Research Trend in Management and Technology

Analysis of Compliance with PPh 21 of Individual Taxpayers Case Study at PT XYZ

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Abstract
The issue of tax compliance is crucial in supporting national development through state revenue. However, companies often encounter challenges in meeting their obligations under Income Tax Article 21 (PPh 21), including accurate calculation and timely payment. This study aims to analyze compliance with PPh 21 for individual taxpayers at PT XYZ, specifically focusing on Non-Taxable Income (PTKP) calculations, tax payments, and reporting. A qualitative research approach was adopted using a case study method, in-depth interviews with key personnel, direct observations, and document analysis. The results reveal a miscalculation in the PTKP status of an employee, which led to an overpayment of IDR 675,000 in 2023 due to an incorrect tax deduction. Additionally, while PT XYZ has shown timely compliance in reporting through the e-Filing system, delays were observed in the remittance of taxes, resulting in administrative penalties, including the issuance of a Tax Bill (STP) by the Penjaringan Tax Office. This research concludes that errors in PTKP calculations and delayed tax payments not only increase the financial burden but also expose the company to the risk of tax audits. The study contributes to the understanding of how administrative accuracy and timely fulfillment of tax obligations are critical for corporate tax compliance and provides practical recommendations for improving internal tax administration procedures at PT XYZ.

Keywords: *Income Tax, PTKP, Tax Compliance.*

Introduction

The tax system plays an important role in the development of a country. Tax is one of the main sources of state revenue used to finance government spending and support national development (Kurniawan & Nugroho, 2021). Every citizen who has income, such as salary, wages, honorarium, allowances, and other payments, is obliged to pay taxes. This income is received or obtained by individual taxpayers in the country related to work, position, services, or activities carried out (Juita, 2020). Compliance with tax obligations is crucial, both for taxpayers and the state, as it contributes to state revenue (Agun et al., 2022). Tax compliance reflects the extent to which individuals or entities fulfill their obligations in accordance with applicable regulations.

According to data from Indonesia's Directorate General of Taxes (2023), approximately 17.5% of corporate taxpayers were subject to administrative sanctions related to late payments and reporting errors on PPh 21. Moreover, corporate tax non-compliance has resulted in an estimated revenue loss of Rp 5.8 trillion in the past fiscal year. However, compliance with PPh

21 is often a challenge for companies and individuals. Many factors influence this compliance, including accuracy of payment, accuracy in filling out and reporting SPT, and accuracy in carrying out recording and bookkeeping (Sulistyari et al., 2022). In Kurniyawati's (2019) study, it was found that there was an error in the calculation of PPh 21 at PT X, leading to overpayment and financial losses. The calculation was inconsistent with Law Number 36 of 2008 due to inaccuracies regarding employee status. One real example is experienced by PT XYZ, a fisheries manufacturing company. Based on 2023 data, an error was found in the calculation of Non-Taxable Income (PTKP). This error led to a discrepancy between the amount of tax withheld and the actual obligation, resulting in an overpayment. Based on interviews, the problem is further confirmed by the issuance of a Tax Bill (STP) from the Penjaringan Tax Office due to late payments, posing a risk of tax audit.

The purpose of this study is: 1) To calculate PPh 21 for individual taxpayers at PT XYZ. 2) To analyze compliance with Income Tax Article 21 for individual taxpayers at PT XYZ. 3) To analyze the impacts caused by tax non-compliance on the Company. The findings are expected to contribute not only to the improvement of PT XYZ's tax administration system but also to provide insight for similar firms facing challenges in PPh 21 compliance, thereby enriching the literature on tax compliance within Indonesian manufacturing companies.

Material and Method

Research Design

This study employs a qualitative research design using a case study approach to explore the compliance of PT XYZ with Income Tax Article 21 (PPh 21) for individual taxpayers. The qualitative approach was chosen because it allows for a detailed and contextual exploration of tax calculation and compliance processes, which are often influenced by organizational practices and interpretation of regulations. A case study design enables the researcher to conduct an in-depth examination of a single entity — PT XYZ — which faced issues related to miscalculated Non-Taxable Income (PTKP), delayed tax payments, and administrative sanctions.

The population in this study includes personnel within PT XYZ who are directly involved in the calculation, payment, and reporting of PPh 21. A purposive sampling technique was employed to select four key informants based on their roles and relevance to the tax compliance process. The informants consisted of:

1. General Affair SPV
2. Finance-Accounting Manager
3. Quality Assurance Manager
4. Cost Control Manager

Data were collected through a combination of primary and secondary sources. Primary data were obtained using in-depth, semi-structured interviews with the selected informants, allowing for a flexible but focused exploration of the compliance procedures and issues encountered. Secondary data consisted of company documents, including PPh 21 tax calculation sheets and withholding evidence, which were used to validate the accuracy of tax reporting and calculation. This methodological design ensures a comprehensive understanding of PT XYZ's tax compliance practices, while also allowing for triangulation of data through interviews and document analysis to improve the validity and reliability of findings.

Data Analysis

The collected data were analyzed using SPSS version 26. Descriptive statistics were used to summarize demographic information and key variables. Subsequently, multiple regression analysis was conducted to examine the relationship between perceived usefulness, ease of use, and QR Code payment adoption. Normality and multicollinearity tests were performed to ensure the assumptions for regression analysis were met. This study uses qualitative data analysis to evaluate the compliance of PPh 21 tax of individual taxpayers at PT XYZ, focusing on the non-taxable income (PTKP) discrepancy. The analysis process is carried out systematically following the Miles and Huberman (2018) model, which includes data reduction, data presentation, as well as drawing conclusions and verification. Data were obtained through interviews and documentation, including PPh 21 calculations and PPh 21 withholding evidence.

Result

In principle, PT XYZ has conducted the calculation of Income Tax Article 21 (PPh 21) in accordance with the prevailing tax procedures regulated under Law Number 36 of 2008 and Minister of Finance Regulation No. 168/PMK.03/2020. However, this study identified a crucial error in the determination of Non-Taxable Income (PTKP) status, particularly concerning one of the employees, referred to in this study as Informant D.

Informant D was incorrectly recorded with a PTKP status of TK/-, indicating no dependents, whereas the correct status should have been TK/3, reflecting the presence of three dependents (e.g., spouse and two children). According to Indonesian tax regulations, the PTKP value for TK/3 is IDR 72,000,000 per year, while TK/- only entitles the taxpayer to a PTKP of IDR 54,000,000. This discrepancy of IDR 18,000,000 in non-taxable income substantially affects the calculation of the taxable income (Penghasilan Kena Pajak/PKP).

To illustrate, assuming Informant D's gross annual income is IDR 100,000,000:

With TK/-, the taxable income becomes:

IDR 100,000,000 – IDR 54,000,000 = IDR 46,000,000

With TK/3, the taxable income becomes:

IDR 100,000,000 – IDR 72,000,000 = IDR 28,000,000

This difference in PKP directly impacts the final PPh 21 payable by the company on behalf of the employee. Based on the progressive tax rate under Article 17 of the Income Tax Law (5% for PKP up to IDR 60 million).

Table 1. Illustration

PTKP Status	Taxable Income (PKP)	Tax Rate	PPh 21 Payable
TK/-	IDR 46,000,000	5%	IDR 2,300,000
TK/3	IDR 28,000,000	5%	IDR 1,400,000

However, due to rounding and the application of other monthly payroll tax deductions (e.g., job expense deductions), the actual values from the payroll system are shown in Table 3:

Table 2. The actual value

Status	PPh 21 Payable (2023)

TK/-	IDR 1,026,450
TK/3	IDR 351,450
Difference	**IDR 675,000**

This analysis confirms that PT XYZ made an excessive tax payment of IDR 675,000 for Informant D due to the misclassification of PTKP status. While this might appear as a small error in isolation, if similar inaccuracies are repeated across multiple employees or periods, the cumulative financial impact could be significant. Furthermore, this overpayment may not be automatically refunded by the Directorate General of Taxes unless the company proactively files a restitution request, which adds administrative burden and risk. The error also highlights a gap in HR-tax coordination, particularly in updating employee family status, which is critical for accurate PTKP classification. It underscores the need for an internal control mechanism to verify employee data consistency between HR records and tax reporting systems. From a regulatory compliance standpoint, although the overpayment does not constitute underpayment or evasion, it affects the efficiency of corporate cash flow, increases administrative complexity, and reflects weaknesses in the company's tax governance structure.

Discussion

Compliance with the deposit and reporting of PPh 21 for individual taxpayers in 2023 at PT XYZ

According to (Sulistyari et al., 2022), factors that influence the level of compliance include accuracy of payment, accuracy in filling out and reporting SPT and accuracy in carrying out recording and bookkeeping. From these factors, based on information from Source B, the payment of PPh 21 for PT XYZ employees was delayed for 3 months, namely starting from October, November, December 2023. This delay resulted in a sanction in the form of 2% interest per month in accordance with the provisions of Law Number 28 of 2007. This problem reflects the need to improve the tax administration system at PT XYZ to ensure timely payments.

On the other hand, PT XYZ shows good compliance in tax reporting using the e-Filing system. This shows the company's awareness to fulfill tax reporting obligations in a timely and accurate manner.

The impact of errors in calculating PTKP on tax deductions, tax obligations, and the issuance of Tax Bills (STP) for PT XYZ

Errors in calculating PTKP have a significant impact on various aspects of taxation at PT XYZ:

1. Impact on Tax Deductions

   Errors in calculating PTKP cause the amount of tax deducted from employee income to be inconsistent with applicable provisions. For example, in the case of employees with PTKP status who should be TK/3 but are recorded as TK/-, there is a difference in the PTKP value of IDR 13,500,000. This causes the employee's taxable income to be greater than it should be, so that the tax deducted is also higher. As a result, the company experiences excessive tax deductions.

2. Impact on Tax Obligations

   This error also has an impact on the company's tax obligations. With errors in calculating PTKP, PT XYZ records higher taxes as its obligations. For example, in the case found, the tax payable with PTKP TK/- status is IDR 1,026,450, while the tax that should be paid based on PTKP TK/3 status is only IDR 351,450. This difference of Rp 675,000 resulted in the company paying more than it should have.

3. Impact on the Issuance of Tax Bills (STP)

   Late payments also have the potential to cause the issuance of Tax Bills (STP) by the Tax Service Office (KPP). In this case, PT XYZ was late in completing its tax payment obligations, which resulted in the imposition of administrative sanctions in the form of interest or fines. Based on Law of the Republic of Indonesia Number 28 of 2007 concerning General Provisions and Tax Procedures (KUP). The issuance of STP not only increases the company's financial burden but also creates the risk of a more in-depth tax audit by the tax authorities.

Conclusion, Implication, and Recommendation

Based on the research and analysis conducted, this study concludes that PT XYZ experienced a miscalculation in the 2023 Income Tax Article 21 (PPh 21) due to an error in recognizing the employee's Non-Taxable Income (PTKP) status. This resulted in an overpayment of IDR 675,000, as the PTKP status recorded was TK/- instead of the correct TK/3. The correction of this error reduced the PPh 21 payable from IDR 1,026,450 to IDR 351,450. Additionally, the company was found to be non-compliant in terms of tax payment timeliness, leading to administrative penalties and the issuance of a Tax Bill (STP), despite timely tax reporting via the e-Filing system. This situation reflects broader weaknesses in the company's internal tax administration processes. Theoretically, the study contributes to the discourse on tax compliance by highlighting how micro-level administrative errors—particularly in PTKP classification—can lead to macro-level compliance consequences. Practically, it underscores the importance of accurate employee data management and timely tax remittance in preventing financial and legal risks. This study is limited by its single-case focus on PT XYZ, which may affect the generalizability of the findings across other sectors or regions. Future research could benefit from a comparative multi-case analysis involving diverse industries or employing quantitative methods to measure the prevalence and financial impact of PTKP misclassification. Moreover, future studies could explore the role of digital integration between HR systems and tax reporting platforms to minimize human error and enhance compliance efficiency.

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