

CHAPTER I

INTRODUCTION

1. BACKGROUND OF THE STUDY

At the end of the year one company must commercially prepare a financial statements commercially for the purposes of taxation. Tax is one of the most important things to pay attention about during this time of era. As in Indonesia, which is still in a developing country there are alot of things that government could do to increase prosperity and welfare for society through national development. In terms of national development no doubt that the government needs large amount of fund. For government themselves tax is the main and fastest way to gain the income for the country to build the country's infrastructure to a better improvement. The higher tax paid by society, the greater the positive impact towards the country.

As it is known, source of government income is from either individuals or corporations. And usually the greatest part to gain tax is from corporation's taxpayer. The term for income tax driven from corporation is called corporate income tax. According to the book of *Undang-Undang KUP dan Peraturan Pelaksanaannya* (2013), Law No. 16 Year 2009 of KUP Article 28 (1), one of the obligation for taxpayer especially corporation taxpayer, is to have bookkeeping as the process to organized well the transaction is done by the company, in order to eventually compose a financial statement where it consists of every details about the transactions. Without this bookkeeping and the financial statement, the tax officer will not have the basis to actually determining the amount need to be paid by the taxpayer.

Throughout the process in composing the financial statement, most companies follow the standard accounting principal that

commonly apply in the country which is International Financial Report Standard (*Pernyataan Standar Akuntansi Keuangan*). The financial statement that implements those principal is called as commercial income statement. However, in counting income tax of one company, there must be another financial statement, which is called fiscal income statement. To obtain this fiscal income statement, fiscal reconciliation process is needed in this stage, where it is the process of adjusting commercial income statement into fiscal income statement based on tax law and provision in order to calculate the amount of income tax payable. Based on Law No. 36 Year 2008, this adjustment is resulting from the difference between income and expense that only accepted in calculating the corporate income tax which will be displayed in the fiscal income statement. Therefore, in order for company to follow the rules, company needs to do fiscal reconciliation process towards the commercial income statement, to identify parts that suitable in determining the income tax payable.

As the results of those requirements need to be done by the entity, it is indeed bring certain consequences on the entity's income tax payable, whether the company could get advantages or disadvantages – the chances to have higher or lower income tax payable due to the regulations that only permit certain category of income or expense in counting the proper amount of tax payable. For instance tax efficiency (pay less tax in the future) or need to pay more for the sanctions and the remaining tax payable to the government due to underpaid condition.

Based on Article 28 paragraph (1) of Law Number 16 Year 2009 (UU KUP), an Individual Taxpayer conducting business or free employment and all Taxpayer of the Agency are obliged to maintain bookkeeping, unless an Individual Taxpayer is allowed to calculate net income using the Norm Net Income Calculation (NPPN). Based on Article 14 paragraph (2) of Law Number 36 Year 2008 (Income

Tax Law), Individual Taxpayer who may use NPPN are those whose turnover does not exceed Rp4.8 Billion in a year. So Fiscal Reconciliation is done by Taxpayer who maintain bookkeeping. Taxpayer who maintain bookkeeping at the end of the year will prepare financial statements. The fiscal reconciliation is based on the commercial income statement prepared by Taxpayer. Commercial profit (loss) is done fiscal correction resulting in fiscal profit (loss) or often called fiscal net income.

For this research writer has chosen PT. SumatraSarana Sekar Sakti which deal in transportation services, of which located at JL. Jawa No 1C, Medan. The company has not yet done the fiscal reconciliation and the company calculated the income tax based on commercial income statement. The purpose is to determine the impact of tax income after applying the method of fiscal reconciliation. For that purposes, writers decide to conduct a research with the title **“The Analysis of Fiscal Reconciliation to Determine the Amount of Entity Income Tax at PT. SumatraSarana Sekar Sakti”**

2. PROBLEM FORMULATION

Based on the Background of Study above that had been discussed earlier, the problem that the writers need to identify on this research is “ What is the result of doing a fiscal reconciliation in applied on tax income? “

1.3 RESEARCH FOCUS

In this research of finding the impact of fiscal reconciliation in applied on tax income of PT. SumatraSarana Sekar Sakti, the research is focused merely on fiscal reconciliation area, which is financial income statement of 2016.

4. RESEARCH OBJECTIVE

The objective in doing this research to solve the problem that've been found, which are:

1. To find out the result of income tax after applied fiscal reconciliation at PT. SumatraSarana Sekar Sakti.
2. To find out the advantage and disadvantages when applied the fiscal reconciliation or not.

5. BENEFIT OF THE RESEARCH

These can be separated into two kinds of benefit, which are:

5.1. THEORETICAL BENEFIT

Here are some theoretical benefits that can be make from this research paper, which are:

1. This research is expected to give knowledge for the writer in knowing the impact of doing fiscal reconciliation in applied on tax income and knowledge about commercial income statement which prepared by taxpayer.
2. For up-coming researcher themselves, this study result is expected to be used as material, guidance or reference to do next research about fiscal reconciliation.

5.2. PRACTICAL BENEFIT

Here are some practical benefits that can be made from this research paper, which are:

1. For company, the practical significance is to give them notice and recommendations that there might be an impact of fiscal reconciliation in related to entity income tax.
2. For public, the practical significance is to convey more understanding about the impact of fiscal reconciliation in determining their amount of entity income tax.

6. **SYSTEM OF WRITING**

The system of writing in this research paper is:

CHAPTER I Introduction

This chapter contains background of study, problem formulation, research focus, objective of the research, benefit of the research, and system of writing. This chapter describes explanations about the impact of fiscal reconciliation in determining the amount of entity income tax, the applied of commercial business. In this research, PT. Sumatra Sarana Sekar Sakti has not yet done the fiscal reconciliation and the company calculated income tax based on commercial income statement, in which fiscal reconciliation is needed to determine their amount of entity tax income.

CHAPTER II Literature Review

This chapter contains literature that related with the discussion which is: reconciliation, commercial financial report, business financial report, net income using the Norm Net Income Calculation (NPPN), fiscal reconciliation, advantage and disadvantages of using fiscal reconciliation.

CHAPTER III Research Methodology

This chapter contains of research design, research object, data collection method, and data analysis method. The writer uses secondary method data in the form of income statement that provided by PT. Sumatra Sarana Sekar Sakti. The writer also use the

qualitative method by interviewing the manager of accounting department to gain an additional information about the income tax payable. The research object contains the company's commercial income statement and financial statement year 2016.

CHAPTER IV Data Analysis and Discussion

This chapter contains the general description of the object studied. It includes the background of the company, the history and operational activities the company does. Added the part, where it shows the result from data analysis where the development of the concept and the fact gathering conduct without applying hypothesis but use a descriptive method to analyse data, this chapter answers the problem formulation and objective of the research.

CHAPTER V Conclusion

This chapter contains a brief summary and explanation about the overall discussion and result in this researchpaper. Followed by implications of the research being done and recommendations that contains suggestions to the company.