

ABSTRACT

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TAX PLANNING IMPLEMENTATION ON ARTICLE 21 - INCOME TAX BY APPLYING GROSS UP METHOD AT PT BAKTIYA UTAMA INDONESIA

(xiv + 57 pages ; 2 figures; 9 tables; 8 appendixes)

This research is done at PT Baktiya Utama Indonesia which engaged in safety equipment distributors company. The objective of this study is to know whether the implementation of Article 21-Income Tax with Gross Up method tax payment can be efficient in PT Baktiya Utama Indonesia.

The method used by the writer in this research is qualitative descriptive method. The tax planning of Article 21-Income Tax in company is compared with Gross Up method of Article 21-Income Tax in order to know the impact of Article 21-Income Tax on Entity Income Tax.

Based on research result, conclusion of this research is that Article 21-Income Tax with Gross Up method can increase the efficiency of income tax payment in PT Baktiya Utama Indonesia. Article 21-Income Tax paid by the company with Net method is Rp 46,492,400.00. Article 21-Income Tax with Gross Up method will increase the amount of Rp 52,808,050.00. There is increment in Article 21-Income Tax with implementation of Gross Up method in amount of Rp 6,315,650.00. Entity income tax with Net method is Rp 234,965,250.00 while the entity income tax with Gross Up method is Rp 220,513,250.00. The company will get Net Tax Saving in amount of Rp 8,136,350.00 from implementation of Gross Up method. It means there is decreasing of cash expenditure.

Keywords : Article 21-Income Tax, Gross Up Method and Entity Income Tax.

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