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Fiscal Reconciliation Analysis of Commercial Financial Statements

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ABSTRACT

Fiscal reconciliation is carried out to overcome the difference in perception between accounting by determining the taxation of income and expense accounts. The purpose of this study is to find out whether the fiscal correction is appropriate based on the tax provisions on income and expense accounts in the financial statements. To find out the basis for calculating taxable income as the basis for calculating taxes payable and to find out how to prepare a fiscal reconciliation report in more detail.

This research was conducted on Agricultural Sub-Sector Companies listed on the Indonesia Stock Exchange in 2019-2023. The sample used in this study is 4 companies, namely PT Bisi International Tbk, PT PP London Sumatra Indonesia Tbk, PT Sinar Mas Agro Resources and Technology Tbk and PT Tunas Baru Lampung Tbk. The sample selection uses the purposive sampling method with the analysis method used, namely descriptive and comparative with the empirical study method, which describes a phenomenon/event systematically as it is.

The results of the research on fiscal corrections made by agricultural sub-sector companies on income and expense accounts are in accordance with applicable tax regulations. After the fiscal reconciliation of the commercial income statement, it results in changes in the company's taxable income due to differences in recognition, namely fixed differences and time differences according to commercial and fiscal. So that there is a change in the company's tax burden, from the difference in recognition, there is an increase and decrease in the amount of taxable income so that the company experiences underpayment and overpayment of the company's outstanding taxes.

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1. INTRODUCTION

Taxes are one of the sources of revenue from the state that are collected under the applicable law. According to the Law of the Republic of Indonesia Number 28 of 2007 concerning the third amendment to Law Number 6 of 1983 concerning General Provisions and Taxation Procedures, "Taxes are compulsory contributions to the state owed by individuals or entities that are coercive based on the Law, without receiving direct rewards that are used for state needs for the prosperity of the people".

national production and national development.

Companies that have been listed on the Indonesia Stock Exchange (IDX) are required to make financial statements in accordance with current accounting standards, especially Financial Accounting Standards (SAK). Financial statements are one of the most important tools for businesses to communicate their financial situation to external and internal parties. Financial statements have a purpose, namely as a tool for taking economic decisions and reporting accountability for the management of resources entrusted to shareholders. However, in making financial statements, there is a difference between financial statements for business and financial statements prepared for taxation. The difference comes from the accounting treatment between the Financial Accounting Standards (SAK) and the Tax Regulations set by the Department General of Taxation (DGT).

Fiscal reconciliation carried out by the business world is very important to ensure the accuracy of tax obligations and tax compliance with regulations set by the government. However, the difference between commercial financial statements and tax financial statements not only affects the amount of taxes owed but also affects the strategic decisions of the company's management that will be implemented to make the company's progress.

According to Sapitri (2022) Commercial financial statements, especially income statements, are generally applicable, cannot be applied to calculate the amount of tax payable that must be paid by taxpayers. Limited knowledge of tax regulations on fiscal correction and the application of tax rules causes obstacles in the preparation of fiscal financial statements (Intan Tirta Islami, 2019). Fiscal reconciliation is usually carried out by taxpayers because there are differences in calculating commercial profits and tax profits

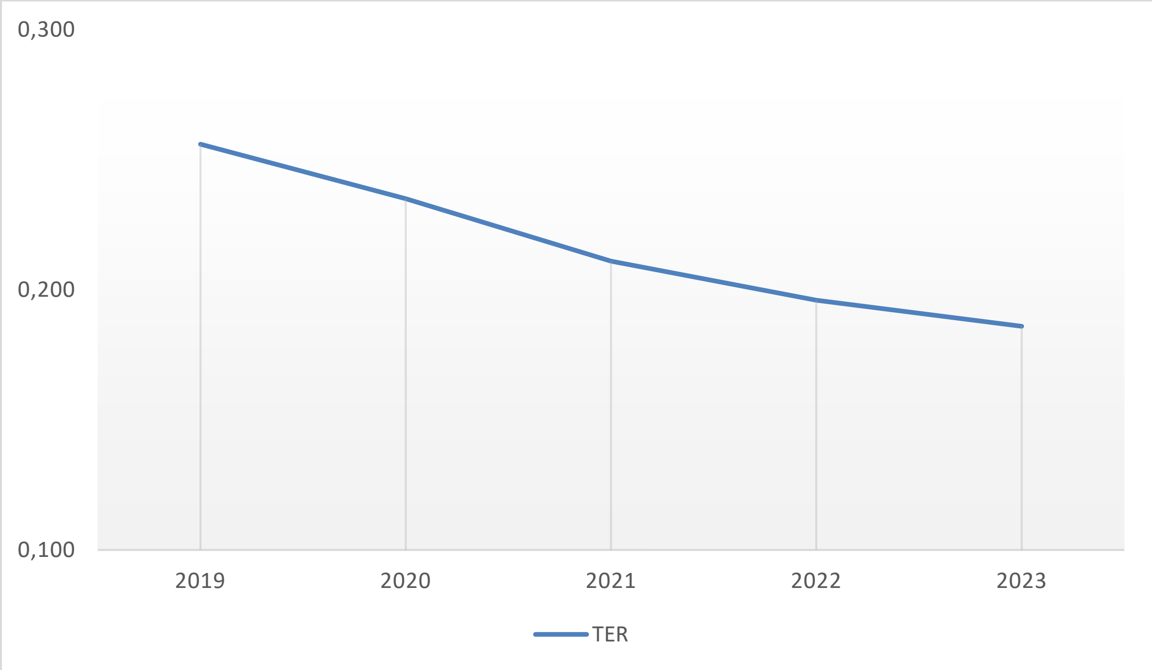
The difference between commercial financial statements and fiscal financial statements based on their burdens is influenced by permanent differences, namely the difference in the recognition of income or expenses with the provisions of the Income Tax Law which is permanent which means that fiscal corrections will not be taken into account on taxable profits (donations, entertainment without a nominative list) and expenses that have nothing to do with company operations and deposit interest income. Timing Differences are the difference in income or expense recognition between commercial financial statements and the Income Tax Law which is temporary, meaning that fiscal corrections will be taken into account with taxable profits such as depreciation costs, rental costs, and profit income.

A positive fiscal correction is an adjustment to commercial costs that results in an increase in taxable profits and will increase the amount of corporate income tax payable. Meanwhile, a negative fiscal correction is an adjustment to commercial income that will reduce the amount of corporate income tax payable. This fiscal reconciliation will result in fiscal financial statements that will be used to calculate corporate tax payable (M. Anjar Nurulhayat, 2023). To increase domestic tax revenue, fiscal correction analysis is needed to reduce fraud in tax reporting. According to Kristianto & Aminah (2024) An income statement is a kind of financial statement that summarizes a company's performance over a period of time by comparing its income and expenses over a certain period of time (monthly, quarterly, semesterly, and yearly).

The agricultural sector, which includes companies that produce food crops, horticulture, agriculture, fisheries and forestry, has an important role in the Indonesian economy. Industries that are sensitive to changes in natural conditions and government regulations, business actors in the agricultural sector often face challenges in managing financial reporting and tax obligations. Changes in natural conditions can result in the company experiencing losses and so can also experience profits.

Regulations related to environmental sustainability, natural resource management, as well as subsidy and incentive policies provided by the government, require special attention in the management of financial statements. Effective and accurate financial reports are crucial in maintaining the sustainability and success of the company.

The following are the effective tax rates for Agricultural Sub-Sector companies listed on the Indonesia Stock Exchange in 2019-2023, which can be seen in the image below:



(Source: www.idx.co.id, data processed in 2024)

Figure 1. Average TER of Agricultural Sub-Sector Companies in 2019-2023

Based on the picture above, it can be seen that the average Effective Tax Rate in 4 samples of Agricultural Sub-Sector companies, namely PT Bisi International Tbk (BISI), PT PP London Sumatra Indonesia Tbk (LSIP), PT Sinar Mas Agro Resources and Technology Tbk (SMART), and PT Tunas Baru Lampung Tbk (TBLA) over the last 5 years, the TER (Tax to Earnings Ratio) rate of Agricultural Sub-Sector companies shows a steady downward trend, influenced by external factors such as weather conditions that do not support crop yields, economic stability, and fiscal policy. Analyzing the significant decline in TER rates in Agricultural Sub-Sector companies provides important insights into how the agricultural sector is adapting to the challenges it faces, both in terms of policy and the business environment. The TER rate in 2019 has a relatively high value of 0.256, this shows that the tax burden on the company's profits is quite high. This high value is due to economic stability that supports crop success, but is also influenced by favorable seasons and tax policies that may provide less incentives for companies in the Agricultural Sub-Sector. This year, companies are likely to face significantly higher tax liabilities as part of their contribution to government revenues.

In 2020, the TER rate dropped to 0.235. This decline is most likely influenced by the government's fiscal policy that provides financial incentives and supports business actors, including the agricultural sector, to face the challenges of the Covid-19 pandemic. Although the pandemic experienced by almost the whole world has disrupted various sectors of the economy, the agricultural sector remains an important backbone because of its role in maintaining national food security. This policy support creates fiscal space that is reflected in the reduction in the TER interest rate. The TER rate in 2021 decreased again to

0.211, reflecting further challenges in the agricultural sector. The decline is likely due to a combination of bad weather, which has caused many businesses to struggle, and fiscal policy updates reflecting economic uncertainty caused by the pandemic, this decline identifies that the agricultural sector is under greater pressure than usual, although it still shows efforts to maintain the sustainability of companies' operations. In 2022, the TER tariff decreased further to 0.196 and in 2023 it fell again to 0.186. The decline over the past five years may be due to the impact of the pandemic experienced by the Indonesian state and can also be caused by unfavorable weather so that crop failures occur. The gradual reduction of TER rates over the past five years on Agriculture Sub-sector companies can make a better contribution to the national economy with the support of the right policy instruments, this analysis is important to understand how the agricultural sector is holding up taking into account economic dynamics and other external factors.

According to several previous studies that discussed the analysis of fiscal reconciliation on commercial financial statements, the research conducted Sapitri et al., 2024 about Analysis of the Application of Fiscal Reconciling to the Calculation of Corporate Income Tax in Financial Statements. The results of the study based on the test results show that after fiscal reconciliation or correction of the company's financial statements, there is a difference in the calculation between commercial profit and fiscal profit due to the difference in the recognition of commercial accounting and fiscal accounting. After adjusting the fiscal reconciliation of the financial statements, there was a difference in calculation with a difference of Rp231,501 million between commercial profit and fiscal profit. The Company has carried out its taxation in accordance with Law No. 11 of 2022, by making a reconciliation calculation for the corporate income tax statement from the profit/loss statement for December 31, 2020, the corporate income tax generated is IDR 63,103 million. The calculation of this adjustment has an impact on deferred tax assets that have been recorded in the annual financial statements. Meanwhile, the research conducted Septian et al., 2024 yang entitled Analysis of Fiscal Reconciling of Financial Statements of PT. Eka Jaya in 2021 In determining Income Tax Payable Based on Law No. 36 of 2008, the results of this study say that there are costs that should be minimized as a deduction for the company's taxable income so that the taxes paid are less. There is tax planning that can be done by PT. Eka Jaya to minimize the tax burden, the company can include a fee of IDR 57,092,935 so that entertainment costs can be deducted from the overall cost. The depreciation cost of the company's vehicle must pay attention to the use and usefulness of fixed assets for the purposes of directors/office operations so that it can be taxed as gross income. In 2021, after a fiscal correction was made to the depreciation cost of PT. Eka Jaya totaled IDR 127,694,703. PT. The 2021 Eka is in accordance with Law Number 36 of 2008. Research conducted by Wulandari et al., 2024 regarding the Analysis of Fiscal Reconciling of Commercial Financial Statements in the Determination of Corporate Income Tax. The results of the study showed that the difference in the number of positive fiscal corrections made by PT.XXX was IDR 491,847,236 while the results of the researcher were IDR 732,222,273 so that the difference between the company and the researcher amounted to IDR 240,375,536 and the negative correction made by PT. XXX amounting to IDR 26,700,027 which has no difference with the researcher. The fiscal correction made by PT. XXX is not in accordance with tax regulations, so there are still several positive fiscal corrections that must be corrected, namely the burden of allowance and employee tax burden, consumption burden, the burden of official travel, the burden of shipping and unloading of goods, the burden of document management, the burden of repair and maintenance and the burden of STP tax.

Based on the description above, the author is interested in conducting a research entitled "Analysis of Fiscal Reconciling of Commercial Financial Statements in Agricultural Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2019-2023"

2. LITERATURE REVIEW

2.1 Accountancy

According to Dr. Agie Hangggara, M.pd (2019) accounting is the process of identifying, recording and reporting economic data or information that is useful for assessment and decision-making. Financial statements must be able to describe the condition of the company and the performance of the company made for decision-makers for external parties.

2.2 Tax Accounting

Tax accounting is a branch of accounting that focuses on the recognition, measurement, and reporting of tax liabilities and tax assets on financial statements. The main goal is to ensure that tax obligations are recognized in accordance and appropriately, with applicable tax regulations and correctly reported in financial statements (Putri et al., 2024). According to Maulamin & Sartono (2021), tax accounting is a set of principles, standards, and complete accounting treatment that taxpayers use as a basis to fulfill their tax obligations with the existence of tax accounting can easily make tax returns. Commercial accounting reports aim to provide corporate financial information for decision-makers while tax accounting is used to report taxes due to differences in income and expense recognition of commercial financial statements.

2.3 Tax

Tax is a compulsory contribution to the state that is owed by individuals or entities that are coercive based on the Law, by not getting direct rewards and used for state purposes for the greatest number of people (Article 1 of Law of the Republic of Indonesia Number 28 of 2007 concerning the third amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures). According to Arifai et al., (2021) taxes are the dominant source of state revenue that is used to fund public needs, including individual personal interests.

2.4 Fiscal Financial Statements and Commercial Financial Statements

Fiscal financial statements are financial statements that are prepared in accordance with tax regulations and used for tax calculation purposes. Fiscal reconciliation is carried out by the Taxpayer because there is a difference in calculation, especially in the part of profit according to commercial accounting and profit according to taxation (fiscal). For commercial or business purposes, financial statements are prepared based on generally accepted principles, namely PSAK, while for fiscal purposes, financial statements are prepared based on tax regulations, namely the Income Tax Law (Official, 2014). Meanwhile, commercial financial statements are prepared based on Financial Accounting Standards which aim to provide information regarding the financial position, performance, and changes in the financial position of a company that are useful for a large number of users in economic decision-making. Financial statements are prepared by the company as a communication tool and a basis for consideration in the decision-making process for parties interested in the company's financial data.

The cause of the difference between commercial and fiscal financial statements is because there are differences in accounting principles, differences in accounting methods and procedures, differences in income and expense recognition, and differences in income and expense treatment. In general, there are two differences in recognition of both income and costs between commercial accounting and taxation (fiscal) that cause fiscal corrections, namely:

1) Permanent Difference, meaning that the fiscal correction made will not be taken into account with the taxable profit of the next tax year. In the case of income recognition, correction due to differences still occurs because according to commercial accounting it is income, while according to the Tax Law it is not income;

2) Time Different, meaning that the fiscal correction made will be taken into account with the taxable profit of the following tax years.

2.5 Fiscal Reconciliation

Fiscal Reconciliation is the process of reconciliation of commercial financial statements prepared based on Financial Accounting Standards (SAK) with applicable tax regulations. The calculation of fiscal financial statements is carried out by taking into account tax provisions, therefore there is a difference in recognition of commercial financial statements that are calculated based on accounting standards.

Fiscal Reconciliation occurs because of differences in commercial and fiscal recognition, there are 2 differences, namely:

1. Difference Still occurs if there is a transaction that is recognized by the taxpayer as income or as a commercial expense, but based on the tax provisions the transaction in question is not income or not a recognizable expense, or the income and expenses recognized in the commercial financial statements cannot be recognized all according to tax provisions but only a part can be recognized as income or expenses that can be recognized. The recognition of income and expenses that cause permanent differences in tax accounting is known by the following terms:
   a. Income as a tax object
   b. Non-tax income
   c. Income subject to final income tax
   d. Cost as a deduction of gross income
   e. Costs are not a deduction of gross income
2. Time difference exists because of the difference in the amount of time in commercial and fiscal accounting such as:
   a. The time of recognition of the benefits of assets to be depreciated or amortized
   b. Time of income earned
   c. Time recognized cost

2.6 Income Tax

According to Law Number 7 of 2021 concerning the Harmonization of Tax Regulations Article 4 paragraph 1, the definition of income that is the object of tax is defined as any amount of economic ability received by taxpayers, both domestic and foreign, that can increase taxpayers' wealth or can be used by taxpayers in any form. As for the Retired Helen Widjaja (2022) Income tax is a tax imposed on taxpayers on income received in one period. So it can be concluded that income tax is tax payable that is deducted from income received by taxpayers which is included in taxable income according to the Tax Law.

2.7 Fiscal Reconciliation Calculation

According to Pohan (2016), what distinguishes fiscal financial statements from commercial financial statements is basically that the preparation of fiscal financial statements is based on the application of taxable and deductible mechanisms or principles. This fiscal correction is carried out to eliminate the difference between profits based on commercial accounting and profits based on the Tax Law. This correction can be a positive correction or a negative correction, depending on the type of discrepancy that arises, such as non-deductible expenses or income that is not recorded for tax purposes. Therefore, financial statements may reflect taxable profits in accordance with the provisions of applicable tax regulations. This fiscal correction is important to be able to ensure the tax obligations that a company will pay.

2.8 Frame of Mind

Financial statements are basically a tool to measure the performance of a company and are prepared based on Financial Accounting Standards (SAK). This report is used for internal and external purposes, especially for calculating corporate taxes. In terms of taxation, there is a difference between commercial profits obtained according to SAK-based accounting principles and tax provisions calculated according to the Tax Law. This difference requires a positive tax correction process and a negative tax correction on income and expenses in the fiscal income statement which is the basis for calculating taxable income (PPh) and personal income tax (PPh) according to the applicable tax rate. Therefore, fiscal reconciliation is an important step in integrating commercial financial reporting and corporate tax obligations. Based on the framework of thinking that has been explained above about Fiscal Reconciliation of Commercial Financial Statements, it can be made in the form of a graph, as follows:

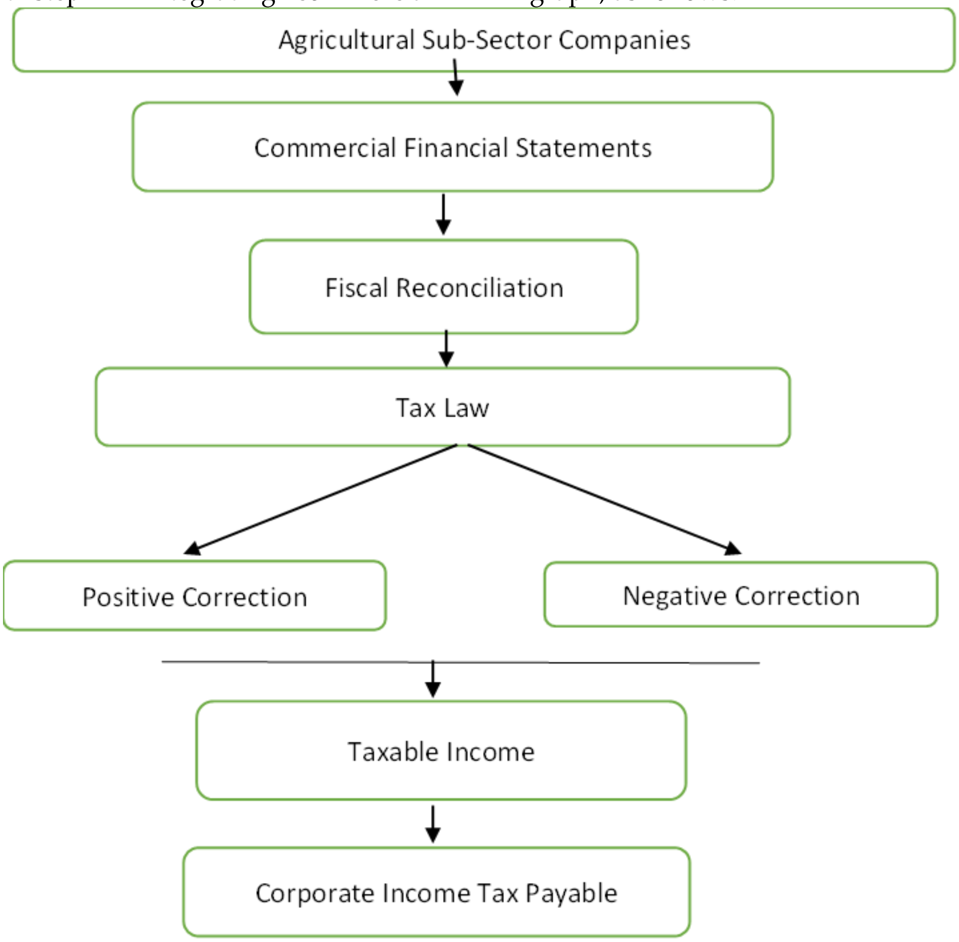


Figure 2. Thinking Framework Schema

3. METHODS

This type of research is descriptive and exploratory, this research aims to collect information or describe symptoms, events or events in the research. This research uses unit analysis, namely organization, the source of unit analysis data obtained from the responses of a certain organization or company. In this study, the analysis unit is an agricultural sub-sector company listed on the Indonesia Stock Exchange (IDX) in 2019-2023. The location of this research is an agricultural sub-sector company listed on the Indonesia Stock Exchange (IDX) in 2019-2023, located at the Indonesia Stock Exchange Building, 1st Jl. Jend. Sudirman Kav 52-53, South Jakarta 12190, Indonesia. The researcher chose this location because the Indonesia Stock Exchange is a public company data center that provides financial and non-financial information needed for research.

The type of data used is secondary and sourced from the Indonesia Stock Exchange and from the company's website in the form of the company's financial statements. The report can be accessed from the IDX website, namely www.idx.co.id and also on the official website of each company. The location of this research is an agricultural sub-sector company listed on the Indonesia Stock Exchange (IDX) in 2019-2023, located at the Indonesia Stock Exchange Building, 1st Jl. Jend. Sudirman Kav 52-53, South Jakarta 12190, Indonesia. The data analysis method used is a qualitative descriptive analysis method using the purposive/judgmental sampling method. There are several sampling criteria, including:

1. Agricultural Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2019-2023
2. Agricultural Sub-Sector Companies listed on the Indonesia Stock Exchange that use Rupiah in their financial statements.
3. Agricultural Sub-Sector Companies listed on the Indonesia Stock Exchange have a Return on Assets (ROA) of at least 2.30% during 2019-2023.
4. Agricultural Sub-Sector Companies listed on the Indonesia Stock Exchange that did not suffer losses during 2019-2023.

Agricultural Sub-Sector Companies listed on the Indonesia Stock Exchange that did not suffer losses during 2019-2023. Based on the sampling criteria, the number of people who meet the criteria is 4 samples of agricultural subsector companies from 22 companies listed on the Indonesia Stock Exchange during the 2019-2023 period. The number of samples taken in this study is 4 companies over a five-year period as follows:

Table 1. List of Sample Companies in the Agricultural Sub-Sector that Are the Object of Research

No	Company Code	Company Name	IPO Date
1	BISI	BISI Interational Tbk	May 28th, 2007
2	LSIP	PP London Sumatra Indonesia Tbk	July 5, 1996
3	SMART	Sinar Mas Agro Resources and Technology Tbk	20 November 1992
4	TBLA	Tunas Baru Lampung Tbk	14 April 2000

Development and Business Activities of Agricultural Sub-Sector Companies

a. PT BISI International Tbk

BISI International was established in Indonesia under the name PT. Bright Indonesia Seed Industry, can be proven based on the notary deed of Drs. Gde Ngurah Rai, S.H., No. 35 dated June 22, 1983, amended by deed No. 20 dated August 23, 1984 by the same notary. BISI International is located in the city of Surabaya, East Java, Indonesia conducted its IPO in May 2007. is a multinational company that has seed processing facilities in Plosoklaten and Pare, Kediri Regency. The company produces various types of primary hybrid seeds, including hybrid corn, rice seeds and several seeds such as horticultural seeds such as vegetables and fruits such as chili, cucumber and tomatoes. In addition, BISI also produces and distributes pesticides and fertilizers that aim to support agricultural products.

b. PP London Sumatra Indonesia Tbk

PT PP London Sumatra Indonesia Tbk, also known as Lonsum is a plantation company in Indonesia established in 1906 when Harrisons & Crosfield Plc, a general trading and plantation management services company headquartered in London, England started its first plantation in Indonesia, which is located in the city of Medan, North Sumatra Province. Lonsom listed its shares on the Jakarta and Surabaya Stock Exchanges (now the Indonesia Stock Exchange) in 1996. Indofood Agri Resources Ltd. (IndoAgri) through its subsidiary, PT. Salim Ivomas Pratama Tbk (SIMP) acquired and became the majority shareholder of Lonsum in 2007. Lonsum's main business activities are plant breeding, planting, harvesting, processing and selling palm oil, cocoa and tea products. At the beginning of its establishment, Lonsum only planted rubber, tea and cocoa. In the 1980s, Lonsom began to plant oil palm, since then it has grown to become the main crop as well as a major growth contributor for Lonsom.

c. Sinar Mas Agro Resources and Technology Tbk

In 1962 it was first established under the name PT Maskapai Perkebunan Sumcama Padang Halaban. SMART listed its shares on the Indonesia Stock Exchange in 1992. SMART began focusing on the main business by selling tea and banana plantations in 2002. SMART has about 134,000 hertare (including plasma) oil palm plantations. The main activities are oil palm planting and oil palm harvesting, processing of fresh fruit bunches (FFB) into palm oil (CPO) and palm kernel (PK), to producing finished products, namely cooking oil, margarine, shortening, biodiesel and oleochemicals, and covering the trade of palm oil to the rest of the world.

d. Tunas Baru Lampung Tbk

PT Tunas Baru Lampung Tbk (TBLA) was established in 1973 and is a member of the Budi Group River, one of the pioneers of Indonesia's agricultural industry, which was established in 1947. Budi Group River is currently one of the largest manufacturers and distributors of consumer goods in Indonesia. TBLA began in early 1975 in Lampung. Since then, it has evolved into one of the largest and cheapest producers of cooking oil. TBLA was listed on the Jakarta Stock Exchange on February 14, 2000. Products from vegetable oils and fats over the years have gained a market share of about 60%. In 1996 it entered the market in East Java by acquiring a cooking oil refining factory. The company is improving production and product quality, and has plans to invest in new crude plants on the plantation. The company also has other products besides vegetable oil, namely coconut oil, stearin, palm oil, palm kernel oil to cream soap and laundry soap that utilize fatty acids, byproducts of CPO production.

4. RESULTS AND DISCUSSION

Calculation of Fiscal Reconciliation at PT Bisi International Tbk in 2019-2023

From the results of the calculation of fiscal reconciliation at PT Bisi International Tbk, Income Tax Payable in the last five years that must be paid by the company can be produced

Table 2. PT Bisi International Tbk's Corporate Income Tax Payable in 2019-2023

Information	Year				
	2019 Price 20%	2020 Price 19%	2021 Price 19%	2022 Price 19%	2023 Price 19%
Taxable Income	299.365	38.668	184.232	412.194	620.831
Corporate Income Tax Income tax of Subsidiaries	59.873 54.415	7.347 67.236	35.004 56.601	78.317 47.481	117.958 35.646
Total	114.288	74.583	91.605	125.798	153.604
Income Tax Advance Payment Company Income Tax payments are made by the Subsidiary	85.641 21.433	33.004 21.505	6.756 52.547	29.213 62.605	69.586 47.820
Total	107.074	54.509	59.303	91.818	117.406
Underpaid Income Tax	7.214	20.074	32.302	33.980	36.198

Calculation of Fiscal Reconciliation at PT PP London Sumatra Indonesia Tbk

From the results of the calculation of fiscal reconciliation at PT PP London Sumatra

Indonesial Tbk, Income Tax Payable in the last five years that must be paid by the company can be produced.

Table 3. Income Tax Payable for PT PP London Sumatra Indonesia Tbk for 2019-2023

Information	Year				
	2019 Price 20%	2020 Price 19%	2021 Price 19%	2022 Price 19%	2023 Price 19%
Taxable Income	298.023	832.159	1.579.937	1.174.471	689.067
Income Tax Burden	59.604	158.110	300.188	223.149	130.922
Reduced income tax paid in advance	47.274	65.702	226.879	203.912	76.333
Income Tax Debt	12.331	92.408	73.309	19.237	54.590

Fiscal Reconciliation Calculation at PT Sinar Mas Agro Resources and Technology Tbk

From the results of the calculation of fiscal reconciliation at PT Sinar Mas Agro Resources and Technology Tbk, Income Tax Payable in the last five years that must be paid by the company can be produced.

Table 4. Income Tax Payable for PT Sinar Mas Agro and Technology Tbk for 2019-2023

Information	Year				
	2019 Price 25%	2020 Price 22%	2021 Price 22%	2022 Price 22%	2023 Price 22%
Taxable Profits (Accumulated Fiscal Losses	(32.252)	550.662	953.772	3.088.332	222.912
Tax burden now on the company Tax burden is now a subsidiary	- 245	121.145 27.079	209.830 328.253	679.433 496.329	49.041 51.011
Total	245	148.224	538.083	1.175.762	100.052
Advance payment of taxes by the company: Article 22 Article 23 Article 24 Article 25 Payment of tax in advance of the subsidiary	13.547 71.548 89.241	18.186 80.899 468 51.575	41.090 90.344 426 109.643	21.336 65.564 94 176.166 356.445	21.156 79.030 217 108.802 417.503
Total	174.336	151.128	241.503	619.605	626.708
Income Tax Payable Underpaid/Overpaid	(174.091)	(2.904)	296.580	556.157	(526.565)

Fiscal Reconciliation Calculation at PT Tunas Baru Lampung Tbk

From the results of the calculation of fiscal reconciliation at PT Tunas Baru Lampung Tbk, Income Tax Payable in the last five years that must be paid by the company can be produced.

Table 5. Income Tax Payable for PT Tunas Baru Lampung Tbk Company in 2019-2023

Information	Year				
	2019 Price 20%	2020 Price 19%	2021 Price 19%	2022 Price 19%	2023 Price 19%
Corporate taxable profits	156.495	337.147	492.135	477.101	262.015

Tax burden now on the company	31.299	64.058	93.506	90.649	49.783
Tax burden of a subsidiary company:	23.832	17.114	11.563	44.210	64.945
AKG	23.771	13.965	16.651	17.358	26.179
BTLA	22.160	27.884	23.232	5.502	-
TBLAI	18.733	10.439	15.013	14.803	22.608
BDP	11.811	12.121	12.580	7.479	-
ABM	4.830	3.180	5.512	6.339	7.602
BNCW	640	1.112	1.098	1.491	1.641
BNIL	274	-	-	-	-
SAP	-	-	-	1.196	4.380
BPG	-	267	5.202	-	-
SUJ					89
BSA					
Total	137.350	150.140	184.357	188.577	177.227
Income Tax Paid in Advance					
Article 22	47.657	57.579	57.903	79.558	67.477
Article 23	927	461	458	448	780
Article 25	84.203	45.697	64.439	92.363	79.177
Article 26	22.161	27.883	23.232	5.052	-
Total	154.598	131.620	146.032	177.421	29.793
Income Tax Payable (Overpaid)	(17.598)	18.520	38.325	11.156	

Summary of the Results of the Fiscal Reconciliation Analysis on Agricultural Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2019-2023

In the four sample companies, there are several similar accounts that are in fiscal reconciliation, namely:

1. Depreciation, four sampling companies used a straight-line method on the depreciation of their fixed assets. Although in taxation the straight-line method can be done, asset depreciation must still be carried out fiscal reconciliation due to the difference in the age of benefits according to the company and according to the tax. The acquisition of tangible assets is included in article 9 Paragraph (2) of Law Number 36 of 2008 which has been updated with Law Number 11 of 2020 concerning Income Tax. Articles 11 and 11A which stipulate that tangible assets with a useful life of more than one year can be depreciated to reduce the company's income tax burden.
2. Final interest income cannot be counted as taxable income, this is regulated in Article 9 paragraph 1a and Article 4 paragraph (2) based on Law Number 7 of 2021 concerning the Harmonization of Tax Regulations and the Income Tax Law. Income subject to final PPPh according to Article 4 Paragraph 2 is deposit interest, discounts on Indonesian bank certificates, bonds, shares, income from other securities transactions, transfer of land/building rights, income from micro, small and medium enterprises (MSMEs) that have been subject to final tax, income from construction services and income from transfer of assets in the context of liquidation.
3. Profit from the sale of fixed assets according to Law Number 7 of 2021 concerning Income Tax in Article 4 Paragraph (1) which reads "what is the object of tax is income, namely any additional economic ability received or obtained by Taxpayers, both from Indonesia and abroad, which can be used

for consumption or to increase the taxpayer's wealth in any form.

4. Recovery/allowance of impairment of losses in accounts receivable according to Law Number 36 of 2008 concerning Income Tax in Article 4 Paragraph (1) letter d which reads "income in the form of refund of tax payments that have been charged as costs and recovery of receivables that have been abolished" which is not amended and remains valid in Law Number 7 of 2021. Regulation of the Minister of Finance (PMK) Number 207/PMK.010/2015 concerning uncollectible receivables that can be deducted from gross income, this PMK regulates the conditions so that losses caused by uncollectible receivables can be deducted and also clarify that if losses can be recovered then recovery must be carried out as well.
5. Recovery/allowance of the decline and obsolescence of the market value of the inventory according to Law Number 36 of 2008 concerning Income Tax Article 6 Paragraph 1 letter c, namely "to determine the amount of taxable income for domestic taxpayers and permanent business forms, from gross income can be deducted costs which include sales losses, transfers, or for other reasons including obsolescence and depreciation and depreciation". Regulation of the Minister of Finance No.81/PMK.03/2009 which regulates the decline in the value of inventory, Article 1 reads the decline in the value of inventory due to obsolescence, price decline, and other causes that can be recognized as a deduction of gross income and can be supported by valid documents. Article 4 reads that the value of the inventory that has been charged must be recovered as income in the year of recovery.
6. Changes in the fair value of biological assets do not affect the calculation of corporate tax burden because Indonesian taxation uses a realization-based income tax system. This is not explicitly regulated in one article of the Income Tax Law but from Article 4 paragraph (1), Article 6, and Article 9 of the Income Tax Law Number 36 of 2008 have reflected the implications of the realization tax system.
7. Employment compensation expenses, fines, taxes and permits according to Law Number 36 of 2008 concerning Income Tax which remain valid and some have been updated as stipulated in Law Number 7 of 2021, namely Article 6 Paragraph 1 letter a "to determine the amount of taxable income can be deducted which includes costs that are directly or indirectly related to business activities, including the cost to obtain, collecting, and maintaining income" and in Article 9 Paragraph 1 regulates costs that cannot be deducted from gross income such as the cost of fines, tax sanctions for personal expenses that have nothing to do with business activities.

As for the accounts that were fiscally corrected in the four sampling of fiscal reconciliation companies, there were several different accounts that were only corrected in one company while the other company did not. The company PT Bisi International Tbk has an account that is corrected differently from other companies, namely donations and banquets in Article 9 Paragraph 1 letter g which stipulates that donations in any form cannot be deducted from gross income unless regulated in government regulations. The short-term provision exemption and the exemption of the obligation for return in the 2008 Law on Income Tax Article 9 Paragraph 1 letter e reads "the reserves formed or added that are obtained as a deduction of gross income are only reserves of uncollectible receivables, bank guarantor reserves, insurance, reclamation costs, replanting costs and reserves that have been stipulated in the PMK. The recovery of employee incentives in article 4 paragraph 1 letter d states that the income from the refund of tax payments that have been charged as costs and income in the form of recovery of costs that have been charged as income deductions. The company PT London Sumatra Indonesia account that is different from other companies, namely bonuses and allowances is regulated in Article 6 Paragraph 1 letter a explains that bonuses and allowances can be deducted if they meet the requirements, namely given to employees, in accordance with policies and equipped with valid documents. The decrease in the value of fixed assets in Article 9 paragraph 1 letter c explains that losses caused by the decrease in the value of assets cannot be deducted from the calculation of taxable income and in Article 9 Paragraph 1 letter d it is said that the replacement or re-establishment of depreciation due to revaluation cannot be deducted.

PT Sinar Mas Agro Resources and Technology Tbk only has one account that is different from other companies, namely these miscellaneous accounts can be explained in detail in Article 6 paragraph 1 which explains what costs can be allowed to reduce gross income and in Article 9 paragraph 1 regulates costs that cannot be recognized as expenses in the calculation of the company's tax burden. Finally, in the company PT Tunas Baru Lampung Tbk The account that is corrected but does not exist in another company, namely the representative account is regulated in Article 9 Paragraph 1 letter f which states that expenses given to third parties in the context of banquets, gifts or in similar forms, cannot be deducted from taxable income unless it can be proven by documentary support. Depreciation of financing rental assets is regulated in Article 6 paragraph 1 letter b regulates the cost of depreciation on expenditures to acquire tangible assets that have a useful life of more than one year can be deducted from taxable income and Article 11 paragraph 1 clarifies that depreciation by methods and rates that have been determined by the government.

Discussion and Interpretation of Research Results on Agricultural Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2019-2023

Based on the research conducted on four samples of Agriculture Sub-Sector companies listed on the IDX in 2019-2023, namely, PT Bisi International Tbk, PT PP London Sumatra Indonesia Tbk, PT Sinar Mas Agro Resources and Technology Tbk and PT Tunas Baru Lampung Tbk, a discussion can be carried out about the suitability and incompatibility of the theory with this study as follows:

In financial accounting, the recognition of income and expenses refers to a commonly recognized accounting principle, namely the Financial Accounting Standard Statement (PSAK). According to PSAK, revenue is recognized as gross income inflows derived from the company's normal activities. However, in taxation there are unique rules for income recognition, such as current account services, royalist dividends and rents cannot be recognized in fiscal terms, so negative corrections are needed because final taxes have been imposed. Costs in accounting can be recognized if they provide benefits in the future. For example, the cost of acquiring a fixed asset is recorded as an asset on the balance sheet and amortized during its useful life. Meanwhile, in taxation, the fees that can be charged must meet certain criteria so that they can be a deduction from the company's gross income. The expenses that must be corrected are adjusted based on Article 9 of the Income Tax Law Nomoe 11 of 2020 concerning job creation, for example expenses that are not related to business activities for personal purposes.

Some accounts reported that the company's profit and loss did not follow tax regulations, so fiscal reconciliation was needed because there were revenues and expenses that could be recognized commercially but could not be recognized fiscally. Income and expenses that are recognized as commercial must be corrected because they are not in accordance with tax regulations in articles 4, 6 and 9 of the Income Tax Law Number 11 of 2020 concerning job creation, depreciation accounts and amortization of fixed assets must be made fiscal corrections because they are not in accordance with Articles 11 and 11A of the Income Tax Law. Therefore, the company must conduct fiscal reconciliation before reporting the Income Tax Return as the basis for calculating the tax burden. Due to the difference in commercial recognition with taxation, companies must make adjustments to the Tax Law before reporting their tax returns.

The four Agricultural Sub-Sector Companies sampled in this study have carried out their provisions as corporate taxpayers by conducting fiscal reconciliation on commercial financial statements. Accounts that are adjusted for general accounts, such as depreciation, donations and banquets, tax penalties, allowance for impairment of losses receivable, recovery of declining and obsolescence in the market value of inventory, accrual expenses, short-term provision allowance, allowance for long-term work remuneration, profit on sale of fixed assets, amortization of right-of-use assets, interest income for which taxes are final, representations, changes in the fair value of biological assets, financing rental interest expenses, lease liabilities, bonuses and allowances. After fiscal reconciliation, there is a change in the amount of taxable income as the basis for determining tax on income payable.

Previous research conducted by Sapitri et al (2024), Qorimah Anis & Ilham (2020) and Wicaksono Andhika (2022) has similar research results, where the object of the research has been fiscal reconciliation of commercial financial statements so that the researcher only needs to correct whether it is in accordance with tax provisions or not. Meanwhile, there are differences in previous research conducted by Dali Rahmat & Muhammad (2022), Kellah Sisilia & Hisky (2022), Wulandari et al (2024), Suryanti & Purnamawati (20221), Cahya Eka Septian & Martha (2024) and Sitorus et al (2022), the object of the research carried out has not been fiscal reconciliation so it is necessary to make calculations on commercial financial statements in determining income tax payable under the Tax Law.

5. CONCLUSION

Based on the results of the research and discussions that have been carried out, the Agricultural Sub-Sector company which is a company that goes public listed on the Indonesia Stock Exchange (IDX) and has prepared its commercial financial statements, based on Financial Accounting Standards and has prepared its fiscal statements in accordance with the applicable Tax Regulations, namely the Income Tax Law. This research was conducted to find out the Fiscal Reconciliation of Commercial Financial Statements of companies profiting from calculating Corporate Income Tax in Agricultural Sub-Sector companies in 2019-2023. Based on the results of the analysis obtained from the above research, the following conclusions can be described:

1. Fiscal corrections to income statements that have been prepared by Agricultural Sub-Sector Companies in income and expense accounts are in accordance with the provisions of tax regulations.
2. After the fiscal reconciliation of the commercial financial statements of the Agricultural Sub-Sector Company, it is concluded that the fiscal reconciliation is differentiated based on fixed and time differences that result in changes in the company's taxable income, so that the company's income tax changes are caused by the difference between the accounting financial statements based on SAK and the fiscal statements that are according to the Tax Regulations.
6. 3. After the fiscal correction is made, there are changes in the taxable income of Agricultural Sub-Sector Companies so that it results in an increase or decrease in the amount of taxable income which results in underpayment and overpayment. So if the company receives an Underpaid Tax Determination Letter (SKPKB) from the Director General of Taxes, the company has the right to file an objection to the tax shortfall. However, if the company receives an Overpaid Tax Determination Letter

(SKPLB), the company has the right to apply for restitution or compensation for the next tax year.

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