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Implementation of Calculation and Withholding of Income Tax Article 23 on *Outsourcing* Services at PT Kereta Api Indonesia DAOP 8 Surabaya

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Abstract

Income Tax Article 23 can be defined as income tax imposed on the income of domestic taxpayers or permanent establishments who receive or earn income originating from capital, rendering services, or carrying out activities other than those subject to tax deductions as intended in Income Tax Article 21. False One of the tax objects that is deducted by Income Tax Article 23 is Outsourcing Services at PT Indonesian Railways DAOP 8 Surabaya. Outsourcing services are services provided by workers to users of labor services by receiving compensation in the form of salary, wages, honorarium, allowances and the like. The purpose of this assignment is to determine the implementation of procedures for calculating and withholding Income Tax article 23 for outsourcing services at PT Indonesian Railways DAOP 8 Surabaya. The research method used is the descriptive analysis method, namely the method used to describe and discuss the condition of the company based on existing facts according to the object by means of field studies consisting of observation, interviews and documentation. Based on the results of the research conducted, it can be concluded that the implementation of the calculation and deduction of Income Tax Article 23 is in accordance with the rates and tax base.

Kevwords: *Income Tax Article 23. Outsourcina Services*

INTRODUCTION

Indonesia is a country that prioritizes law and is based on the 1945 Constitution and Pancasila. Currently, every country is carrying out extensive development, both in terms of infrastructure and the public service sector, including Indonesia. In order for rapid and comprehensive development in national life to be carried out, participation and support from all potential communities is needed, one of which is compulsory contribution through tax collection.

Tax revenue is the main source of state revenue in the State Budget (APBN). Every year, the tax revenue target continues to increase. To achieve this target, public awareness is needed in fulfilling tax obligations. Taxes also have a strategic role not only as a source of state revenue, but also as a form of responsibility and solidarity of all citizens for the sustainability of the nation. Tax payment allows the funds to enter the state treasury and then be used for the welfare of the people. Tax, according to the classical view, is a compulsory contribution based on law, without direct reward, which is used to carry out state functions.

One type of tax included in the source of state revenue is Income Tax (PPh). Tax is defined as a mandatory contribution to the state owed by individuals or entities that have a compelling nature based on applicable laws, by not getting a direct reward which will later be used for state purposes and aimed at the prosperity of the people. Income Tax (PPh) is a tax levied by the state on any increase in economic capacity received or obtained by taxpayers, both individuals and business entities, based on income generated during one tax year. One part of the Income Tax (PPh) collected by other parties is Income Tax (PPh) article 23.

Income Tax (PPh) Article 23 is a tax imposed on income derived from capital, provision of services, or provision of gifts and awards. This tax is usually applied when a transaction occurs between two parties. The party acting as a seller, recipient of income, or service provider will be subject to ITA 23. While the income provider or buyer or service recipient will deduct and report it to the tax office quoted from *tax.go.id*.

According to Waluyo (2010: 273) income tax article 23 is a tax deducted on income

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received or obtained by domestic taxpayers and permanent establishments derived from capital, delivery of services, or implementation of activities other than those that have been deducted by income tax article 21. Income tax article 23 is paid or payable by government agencies or domestic subjects, organizing activities, permanent establishments, or representatives of other foreign companies. PT Kereta Api Indonesia (Persero) is engaged in transportation where there are many transactions carried out, one of which is *outsourcing* services which are closely related to Income Tax Article 23. PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya is one of the state-owned companies engaged in transportation services. Operation Area 8 Surabaya or abbreviated as DAOP 8 Surabaya is one of the operating areas of Indonesian railways under PT Kereta Api Indonesia (Persero) which is led by an *Executive Vice President* (EVP) who is under and responsible to the Board of Directors of PT Kereta Api Indonesia (Persero).

Outsourcing is the use of labor to perform certain work or production processes by a company, with the procurement of labor channeled through a company or labor service provider. One of the benefits of *outsourcing* activities is that user companies can focus more on company strategy, so that the process of achieving company goals can be controlled, measured and ultimately achieved. As a withholder, PT Kereta Api Indonesia (Persero) must carry out withholding Income Tax Article 23 in accordance with the Law on General Provisions and Tax Procedures. Based on the above background, the author is interested in discussing further about Income Tax (PPh) Article 23 on *outsourcing* services by raising the title Implementation of Procedures for Calculating and Withholding PPh Article 23 on *Outsourcing* Services at PT Kereta Api Indonesia DAOP 8 Surabaya.

LITERATURE REVIEW

Definition of Tax

According to Article 1 Paragraph 1 of the KUP Law, tax is defined as a contribution obligation that must be paid by individuals or entities to the state based on the Law. This tax is coercive, without direct reward, and is allocated for the benefit of the state in order to achieve the welfare of the people.

According to Prof. Dr. Rochmat Soemitro (Halim, Abdul 2014: 1) in his book Basics of Tax Law and Income Tax that: taxes are raktyat dues to the state treasury (transfer of wealth from the pertikel sector to the government sector) based on the Law (can be imposed) with no reciprocal services (contrapretation) that can be directly appointed and which are used to finance public expenditures.

Income Tax

According to Resmi (2011: 74) Income tax (PPh) is a state tax imposed on any additional economic capacity received or obtained by taxpayers, both domestic and foreign origin which can be used as consumption or increase wealth for the taxpayer concerned.

Income Tax (PPh) Article 23

Article 23 of the Income Tax Law regulates tax withholding on income received or earned by domestic taxpayers and permanent establishments from capital sources, providing services, or conducting activities that have not been subject to Income Tax Article 21 withholding. This tax is imposed when the income is paid, provided to be paid, or has reached maturity by a government agency, domestic legal entity, activity organizer, permanent establishment, or representative office of a foreign company.

RESEARCH METHODS

Data collection methods in this study using (1) Field Studies by conducting research and interviews in field work practices with several employees, so as to find out how the implementation of the calculation and deduction of Income Tax Article 23 on *outsourcing* services at PT Kereta Api Indonesia DAOP 8 Surabaya. Knowing whether the implementation of the calculation and withholding procedures for ITA 23 is in accordance with the current law. To find out the extent to which financial staff understand the procedures for calculating and withholding

taxes. (2) Literature Study is an effort to obtain data conducted by the author through books as a theoretical basis for research.

Data Collection Technique

In this study, the data collection techniques that will be used are interviews and documentation. According to Sugiyono (2008), data collection techniques are used when research wants to know things from respondents that are more in-depth. By using the interview method, the author conducted questions and answers to related parties at the research company. Document *surveys* are carried out by directly quoting the data available in the relevant sections of the company.

Data Type and Source

There are 2 types of data used in this study, including: (1) Qualitative data is a type of data from verbal explanations, it cannot be analyzed in the form of numbers or numbers. (2) Quantitative data is a type of data that can be measured or calculated directly, in the form of information or explanations expressed in numbers or in the form of numbers and other books to support taxation theories used as a guide.

The data sources used in this study are primary data and secondary data. Primary data is data obtained or collected by researchers directly from the source. For example in the form of interviews with related parties. Secondary data is a type of data obtained through other sources, not directly from the research subject. For example in the form of piece proof obtained by the author from PT Kereta Api Indonesia DAOP 8 Surabaya.

Data Analysis Method

In this study, the data analysis carried out to answer the existing problems is to use descriptive analysis methods. Agus Salim (2010: 13) states that the descriptive analysis method is a method used as a procedure for solving the problem being investigated by describing the state of the subject or object in the study, which can be people, institutions, society and others at the present time based on the facts that appear or what they are.

RESULTS AND DISCUSSION

Calculation of Income Tax Article 23 on *Outsourcing* Services at PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya

The implementation of the calculation of Income Tax Article 23 is a process that has been regulated in the Law including rates and other provisions subject to Income Tax Article 23 and the payment period has been regulated in the applicable Law. The calculation method for withholding Income Tax (PPh) article 23 on labor supply services is by charging a rate based on PMK No.141 / PMK.03 / 2015 concerning other services as referred to in article 23 paragraph (1) letter c number 2 in Law Number 36 of 2008 concerning income tax states that compensation in connection with services, including one of which is labor supply services or *outsourcing* services, is 2% of the total gross income excluding Value Added Tax (VAT).

Withholding Income Tax Article 23 on *Outsourcing* Services at PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya

After making the calculation, the tax withholder pays ITA 23 on *outsourcing* services to the state treasury using a tax deposit letter paid through a perception bank or Indonesian post office no later than the 10th of the following month after the end of the tax period.

Tax reporting to the Tax Office (KPP) where registered must be done no later than the 20th of the following month after the tax period ends. Tax withholders are required to report SPT by attaching the necessary documents:

1) Main income tax return article 23
2) List of proof of withholding of income tax article 23
3) Withholding slip for income tax article 23
4) Income tax payment letter article 23 on *outsourcing* services

The document of proof of withholding Income Tax Article 23 on *outsourcing* services must be submitted to PT Kereta Api Indonesia (Persero) because this document is an important requirement for taxpayers to monitor the tax that has been withheld and ensure the accuracy of the tax paid by the withholding party.

The party withholding income tax article 23 consists of government agencies, domestic corporate tax subjects, activity organizers, Permanent Establishments (BUT), representatives of other foreign companies, and certain domestic personal taxpayers appointed by the Director General of Taxes, who withhold income tax (PPh) article 23 here is a domestic corporate tax subject which pays the tax is the party receiving the service, namely PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya.

Based on PMK-244/PMK.03/2008 concerning other types of services as referred to in Article 23 paragraph (1) number 2 of Law Number 36 of 2008 concerning income tax, it states that compensation in connection with services, including *outsourcing* services, is another type of service that is deducted by ITA 23 at 2% of each value paid. Based on the withholding slip that the author obtained, the withholding of ITA 23 at PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya is 2% of the gross income of *outsourced* labor provider costs.

Data on Income Tax Withholding Article 23 on *Outsourcing* Services in July of 2024 at PT Kereta Api Indonesia DAOP 8 Surabaya

Table 1. Data Bukti Potong PPh Article 23 on *Outsourcing* services in July at PT. KAI DAOP 8 Surabaya

Month	Total Gross Revenue *Outsourced* Labor Provider Costs	Income tax article 23 withheld
July	IDR 197,574,591.00	IDR 3,951,491.82

Source: PT KAI DAOP 8 Surabaya

The following is how to withhold Income Tax Article 23 on *Outsourcing* Services for July 2024 at PT Kereta Api Indonesia DAOP 8 Surabaya:

Total income = Rp. 197,574,591.00

Income Tax Article 23 = Gross income x 2% = Rp. 197,574,591.00 x 2%

= Rp. 3,951,491.82

CONCLUSIONS

The results of research conducted at PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya can be concluded, namely, the process of calculating and withholding income tax (PPh) article 23 on labor provider services or *outsourcing* carried out at PT Kereta Api Indonesia (Persero) DAOP 8 Surabaya charges rates based on PMK-244 / PMK.03 / 2008 concerning other types of services as referred to in article 23 paragraph (1) number 2 of Law Number 36 of 2008 concerning income tax, stating that compensation in connection with services, including one of which is the provision of *outsourcing* services is another type of service that is withheld PPh article 23 at 2% of each value paid.

LIMITATIONS AND FURTHER RESEARCH

Based on this background, this research is focused on the company PT Kereta Api Indonesia DAOP 8 Surabaya. Implementation of Calculation and Withholding of Income Tax Article 23 in this study is only limited to *Outsourcing* Services in July 2024. Future research can explore more deeply the impact of the implementation of Income Tax Article 23 on the stability and financial health of PT Kereta Api Indonesia DAOP 8 Surabaya, especially in terms of cost management and operational efficiency. More in-depth research can be conducted to evaluate the

extent to which the implementation of taxation policies in the company is in accordance with the regulations issued by the Directorate General of Taxes.

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