



Contemporary Accounting Case Studies

Vol. 2, No. 2, September 2023

Article 15

TAX DISPUTE ANALYSIS ON PROMOTIONAL COSTS A CASE STUDY ON TAX COURT DECISIONS FOR THE 2016-2019 PERIOD

Irfan Yulianto

Master of Accounting Program, Faculty of Economics and Business, Universitas Indonesia
irfan.yulianto@ui.ac.id

Siti Nuryanah, S.E., M.S.M., M. Bus(Acc)., Ph.D

Master of Accounting Program, Faculty of Economics and Business, Universitas Indonesia
siti.nuryanah@ui.ac.id

TAX DISPUTE ANALYSIS ON PROMOTIONAL COSTS: A CASE STUDY ON TAX COURT DECISIONS FOR THE 2016-2019 PERIOD

*Irfan Yulianto**, *Siti Nuryanah*

Master of Accounting Program, Faculty of Economics and Business, Universitas
Indonesia

ABSTRACT

Tax disputes related to promotion costs, suspected to be part of *tax planning* practices and *evasion*, always occur and continue to increase yearly. This study aims to identify the main types and causes of tax disputes related to promotion costs in calculating the tax payable for corporate income tax. It also provides recommendations to overcome the repeated occurrence of this dispute. This is a qualitative study with data collected through Tax Court appeal decisions published from 2016 to 2019 and interviews with the DGT and tax consultant. The results showed that promotional cost tax disputes were divided into material and formal. Material disputes are caused by differences in interpretation between DGT, Taxpayers, and evidentiary problems. Formal disputes are caused from the DGT's perspective that the deducted promotional costs do not meet the formal requirements. Similarly, most taxpayers use substantive principles rather than formal ones. This is because majorities feel they have complied with the formal provisions in question, and are unable to comply with the formal provisions due to circumstances beyond their control, thereby asking for justice at the level of appeal. Recommendations for the DGT include understanding taxpayers' business processes properly when conducting a tax audit of promotion costs. The process of making formal corrections must be followed by material evidence, raising the status of related policy to become regulation and improving the system and management of annual tax returns. Recommendations for taxpayers include providing valid and relevant data and documents during the tax audit process and properly administering data and documents related to promotional costs incurred.

Keywords: Corporate Income Tax, Promotional costs, Tax Court, Tax Disputes

* Corresponding Author's Email: irfan.yulianto@ui.ac.id

1. INTRODUCTION

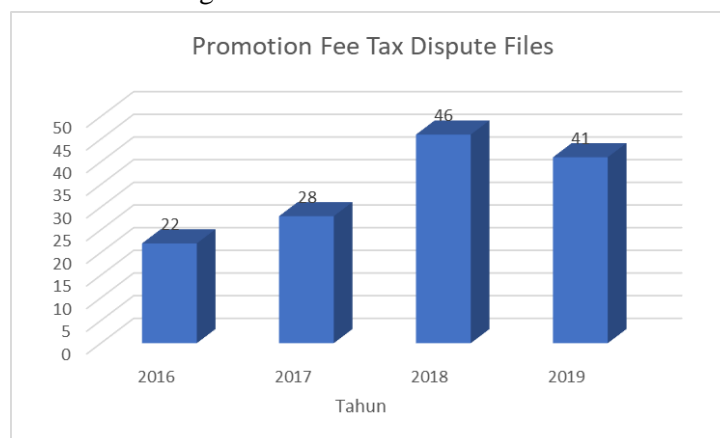
Indonesia adopted a self-assessment system regulated by the Law on General Provisions and Tax Procedures (UU KUP). The country's Directorate General of Taxes (DGT) is mandated by the law to conduct audits to test taxpayers' compliance with tax obligations and for other purposes. However, the outcome can lead to dissatisfaction from the taxpayers' perspective. This is usually centered on the value of the payable tax contained in the *Notice of Tax Assessment*.

Different opinions of the tax authorities and taxpayers usually lead to the emergence of tax disputes. Consequently, taxpayers are expected to employ legal remedies ranging from objections and appeals in the Tax Court until case review (PK) in the Supreme Court. Furthermore, legal remedies for tax disputes submitted by taxpayers are extremely detrimental to DGT, even until the final stage. These can cause delays and even a decrease in revenue when the taxpayers' application is granted. The potential loss of DGT includes a refund of the paid tax value and interest compensation. In certain circumstances, taxpayers can experience real losses such as DGT. They also risk being subject to additional sanctions in situations where they lose a tax dispute to DGT. This brings certain disadvantages to DGT and disputing taxpayers. Based on the data acquired from the Tax Court secretariat, the number of tax disputes tends to increase yearly.

Tax disputes related to promotional and sales costs are of major concern. Its legal remedies are not always related to the different opinions of the tax authorities and taxpayers. According to Wahyudi et al. (2017), certain groups of taxpayers are responsible for executing *tax planning* or *avoidance*. Promotional and sales costs are usually used as a tax planning tool to reduce taxable income. For example, the Federal Government tried to resolve this issue in the United States by revising certain regulations. The essence was to reduce the cost of advertisement and promotions concerning calculating the taxes owed as part of tax reform. This discourse arose because the imposition of advertising costs in calculating the incurred tax was considered abnormal. Incidentally, it led to a debate on whether advertising was a necessary or ordinary business expense (Taylor, 2014).

In Indonesia, tax disputes over promotional costs are a concern for DGT. Based on experience, it was reported that taxpayers cannot distinguish between promotional expenditures and donations, therefore, both are charged as expenses. They also cannot provide convincing evidence concerning paying for the promotion (SE-04/PJ.42/1990). Figure 1 shows that this tax dispute always recurs yearly and has an increasing trend annually. DGT stated that apart from being part of the tax planning effort, promotional costs play a relevant role in tax evasion practices. These are performed, among others, by shifting costs that cannot be deducted according to tax provisions. In addition, it is suspected that taxpayers use sales and promotional items to disguise illegal expenses. Considering the Indonesian tax regulations, these were specifically mentioned in the explanation of Article 6 section (1) letter of the Law on Income Tax, where it is stated that promotional expenditures need to be able to distinguish their costs from donations.

The Minister of Finance Regulation further monitors the number of promotions and sales costs deducted from the gross income.



Source: Secretariat of the Tax Court, author's data processing

Figure 1: Promotion Fee Tax Dispute Files from 2016-2019

Several studies have been carried out on tax disputes and promotional costs in Indonesia. These include the study on tax disputes analyzed from the perspective of the tax examiner by Wahyudi et al. (2017) and Kusuma et al. (2019). Others include the study on the tax dispute resolution process at various levels by Supriyadi et al. (2018), Trisnawati (2021), and Siahaan (2012). Specific study on promotional fee tax disputes was carried out by Sibarani (2014) and Mandati (2018). Sibarani (2014) examined tax planning in relation to promotional costs but has not been able to explain whether it has the potential to trigger disputes and how taxpayers tried to overcome these issues. Mandati (2018) investigated an appeal against a promotional fee tax dispute, but this study was only carried out based on one Tax Court decision. Therefore, there is a study gap that can explain the phenomenon of the promotional fee tax dispute in the country. As earlier explained, this is an interesting occurrence that also keeps increasing.

In addition to the initial reasons earlier mentioned and in terms of filling the study gap, the causes of this phenomenon were analyzed, while the steps adopted by DGT in dealing with legal remedies taken by taxpayers were examined. The results of this study are expected to provide an overview of the causes of tax disputes related to promotions. It is also expected to provide input for the government (DGT) in terms of formulating or revising certain rules and policies related to promotional costs. Based on the explanation above, the study questions are: what are the causes of the diverse types of disputes related to promotional costs, and what is the solution to prevent them from recurring?

Based on these questions, the objectives of this study are to find the causes of tax disputes that trigger promotional costs and recommend suggestions to minimize their occurrence. This qualitative study adopted a case study approach. In addition, it also employed method and data triangulation processes. Method triangulation was realized

by performing content, document analysis, and interviews, while data triangulation acquired information from several sources under diverse periods.

2. LITERATURE REVIEW

2.1. TAX PLANNING, TAX AVOIDANCE, AND TAX EVASION

As earlier mentioned, legal remedies for tax disputes are an aspect of the taxpayers' tax planning and promotional costs. According to Hutagaol et al. (2007), tax planning is taxpayers' effort to minimize payable tax through a scheme regulated by the implemented laws and regulations. The essence is to ensure that it does not cause disputes between taxpayers and tax authorities. Meanwhile, tax avoidance is difficult to define, although it is generally used to describe the taxpayers' affairs with the intent to reduce tax liability. Irrespective of the arrangement being strictly legal, it usually contradicts the intent of the law it purports to follow (OECD, 2022). Tax evasion is also difficult to define, and it generally means an illegal arrangement where tax liability is either hidden or ignored (OECD, 2022). However, the OECD does not clearly define the meaning of tax avoidance and evasion. In the context of tax reduction efforts, tax avoidance and evasion were defined as legal and illegal arrangements, respectively. An audit conducted by the tax authority is used to determine whether the arrangement made by taxpayers is legal or illegal.

2.2 TAX AUDIT

The tax audit is a consequence of the self-assessment system to ensure that the tax obligations are in accordance with the stipulated provisions. In the context of tax planning, the results of the examination aid in determining whether the arrangements made by the taxpayer are in line with the provisions enacted by DGT. According to the Law on General Provisions and Tax Procedures, an audit is defined as a series of activities related to collecting and processing data, information, and evidence that are carried out objectively and professionally. These are based on the audit standard to test its compliance with tax obligations and other purposes in the context of the implemented provisions regulated by the tax laws and regulations.

The auditor's opinion must be based on strong and relevant evidence and regulations in carrying out a tax audit. To obtain this evidence in the tax audit process, Article 29 section (3) of the law on General Provisions and Tax Procedures obliges the inspected taxpayer to:

1. display books or records, and other documents related to income earned, business activities, freelance, or objects that are tax payable,
2. create an opportunity to enter a place or space deemed necessary, including assisting in the fluency audit process, and
3. the provision of other relevant information.

Referring to the Law on General Provisions and Tax Procedures, the inspected taxpayers are bound by confidentiality, thereby ensuring that they cannot provide the required books, records, documents, and other information. Article 29 section (4) confirms that a request for confidentiality audit needs omits the obligation to keep it confidential.

Apart from the taxpayers' perspective, during the tax audit process, the auditor is also entitled to certain obligations as regulated in Article 11 *Minister of Finance Regulation* (PMK) Number 17/PMK.03/2013 concerning Procedures for tax audit jo. PMK Number 18/PMK.03/2021.

2.3 TAX DISPUTE

The outcome of the audit carried out by DGT can lead to dissatisfaction or disapproval from taxpayers. When this occurs, a tax dispute will arise between DGT as the tax authority and taxpayers. Mulyadiwarno (2002) and Siahaan (2012) stated that it is described as the different opinions of the two parties, namely taxpayers (including the tax collector) and the Directorate General of Taxes or the tax authorities, as well as its legal executors. Barata (1998) and Siahaan (2012) stated that these differences related to the *Notice of Tax Assessment* are caused by:

1. The different perceptions of taxpayers and tax officials regarding the understanding of its regulations,
2. The limited time that the tax officer has in interpreting the business processes and accounting systems of taxpayers,
3. Taxpayers are unable to communicate their business activities to tax officials properly,
4. Ignorance and inability of taxpayers to understand the enacted regulations,
5. Taxpayers' ignorance and inability to distinguish between commercial and fiscal financial statements, and
6. Differences in recognizing a transaction and its supporting evidence.

Furthermore, according to Purwito and Komariah (2006), the different opinions of taxpayers and tax authorities that trigger tax disputes are:

1. Differences in perception,
2. Differences in understanding,
3. Differences in the calculation of taxes that should be paid,
4. Disagreements on the date of the notification letter.

Referring to the book entitled "Comparative Case Study of the Tax Court" written by Sundoro (2004), tax disputes are categorized into two types, namely:

1. Formal Dispute
Formal disputes arise when the tax authorities fail to comply with the procedures stipulated by regulations, specifically the Law on General Provisions, Tax Procedures, and Court. For example, audit practices, issuance

of tax assessments, and objective decisions were established in the Law on General Provisions and Tax Procedures.

2. Material Dispute

The existence of a material dispute arises after calculating the tax, and the amount is based on the taxpayers' calculation. Such differences tend to emerge from the different views of the applicable legal basis, tax regulations, disputes regarding a particular transaction, etc. These imply that the tax amount calculated by the tax authorities differs from taxpayers. According to the tax office and taxpayers, the difference in the amount is the subject of dispute.

2.3.1 SETTLEMENT OF TAX DISPUTES

Tax disputes that emerge from audits can be dragged to the judicial review stage when one of the parties is still dissatisfied with the outcome of the legal remedies employed. Even though it does not always have to be resolved until the final legal remedy. In resolving tax disputes, Thuronyi (1996) stated several alternative settlements:

1. *Compromises*. The tax authority is given the discretion to resolve its problems with taxpayers. For example, tax officers are authorized to reduce administrative sanctions.
2. *Disputes Within the Taxation Authority*. The tax authority is also responsible for the settlement process, which was initially carried out by the party issuing the *Notice of Tax Assessment*. Suppose taxpayers are still unsatisfied, in that case, they may file an objection to a party with a different division from the one issuing the *Notice of Tax Assessment*.
3. *Tax Adjudications*. The Tax Court carries out the settlement process as an independent and separate party.

According to tax laws and regulations, legal efforts in terms of resolving tax disputes that occur are divided into three parts:

1. Settlement at DGT
Disputes are usually resolved or settled under the authority of the Directorate General of Taxes before proceeding to the Tax Court.
2. Settlement of tax disputes at the Tax Courts
Dispute resolution efforts are limited to two types, namely Appeals and Lawsuits.
3. Dispute Resolution through Judicial Review at the Supreme Court
A judicial review is the next stage of legal remedy. It is extraordinary and can be performed by both taxpayers and the tax authorities. The reasons for its application are regulated in article 91 of the Law on Tax Court.

2.4 PROMOTION AND SALES COSTS IN TAXATION REGULATIONS

In Indonesia, promotional costs are deducted from gross income as stated in the provisions of Article 6 section (1) letter number 7 of the Law on Income Tax. It also states that the Minister of Finance Regulation further regulates promotional and sales costs provisions.

Further regulation as mandated in Article 6 section (1) letter a number 7 of the Law on Income Tax is Minister of Finance Regulation Number 02/PMK.03/2010 concerning Promotional Costs that can be deducted from Gross Income. The Minister of Finance Regulation emphasized two factors: first, the definition and explanation of promotional costs deducted from gross income, and second, the formal requirement for a promotional expense to be deducted from gross income.

2.4.1 THE DEFINITION OF PROMOTIONAL AND SALES COSTS IN THE TAXATION REGULATIONS

The *Minister of Finance Regulation* Number 02/PMK.03/2010 defines promotional costs as part of the expenses incurred by taxpayers to introduce and recommend the use of a product either directly or indirectly to maintain and increase sales. It is further stated in Article 2 of PMK 02/PMK.03/2010 that the amount of promotional costs deducted from gross income is due to the accumulation of the following:

1. Advertising costs in electronic and print media, etc.,
2. Product exhibition costs,
3. New product introduction costs, and
4. Sponsorship costs that are related to product promotion.

This regulation further stated that promotional costs can be deducted from gross income, excluding:

1. The provision of compensation is in the form of money or facilities to other parties indirectly related to implementing promotional activities.
2. Promotional costs to earn, collect and maintain an income are either non-object or final taxes.

The *Minister of Finance Regulation* also explained the calculation regarding promotions to deliver product samples. Furthermore, the *regulation* stipulates that the amount of costs deducted from gross income is equal to the price of the product sample provided, as long as goods sold has not been charged.

Another policy that explains the meaning of promotional costs is the Circular Letter of the Director-General of Taxes (SE DJP) Number SE-9/PJ/2010 concerning the Submission of the *Minister of Finance Regulation* Number 2/PMK.03/2010. The SE emphasizes that promotional costs deducted from gross income need to pay attention to the following:

1. to maintain or increase sales,

2. issued fairly and
3. according to the customs of good merchants.

However, neither the SE nor other tax regulations are further explained or provide guidelines and limitations regarding matters that must be considered in the affirmation. The absence of these offers a subjective interpretation for both tax authorities and taxpayers. As a result, there are diverse potentials for tax disputes regarding the definition of promotional costs deducted from gross income.

2.4.2. PROMOTIONAL COSTS THAT ARE DEDUCTIBLE FROM GROSS INCOME

In taxes terminology, the expenditures deducted from gross income used to calculate the amount of net or taxable income are known as gross income deduction costs or *deductible costs*. These are often considered as the cost charged by taxpayers to earn income. According to Darussalam and Septriadi (2020), there are general principles used to determine the costs deducted from gross income, such as:

1. These costs are related to the income received or earned by taxpayers. In other words, *the deductible cost* is incurred to obtain or generate income.
2. The *deductible costs* are incurred to generate income which is the object of taxation. Therefore, those which not an object of tax cannot be deducted from gross income.

De Leon (1988), Darussalam, and Septriadi (2020) stated that costs generally deducted from gross income must go through a legislative process as well as be recorded in tax regulations. Therefore, two basic principles that need to be considered in the application of deductible costs are:

1. Taxpayers must be able to exhibit special provisions in the law that allows an expense to be deducted from the gross income.
2. These individuals need to be able to prove that they are entitled to deduct these costs.

Based on the earlier mentioned principles, even though expenditure has fulfilled the *deductible cost* concept, the expense may not necessarily be deducted from the gross income in calculating the net income.

In Indonesia, expenses deductible from gross income must comply with the principle that these costs must be related to business activities. This is regulated in the provisions of Article 6 section (1) the letter of the law on Income Tax. The regulation states that the taxable income for domestic taxpayers and permanent establishments is determined based on deductible costs to earn, collect and maintain income (3M), including expenses directly or indirectly related to business activities. According to the article, the costs referred to in this section are commonly called daily expenses, charged in the expenditure year. To be illustrated as *deductible costs*, these expenses must have a direct or indirect relationship with business activities or events associated with

earning, collecting, and maintaining income, which is the tax object. Therefore, expenses not tax objects need not be charged as *deductible costs*.

2.4.3. THE FORMAL REQUIREMENTS FOR THE PROMOTIONAL COST TO BE DEDUCTED FROM GROSS INCOME

The *Minister of Finance Regulation* Number 02/PMK.03/2010 monitors the provisions for promotional costs to be deducted from gross income in the following manner:

1. Promotional costs incurred by other parties to withhold Income Tax must be paid based on the applicable regulations.
2. Taxpayers need to make a nominative list of the expenditures or Promotional Costs as referred to in Article 2, usually issued to other parties.
3. As intended, this list must contain at least the recipient's data such as name, Taxpayer Identification Number, address, date, form, type of cost, amount, proof of withholding number, and Income Tax withheld.
4. The nominative list is similar to the format stipulated in the Attachment to Regulation of the Minister of Finance 02/PMK.03/2010.
5. It is also reported with an attachment when taxpayers submit the annual corporate income tax return.

Another provision regulating the criteria regarding filling out the nominative list of promotional costs is the Circular Letter of the Director-General of Taxes Number SE-9/PJ/2010. The SE stated certain factors that need to be considered regarding the filling out of this form, namely:

1. In the case of distributing samples, the information column needs to be filled with the name of the activity and its location.
2. When the Promotional Cost is issued in the form of sponsorship, the description column must be completed with the contract information, including the number and date the contract was signed,
3. However, assuming it is carried out in a form other than sponsorship, the promotional activity is performed based on the contract or agreement. Taxpayers must complete the contract or agreement information in the Description column and also include the number and date.

The study problem is centered on the fact that the trend and number of tax disputes continue to increase. Besides, promotional costs are suspected to be a means of tax planning. An audit is performed to determine whether it is in accordance with the stipulated provisions. The outcome has the potential to trigger or cause tax disputes, although some of the general resolutions have been described. To be able to provide a specific solution to tax disputes on promotional costs, it is necessary to identify the types and causes. These regulations are also reviewed to determine the applicable provisions with respect to deductible promotional costs and whether the implemented policy causes tax disputes.

3. STUDY METHODS

This qualitative study employed a case study approach and was carried out using the triangulation procedure. Sekaran and Bougie (2016) stated that this process is usually associated with various methods and data sources to achieve more convincing results. This present study also employed method and data triangulation. However, method triangulation involves conducting content and document analysis and interviews, while data use more than one information source within varying time limits. Primary data was obtained from interviews, while secondary are in the form of court decisions on promotional costs, tax disputes, tax regulations, and related literature.

The content analysis was carried out on 137 Tax Court decisions on promotional cost disputes published from 2016 to 2019. The summarized opinions and arguments of DGT and taxpayers was used to resolve the problems regarding the types of disputes and their causes. Analysis of this summary and the Panel of Judges' decisions are used to answer the formulated problems related to solutions and recommendations. Furthermore, the arguments and opinions of each party are classified according to the checklist for the content analysis of the study instruments concerning court decisions. This process is arranged based on the type of tax dispute and the regulations that form the legal basis. According to the book Tax Court Appeal Case Studies (Sundoro, 2004), it is categorized into two types, namely formal and material disputes. These are further reclassified according to the tax regulations, which is the legal basis for disputed promotional costs in court. The analysis is carried out by reviewing the opinion of each party in the Tax Court and ensuring it aligns with the mandated regulations. It is also classified according to the type of dispute in the instrument checklist. Table 2 shows the study instrument checklist for the content analysis of Tax Court decisions.

Table 2: Checklist of Study Instruments on Content Analysis of Tax Court Decisions

Types of	Disputes on Promotional Costs	Legal Basis	Classification Code
Material	Disputes on the definition of promotional costs including disputes caused by whether an expense is included in promotional costs	<ul style="list-style-type: none"> Article 1 - 4 of PMK 02/PMK.03/2010; Number 1 letter a-d and number 2 letter a SE-9/PJ/2010. 	M1
	The 3M¹ dispute	<ul style="list-style-type: none"> Article 6 section (1) letter a and Article 9 of the Law on Income Tax. 	M2

¹ 3M: activities to earn, collect, and maintain income

	including proving whether the promotional costs charged are used in the context of earning, collecting, and maintaining income		
Formal	Dispute Nominative List does not comply with the regulations including disputes related to nominative list that is not filled out completely, or the format is not following PMK attachments, and promotional costs have not been deducted from withholding tax	<ul style="list-style-type: none"> • Article 5 and Article 6 paragraphs (2) – (3) PMK 02/PMK.03/2010; • Number 1 letter f and number 2 letter c SE-9/PJ/2010. 	F1
	Disputes on Making and Reporting Nominative Lists including disputes that nominative lists are either excluded or not reported as an attachment to the tax return	<ul style="list-style-type: none"> • Article 6 paragraphs (1) and (4) of PMK 02/PMK.03/2010; • Number 1 letter f and g SE-9/PJ/2010. 	F2

In this study, interviews were used to capture the perceptions and views of the interviewees to answer the study questions. The interview guide is in the form of a list of open-ended questions that do not limit the interviewees, and it aids them in providing answers based on their perceptions and knowledge. The questions focused on the types and causes of tax disputes concerning promotional fees and how to resolve them based on the interviewees' knowledge and experiences. The list consists of main and follow-up questions. The main questions are structured to answer and explain the study problem based on the document analysis that was acquired previously. Meanwhile, follow-up questions were conducted by observing the development of the interview process. This aimed to elaborate on the answers to the main questions and further explore the data and information related to the study topic. Interviews were held with resource persons categorized into two groups, the disputing parties, namely the tax authorities and taxpayers or Tax Consultants. The number of interviewees from each party is one, which amounted to a total of two resource persons.

4. ORGANIZATION PROFILE

The object of this study is the Directorate General of Taxes with a more specific organizational unit, namely the Directorate of Objections, Appeals, and Tax Consultant. Tax dispute usually occurs because taxpayers do not agree with the DGT's decision on the fiscal amendment made by the authority. Therefore, by knowing the opinions of each party, the differences that form the basis of tax disputes in promotional costs are determined.

During the Tax Court session, DGT occupies the position of the Appeal or Respondent in the tax dispute legal proceedings. In the meeting, DGT is represented by the Directorate of Objections and Appeals, which is an echelon II level unit in the Directorate General of Taxes. It is responsible for formulating and implementing certain policies and technical standardization in this field. Whereas during the process at the Tax Court, taxpayers occupy the position of the Appellant, usually represented by the tax consultant.

5. RESULT AND DISCUSSION

Based on the data collection procedure, 137 Tax Court decision files related to promotional cost tax disputes have been published from 2016 to 2019. Furthermore, 164 subjects or cases associated with this issue were discussed in the Tax Court. The acquired data were further analyzed using the study instrument checklist. The content analysis results are then combined with the information realized from the interview to answer the study questions related to the causes of tax disputes and make necessary recommendations. Table 3 summarizes the arguments between DGT (subjects of disputes) and taxpayers using the classification code from the study checklist to determine the causes and types of disputes.

Table 3: List of Classifications of Arguments for Appeals and Appeals in Appeal Decisions from 2016 to 2019

No.	Subjects of Disputes		The Argument of the Appellant			
	Type of Dispute	Total	M1	M2	F1	F2
1.	M1	39 (23.78%)	25 (64.10%)	13 (33.33%)	1 (2.56%)	0 (0%)
2.	M2	15 (9.15%)	3 (20.00%)	11 (73.33%)	1 (6.67%)	0 (0%)
3.	F1	62 (37.80%)	23 (37.10%)	11 (17.74%)	27 (43.55%)	1 (1.61%)
4.	F2	48 (29.27%)	17 (35.42%)	23 (47.92%)	0 (0%)	8 (16.67%)
Total		164				

Note:

M1: is a dispute associated with whether an expense is included in the promotional cost

M2: proves whether the promotional cost charged is used in the context of 3M activities

F1: is a dispute over formal provisions related to nominative list not filled completely, format not following the PMK attachment, and promotional costs that have not been deducted from PPh Potput

F2: covers disputes over formal provisions that have not been enacted or reported as tax return attachments

5.1. CAUSES OF MATERIAL DISPUTES DEFINITION OF PROMOTIONAL COSTS

Table 3 shows that the number of principal disputes regarding the definition of promotion costs is 39, or approximately 23.78% of the total subject matter. Taxpayers used material arguments to define promotional costs in 25 disputes (64.10%). An argument was used to prove that these costs are related to 3M taxpayers in 13 disputes (33.33%), and only one of them triggered by the promotional cost argument has met the formal requirements. Similar arguments regarding this dispute type show that both DGT and taxpayers compile with the subjects of disputes. However, due to differences in interpretation, a dispute arises based on the definition or implementation of promotional costs to be deducted from the calculated income. The existence of other arguments from taxpayers, which differs from the subject, shows their disagreement with the dispute type caused by the corrections made by DGT.

Based on the information obtained from the Tax Court decision, there are several causes of tax disputes regarding the definition of promotional costs, among others:

1. The auditor reclassifies a cost excluded from the promotional expense item in the taxpayers' financial statements because it meets the definition of promotional costs.
2. Fiscal corrections are made in the promotional or marketing expense posts and similar taxpayers' financial report due to the absence of a nominative list.
3. The tax auditor fiscally corrects a promotion cost for which a nominative list has been made. However, it was amended because it does not align with the definition of promotional cost as regulated in Articles 1 to 4 of PMK 02/PMK.03/2010.
4. Fiscal corrections were made to a promotional cost that suits its definition following PMK 02/PMK.03/2010. Additionally, a nominative list was also made, irrespective of the fact that it does not meet the criteria in item 2 letter a SE-9/PJ/2010. This regulation confirms that "Promotional Costs can be deducted from gross income, and there is a need to pay attention to the following: maintain and increase sales, issued fairly and according to the customs of a good merchant".
5. The tax auditor makes fiscal corrections to a promotional cost that aligns with its definition, although it is not believed to be valid because it is not supported by any evidence.
6. Finally, fiscal corrections of a promotional cost that suits its definition were made, but based on the evidence provided by the tax auditor, the charged price is more than it should be.

Additional information was also obtained from interviews. Based on the interview results, the cause of tax disputes related to the definition of promotional costs is due to the different interpretations of the tax authorities and taxpayers. This is irrespective of the fact that the relevant tax regulations have provided a fairly clear definition.

5.2. CAUSES OF MATERIAL DISPUTES ON 3M EVIDENCE

Based on Table 3, it is obvious that the number of principal disputes regarding 3M evidence is 15 or 9.15%. The taxpayers' argument that triggered this type of dispute with respect to the definition of promotional costs amounted to three (20.00%). The

argument proves that these expenses are related to 3M taxpayers in 11 disputes (73.33%), and only one employed the promotional cost argument met the formal requirements. The number of disputes with similar arguments related to 3M evidence shows that both DGT and taxpayers usually agree on the main types of disputes. However, differences in interpretation regarding the cost related to 3M's business activities and the implementation of an evidentiary process lead to a dispute that must be mediated through legal action in the Tax Court. The existence of other arguments that differ from the dispute's subject depicts the taxpayers' disagreement with the corrections made by DGT.

In accordance with the information obtained from the Tax Court decision, it is obvious that disputes related to 3M's evidence are triggered by several causes, namely:

1. The tax auditor made fiscal corrections to the promotional costs. However, the corrections seemed untrue because they were not supported by any data and evidence. Types of costs often disputed include promotional expenses paid to companies not engaged in similar business activities, such as payments made to contractor firms.
2. The promotional cost was corrected because it was deemed not to be beneficial to the company, therefore, there is no relation with its 3M activity. Some disputed costs include official travel expenses for which the benefits are not felt, advertising, and certain event costs. This related argument also includes correcting promotional expenses deemed unable to maintain and increase sales.
3. The tax auditor makes fiscal corrections to promotional costs that taxpayers should substantially not incur, for example, accommodation expenses for other parties (health workers, etc.). In addition, distributors need not engage in promotion and marketing functions. According to the tax auditor, these expenses should be issued and borne by the parent company, as well as costs that do not meet the arm's length provisions.
4. Fiscal corrections were made to promotional or substantial costs that cannot be deducted, for example, expenses in kind and donations.

Considering the interview results, the tax dispute related to 3M evidence occurred because taxpayers did not provide the data and documents requested during the audit process. This forced the auditor to make corrections because the costs were not supported by sufficient evidence.

5.3. CAUSES OF FORMAL DISPUTES RELATED TO THE INCOMPLETE NOMINATIVE LIST, THE FORMAT IS NOT FOLLOWING PMK ATTACHMENT, AND PROMOTIONAL COSTS HAVE NOT BEEN DEDUCTED FROM WITHHOLDING TAX

Table 3 shows the output of 62 disputes or approximately 37.80% of the entire subject matter. These include whether or not the fields in the nominative list were filled, such as name, Taxpayers Identification Number (TIN/NPWP), address, date, form or type of cost, amount, proof of withholding number, and income tax; whether the process of filling in the information follows the SE-9/PJ/2010; and whether the format made is in line with Article 6 section (3) PMK-02/2010.

The taxpayers' material arguments were used to refute the corrections made by DGT regarding a total of 23 disputes (37.10%) triggered by the definition of promotional costs. In contrast, 11 or 17.74% were caused by proving that these expenses are related to 3M taxpayers, 27 or 43.55% by the formal provisions for the completeness of the nominative list, and 1 or 1.61% for compiling the list. The most common one is the same as the subject of the dispute, which is 43.55%. However, when viewed as a whole, most of the arguments used by taxpayers in dealing with this type of dispute are related to material evidence, with the total number reaching 54.84% or more than half.

Based on the information obtained from the Tax Court decision, it is obvious that several causes trigger this type of tax dispute, including:

1. From the perspective of DGT. The correction made by the tax auditor regarding this type of dispute was triggered by the fact that the nominative list attached by taxpayers does not meet the relevant formal regulations. The related tax policies that form the legal basis for the correction of this type of dispute are Articles 5 and 6 sections (2) and (3) of the Regulation of the Minister of Finance Regulation Number 02/PMK.03/2010, and numbers 1 and 2 letters f and c Circular Letter of the Director-General of Taxes Number SE-9/PJ/2010.
2. Based on the taxpayers' viewpoint. Generally, the arguments used by taxpayers in refuting this type of correction are divided into two: disagreement regarding the substance or materiality of costs and that concerning the formal regulations of the nominative list.
 - a. Taxpayers' material arguments explain why DGT disagreed with this formal dispute. It was because corrected expenses are substantially promotional costs, related to 3M, deducted from the gross income. Another argument is centered on the provision of evidence that the corrected costs per the substance in question and have been incurred by the taxpayer. Furthermore, an additional disagreement submitted regarding this material is that the taxpayer presumes that the fulfillment of formal requirements need not prevent the cost substance from being deducted from the gross income. In this situation, taxpayers inquire about the jurisdiction of the tax regulations governing the formal requirements which mandate the promotional cost to be deducted from the gross income.
 - b. Taxpayers' formal argument refutes DGT. This generally explains why the formal requirements were not fully met, thereby leading to the need to seek justice. From the summarized appeal decision data, it is evident that there are several taxpayers' arguments regarding this matter, namely:
 - i. Concerning the fact that the NPWP/TIN column is not filled correctly, such as using TIN. 00.000.000.0-000.000. Taxpayers further explained that Promotional Costs are related to payments or activities involving: Overseas Taxpayers, Government Agencies, the general public, and other parties who do not have a TIN or a

- large number of recipients, thereby making it difficult to request data sequentially.
- ii. Promotional costs are related to activities alone, not other parties. Therefore, not all nominative list fields can be filled properly. Types of related activities are product exhibitions, distribution of souvenirs, etc.
 - iii. The dispute regarding withholding tax. Taxpayers stated that in the promotional cost component, certain expenses are not objects of withholding tax, for example, the purchase of material goods. It was further explained that the fulfillment of its obligations was constrained by the counterparty or the income recipient who failed to provide complete identity data.
 - iv. Taxpayers' tax return was received as completed, thereby triggering the feeling that the nominative list attached to the Annual tax return has met the requirements. Regarding the process of receiving the annual tax return, a taxpayers' argument states that the e-SPT application failed to accommodate the data for promotional cost as an attachment, thereby making it difficult for taxpayers to fill out and report the information in the Annual tax return.

5.4. CAUSES OF FORMAL DISPUTES RELATED TO NOMINATIVE LIST NOT CREATED OR REPORTED AS AN ATTACHMENT TO THE TAX RETURN

Table 3 shows that the subjects regarding the formal provisions related to the Nominative list not created or reported as an attachment of the tax return were 48 or 29.27% of the total disputes. The subject matter includes whether the nominative list was made for promotional costs deducted from gross income or reported as an attachment of the Annual tax return.

The argument used by taxpayers to refute the corrections made by DGT is related to the definition of promotional costs in 17 disputes (35.42%), proving that these expenses are related to 3M taxpayers in 23 of them (47.92%) and concerning the formal provisions for making nominative list resulting in a total of eight (16.67%). From the data, it is obvious that the majority of the arguments used by taxpayers in dealing with this type of dispute are related to material evidence with the total number used (both in terms of understanding promotional costs and proving the substance of costs related to 3M) reached 83.33%.

Based on the information obtained from the Tax Court decision, it is a known fact that several causes led to the emergence of this type of tax dispute, namely:

1. From DGT's perspective. The correction made by the tax auditor regarding this type of dispute is because the nominative list attached by taxpayers does not meet the relevant formal regulations. The related tax regulations which form the legal basis for the correction of this type of dispute include Article 6 sections (1) and (4) of the Minister of Finance Regulation Number

02/PMK.03/2010, and number 1 letters f and g of the Circular Letter of the Director-General of Taxes (SE DJP) Number SE-9/PJ/2010.

2. Referring to taxpayers' perspective. Generally, the arguments used by taxpayers to refute this type of correction are divided into two, namely disagreements regarding the substance or materiality of costs and the formal regulations of the nominative list.
 - a. Taxpayers' material arguments. Taxpayers argue that the corrected expenses are substantially both promotional and 3M related costs deducted from the gross income. Another argument is based on the provision of evidence that the corrected expenses are per the substance of the costs in question and have been incurred by taxpayers. An additional argument submitted regarding this material is that taxpayers are of the belief that the fulfillment of the formal requirements does not need to prevent the substance of an expense from being financed as a reduction in gross income. Related to this, taxpayers also question the jurisdiction of related regulations that monitor the formal requirements of a promotional cost deducted from the gross income.
 - b. Taxpayers' formal argument. There were eight disputes where taxpayers used formal arguments regarding this type of disagreement. From the summarized data on the appeal decision, the arguments regarding this matter are:
 - i. In two disputes, taxpayers stated that they agreed with DGT correction because they failed to attach the nominative list to the annual corporate income tax return.
 - ii. Similarly, taxpayers stated that the nominative list was not attached to the annual tax return due to their ignorance of the following obligation. In the Director-General of Taxes Regulation Number PER1/PJ/2010, concerning Procedures for Receiving and Processing Annual Tax Returns, it is not obligatory to attach a Nominative List. Furthermore, when taxpayers report the corporate income tax return, it is presumed they had received the receipt of the tax return. Based on PMK Number 185/PMK.03/2007, it has gone through the receiving process and is declared complete.
 - iii. With respect to three disputes, taxpayers stated that the nominative list had been made and was attached to the tax return. They had received its receipt stating that it was complete, therefore, DGT correction was disallowed.
 - iv. One dispute with the argument is that in the application of the e-SPT program, there is no provision to fill out or attach a nominative list.

5.5. ANALYSIS OF SOLUTIONS FOR TYPES OF MATERIAL DISPUTES

Table 4: List of the Classification of the Appeals' Arguments and the Opinions of the Panel of Judges in the Appeal Decision for the 2016-2019 Period

No.	Subjects of Disputes		Opinion of the Panel of Judges			
	Type of Dispute	Amount	M1	M2	F1	F2
1.	M1	39	22 (56.41%)	16 (41.03%)	1 (2.56%)	0 (0%)
2.	M2	15	3 (20, 00%)	12 (80.00%)	0 (0%)	0 (0%)
3.	F1	62	27 (43.55%)	11 (17.74%)	24 (38.71%)	0 (0%)
4.	F2	48	20 (41.67%)	16 (33.33%)	0 (0%)	12 (25.00%)
Total		164				

Source: Author's data processing (2022)

Based on the earlier discussions, generally, the main causes of material disputes concerning promotional costs are divided into two, namely due to the different interpretations of DGT and taxpayers (either in the definition of promotional costs or the linkage of expenses to 3M) and evidentiary problems. These have certain similarities and are interrelated. Therefore, to ensure that this material dispute does not recur, there is a need to combine the analyses of disagreements related to the definition of promotional costs and 3M's evidentiary issues.

Table 4 shows that the Panel of Judges passed their verdict based on formal regulations in deciding only one case out of 54 main points of dispute. In addition, they used material opinions on 53 other disputed points and passed different verdicts. For example, the verdict of a material dispute over promotional costs is shown in Table 5.

Table 5: List of Verdicts on Appeals Related to Material Disputes for the 2016 to 2019 Period

Type of Dispute	Refused				Accepted Partly				Accepted			
	M1	M2	F1	F2	M1	M2	F1	F2	M1	M2	F1	F2
M1	7	2	-	-	7	1	1	-	8	13	-	-
M2	-	5	-	-	-	3	-	-	3	4	-	-
Total	14 (25.93%)				12 (22.22%)				28 (51.85%)			

Source: Author's data processing (2022)

Table 5 shows that the verdict passed on material disputes reveals taxpayers won as many as 28 points (51.85%), while 14 (25.93%) were won by DGT. The remaining

12 disputed points (22.22%) were partially granted. Summary of the Panel of Judges' opinions of taxpayers who won the material disputes, among others:

1. Due to different interpretations of these disputes. The panel of judges agreed with the Appellants (taxpayers) because their argument was backed by strong evidence that the deducted promotional costs were used to earn, collect, and maintain income during the trial process. Some examples of disputes with different interpretations:
 - a. Reclassification of other expenses into promotional costs,
 - b. Promotional costs as stipulated in PMK.02/PMK.03/2010,
 - c. Costs that are considered in-kind or donations,
 - d. Expenses that are deemed unrelated to the 3M Taxpayers,
 - e. Costs that do not match the Taxpayers' business profile.
2. The dispute regarding proof of cost. The panel of judges cancelled the appeal's correction (DGT) because the Appellants' (taxpayers) arguments were accompanied by strong evidence during the trial process. Similarly, the basis for DGT correction was weak because it was solely based on analysis without supporting data and documents for evidence. Some examples of disputes related to evidence are:
 - a. Costs deemed unreasonable,
 - b. The validity of the cost is not suspected because it is not backed by supporting evidence during the auditing process.

The summarized Panel of Judges' opinions to pass a verdict in favor of the DGT during a material dispute are as follows:

1. DGT correction was accompanied by strong data and evidence,
2. Taxpayers were unable to provide supporting data and evidence during the trial process,
3. Taxpayers provided data and evidence during the trial, but these were either weak or not considered by the Panel of Judges.

Based on a summary of the opinions and verdicts of the Panel of Judges and interviews held, the following solutions were recommended:

1. For DGT. The auditor has a concise knowledge or understanding of the taxpayers' business processes when conducting an audit of promotional costs. The outcome of the court's decision shows that the taxpayers won on the subject of material disputes related to differences during interpretation. It shows that the corrections made by DGT are often not approved by the Panel of Judges. They often lose in court due to poor understanding of taxpayers' business activities.
2. For Taxpayers. They usually provide valid and relevant data and documents during the audit process. Based on the summary of the verdict, it is evident that taxpayers won material disputes because their arguments were proven during the trial. Supposing similar evidence was provided during the tax audit process, there is a possibility that a material dispute need not proceed to the objection or appeal stage. In addition, it is risky

when taxpayers do not provide the requested data and documents during the audit process. This is because the Panel of Judges may not consider the evidence in question during the trial proceedings. Although, in general, they usually adopt a material principle when adjudicating this type of dispute. There was a particular incident with the decision to reject taxpayers' Appeal due to the judge did not consider the evidence submitted because it was not provided during the audit process.

5.6. ANALYSIS OF SOLUTIONS FOR TYPES OF FORMAL DISPUTES

Based on the discussion in sections 5.3 and 5.4, formal disputes occur because the auditor believes that the promotional costs deducted from the gross income have not met the enacted regulations, as well as filling in the nominative list and its reporting in the tax return. Taxpayers' arguments regarding these two types of formal disputes are similar. Both types mostly employ material or substantive principles rather than formal arguments. The taxpayers' formal argument is divided into two: First, they feel it has complied with the formal regulations in question. Second, they failed to fulfill the formal provisions referred to due to circumstances beyond their control, thereby seeking justice in court. Therefore, to resolve the issue of formal and material disputes, the analyses related to incomplete nominative lists, formats that do not match the PMK attachments, and promotional costs that have not been deducted from withholding tax or reported as tax return attachments, are combined.

Based on Table 4, it is evident that in the majority (67.27%) of the 110 formal disputes, the panel of judges employed a material opinion. Details of the verdicts on formal disputes are shown in Table 6.

Table 6: List of Verdicts Related to Formal Disputes for the 2016 to 2019 Period

Type of Dispute	Refused				Accepted Partly				Accepted			
	M1	M2	F1	F2	M1	M2	F1	F2	M1	M2	F1	F2
F1	3	-	11	-	7	2	3	-	17	9	10	-
F2	4	4	-	6	11	4	-	-	5	8	-	6
Total	28 (25.45%)				27 (24.55%)				55 (50.00%)			

Source: Author's data processing (2022)

Based on Table 6, DGT won the verdict that was passed by only 25.45%. From this figure, the number of Verdicts won by the DGT because the Panel of Judges focused on the formal provisions was only 17 points, or 14.55% of the 110 disputes. It shows that there are only a few disputes where the Panel of Judges opine that promotional costs must meet the formal requirements in order to be deductible.

Some of the opinions and considerations of the Panel of Judges on formal disputes which favored taxpayers according to the summarized verdict are reported as follows:

1. Substantially the costs involved in the dispute are deductible following the provisions of Article 6 section (1) letter a of the Law on Income Tax,

2. Article 6 section (5) PMK-02/2010 has exceeded the mandated authority,
3. The nominative list is administrative,
4. The purpose of the nominative list is only for data collection,
5. The use of SE-9/2010 as the foundation for correction does not have a strong basis because the Circular Letter of the Director-General of Taxes is not included in the hierarchy of regulations that have binding legal force,
6. Concerning tax returns that are not attached to a nominative list, DGT should have stated that these are incomplete.

From the earlier discussions, it is a known fact that certain tax regulations stipulate the formal requirements for a promotional cost to be deducted from the gross income. Although, during the trial process, these formal requirements are not considered. This condition must be deliberated on when the formal dispute concerning the promotional costs does not want to keep recurring. The judicial system in Indonesia adheres to *civil law*, which does not recognize jurisprudence as a legal source. Therefore, it is necessary to revise the related regulations or affirmations to clarify the taxation rules' intent, purpose, and implementation, thereby ensuring that disputes do not recur.

Regarding the affirmation of formal requirements for promotional costs, DGT resource person stated that the related assertion had already been published, although, this was done internally in the form of an official memo (ND). The source further stated that the issuance of the ND was one of the policies enacted by the DGT regarding promotional costs. It is in the form of relaxation of formal requirements due to issues that burden taxpayers in implementing the mandated provisions. The issuance of the ND is an effort by DGT to reduce tax disputes related to promotional costs. According to Thuronyi (2016), one of the tax dispute resolutions is the Compromise. For instance, Fiskus has the discretion to resolve problems with taxpayers.

Facts on the ground, fiscal corrections related to the formal requirements on promotional costs are still occurring at the tax audit and objection levels. This is because the affirmation in question is in the form of a policy that only binds inward and does not have strong legal force. The auditor and Objection Reviewer are the executors of tax regulations. Incidentally, their duties must be based on a binding legal basis, while the affirmation is in the form of an official memo which is only internally exposed to DGT employees. This affirmation was not used due to the fact that it is risky for the tax officers when the correction is based on an official memo.

Based on the aforementioned description, several recommendations were made to ensure formal disputes trigger by promotional costs does not recur, among others:

1. In making formal corrections, tax auditors need to ensure it is backed by material evidence or substance of the corrected costs. Based on the summarized verdict, it is evident that the Panel of Judges is more likely to consider the argument for the substance of the cost compared to formal regulations. However, it is also evident that there are still judges who base their opinion on formal regulations when passing their judgment. Although they are few, this fact does not need to be ignored. The formal regulations for promotional costs

are still contained in the applicable tax policies. As long as the regulations have not been revised or stripped away, they are valid and bind both DGT and taxpayers.

2. Raising the status of policies related to affirmations that have been issued to become regulations. Based on the interviews held with resource persons, these are not effective in terms of overcoming the emergence of promotional costs disputes. This is because the affirmation's legal force is not strong. The resource persons advised that the affirmation status be raised to regulation with a minimum level in the form of the Director-General of Taxes Regulation. It was only raised to a Circular Letter of the Director-General of Taxes, even though it has become a regulation. It only monitors the internal process for DGT, therefore, it is presumed to be ineffective. In line with this, the summarized verdicts also presume that when the legal basis for the correction is in the form of a Circular Letter of the Director-General of Taxes, it cannot be considered during trial.
3. Improving the system and management of the tax return process. Some formal disputes occur because taxpayers feel that they have implemented the basic requirements for promotional costs, such as filling out the nominative list and attaching it to the annual tax return. However, the tax auditor feels that filling the nomination list is not in accordance with the regulations, or does not have a nominative list for the examined tax return. It could be due to an error during the tax return process at the beginning.
4. Taxpayers properly administer data and documents related to promotional costs incurred. Inappropriate or incomplete filling of the nominative list is usually due to poor administration of evidence and documents. In addition to being used in filling out the nominative list, it is also related to the evidence presented during trial. Based on the summarized verdict, there are cases where the Panel of Judges does not consider the evidence provided by taxpayers because it is in the form of photocopies rather than original documents.

6. CONCLUSION AND RECOMMENDATION

Based on the results and discussion section, the following conclusions were drawn:

1. There are two types of tax disputes in respect to promotional costs, namely: material and formal, with the following detailed descriptions:
 - a. Material disputes include the definition of promotional cost and evidentiary issues in the context of earning, collecting, and maintaining income (3M),
 - b. Formal disputes are nominative list disagreement that does not correlate with the regulations and list-making reports.
2. The causes of promotional cost tax dispute in respect to the diverse types, among others are:

- a. Material disputes due to differences in interpretation between DGT and taxpayers and evidentiary problems.
 - b. Formal disputes are caused because, from DGT point of view, the corrected promotional costs do not meet the mandated requirements, while from taxpayers, majority employ material or substantive principles rather than the formal ones. Taxpayers feel they has complied with the formal provisions in question and fails to fulfil the relevant ones due to circumstances beyond his control, thereby seeking for justice even to the appeal level.
3. Recommendations made to ensure that tax disputes concerning promotional costs do not recur include:
- a. Regarding material disputes over promotional costs are:
 - i. For DGT, the auditor properly understands taxpayers' business processes when conducting an audit of promotional costs.
 - ii. For taxpayers, valid and relevant data and documents should be provided during the inspection process.
 - b. Related to formal disputes over promotion costs are:
 - i. For DGT, in making formal corrections, auditors need to be supported by material evidence or substance of the corrected costs. Raise the status of policies related to affirmations that have been issued into regulations, at least to the level of the Director-General of Taxes Regulation. The system and management of annual tax return process should also be improved.
 - ii. For Taxpayers, properly administering data and documents related to promotional costs incurred.

ACKNOWLEDGEMENT

The authors are grateful to Nureni Wijayanti, PhD, CA, as Chair of the Master of Accounting Study Program – Accounting Professional Education Faculty of Economics and Business, University of Indonesia, Siti Nuryanah, SE, MSM, M. Bus(Acc)., PhD, as the supervising lecturer, all resource persons who willingly participated in the interview process, their families, and all parties who have provided support and assistance in completing this study.

REFERENCES

JOURNAL and BOOK

- Darussalam, & Septriadi, D. (2020). *Konsep dan Aplikasi Pajak Penghasilan*. DDTC. <https://perpajakan-id.ddtc.co.id/publikasi/ebooks/konsep-dan-aplikasi-pajak-penghasilan>
- Hutagaol, J., Darussalam, & Septriadi, D. (2007). *Kapita Selektta Perpajakan*. Penerbit Salemba Empat.
- OECD. (2022). OECD Glossary of Tax Terms. <https://www.oecd.org/ctp/glossaryoftaxterms.htm>
- Purwito, A., & Komariah, R. (2006). *Pengadilan pajak: proses banding sengketa pajak, pabean, dan cukai*. Badan Penerbit Fakultas Hukum Universitas Indonesia.
- Sekaran, U., & Bougie, R. (2016). *Research Methods For Business: A Skill Building Approach, 7th Edition* (7th ed.). Wiley.
- Siahaan, R. R. P. (2012). *Kajian penyebab permohonan banding wajib pajak dimenangkan di pengadilan pajak dan upaya-upaya DJP untuk meminimalisirnya* [Universitas Indonesia]. <https://lib.ui.ac.id/detail.jsp?id=20303607>
- Stake, R. E. (1995). The Art of Case Study Research. In *The Art of Case Study Research* (pp. 49–68). Sage Publications.
- Sundoro. (2004). *Studi kasus banding pengadilan pajak*. Semar Publishing.
- Taylor, C. R. (2014). Should tax deductibility for advertising be eliminated? *International Journal of Advertising*, 33(2), 197–202. <https://doi.org/10.2501/ija-33-2-197-202>
- Thuronyi, V. (1996). Tax Law Design and Drafting, Volume 1. In *Tax Law Design and Drafting, Volume 1*. INTERNATIONAL MONETARY FUND. <https://doi.org/10.5089/9781557755872.071>
- Wahyudi, T., Ludigdo, U., & Djamhuri, A. (2017). Sengketa Pajak dalam Perspektif Pemeriksa Pajak (Sebuah Studi Fenomenologi). *Journal of Research and Applications: Accounting and Management*, 2(3), 181. <https://doi.org/10.18382/jraam.v2i3.190>

STATUTE

- Republik Indonesia. 1983. Undang-Undang Republik Indonesia Nomor 6 Tahun 1983 tentang Ketentuan Umum dan Tata Cara Perpajakan sebagaimana telah beberapa kali diubah terakhir dengan Undang-Undang Republik Indonesia Nomor 7 Tahun 2021. Jakarta
- Republik Indonesia. 1983. Undang-Undang Republik Indonesia Nomor 7 Tahun 1983 tentang Pajak Penghasilan sebagaimana telah beberapa kali diubah terakhir dengan Undang-Undang Republik Indonesia Nomor 7 Tahun 2021. Jakarta
- Republik Indonesia. 2002. Undang-Undang Republik Indonesia Nomor 14 Tahun 2002 tentang Pengadilan Pajak. Jakarta

Kementerian Keuangan. 2010. Peraturan Menteri Keuangan Republik Indonesia Nomor 02/PMK.03/2010 tentang Biaya promosi yang Dapat Dikurangkan dari Penghasilan Bruto. Jakarta

Kementerian Keuangan. 2010. Peraturan Menteri Keuangan Republik Indonesia Nomor 17/PMK.03/2013 tentang Tata Cara Pemeriksaan sebagaimana telah diubah dengan Peraturan Menteri Keuangan Republik Indonesia Nomor 18/PMK.03/2021. Jakarta

Direktorat Jenderal Pajak. 2010. Surat Edaran Direktur Jenderal Pajak Nomor SE - 9/PJ/2010 tentang Penyampaian Peraturan Menteri Keuangan Nomor 02/PMK.03/2010 tentang Biaya Promosi Yang Dapat Dikurangkan Dari Penghasilan Bruto. Jakarta.