

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia



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ABSTRACT: This study discusses the policy analysis of providing Article 21 Income Tax incentives for taxpayers affected by the corona virus (covid-19) outbreak in order to maintain the stability of economic growth. The aim is to determine the effectiveness and influence of the provision of incentive policies by the government on economic conditions in society, especially in meeting household consumption needs. The problem raised in this study is the impact caused by the Covid-19 pandemic on employees who have been laid off, which the government then resolves by providing PPh 21 incentives with the aim of helping workers. The research method used in this research is a qualitative method. The purpose of this research is descriptive. Data collection techniques that have been collected, were analysed using qualitative data analysis techniques. The result of this research is to know the impact of government incentives for workers who have met the qualifications of the incentive recipients and to know how the scheme is in fulfilling this PPh 21 incentive.

KEY WORDS: Income Tax Incentives Article 21, Corona Virus, PSBB, Household Consumption, PMK 44 in 2020.

1. INTRODUCTION

At the end of 2019, there was the Corona or Covid-19 Virus which was first discovered in China, precisely in the City of Wuhan. The virus that has not been found an antidote is still out of control. It has been recorded that more than 200 (two hundred) countries have been infected by the Corona virus. The Covid-19 case in Indonesia was first found in 2 (two) residents of Depok city in early March 2020. This virus is transmitted through positive human mucus (droplets) to negative humans. The mucus splashes when a person who is positive for Covid-19 sneezes, coughs, or talks and is then exposed to another negative person. In short, Covid19 transmission is easy and prone to spreading. There were 210,940 Covid-19 spreads recorded from March to September 2020.

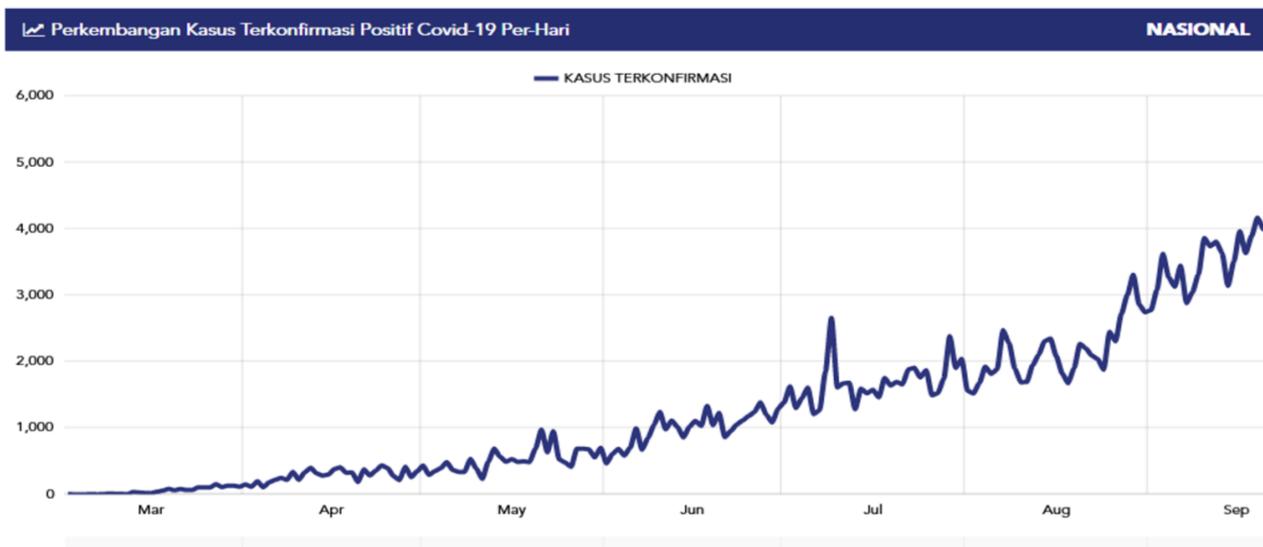


Figure 1 Graph of the Increase in the Number of Covid-19 Cases in Indonesia

Source: (Covid-19 Task Force, 2020)

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

Due to the spread of this virus in Indonesia, the government must implement the Large-Scale Social Restriction (PSBB) status in order to minimize the transmission of the Corona virus. The decree states that the Government is obliged to implement the PSBB in accordance with statutory provisions and firmly and consistently encourage and disseminate a clean and healthy lifestyle to the community. Minister of Health Regulation No. 9/2020, which is the Guidelines for the implementation of PSBB, regulates, among others, the criteria for determining PSBB IN an area, both city / district to provincial level as well as restrictions on activities in an area. (Minister of Health Regulation No.9, 2020)

This Large-Scale Social Restriction (PSBB) has an impact on all types of business sectors, especially for people who work in the informal sector and for non-moving sectors that are regulated can operate during the PSBB because the only sectors that are allowed to operate are the sectors that provide basic public needs such as Healthcare Companies, Food Material Business, Energy, Telecommunications and Information Technology, Finance, Logistics, Hospitality, Construction, Strategic Industries and Fulfillment of daily needs as regulated in Regulation of the Minister of Health (Permenkes) Number 9 of 2020 concerning PSBB guidelines. (Minister of Health Regulation No.9, 2020)

This epidemic has the potential to change the world economy, one of which is marked by a change in the map of world trade and the wheels of business turnaround are delayed or even stopped.

This impact is profoundly felt by many companies that are unable to survive in today's difficult situation. Deputy Chairperson of the Indonesian Chamber of Commerce and Industry (Kadin), namely Suryani Motik, said that many people who were victims of layoffs due to this pandemic reached 29 million people. The figure is even higher according to data released by the Ministry of Manpower (Kemnaker) of 2.8 million people. Not to mention the data in the field for micro, small and medium enterprises (MSMEs), in fact, can be very different from the data recorded. (CNN Indonesia, 2020).

As a result, there has been a lot of unemployment and the people's purchasing power has decreased. The following are some of the provinces with the most number of laid off workers, as shown in the following graph.



Figure 1.2 Graph of Layoffs in Several Provinces of Indonesia (2020)

Source: (BPJS data, 2020)

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

According to Thorough Research Vision Researcher, M Widyar, who conducted a pandemic simulation test with a dynamic system model, the pandemic in Indonesia is expected to subside in June 2020, but the reality is that it has not yet subsided. If analyzed to estimate the impact on this economy, if Indonesia experiences a high enough inflation, as a result, households will reduce their consumption. However, if seen, the biggest contribution to economic growth in Indonesia is household consumption needs. If inflation is high, household consumption will decline in line with the decreasing purchasing power of the community. As a result, economic growth can further decline.

The following is a graph of economic growth in Indonesia:



Figure 1.3 Indonesia's Economic Growth in 2013-2020

Source: (BPS, 2019)

To support the response to the impact of the Corona virus, in order to maintain the stability of economic growth, as well as increase people's purchasing power and spur the productivity of certain sectors, the government provides tax support as one of the incentives to overcome the wheels of economic turnaround. The provision of this incentive is one of the responses from the government to the decreasing productivity of business actors. The government has provided tax incentives due to the Corona virus pandemic, one of which includes Income Tax (PPh) 21 incentives.

Employees who prior to the existence of this policy were subject to Income Tax Article 21 on their income, with this policy the employees will receive back the withheld tax. This policy lasts for 6 months, from April to September 2020. The tax deduction will be submitted by the employer together with the normal income received by the employee. The status also changed from previously being borne by the income recipient to tax borne by the government (DTP) (PMK No. 44, 2020).

In general, the biggest contribution to Indonesia's economic growth so far is household consumption, on the one hand reducing the number of workers is a solution to reduce production costs, and on the other hand layoffs have social impacts that have the potential to trigger instability. At the same time, the economic slowdown is mitigated by increasing aggregate demand, one of the ways is by increasing the purchasing power of individuals. Surely the smell of the Keynesian solution is very strong here. In order to avoid mass layoffs, the Government and the DPR took a way out to provide various incentives in certain vulnerable productive sectors. This socio-economic setting led to the issuance of a policy to provide PPh Article 21 DTP incentives.

2. THEORITICAL REVIEW

2.1 Income Tax Subject

The tax subject is the party who has subjective obligations, or against whom the tax will be collected. Income tax is imposed on the tax subject with respect to the income received or earned in the tax year. In the 2008 Income Tax Law Article 2 it is stated that the subject of the Income Tax includes in a broad sense: (Atep Adya, 2011a):

1. a. Individual or natural persons;
b. Undivided inheritance as a unit replaces those who are entitled.
2. Body
3. Permanent establishment (PE)

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

The tax subject will be subject to income tax if the tax subject earns or receives income. In this case, the tax subject can be further differentiated into domestic tax subjects and foreign tax subjects.

2.2 Object of Income Tax

The tax object is the target to be taxed. In this case, the object of tax is income. In a narrow sense, income is defined as salary, benefits, honorarium, or overtime pay. According to the Income Tax Law No. 36 of 2008 (Atep Adya, nd) in a broad sense, income is any additional economic capability received or obtained by a tax subject, both from Indonesia and from outside Indonesia, which can be used for consumption or to increase the wealth of the taxpayer concerned, by name and in any form.

2.3 Subjects and Objects of Article 21 Income Tax

2.3.1 Income Tax Subject Article 21

Income earned or received in a work relationship, there are two parties involved, namely the employer (the party who pays the income) and the employee or employee (the party who earns or receives income). According to the provisions of the new Income Tax Law, and in 2009, employees or employees are required to have a Taxpayer Identification Number (NPWP). For employees who have a TIN, the tax rate is applied in accordance with the provisions of Article 17, with the lowest rate of 5% (five percent).

2.3.2 Income Tax Object Article 21

The object of PPh article 21 specifically regulates the imposition of tax on income derived from an employment relationship. Income classified as an object of Income Tax Article 21, namely:

1. Income received regularly by taxpayers;
2. Income that is not fixed and is given once a year;
3. Daily wages, weekly wages, unit wages, piece rates;
4. Pension ransom money, old age benefits, waiting money, old age savings, severance pay and other similar payments that are not fixed in nature;
5. Honorariums, commissions, prizes and awards in the form of money, scholarships and other payments in return for work, services, and activities carried out by domestic taxpayers.

2.3.3 Tax Incentives and Income Tax Incentives 21

According to Winardi, tax incentives mean taxation with the aim of providing incentives. The use of taxes is not only for the purpose of generating government revenue, but also to give a boost to economic development in certain fields. According to the United Nations Conference on Trade and Development (UNCTAD), a tax incentive is any measurable benefit given to a particular company or category of company by (or direction) the Government, in order to encourage them to behave in a certain way. They include specific measures designed either to increase the rate of return of a particular FDI venture, or to reduce (or distribute) the costs or risks). There are generally four types of tax incentives:

1. Exemptions from taxation
2. Reduction of tax base
3. Tax rate reduction
4. Tax deferral

The most widely used incentive is tax incentive in the form of exemption from tax imposition. This type of incentive gives each Taxpayer the right not to be taxed for a certain period determined by the government. Income Tax Incentive Article 21 is an exemption from Article 21 Income Tax for employees of companies that are included in the business field classification code as stated in the Minister of Finance Regulation No. 44/2020.

2.3.4 Certain Business Categories Eligible to Receive Incentives

The policy for providing Government-borne Income Tax Article 21 incentives is limited to certain sectors or business categories that have been regulated in the provisions of laws and regulations, namely regulated in the Regulation of the Minister of Finance Regulation of the Minister of Finance Number 44 / PMK.03 / 2020 concerning Tax Incentives for Obligators Taxes Affected by the Covid-19 Pandemic,

Certain business categories as referred to are:

- a. certain sector categories (1,062 KLU)
- b. WP KITE
- c. Bonded Zone WP

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

As stated in the Attachment to this Minister of Finance Regulation which is an integral part of this Regulation of the Minister of Finance.

It is in these business sectors that the Government feels entitled to the policy of giving PPh Article 21 incentives to be borne by the government, because in this sector a lot of workers have salaries below Rp. 5,000,000.00 (five million rupiah). With this incentive, workers in these sectors can compete for purchasing power so that their economic needs are met with income tax borne by the Government so that their monthly income can increase. The mechanism for obtaining PPh Article 21 incentives borne by the Government can be done by the Employer submitting a notification to the Head of KPP where the Employer is registered through a certain channel on the www.pajak.go.id page using the format according to the example in Attachment C of PMK 44/2020.

2.3.5 Workers Eligible to Receive Incentives

The requirements for workers to receive Income Tax Article 21 facilities borne by the Government are as follows:

a. Receives or obtains income from an employer who:

1. Has a Business Field Classification code as contained in Appendix letter A which is an integral part of this Ministerial Regulation; and / or
2. Has been designated as a KITE Company

b. Having a NPWP; and

c. During the tax period, the person concerned receives or receives a permanent and regular gross income that is annualized not more than Rp. 200,000,000 (two hundred million rupiah), the employer must deduct Income Tax Article 21 every month by applying the tariff of Article 17 paragraph 1 letter a of the Income Tax Law.

The Employer Field Classification must be in accordance with the Business Field Classification listed in:

- a) SPT Annual PPh for Fiscal Year 2018 that has been reported by the Employer; or
- b) Data contained in the tax administration (master file) of the Taxpayers, for new registered Taxpayers after 2018 or for Government Agencies.

2.3.6 Parties Excluded from Incentive Recipients

Excluded from PPh Article 21 is borne by the Government as referred to in paragraph (2) PMK 44 th 2020 in terms of the income received by employees comes from the State Revenue and Expenditure Budget or the Regional Revenue and Expenditure Budget and Article 21 PPh has been borne by the Government based on statutory provisions in taxation field.

2.3.7 Procedures for Providing Incentives

The incentive for PPh Article 21 borne by the Government is given to workers who meet the requirements mentioned above, where these requirements have been regulated in a Minister of Finance Regulation. (PMK No. 44, 2020)

That this PPh Article 21 borne by the Government must be paid in cash at the time of payment of income by the employer to workers, in the amount of Income Tax Article 21 owed on the worker's income. The amount of PPh Article 21 borne by the Government that is borne by the government is the amount of tax payable based on the general tariff of the Income Tax Law, where the income does not include an increase in tax rates by 20% (twenty percent) higher for workers who do not have a Taxpayer Identification Number (NPWP). More about this source text Source text required for additional translation information

2.3.8. Minister of Finance Regulation Number 44 / PMK.03 / 2020

The considerations for stipulating PMK 44/2020 are as follows:

1. Pandemic Corona Virus Disease 2019 (COVID-19) is a national disaster that affects economic stability and productivity of the community as workers and business actors, so it is necessary to make regulatory efforts in order to support the impact of the Corona Virus Disease 2019 (COVID-19) in question.
2. Taking into account the current development of economic conditions, especially with the increasingly widespread impact of the Corona Virus Disease 2019 (COVID-19) pandemic to other sectors, including small and medium enterprises, it is necessary to provide an expansion of tax incentives for each taxpayer, both for taxes income or value added tax.
3. Regulation of the Minister of Finance Number 23 / PMK.03 / 2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Outbreak is not in accordance with current developments in the context of handling the Corona Virus Disease 19 (COVID-19) pandemic so it is necessary to expand to reach the sector who will be given incentives.
4. Implement the provisions of Article 17C paragraph (7) and Article 17D paragraph (3) of Law Number 6 of 1983 concerning General Provisions and Tax Procedures as amended several times, most recently by Law Number 16 of 2009 concerning Stipulation of Substitute Government Regulations Law Number 5 of 2008 concerning the Fourth Amendment of Law Number

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

6 of 1983 concerning General Provisions and Tax Procedures to become Law, Article 22 paragraph (2) and Article 25 of Law Number 7 of 1983 concerning Income Tax as has been amended several times, most recently by Law Number 36 of 2008 concerning the Fourth Amendment to Law Number 7 of 1983 concerning Income Taxes, and Article 19 paragraph (4d) of Law Number 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods as amended several times, most recently by Law Number 42 of 2009 concerning the Third Amendment to Law Number 8 of 1983 concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods.

2.4 Framework

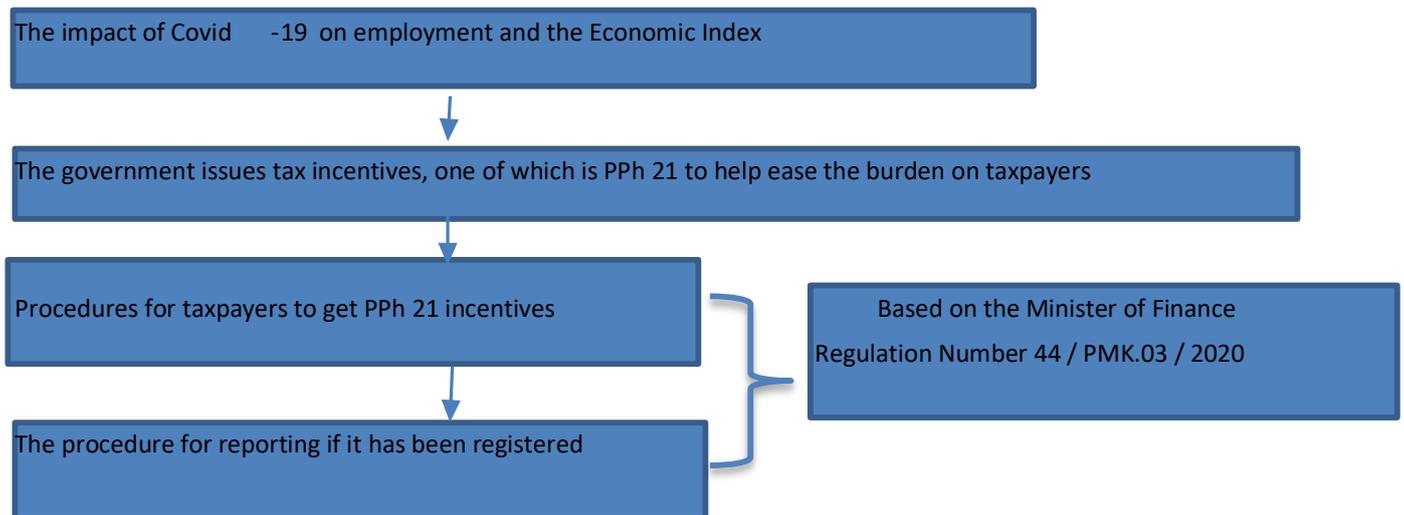


Figure 2.3 Framework
Source: Processed Data

3. METHODOLOGY

3.1 Research Design

In this study using a qualitative research methodology. Is used to see the phenomenon of the emergence of tax incentive policies and to find the background of the occurrence of policies, as well as the implementation of these policies and the influence on taxpayer compliance.

3.2 Data Analysis Techniques

The data analysis technique used in this research is qualitative data analysis techniques. Data collection technique. The data required in this study are primary data, namely data obtained directly from existing sources and secondary data, namely data that has been processed first to obtain other data and information. In the preparation of this paper, researchers used various data collection techniques, namely document / library studies and field studies.

4. RESULTS OF ANALYSIS AND DISCUSSION

The government has taken steps to overcome the prolonged economic crisis in Indonesia, one of which is by issuing a tax incentive policy. This is as expressed by Sugeng Haryono as the Head of the Consultation Facility Subdivision as follows describes the Minister of Finance Regulation (PMK) No.44 / PMK.03 / 2020 which explains that taxpayers who meet the requirements can take advantage of Government-Borne tax incentives (DTP) starting Tax Period April 2020 to the Tax Period of September 2020. PMK 44/2020 issued on April 27, 2020 regulates the provision of tax facilities in the form of Income Tax Article 21 DTP which is given to employers and / or submitted directly to the public (employees). The technical rules regarding PPh Article 21 DTP are written in detail in SE-29/2020. With this regulation, it is hoped that taxpayers will get relief in fulfilling their PPh Article 21 tax obligations. This incentive is expected to provide positive consequences for taxpayers who receive and require these incentives to convey the use of each incentive received.

Employers who wish to register their employees in order to receive this article 21 income tax incentive can visit the DJP Online page. This news is conveyed through certain channels on the www.pajak.go.id page. The particular channel in question is the 'e-Reporting

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

Covid-19 Incentive' feature on the Service menu. To access this feature, taxpayers must activate service features in the Profile menu.

The government has also determined that there are 1,062 certain industrial sectors listed in Annex A of PMK 44/2020 that are entitled to this tax incentive. In addition, PPh Article 21 DTP incentives are also given to employees who work in companies that have been designated as KITE and have obtained a bonded zone operator permit / bonded zone entrepreneur permit / PDKB. The exemption facility from Article 21 Income Tax withholding during the Covid-19 pandemic is provided directly without the need to issue Article 21 Income Tax Withholding Certificate (SKB PPh Article 21) Therefore, the requirements for this facility tend to be easier administratively. The regulations regarding the provision of tax facilities provided for the April to September 2020 tax period are regulated through PMK 28/2020 with technical regulations in the form of SE-24/2020.

The PPh Article 21 DTP incentive is given for the tax period April to September 2020 as regulated in PMK 44/2020. However, an additional period for providing PPh Article 21 DTP incentives is given, which is due to the increasing number of Covid-19 virus patients, until December 2020. The additional period is regulated by Presidential Decree No. 72/2020 which came into effect since it was promulgated on 25 June 2020.

Then, Sugeng Haryono, Head of the Consultation Facility Subdivision explained that the government provided additional relief in fulfilling tax obligations to deal with the impact of Covid-19 which disrupted economic stability through an additional budget allocation for PPh 21 DTP of IDR 8.60 trillion which is regulated in Presidential Decree No. 72/2020. The government has also lowered the estimated state revenue in the revised 2020 APBNP by considering various extensions and extensions of tax incentive policies, including for PPh Article 21 DTP.

4.1 Policy Formulation of the Minister of Finance Regulation Number 44 / PMK.03 / 2020

The 2019 Corona Virus Disease (COVID-19) pandemic is a national disaster that affects economic stability and productivity of the community as workers and business actors, demanding that the government make arrangements to support the impact of COVID-19. Based on developments in current economic conditions, along with the increasingly widespread impact of the COVID-19 pandemic to business sectors, including small and medium enterprises, the government needs to provide an expansion of tax incentives for each taxpayer, both for income tax and value added tax. Minister of Finance Regulation Number 23 / PMK.03 / 2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Outbreak is not in accordance with current developments in the context of handling the Corona Virus Disease 19 (COVID-19) pandemic so it is necessary to expand to reach the sectors that will be given incentives. These are the considerations for the stipulation of Minister of Finance Regulation Number 44 / PMK.03 / 2020 concerning Tax Incentives for Taxpayers Affected by the Corona Virus Disease 2019 Pandemic.

Regarding the policy formulation of the Minister of Finance Regulation Number 44 / PMK.03 / 2020, the researcher has interviewed several sources, namely:

1. Directorate General of Taxes with Sugeng Haryono as Head of the Consultation Facility Subdivision
2. Tax Service Office with Eko Wahyoni as Head of the Monitoring Facilitation Subdivision.
3. Employees of PT. XYZ with Reinaldo Siregar as the recipient of the COVID-19 PPh 21 Tax Incentive
4. Employees of PT. ABC with Afini Fauzi as the recipient of the COVID-19 Pandemic PPh 21 Tax Incentive

4.2 The impact of PPh 21 tax incentives or since the issuance of Minister of Finance Regulation Number 44 / PMK.03 / 2020

The Ministry of Finance Regulation (PMK) Policy No.44 / PMK.03 / 2020 was issued by the government with the hope of strengthening economic stability. The decline in business activities has forced business actors to terminate their employees because they are no longer considered capable of financing company operations, let alone pay their employees' salaries. This is what the government hopes so that this incentive can run properly. It is hoped that from the salary deductions that should be paid to the state in the form of taxes on income, with this PPh 21 incentive it can be used as efficiently as possible to help reduce the cost of daily basic needs. For this reason, it is hoped that companies will include businesses that have certain criteria by registering to be able to take advantage of the PPh 21 incentive provided by the government for qualified employees to get Income Tax 21 incentives.

Eko Wahyoni added that the main focus of the government is to ease the tax burden of both individual taxpayers and employers so that there will be an increase in the purchasing power or public consumption index. Because as we know in economic law, if the supply of a good increases, the price offered is higher, on the contrary, with demand, if the price of a product increases, the quantity of product demanded will decrease. Likewise with people's purchasing power, if the income they get increases, people tend to spend their money to meet their needs, but if the income decreases, the people's purchasing power also decreases.

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

The following shows an index graph of economic conditions and consumer expectations from month to month.

Graph for January to March 2020 (Before the issuance of Minister of Finance Regulation Number 44 / PMK.03 / 2020)

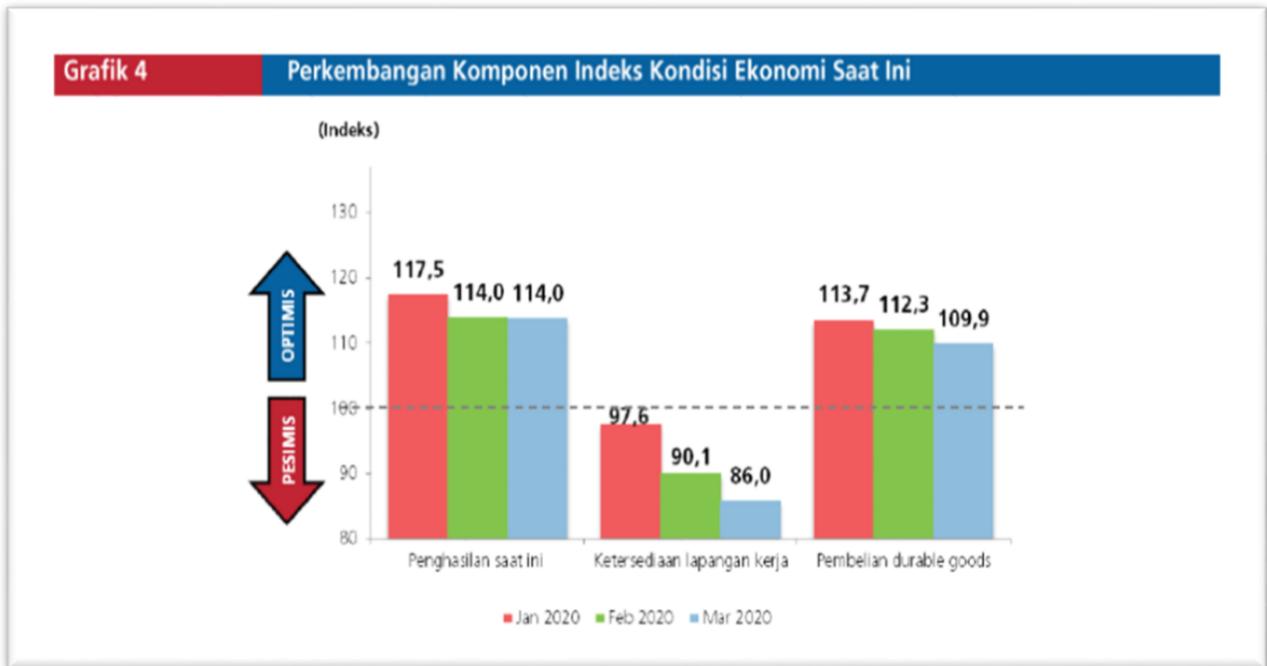


Figure 4.1 Components of the Economic Condition Index
January to March 2020

Source: Bank Indonesia Consumer Survey

The graph above is the Development of the Economic Condition Index Component from January 2020 to March 2020 which can be obtained from the bi.go.id website. This graph shows the weakening consumer optimism regarding job availability, which decreased from 90.1 in February to 86.0 in March. From the results of a consumer survey conducted by Bank Indonesia, information was obtained that there was a decline in consumer perceptions of current economic conditions and future economic expectations. This is due to the more limited availability of job opportunities since the COVID-19 pandemic.

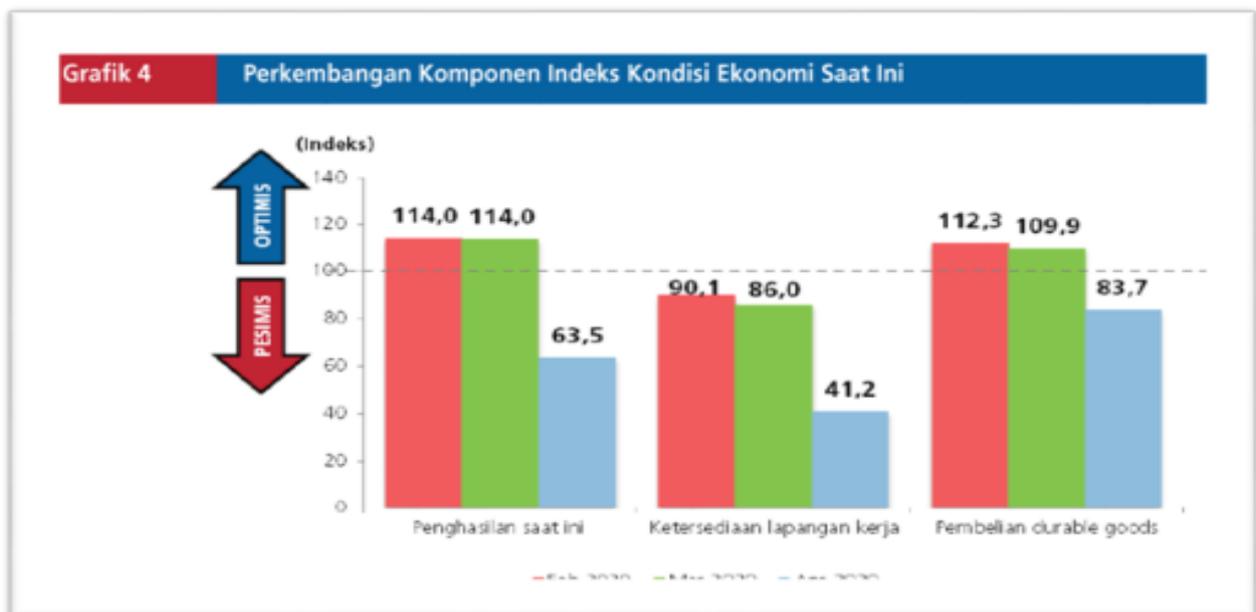


Figure 4.2 Development of Economic Condition Index Components
April 2020

Source: Bank Indonesia Consumer Survey

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

Then, things got worse when we entered April 2020. The weakening consumer optimism was caused by the social restriction policy during the disaster emergency due to COVID-19. This has an impact on the number of companies that lay off or cut salaries on employees. This layoff of work and / or salary cuts occurred due to economic conditions that have become increasingly uncertain since the increasing COVID-19 outbreak. In the chart above, it is clear that a significant decline in income, availability of employment and purchases of durable goods is also evident. March 2020 income of 114.0 decreased drastically in April 2020 to 63.5. Availability of employment also decreased from March 2020 of 86.0 to 41.2 in April 2020. Purchases of durable goods also decreased from March 2020 of 109.9 to 83.7 in April 2020. In facing the economic situation To get worse, the government issued the Minister of Finance Regulation Policy (PMK) No.44 / PMK.03 / 2020 on April 27, 2020 which is expected to help solve economic problems caused by the escalating COVID-19 crisis.

Sugeng Haryono added that with this fiscal stimulus assistance, it is hoped that many companies will stop making layoffs (PHK) to their employees. Hopefully this incentive policy issued can also ease the burden on taxpayers in the face of changes that occur during this pandemic. For example, during this pandemic many companies made cuts in employee salaries. With this policy it is expected to ease the tax burden on taxpayers who are affected by salary cuts. Although this PPh 21 incentive does not have a major impact, it can be one of the triggers for strengthening economic stability in Indonesia which can be seen in the graph below.

Graph for May to August 2020 (After the issuance of Minister of Finance Regulation Number 44 / PMK.03 / 2020)

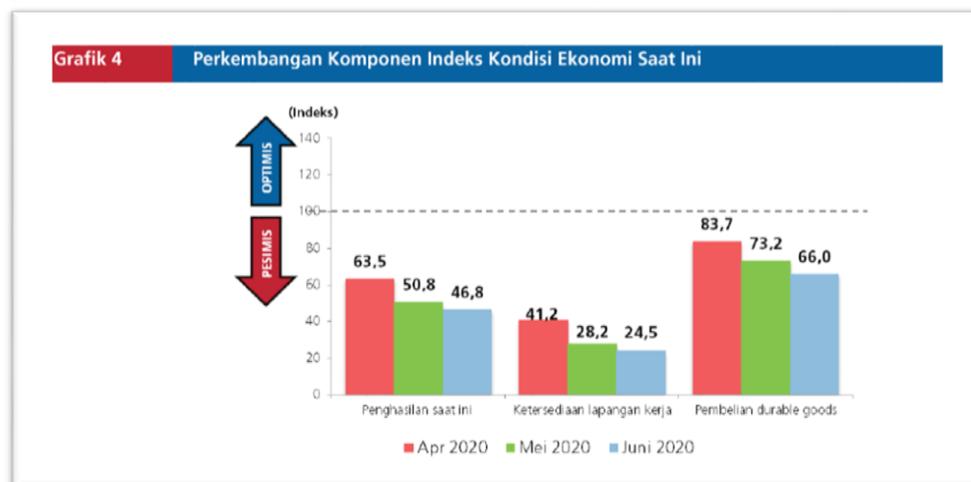


Figure 4.3 Components of the Economic Condition Index
April to June 2020

Source: Bank Indonesia Consumer Survey

As time went on, in June 2020, the graph of the Development of the Economic Condition Index Component continued to decline, but when compared to May 2020, there was an increase in consumer optimism due to the end of the PSBB and the community starting to carry out activities with the "new normal" regulation. This can be seen from the comparison of the job availability graph. In April 2020, the graph of employment availability was 41.2, decreasing to 28.2 in May 2020. It can be seen that there was a decrease of 23.0, while in June 2020 the graph of job availability was 24.5, which only decreased by 24.5. 3.7 From May 2020. In addition, if you pay attention to the Purchase of Durable Goods where from April to May 2020 it decreased by 10.5 but for May to June 2020 it only decreased by 7.2. This can be seen as an increase in developing economic conditions. One of the factors of this increase is also caused by the PPh 21 tax incentive which helps taxpayers to ease their tax compliance obligations. In this case, we can observe that even though the PPh 21 tax incentive does not have a macro effect in strengthening economic stability, at the micro level, this PPh 21 tax incentive helps taxpayers to ease their tax burden so that it is hoped that there will be an increase in consumption optimism and taxpayer expectations in the future.

The role of the issuance of PMK No.44 /PMK.03/2020, one of which is the provision of PPh 21 incentives here is one way to reduce the burden on individual taxpayers so that the amount that should be used to pay PPh 21 can be used for other personal needs such as needs. Household consumption.

There is a need for rescue as well as an economic stimulus that touches the most affected sectors, for example the real sector which absorbs a lot of labour and is expected to be able to survive in this situation. In addition, this is also a program to accelerate national

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

economic recovery (PEN) so that the economy does not sink too deeply. Pak Sugeng added that the hope of giving PPh 21 incentives is to encourage the purchasing power of the community because the income received by employees and employees can be optimized to buy needs, both needs that are expected to increase purchasing power so as to drive the people's economy. Entering July 2020 there was an increase in income, availability of employment and purchases of durable goods.



Figure 4.4 Development of Economic Index Components
May to July 2020

Source: Bank Indonesia Consumer Survey

Based on the Bank Indonesia Consumption Survey, economic activity has resumed and the activities of companies that had previously stopped because the PSBB began to move again since the PSBB was relaxed in various regions. This has an impact on both routine income and business turnover. The PPh 21 tax incentive also has a role in reducing employer tax obligations so that the courage has emerged for employers to open job vacancies to increase the stability and activities of their companies after the cessation of company activities since the last PSBB. In this graph, it can be seen that the increase in income from June 2020 was 46.8, increased by 53.1 in July 2020. Then, the increase in the availability of employment from 24.5 in June 2020 to 30.4 in July 2020. Moreover the occurrence increased purchases of durable goods from 66.0 in June to 68.5 in July 2020.

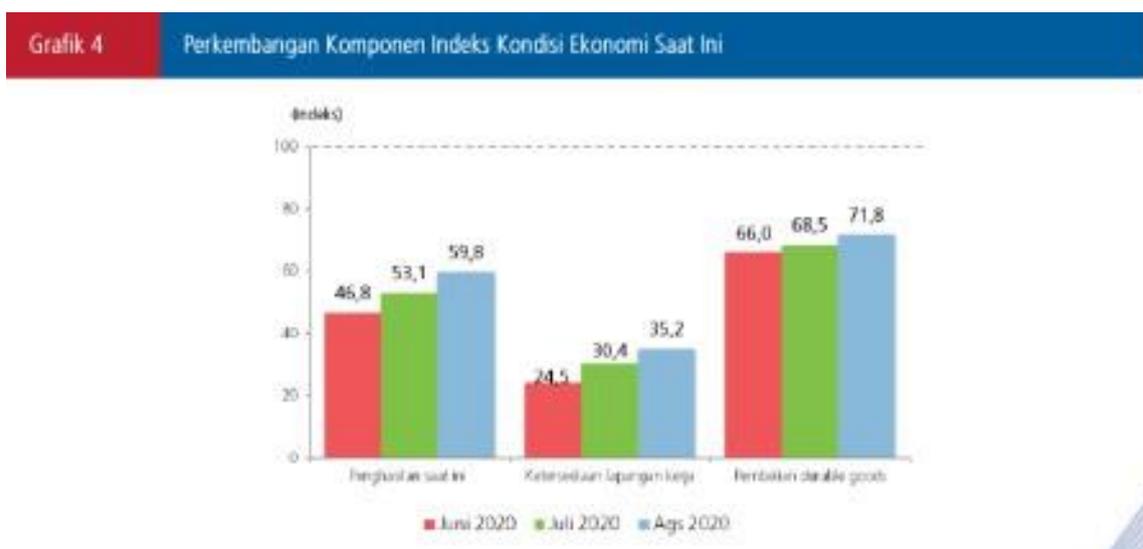


Figure 4.5 Development of Economic Index Components
June to August 2020

Source: Bank Indonesia Consumer Survey

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

This increase continued until August 2020. The income graph increased from 53.1 to 59.8 in July 2020 and the job availability graph from 30.4 July 2020 to 35.2 in August 2020. The increase in this graph of income and job availability affects the index of purchasing durable materials / goods. This indicates a strengthening of economic stability as seen in the purchasing power of consumers. Optimism for consumer expectations has increased since income and job availability have increased. The condition of this increase is of course influenced by the role of the PPh 21 DTP tax incentive which helps taxpayers to undergo the process from the decline to the increase. This PPh 21 DTP tax incentive helps taxpayers in facing difficult times from March 2020 to June 2020, which are crucial months where there is a drastic decrease in income and job availability.

Sugeng Hayono added that in the midst of the Covid-19 pandemic situation, the government hopes that the estimated incentive worth Rp. 123.01 trillion can be fully absorbed and utilized by eligible taxpayers to take advantage of this incentive based on DGT records. The use of PPh 21 incentives certainly has certain criteria, namely that it can only be used by companies listed in certain sector categories (1,062 KLU), which are business sectors that have KITE and Bonded Zone WP. In addition, the category for employees who can take advantage of this incentive is also only for employees who have an income below Rp. 200,000,000, -

This incentive is targeted at employees with an income below IDR 16,000,000 / month in order to maintain purchasing power and support the lives of taxpayers during the COVID-19 pandemic. This limitation is a form of concern for the community / employees who do have income limitations so that it is hoped that this incentive can increase household consumption (because employees receive full income without tax deductions).

In supporting this policy, of course, the government conducts direct education if taxpayers visit the Tax Service Office, then through social media such as Instagram and YouTube and through links that refer to websites that attach PPh 21 incentive policy regulations affected by the COVID-19 pandemic, the website also lists procedures for implementing the policy.

The PPh 21 incentive is carried out by the employer by registering their business to get an incentive, then this incentive can be used or not (optional by the company). If a company has followed this incentive, all employees will automatically get back the pph 21 tax that has been deducted by the company in the form of cash.

After seeing from the side of the party who provided, supervised and regulated the implementation of PPh 21 incentives for taxpayers affected by the COVID-19 pandemic, researchers conducted interviews with entitled parties and received these incentives.

He benefited from this incentive. According to him, the benefits felt were not that great, but with this policy Reinaldo felt a relief in carrying out his tax obligations. Moreover, the company where he works is one of the companies that has been severely affected by the COVID-19 pandemic so that XYZ Company has to cut salaries and reduce employees.

From here also Pak Reinaldo hopes that the government will not be afraid in fighting the Covid-19 pandemic in order to make the economy return to normal. He saw that the presence of PPh 21 tax incentives for taxpayers affected by the COVID-19 pandemic was an indirect assistance for him in carrying out tax obligations.

Finally, the researcher conducted an interview with an employee named Afini Fauzi who worked at a company PT. ABC whereas the recipient of PPh 21 incentives where he works. From his statement, it can be felt how meaningful this Article 21 Income Tax incentive is, especially in the midst of current conditions. He admitted that he was lucky that he worked for a company that was not too big. Afini hopes that the economic conditions where she works will soon revive as well as the conditions of the Covid-19 pandemic, she hopes that this epidemic will end soon.

4.3 Procedures for obtaining PPh 21 incentives PMK.44 / 2020

The incentive provided by the Government for Income Tax Article 21 for Taxpayers affected by the COVID-19 Pandemic is that the income received by employees must be deducted according to the provisions of Article 21 Income Tax by the Employer. For taxpayers affected by the COVID-19 pandemic, PPh Article 21 is borne by the Government on the income received by employees with certain criteria. The following are the criteria for Employees who's Income Tax Article 21 is borne by the Government:

1. Receiving or obtaining income from an Employer who:
 - a. has a Business Field Classification code as listed in Appendix letter A PMK 44/2020 (1062 selected industrial fields)
 - b. has been designated as a KITE Company
 - c. have obtained Bonded Zone Operator permit, Bonded Zone Entrepreneur permit, or PDKB permit
2. Have a NPWP
3. During the tax period the person concerned receives or Obtain a permanent and regular annual Gross Income of not more than Rp. 200,000,000.00 (two hundred million rupiah).

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

Then, there are also requirements for Business Field Classification for Employers to get Income Tax Incentive Article 21, namely the Employer Business Field Classification must be in accordance with the Business Field Classification listed in:

1. Annual PT PPh 2018 Fiscal Year that has been reported by the Employer; or
2. Data contained in the tax administration (master file) of the Taxpayers, for newly registered Taxpayers after 2018 or for Government Agencies.

Minister of Finance Regulation Number 44 / PMK.03 / 2020 concerning Tax Incentives for Taxpayers Affected by the 2019 Corona Virus Disease Pandemic also contains other provisions regarding Article 21 Income Tax borne by the government. Article 21 Income Tax borne by the Government must be paid in cash by the Employer at the time of payment of income to Employees, including in the event that the Employer provides Income Tax Article 21 allowances or bears Article 21 Income Tax to Employees. Article 21 Income Tax borne by the Government is exempted in the event that the income received by the Employee comes from the State Revenue and Expenditure Budget or the Regional Revenue and Expenditure Budget and Article 21 PPh has been borne by the Government based on statutory provisions in the field of taxation. Income Tax Article 21 borne by the Government which is received by the Employee from the Employer is not considered as taxable income. In the event that the employee who receives the PPh Article 21 incentive is borne by the Government submits the personal annual tax return for the 2020 tax year and declares an overpayment, the excess payment originating from PPh Article 21 borne by the Government cannot be returned.

Employers who have received PPh Article 21 incentives borne by the Government certainly have obligations that must be fulfilled as parties who benefit from these incentives, here are the obligations for recipients of Article 21 Income Tax incentives borne by the government:

1. Employers must submit a report on the realization of PPh Article 21 borne by the Government through a certain channel on the www.pajak.go.id page using the appropriate sample form as listed in Attachment letter E PMK 44/2020.
2. The Employer must make a Tax Payment Letter or a printed billing code affixed with the stamp or the words "PPh ARTICLE 21 BUDGETED BY THE GOVERNMENT OF EXTENDED PMK NUMBER ... / PMK.03 / 2020" on PPh Article 21 borne by the Government.
3. Report on the realization of Income Tax Article 21 borne by the Government, attached with a Tax Payment Letter or printed billing code, shall be submitted by the Employer no later than the 20th of the following month after the Tax Period ends.

The reporting mechanism carried out by the employer is as follows: (PMK No. 44, 2020)

1. The employer is obliged to convey the realization of the payment of Income Tax Article 21 borne by the Government to the Head of the Tax Service Office using a predetermined form.
2. For Income Tax Article 21 borne by the government, a tax payment must be made with a stamp or the words "PPh ARTICLE 21 borne by the GOVERNMENT EXAM PMK NO 44 / PMK.03 / 2020" by the employer.
3. Report on the realization of Income Tax Article 21 borne by the Government is attached with a Tax Payment Form and Letter of Payment or printed billing code and submitted no later than:
 - a. 20 July 2020 for the tax period April 2020 until the tax period June 2020; and
 - b. 20 October 2020, for the tax period July 2020 to the tax period September 2020.

4.4 Results of the Discussion

1. The provision of Article 21 Income Tax incentives in order to help people affected by the Covid-19 outbreak provided by the government has a good enough impact on current economic conditions. Judging from before the issuance of this fiscal stimulus, the economic situation was quite cloudy where business actors began to die of production, layoffs (PHK) occurred everywhere, etc. As stated by Sugeng Haryono as Head of the Subdivision of Consultation Facilities and Eko Wahyoni as Head of the Monitoring Facilitation Subdivision where the provision of this incentive is the government's response to decreased productivity of business actors. The provision of incentives for a period of 6 months, namely April to September, is slowly producing results, namely an increase in income, an increase in job opportunities, and an increase in the purchase of durable goods. This indicates a strengthening of economic stability as seen in the purchasing power of consumers. Optimism for consumer expectations has increased since income and job availability have increased. The condition of this increase is of course influenced by the role of the PPh 21 DTP tax incentive which helps taxpayers to undergo the process from the decline to the increase. In this case, we can observe that even though the PPh 21 tax incentive does not have a macro effect in strengthening economic stability, at the micro level, this PPh 21 tax incentive helps taxpayers to ease their tax burden so that it is hoped that there will be an increase in consumption optimism and taxpayer expectations in the future. If viewed from the taxpayers who received the benefits, in this case Reinaldo and Afini Fauzi as beneficiaries of the PPh 21 incentive benefit said they were quite helped by the refund of this income tax deduction for

Providing Income Tax Article 21 Tax Incentives during the Covid-19 Pandemic for the Stability of Economic Growth in Indonesia

daily needs and also other basic needs. This means that it can be seen clearly that providing this incentive is quite helpful for the community in facing the economy during the Covid-19 pandemic.

2. The method or process for obtaining PPh Article 21 tax incentives regarding Tax Incentives for Taxpayers Affected by the Corona Virus Disease 2019 Pandemic is fairly easy administratively. Employees at companies engaged in one of the 1,062 specific industrial fields, at companies that get export-purpose import facilities (KITE) and at companies in bonded zones can get government-borne income tax (DTP) facilities. Thus, employees who have an NPWP and gross income, which if annualized are not more than Rp. 200,000,000, will get additional income in the form of taxes that are not deducted by the employer but given in cash to employees. The application procedure for Taxpayers who receive PPh Article 21 facilities borne by the government itself can be submitted through the website www.pajak.go.id.

3. The procedure for reporting when a taxpayer has been registered is easy and can be done online. Taxpayers only need to open the website www.pajak.go.id, prepare a document file that will be uploaded in the form of a 21 DTP PPh Realization Report and upload it to the E-Reporting menu on the website page. Then the taxpayer will get a proof of receipt of a letter indicating that the taxpayer has successfully reported his tax obligations. Reporting for the April to June Tax Period is reported no later than 20 July 2020, while the July to September Tax Period is reported no later than 20 October 2020.

5. CONCLUSION

The Article 21 Income Tax Incentive stipulated by the Minister of Finance Regulation Number 44 of 2020 (PMK 44 of 2020). Concerning Tax Incentives for Taxpayers Affected by the Covid-19 Virus Outbreak plays a significant role in enhancing the strengthening of economic stability. In this case, we can observe that even though the PPh 21 tax incentive does not have a macro effect in strengthening economic stability, at the micro level, this PPh 21 tax incentive helps taxpayers to ease their tax burden so that it is hoped that there will be an increase in consumption optimism and taxpayer expectations in the future. This increase has occurred since the issuance of Regulation of the Minister of Finance Number 44 of 2020 (PMK 44 of 2020) Concerning Tax Incentives for Taxpayers Affected by the Covid-19 Virus Outbreak in April 2020 can be seen from the increase in community income, job availability and purchase of durable goods on a scale increased.

To get or take advantage of this Article 21 Income Tax incentive, of course the business sector must understand very well whether the company is registered in the KLU category that gets the use of this incentive and other criteria, if it meets the requirements then the company can register on the tax.go.id page.

By registering a company as a recipient of PPh 21 incentives for its employees, the company has an obligation to report the Government Borne Taxes. Reporting is carried out on 20 July 2020 for the April 2020 Tax Period to the Tax Period of June 2020; and 20 October 2020, for the July 2020 Tax Period to the September 2020 Tax Period on the tax.go.id page by using the E-Reporting feature in it and creating an E-Billing with the statement "Pph Article 21 Budgeted By The Government Of Eks Pmk No 44 / Pmk.03 / 2020.

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