The objective of this study is to know the differences between permanent and temporary differences in financial statements based on Financial Accounting Standards and Income Tax Provisions at PT Indrasari Kencana Medan in 2017.

The methods that the writer used in this research are qualitative descriptive methods. The writer will analyze the fiscal reconciliation of permanent and temporary differences in calculating entity income tax.

Based on the research result, the conclusion of this research is permanent and temporary differences in financial statements based on Financial Accounting Standards and Income Tax Provision can give an impact in increasing entity's income tax at PT Indrasari Kencana Medan. The company does not conduct fiscal reconciliation correctly. With improper fiscal reconciliation, it can give an impact on the income tax payable. The income tax payable that is calculated by the company in 2017 is Rp 179,348,469.00. After conducting fiscal reconciliation, the income tax payable in 2017 is Rp 230,720,719.00. The amount of income tax increases due to non deductible expense and non taxable income in fiscal income statement. Fiscal reconciliation has an important role. Therefore, the fiscal reconciliation should be done based on applicable tax regulation because the fiscal reconciliation can give an impact on taxable income and determine the amount of income tax payment based on tax regulation.

Keywords : Fiscal Reconciliation, Income Tax and Income Tax Provision.

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