

ABSTRACT

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TAX REVIEW IMPLEMENTATION TOWARDS ARTICLE 21 OF INCOME TAX OF PERMANENT EMPLOYEES AT PT. MENSA BINASUKSES

(xiii+73 pages; 2 figures; 14 tables; 5 appendixes)

One of the tax assessment systems applicable in Indonesia is withholding system, where the third party is given authority to determine and withhold income tax from the income recipient. Tax authority has the role to conduct supervision, where the trust ability of external information has to be proved by the government through tax audit.

Tax review is done to assess tax compliance by reviewing the fulfillment of taxation obligation for a company or taxpayer, which includes the calculation, settlement, and reporting of tax. By conducting tax review, taxpayer will obtain several benefits including the opportunity to make correction and avoid the sanction resulting from incompliance towards taxation obligation. It is also done as the precaution and preparation for the examination conducted by government through audit surprise.

The purpose of this research is to review the calculation of Article 21 of Income Tax of permanent employees at PT. Mensa Binasukses, whether it has been calculated according to tax provision, and to understand how to implement tax review on Article 21 of Income Tax of the permanent employees. Data used in this research is secondary data from the internal records of the company. This research shows that the company has not fulfill the tax compliance, especially material compliance, and conducting tax review can help the company to improve the understanding regarding tax review on Article 21 of Income Tax in order improve its tax compliance and avoid tax sanction in the future.

Keywords: tax review, income tax article 21, tax compliance, permanent employee

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