

ABSTRACT

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THE IMPLEMENTATION OF TAX PLANNING ON FISCAL EXPENSE FOR MINIMIZING ENTITY INCOME TAX PAYABLE AT PT BINASAHABAT JAYATAMA MEDAN

(xiii+76 pages; 1 figure; 4 tables; 5 appendixes)

As the source of fund for the government which is used to enhance the national development, tax is often seen as burden for companies as it reduces their income which encourages them to seek strategies in order to minimize their tax such as by conducting tax planning. The strategy of tax planning that applied in this study is maximizing tax deduction by utilizing fiscal expenses. The objective of this study is to know the result of implementate tax planning on fiscal expense to minimize income tax payable at PT Binasahabat Jayatama Medan. Research was conduct in qualitative descriptive research method.

Tax planning can be done by allocate the remunerations in form of benefit in kind into allowances in form of money for employees, determining the appropriate term for expenditure, providing nominative lists for promotion and entertainment expense, giving religious donation to the religious institution which has been approved by the government, and allocating the dividend for director into bonus expense. The result showed that the entity income tax payable for 2017 decrease from Rp 1,042,926,601 to Rp 966,277,214 which means company can obtain tax saving in amount of Rp 76,649,387. Moreover, the amount of allowances received by the employees are increased which can help to increase their motivation in performing the job. However, the tax planning should be implemented with good administration system and the company should be aware of any changes of tax regulations in the future.

Keywords: tax planning, fiscal expense, entity income tax payable, tax saving, tax deduction

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