# ABSTRACT


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## THE ANALYSIS OF FIXED ASSET RECOGNITION AND DEPRECIATION METHOD APPLIED TOWARDS ENTITY'S INCOME TAX AT PT MAHADANA MITRA KENCANA MEDAN


(xii+69 pages; 2 figures; 17 tables; 4 appendixes)

This research is done at PT Mahadana Mitra Kencana Medan. The company is engaged in sales of cooling equipment and generator. The objective of this study is to know the impact of implementation of fixed asset recognition and depreciation according to Income Tax Provision to entity income tax in PT Mahadana Mitra Kencana Medan.

The methods used by the writer in this research is qualitative descriptive method. The research will analyze the impact of recognition and depreciation of fixed asset to entity's income tax calculation

Based on research result, conclusion of this research is that there is impact of implementation depreciation method according to Income Tax Provision towards the amount of entity's income tax expense of PT Mahadana Mitra Kencana Medan. The company has implemented fixed asset recognition properly based on Income Tax Provision. The fixed asset is recognized in amount of purchase price and other cost in relation with fixed asset. The impact of the implementation of deprecation method is the increasing of taxable income. The increasing of taxable income is because the positive fiscal correction from company's depreciation method to fiscal depreciation method according to Income Tax Provision. Income tax expense become higher after implementation of depreciation method according Income Tax Provision in amount of Rp 28,045,000.00. For the additional tax underpaid in Rp 28,045,000.00, the company make amendment of income tax return and pay the underpaid in order to avoid the tax sanction from government.

**Keywords : Fixed Asset, Depreciation and Entity Income Tax.**

References : 15