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ANALYSIS OF UTILIZATION OF INCOME TAX INCENTIVE ARTICLE 21 FOR TAXPAYERS AFFECTED BY COVID-19

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ANALYSIS OF THE UTILIZATION OF THE INCOME TAX ARTICLE 21 TAX INCENTIVE POLICY BORNE BY THE GOVERNMENT FOR TAXPAYERS AFFECTED BY THE 2019 CORONA VIRUS DISEASE PANDEMIC (CASE STUDY OF COMPANY X)

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ABSTRACT

The spread of the Covid-19 virus that has hit the whole world, Indonesia is one of the countries in the world affected by Covid. It has impact to the economic stability and productivity of the community, both as employees and as business actors. In response to this, the Government provided a regulation in the form of Article 21 Income Tax Incentives borne by the Government to restore or increase the purchasing power of workers in the formal sector. The purpose of the research to evaluate the policy of providing Income Tax Article 21 incentives to the tax withholding method applied by the company before receiving tax incentives and after receiving tax incentives. The objects in this research are employees of Company X, where Company X is a modern retail outlet that focuses on Fast Moving Consumer Goods (FMCG) which is included in the Business Field Classification Code for taxpayers who receive Article 21 Income Tax Incentives Borne by the Government. This research uses a case study approach with an in-depth interview with taxpayers at Company X, the Directorate General of Taxes as the regulator, and views from the academicians. The results of this research indicate that the Company has utilized the Government-borne Income tax 21 incentives properly following the reporting procedures stipulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 concerning tax incentives for taxpayers affected by Covid-19. The employer changes the withholding tax method the amount of income tax owed is the responsibility of employee become to borne by government and after receiving incentives for Income tax article 21, the income tax article 21 borne by government which must be paid in cash by the employer at the time of payment of salary to employees. So, the take-home pay received from the employer increases.

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1. INTRODUCTION

The provision of income tax article 21 borne by the Government is given to increase people's purchasing power. The reason is the decrease in public consumption is undoubtedly a formidable challenge for business actors engaged in related sectors. one of the businesses affected is the business of Company X. Company X as a form of the modern retail outlet, has many branches in Indonesia known to sell food products, daily necessities, electronic equipment, office stationery, and others. The goods sold are very closely related to the needs of the community. Therefore, Company X felt the changes in people's purchasing power directly before the Covid-19 outbreak and during the Covid-19 outbreak. The Changes of people's purchasing power affected the revenue receipts from Company X and also the revenue was decreased. It is known that the company's gross profit became lower than the previous year. It is not achieving the desired income results from the decrease in people's purchasing power during the Covid-19.

The decrease in demand from consumers during the Covid-19 was dominantly affected by companies in the sector engaged in accommodation, food and beverage services, and warehousing. the impact from the decrease in income was increased unemployment because the company was trying to make cost efficiency or temporary business closures and hiring employees with limited operating hours. The decrease in consumption and purchasing power caused the income derived from the business sector decrease . This is in line with data from the Central Statistics Agency, which states that the decrease in income was recorded to dominate in four regions, There are DKI Jakarta, Banten, Yogyakarta, and Bali (Central Statistics Agency, 2021).

Responding to this in terms of restoring the Indonesian economy. The government issued a number of policies the administration of government, all the provisions of the government became part of public policy. The activities carried out by the government or the policies that have been determined are a form of intervention provided by the government. A number of these policies will certainly affect the welfare and stability in terms of the economy. One of the government policies issued is to provide tax incentives to taxpayers affected by Covid-19. The tax incentive policy provided for taxpayers affected by the Covid-19 pandemic. It was stated through a regulation issued by the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020. This consideration is the embodiment of the national economic recovery master plan

through the provision of tax incentives while still paying attention to fiscal so that the handling of Covid-19 can be fully supported. The existence of Government-borne Income Tax Article 21 incentives given to eligible companies. In this case, company X is one of the eligible company to receive it. Company X was expected to make employees of Company X can increase their purchasing power. In terms of analyzing the use of tax incentives, the researcher evaluates using public policy analysis according to Dunn (2003) with the analysis criteria including effectiveness, efficiency, adequacy, equity/equality, responsiveness, and accuracy. The concept presented by Dunn (2003) regarding the policy evaluation criteria is considered capable of explaining formal policy analysis through in-depth research on issues or problems related to evaluating a program that has been implemented. This case study to evaluate of utilization of income tax incentive, determine what are the challenges of company to complete the mandatory report of the realization of income tax incentive and the changes of taxholding method was applied by employer before receive the incentive and after receive the incentive. Differentiation of tax withholding methods will affect the company's tax burden, so it is importance to know the impact.

2. LITERATURE REVIEW

2.1. POLICY EVALUATION

Evaluation provides valid and reliable information about policy performance Through the evaluation, we know about how far needs, values and opportunities have been achieved through public action. The concept presented by Dunn (2003) regarding policy evaluation criteria is considered capable of explaining formal policy analysis through in-depth research on issues or problems related to evaluating a program that has been implemented. This policy analysis is carried out by six evaluation criteria, including effectiveness criteria which emphasize whether the desired results from implementing the policy have been achieved. Efficiency emphasizes how much effort is needed to achieve the desired results, and adequacy focuses on how far the results have been achieved in solving the problem.

The values to select the goals and targets of this policy are adjusted to the Classification of Business Fields for the provision of incentives. The recipients are users of policies, so that the analysis criteria proposed by Dunn (2003) provide responses to preferences or values for a related group and can be satisfactory. Only the user of the policy can answer it, because everything related to the cost of benefits in the area of the recipients of incentives as users of the policy, including those incurred in utilizing these incentives, along with the direct benefits received will also be clearly

explained through interviews with the recipients of the Article 21 Income Tax Incentives borne by the Government as users of the policy. Meanwhile, companies that eligible based on the requirements do not receive benefits directly from the provision of income tax incentive article 21. But company must report the realization of the use of Article 21 Income Tax incentives borne by the Government. Many effort to complete the mandatory report the realization of Income Tax incentives borne by the Government. It added the report burden of company. The evaluation proposed by Dunn (2003) explain how far the achievement of the expected results can solve the problem, relevant to be addressed to the company receiving incentives because of the obligation to realize the utilization of Income Tax incentives Article 21 borne by the government which supports a new problem, the possibility of not fulfilling these obligations or eligible but do not comply with the reporting requirements. It is very appropriate if the Criteria evaluation of Dunn (2003) used to obtain this information.

2.2. ARTICLE 21 INCOME TAX INCENTIVES TO BE BORNE BY THE GOVERNMENT

Income Tax Article 21 is a tax withheld on a person's income related to work, services, or activities in any name and form received by an individual domestic taxpayer. Meanwhile, taxes borne by the government are taxes owed by the government. Therefore, Article 21 Income Tax Borne by the Government was interpreted as a tax payable on income in connection with the use of work, services, or activities that are paid by the government using the ceiling from the state budget. The rules are set out in the state budget Law. Article 21 Income Tax borne by the Government was intended for employees who receive or earn income from the employer. Of course, these employees are included in the 1,189 descriptions of the business fields of the industry run by the employer. Not at all of the employees on the list of employers receive the right to Income tax 21 borne by government. This is because Income tax Article 21 borne by government is only given with the provision that employees who have a taxpayers identification number with a permanent and regular gross income of not more than IDR 200 million at the time of year. The income tax that should be deducted from the employee's income will then be borne by the government and must be paid in cash by the employer when the income is paid to the employee. Employees given the Article 21 Income Tax allowance through their employer will receive an additional income or net salary (take-home pay). As a result, the employer that previously granted Income Tax 21 allowances for employees or paid for Article 21 income tax that was previously payable no longer carries this burden, but instead returns the incentive to the employee. The incentive is returned to the employee to restore purchasing power and keep the wheels of the economy rolling (Hariyanto et al., 2021).

2.3. REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA NUMBER 44/PMK.03/2020 CONCERNING TAX INCENTIVES FOR TAXPAYERS AFFECTED BY THE 2019 CORONA VIRUS DISEASE PANDEMIC

Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 concerning tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic contains incentive facilities for taxpayers affected by the Covid-19 pandemic. The incentive facilities consist of Article 21 Income tax incentives, final MSME Income tax incentives, incentives Income tax article 22 imports, incentives for installments of Income tax article 25 and incentives for VAT refunds given to corporate taxpayers and/or individual taxpayers.

Income tax Article 21 borne by the government, is a tax facility to assist taxpayers. The income tax that should be deducted by the government gets facilities in the form of being borne by the government. So that the income tax that is usually withheld is given to employees through the employer. If there is an overpayment when submitting the 2020 Annual tax return, the excess cannot be returned. In this case, to be able to take advantage of this facility, it must meet the following criteria, namely Classification of Business Fields (KLU), has been determined as a Ease of Import for Export Destination (KITE) Company, has obtained a bonded Zone management permit, has obtained a bonded entrepreneur permit or Entrepreneurs License in Bonded Areas (PDKB) permit and gross income if annualized is not more than 200 million and not sourced from income originating from the regional budget/state budget and most importantly, it is mandatory to have a taxpayer identification number (NPWP). The incentive period is valid for the tax period from April 2020 to September 2020 or from the time the notification of the use of incentives is submitted until September 2020, and the procedure for utilization of Article 21 Income Tax Incentives as follows:

- a. Submission of notification is carried out by the employer to the registered primary tax office. The notification submission format is available on the pajak.go.id page.
- b. The decision of the Minister of Finance regarding the determination of the company as a company receiving KITE facilities must be submitted to the Head of the registered primary office tax by the employer.
- c. The decision of the Minister of Finance regarding the permit for bonded zone operator/entrepreneur that the employer has received must be attached to the primary tax office registered by the employer.
- d. Employers need to make an tax payment slip or billing code affixed with a stamp or writing of Income Tax Article 21 borne by the Government of Ex Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 if the DGT has received the application.
- e. The tax notification letter is attached when reporting the realization of Article 21 Income Tax borne by the government to the head of the registered tax office Pratama using the specified format.
- f. Article 21 Income Tax realization report is submitted no later than the next 20 months after the end of the tax period.

2.4. PRIOR RESEARCH

Based prior research on Holong et al., (2020) that the utilization of incentives for Income Tax Article 21 to be borne by the government must meet the specified criteria. Based on previous research, the mechanism for reporting incentives for Income Tax Article 21 borne by government at Company XYZ has been running well in accordance with the reporting procedures stipulated in the regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 concerning tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic. The income tax incentive Article 21 has an impact on reducing the tax burden for companies and employees because Article 21 income tax that taxpayers should pay has been fully borne by the government (Holong et al., 2022). Overall, tax incentives positively impact the variables of investment, gross domestic product, and open Unemployment. In addition, the positive impact of tax incentives based on tax rates on investment, gross domestic product, and open unemployment is much better when compared to Tax Incentives based on the tax base. However, this positive impact is relatively persistent in the short term (Mohammad et al., 2021). Riyantoea et al. (2021), in their research, stated that the impact of the Covid-19 pandemic has caused a significant decrease in tax revenues. Fiscal incentives in the form of Income Tax article 21 borne by the Government need to be expanded, and the criteria made easier so that employees get additional economic capabilities that can be used by employees to encourage the rotation of the economy because tax incentives, VAT rates, and wage subsidy assistance have a significant influence on people's purchasing power.

Research by Anton Aulawi, (2020) mention that the Indonesian government has set various tax policy strategies during the Covid-19 pandemic, which aims to achieve state revenue targets by revising tax revenue targets and rearranging state revenue allocations in the Revenue and Expenditure Budget. State Expenditure 2020 and implementation tax. Buying and Selling Through Electronic Systems. The government has also relaxed the imposition of Income tax Article 21, Article 22 Income tax, Income tax Article 25, and VAT tax return specifically for the manufacturing sector. So that the relaxation of income tax articles 21, 22 and 25 and the tax return is the most effective and appropriate way to overcome the impact of the Indonesian economy in dealing with the Covid-19 outbreak. Several fiscal policies were implemented by the government to improve the Indonesian economy during the pandemic, including refocusing the 2020 State Budget as an efficiency measure for state expenditures as well as a tax incentive program to relieve taxpayers (Kurnia et al., 2021). The provision of Article 21 Income tax incentives is considered to be able to help the general public, individual taxpayers to be able to calculate Article 21 Income Tax independently, especially to ensure whether the taxpayer can get Article 21 Income Tax Incentives. Income tax incentive article 21 can help ease the economic burden affected by the spread of the Covid-19 outbreak in Indonesia (Gede Ngurah Indra Arya Aditya, 2021). In his research, Bayu Sarjono (2021) states that the existence of tax incentives can increase the Take Home Pay was received. It is also stated that Article 21 Income Tax

Borne by the Government received by workers from employers is not counted as income subject to tax. Therefore, it must be reported in the Annual Personal Income Tax Return. However, in this case, the employer does not provide data to employees regarding the amount of Article 21 Income Tax borne by the Government. Individual taxpayers can calculate Article 21 Income Tax independently, especially to ensure whether the Taxpayer can get the Article 21 Income Tax Incentive for borne by the government. Covid-19 pandemic in Indonesia. However, the government's policy in terms of providing tax incentives has decreased state revenues from the tax sector. However, this policy can reduce the domino effect caused by the Covid-19 pandemic on the national economy. This is in accordance with what was stated by Abdurrahman & Titik Mildawati (2021).

3. RESEARCH METHODS

This study employs qualitative research, with a strong focus on case study-based research. The implementation of the case study describes decisions regarding the significance of the study, its implementation, and its outcomes (Schramm, 1971). According to Ellet (2018), case study research includes problem-solving, decision-making, and evaluation of rules or policies. Specifically, in terms of problems that arise within the scope of taxation policies or those contained in the research background, researchers will evaluate the use of incentives provided by the government in the form of tax incentives, where companies that are considered eligible to take advantage of the Government-borne Income Tax Article 21 incentives, but there are still many who have not taken advantage of it. The research instrument used in this research was an in-depth interview. The respondents in this research are presented in the table below.

Table 1. Respondent Data

Code Respondent	Text Text	Gender	Duration	Instrument
R1	Directorate of Tax Regulations II Sub-directorate of Withholding and Collection of Income Tax	Female	55 minutes	Semi structured Interview
R2	Directorate of Tax Regulations II Sub-directorate of Withholding and Collection of Income Tax	Male	55 minutes	Semi structured Interview
J1	Recipient Company Article 21 Income tax incentives to be borne by the government	Male	1 hour 10 minutes	Semi structured Interview
A1	Academician	Female	1 hour 2 minutes	Semi structured Interview

Table 1 shows that the duration of the respondent's interview varies, this is because the research instrument used for the interview is carried out in a semi-structured manner which allows for this interview to develop established guidelines but does not go out of the context discussed. In principle, the selection of this interview was based on the

need to obtain information from the Directorate General of Taxes (DGT), Tax Incentive Recipient Companies, and the point of view from the academician.

The research framework used in this research is shown in Figure 1. This research framework serves to explain the logic of thinking of this research.

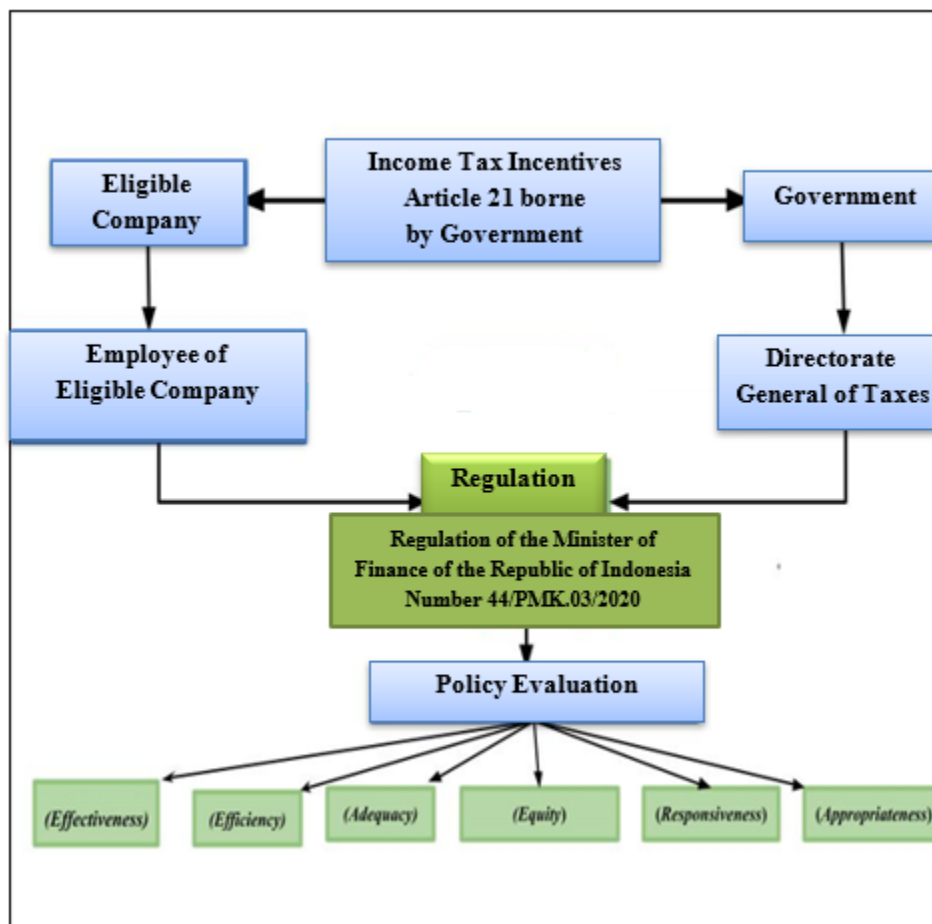


Figure 1. Framework

Based on the framework, it is known that the income tax incentive of article 21 borne by the Government can only be utilized by companies that meet the applicable criteria or provisions. So that the company that receives the Government-borne Article 21 income tax incentive is an eligible company listed in the attachment to the Business Field Classification Code (KLU) contained in the Minister of Finance Regulation No.44/PMK.03/2020 concerning tax incentives for taxpayers affected by Covid-19. Corona Virus Disease 2019. In practice, the implementation of the policy did not run smoothly. The policy of providing incentives for Income Tax Article 21. The reason is benefits of the Article 21 Income Tax incentive are still not maximized because there are many eligible companies that have not yet taken advantage of this incentive. Therefore, this requires further evaluation, the evaluation carried out aims to provide valid and reliable information regarding policy performance regarding how far needs, values and opportunities have been achieved through public actions taken.

This data collection was carried out through in-depth interviews with the following groups of respondents as follows:

a. Tax Incentive Recipient Company

Companies that receive tax incentives are companies that are included in the classification of business fields affected by the COVID-19 pandemic and have fulfilled further provisions as recipients of tax incentives as regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 concerning tax incentives for affected taxpayers coronavirus disease 2019 pandemic. Respondents used in this study were at the staff level in the field related to the research topic.

b. DGT as regulator

Interviews with the DGT were conducted with employees of the Directorate of Tax Regulations II at the DGT Head Office at the staff level, who are the person in charge of implementing the related tax policies. Interviews with DGT respondents were conducted to gain a deeper understanding of the provisions for the provision of these incentives and the background to the determination of these policies. In addition, interviews were also conducted to find out the obstacles that might be faced by the DGT in its efforts to provide an understanding regarding the provision of tax incentives.

c. Academician

The academic respondent is a lecturer who teaches taxation courses at Pelita Harapan University. Interviews with academics were conducted to determine the provision of incentives and tax compliance from an academic point of view. The academic respondent act as neutral parties who are not directly related to taxpayers and the DGT.

The flow of data collection through interviews is as follows:

- The author contacted potential sources, briefly explained the purpose of the research, and confirmed their willingness to become research respondents. Specifically for DGT respondents, the authors submitted a research application letter through the website <https://eriset.pajak.go.id/>.
- After getting confirmation of consent, the author submitted a consent form to each respondent before conducting the interview.
- Determined the time of the interview.
- Conducted online interviews with Zoom and Microsoft Teams platforms.

Interviews were done in a semi-structured way, with interview questions generated based on pertinent sources from the relevant study literature. Then, the questions can be adapted to the responses of the pandemic respondents, while remaining on the established topics so that they are neither biased nor off-topic. Research questions are adjusted based on policy analysis according to the six evaluation criteria mentioned by Dunn (2003) that presented in the table below.

Table 2
Criteria for Evaluation

Type of Criteria	Question
Effectiveness	Has a value outcome been achieved?
Efficiency	How much effort was required to achieve a valued outcome?
Adequacy	To what extent does the achievement of a value outcome resolve the problem?
Equity	Are costs and benefits distributed equitably among different groups?
Responsiveness	Do policy outcomes satisfy the needs, preferences or values of particular groups?
Appropriateness	Are desired outcomes (objectives) actually worthy or valuable?

Policy evaluation is carried out with six criteria based on the theory proposed by Dunn (2003) which includes effectiveness criteria which emphasizes whether the desired results from the implementation of the policy have been achieved, efficiency emphasizes how much effort is needed to achieve the desired results, adequacy focuses on how far the results have been achieved in solving problems, equity/equality emphasizes costs and benefits that are distributed evenly to different groups, responsiveness emphasizes policies containing preferences or values for a related group and can satisfy them and accuracy that focuses on results which is expected to be really useful.

4. ORGANIZATION PROFILE

Company X is a modern retail outlet that is part of the Company ABC business network. Company ABC is a retail company that manages a national department store network. Company X started operating in 2004 with its main focus as a modern retail business that focuses on Fast Moving Consumer Goods (FMCG). Company X is one of 100 outlets spread throughout Indonesia. Speaking of taxation, in terms of tax reporting, Company X uses the services of a vendor from pajakku. Company X chose to use the Gross method in terms of withholding Article 21 income tax from its employees. This Gross method makes Company X did not bear the income tax article 21 of employees so that from the company's side, the net profit after tax is greater. So that the Article 21 income tax is fully borne by the employees. Regarding the incentive for Income Tax Article 21 to be borne by the government, Company X confirmed that the company took advantage of the incentive. It is known that based on the business field classification code for industries affected by Covid-19, Company X is included in code 47111, namely Retail Trade of Various Kinds of Goods, Mainly Food, Beverages

or Tobacco in Supermarkets / Minimarkets. Considering that Company X is included as an eligible company and it was listed in the business field classification code as previously mentioned, and also Company X as retail trade industry of various kinds of goods, mainly Food, Beverages or Tobacco in Supermarkets / Minimarkets, which are closely related to the process of buying and selling transactions with The consumer. So in this case, company X felt the changes of people's purchasing power before covid-19 and during of covid-19.

5. RESULT AND DISCUSSION

The research was analyzed using thematic analysis, where the process is carried out by identifying, analyzing, and reporting themes in the data to be made in a structured interpretation.

5.1. WITHHOLDING INCOME TAX ARTICLE 21 BEFORE AND AFTER RECEIVING INCENTIVES FOR INCOME TAX ARTICLE 21 BORNE BY THE GOVERNMENT FOR EMPLOYEES OF COMPANY X

Entering 2020, every industry is experiencing severe challenges where Covid-19 cases increase and have an impact on the company's business activities, including Company X. Even though economic stability and productivity are disrupted as a form of taxpayer compliance with their tax obligations, Company X continues to cut income tax article 21 in accordance with applicable provisions. During the January-March 2020 period, it followed the applicable tax provisions, namely at the time of the tax provisions in force at that time there were still no tax incentives given. The calculation of Income tax 21 for the January-March 2020 period still follows the provisions of regulation of the Director General of Taxes Number.16. the company's withholding of Article 21 Income tax is carried out by the company before there is an incentive for Income tax. Referring also to the Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK. 03/2020 concerning tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic where it is known that in the mechanism for obtaining incentives for Income Tax Article 21 borne by the Government. Companies know the business field classification code listed in the Appendix of the Business Sector Classification Code based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK. 03/2020 . Company X has a classification code of 47111, namely Retail Trade on Various Kinds of Goods Mainly Food, Beverages or Tobacco in Supermarkets / Minimarkets. So Company X has the right to take advantage of these incentives and receive income tax article 21 borne by the government. Company X, as previously explained, It listed as an eligible company to receive the advantage of Income Tax incentive article 21 borne by government. Company X has

been received the incentive since April 2020. Starting from April to December 2020, Company X will get an incentive for Income Tax Article 21 from the government for income tax. Based on the applicable provisions, Company X as the employer, takes advantage of incentives for Income Tax Article 21 to be borne by the government so that the amount of Article 21 Income Tax deducted by the employer will be given along with the monthly income received by the relevant employee where the income tax is previously borne by the recipient of income or employee will be changes to be borne by the Government.

Table 3. Impact of Withholding Income Tax Article 21 on Employee Take Home Pay at Company X

Detail	Before Receiving Income Tax Incentives Article 21 borne by Government	After Receiving Income Tax Incentives Article 21 borne by Government
Salary and benefits	8,524,523	8,524,523
Less pension contribution/month	410,401	410,401
Less Income Tax Article 21	118,206	118,206
Income after tax	7,995,916	7,995,916
Added Income Tax Article 21 borne by Government	-	118,206
Take Home Pay	7,995,916	8,114,122

From the table above, it can be explained that the employer applies the method of withholding Income Tax Article 21 using the gross method. The amount of Article 21 income tax owed is the responsibility of the permanent employee himself so that the actual take-home pay received every month will be reduced after there is a deduction. However, after receiving incentives for Article 21 Income Tax Borne by the Government, which must be paid in cash by the employer at the time of payment of income to employees. The take home pay received to have increase in number

5.2. EVALUATION OF THE UTILIZATION OF ARTICLE 21 INCOME TAX INCENTIVES TO BE BORNE BY THE GOVERNMENT

Utilization of tax incentives, in particular Article 21 Income Tax Incentives borne by the Government, must comply with applicable regulations. Company X is included as an eligible company to take advantage of these incentives with the listed classification code or in accordance Regulation of the Minister of Finance of the Republic of Indonesia Number 44/PMK.03/2020 with code 47111, the name of the criteria is Retail Trading of Various Kinds of Goods, Mainly Food, Beverages or Tobacco in Supermarkets / Minimarkets. Tax deduction method of Company X uses the gross method so that the amount of Article 21 income tax payable is the responsibility of the permanent employee himself so that the take-home pay received every month will be reduced after there is a deduction. However, after receiving incentives for Article 21

Income Tax Borne by the Government, which must be paid in cash by the employer at the time of payment of income to employees, the take-home pay received is recorded to have increased in number. Therefore, in terms of the utilization of incentives for Income Tax Article 21 borne by the Government, the company does not get direct benefits from the provision of these incentives because it is targeted directly at its employees, so the benefits will certainly be felt by the employee. Companies that do not receive direct benefits from the provision of incentives and having an obligation to report the realization of the use of incentivesIt becomes an administrative burden for the company. So many effort to company must be completed the report. The regulation need to evaluate the extent to which the importance dan the challenges.

5.2.1. EFFECTIVENESS

Evaluating from the effectiveness evaluation criteria where the dominant problem found from the research is related to administrative completeness. Realization reporting does not meet the requirements. Based on the results of interviews with the DGT, there are many provisions that do not meet the realization reports from taxpayers. Sourced from one of Indonesia's most trusted tax news outlets, which states that the realization of Article 21 Income Tax incentives borne by the government in 2020 and 2021 tends to be lower than other tax incentives provided. It was recorded from the allocation of Rp. 8.81 trillion, but what was realized for Income tax Article 21 borne by government was only Rp. 1.71 trillion or 19.4%. (News.ddtc.co.id, 2021). So that in terms of achieving the operative and operational objectives regarding the provision of incentives for Income Tax Article 21 to be borne by the Government, although it has been implemented, the target or objectives to be achieved have not been maximally fulfilled.

Evaluating the efficiency evaluation criteria, which is related to how much effort has been achieved in solving problems, the results of this study indicate that the efforts made by the DGT can be seen from the several revisions of the Regulation of the Minister of Finance of the Republic of Indonesia about the incentives, it is way to find the efficiency, the proposals or changes made can be implemented.

5.2.2. EFFICIENCY

Evaluating the efficiency evaluation criteria, which is related to how much effort has been achieved in solving problems, the results of this study indicate that the efforts made by the DGT can be seen from the several revisions of the Regulation of the Minister of Finance of the Republic of Indonesia about the incentives. It is meaning that in finding efficiency, the proposed or changed submitted applied. It can be seen that the four changes or revisions are actually a form of adjustment to the conditions that occur in the field andas a form of policy strategy in order to improve the Indonesian economy during the Covid pandemic. Because the government is trying to focus on the target of providing these incentives, it appears that revisions and changes have taken place in coordination with the Ministry of Economy and fiscal policy agency to look at the business sectors in which growth is the worst in order to become input or observations on the economy in the field so that efficient efforts can run well.

The results found that the government extended the Article 21 income tax incentive and expanded the previous business sector from 1062 Business Field Classification Code to 1189 Business Field Classification Code as stated in the Minister of Finance Regulation No. 86//PMK.03/2020 so that the previous tax provisions were Regulation of the Minister of Finance of the Republic of Indonesia number 44/PMK03/ 2020 was revoked and is not valid. Thus, the Article 21 Income Tax incentive for employees will continue until the end of the year following the latest changes through regulation of the Minister of Finance of the Republic of Indonesia number 110/PMK.03/2020. This effort is a positive thing that has an impact on the policies implemented.

5.2.3. ADEQUACY

Evaluating from one of the evaluation criteria proposed by Dunn (2003) is the adequacy criterion where the focus on the strength of the relationship between policy alternatives and the expected outcomes that have been met. Where is the result of an interview with Staff of Company X as the recipient of the Income tax 21 borne by tax incentive, which states that "Purchase power increases because income increases due to incentives". This statement also supports previous research by Sulastri & Kholis (2022) on the effect of tax incentives and wage subsidies for the Covid-19 pandemic on people's purchasing power, where the results of the study stated that tax incentives, VAT rates and wage subsidy assistance had a significant effect on people's purchasing power.

5.2.4. EQUITY/EQUALITY

Evaluating the criteria for equality in the provision of incentives for Income tax Article 21 borne by the government where the provision is that during the tax period, annual gross income is not more than Rp. 200,000,000, and the income received does not come from the regional budget/ state budget. The annual gross income determination is not more than Rp. This 200,000,000 also reaps comments from the recipients of tax incentives because it is considered to eliminate the element of equity/equality. The view of academician considers that the provision of incentives based on Business Field Classification Code is also considered to eliminate the element of equality.

5.2.5. RESPONSIVENESS

Evaluating from the point of view of one of the policy evaluation criteria proposed by Dunn (2003) is responsiveness, where the results of the policy contain preferences or values for a related group or satisfy them. Therefore, this study effort is a form of responsiveness to load these value preferences. Therefore, the Government does not remain silent and seeks to provide fiscal regulation in the form of tax incentives for taxpayers affected by the Covid-19. Tax incentives are one of the regulation that provided by the government to assist individuals or entities in fulfilling the obligation to pay taxes where programs or activities carried out by the government specifically are reducing or exempting certain taxes. the incentive for income tax article 21 borne by the government expected to provide benefits for companies, especially employees

who are eligible to take advantage of this tax incentive. Although it needs effort to contain preferences or values for a related group, it is necessary to change several times.

5.2.6. ACCURACY

Evaluating the evaluation criteria proposed by Dunn (2003) regarding accuracy. Where the focus on the purpose of the program provided for a community, precisely to provide benefits. Referring to the results of the national economic recovery Survey Phase I in July – August 2020, which showed that the benefits of increasing the purchasing power of workers were only 25%. While the highest benefits are financial benefits. Company X does not get the impact of the Article 21 Income Tax Incentive because this incentive is aimed directly to employees, so that the benefits will certainly be felt by the employee and related to the purpose of providing incentives for Income tax, Article 21 borne by government to increase purchasing power, based on a percentage of survey, the benefits of Income tax Article 21 borne by government still inferior to other incentives. The other incentives are much more beneficial.

However, the practice of implementing the Government-borne Article 21 Income Tax incentive policy in the field has not run smoothly It need evaluation. Some of the obstacles to the utilization of incentives for Income Tax Article 21 borne by the government found in this study are that there are still many companies that do not know exactly how to use facilities that will increase the purchasing power of workers. For companies, especially in Company X, it does not have an impact on reducing the tax burden because the company's Article 21 Incentive Income Tax is fully borne by employees or workers. Based on the things above, it was found that there was information about the inadequate performance of policies that allowed them to be given room for evaluation in the re-formulation of policy problems, for example, by pointing out that goals and targets need to be redefined. This process allows for the contribution of the latest evaluation of new policy alternatives, or previously superior policies need to be removed and replaced with others (Dunn, 2003). Communication, both in writing and orally. It is one of the important things that affects the success of a policy where the role of communication is referred to as a determinant of the success of public policy implementation. Communication from an organization, in this case, the delivery of goals and objectives in detail so that the gap between the plan and the implementation of the policy can be reduced. Certain public policies need to anticipate if there are parties who disagree or are resistant to the policy (Subarsono, 2012).

6. CONCLUSION AND RECOMMENDATION

Utilization of tax incentives, in particular Article 21 Income Tax Incentives borne by the Government, must comply with applicable regulations. Company X included as an eligible company to take advantage of the incentive with the classification code listed or in accordance regulation of the Minister of Finance of the Republic of Indonesia provisions, namely the Business Field Classification Code with code 47111, namely

Retail Trade on Various Kinds of Goods, Mainly Food, Beverages or Tobacco in Supermarkets / Minimarkets where the tax deduction method uses the gross so that the amount of Article 21 income tax payable becomes the responsibility of the permanent employee the actual take-home pay received every month will be reduced after there is a deduction. However, after receiving the Government-borne Income Tax incentive where Article 21 Income Tax Borne by the Government must be paid in cash by the employer at the time of payment of income to employees. The result of payment have an impact to increase the take home pay was received.

Companies do not receive direct benefits from the provision of these incentives The company have to report the realization of the use of incentives which, of course, becomes an administrative burden for the company. the evaluation of the extent to which the need, value and opportunity of providing incentives for Income Tax Article 21 to be borne by the Government reached the expected target was evaluated further using the evaluation criteria by Dunn (2003). Based on evaluation criteria of Dunn (2003), it is known that the effectiveness shows negative results where taxpayers who receive or are eligible but who take advantage of only so much and those who use not all report the realization report. Not at all of the company report the report of the realization or the company submitted data is not appropriate. Evaluating the efficiency evaluation criteria, which is related to how much effort has been achieved in solving problems, the results of this study indicate that the efforts made by the DGT can be seen from several revisions of the Regulation of the Minister of Finance of the Republic of Indonesia that regulate the incentives, it means that there are efforts to find the efficiency and it is aspositive evaluation. Evaluating from the adequacy criteria, it is known that the socialization efforts regarding the provision of incentives for Income tax Article 21 to be borne by the Government are considered sufficient, but the contra point of view was expressed by academician who say that the socialization efforts from the DGT are considered insufficient. during the tax period receiving annualized gross income of no more than Rp. 200,000,000, and the income received is not from the regional budget/state budget. The annual gross income determination is not more than Rp. 200,000,000 is considered to eliminate the element of equality/equality.

In addition, the provision of incentives based on Business Field Code it is also considered to eliminate the element of equality. Evaluating from responsiveness criteria where the policy results contain preferences or values for a group. This effort is carried out through changes or revisions to the Business Field Code (KLU) and the extension of related incentives so it is seen as a positive evaluation. Evaluating from the accuracy criteria, the provision of incentives for Income Tax Article 21 Borne by the Government seems to have received a response which is considered to be lacking or not yet maximally utilized by companies that are eligible to take advantage of income tax article 21 Borne by the government. The incentive for Income Tax Article 21 to be borne by the government has actually been used well by company X, but in its implementation, there is an obligation that must be carried out by the company as the employer, The company must be submitting a report on its realization. The existence of a reporting requirement that must be completed by the organization makes the

corporation perceive it as a burden. Besides that, to get this facility, the company is obliged to open data related to the number of employees, the amount of salary and anyone who already has a taxpayer identification number (NPWP) it is a privacy from company and very strictly to guard the secrecy. In addition, the point of view of taxpayers that the provision of incentives for Income tax Article 21 to be borne by the government with an annualized gross income of not more than 200 million is considered to eliminate the element of justice. Because all parties in the same situation affected by the Covid-19 pandemic. So the policy was considered inappropriate if the target was addressed to employees or workers with the criteria as referred to in the relevant regulations.

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The tax incentives provided by the government in terms of national economic recovery are several things, the incentive facilities consist of Article 21 Income Tax borne by the Government, Final Income Tax based on PP 3 of 2018 (incentives for MSMEs), exemption of Article 22 Import Income Tax, Article 21 Income Tax installment reduction, Preliminary Returns (accelerated VAT refunds), Final Income tax on construction services borne by the government. This research focuses on the utilization of government-borne Income tax 21 incentives by eligible companies. Due to the fact that each company's tax management features are distinctive. The research to evaluate the utilization of income tax article 21 borne by government and what are the challenges of the company to complete the administration to use the incentive. The amount of Article 21 income tax owed is the responsibility of the permanent employee so that the actual take-home pay received every month will be reduced after there is a deduction. However, after receiving incentives for Article 21 Income Tax Borne by the Government, which must be paid in cash by the employer at the time of payment of income to employees, the take-home pay received is recorded to have increased in number.

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