

Evaluation of Value-Added Tax (VAT) Accounting Treatment at PT. Aneka Ragam Eng

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ABSTRACT

Tax compliance is the fulfillment of tax obligations carried out by taxpayers in order to fulfill their responsibilities to achieve state development goals. PT. Aneka Ragam Eng is a manufacturing company operating in the field of engineering, construction & manufacturing which is located at Jl. Palembang No. 35, Pandai Hilir. The purpose of this research is to find out the causes of problems in evaluating the accounting treatment of Value Added Tax (VAT), to find out the obstacles faced and the efforts made by PT. Aneka Ragam Eng on the evaluation of the accounting treatment of VAT. This research approach uses a descriptive approach and uses qualitative methods. Data management resulting from this research uses the Nvivo application. The accounting treatment for VAT in the company is in accordance with the Tax Harmonization Law No. 7 of 2021. After carrying out calculations, it is known that in the 2022 period the company experienced an underpayment of SPT because the output VAT was greater than the input VAT, this was caused by customer delays in paying bills. Apart from that, purchasing small amounts of materials or raw materials is also an obstacle faced by companies. The efforts made by the company to minimize the problems that occur are by ensuring customers pay their bills and following up on customer bills.

Keywords: Tax, Accounting, Value added tax, Accounting treatment

ABSTRAK

Kepatuhan pajak merupakan pemenuhan kewajiban perpajakan yang dilakukan oleh wajib pajak dalam rangka memenuhi tanggung jawabnya untuk tercapainya tujuan pembangunan negara. PT. Aneka Ragam Eng merupakan salah satu perusahaan manufaktur yang bergerak di bidang engineering, construction, & manufacturing yang beralamatkan di Jl. Palembang No. 35, Pandai Hilir. Tujuan dari penelitian ini adalah untuk mengetahui perlakuan akuntansi atas Pajak Pertambahan Nilai (PPN), untuk mengetahui kendala yang dihadapi serta upaya yang dilakukan PT. Aneka Ragam Eng pada evaluasi perlakuan akuntansi atas PPN. Pendekatan penelitian ini menggunakan pendekatan deskriptif dan menggunakan metode kualitatif. Pengelolaan data hasil penelitian ini menggunakan aplikasi Nvivo. Perlakuan akuntansi atas PPN pada perusahaan telah sesuai dengan Undang - Undang Harmonisasi Perpajakan No 7 Tahun 2021. Setelah dilakukan perhitungan diketahui bahwa pada periode 2022 perusahaan mengalami kurang bayar SPT dikarenakan PPN keluaran lebih besar daripada PPN masukan, hal tersebut diakibatkan karena keterlambatan customer dalam membayar tagihan, selain itu pembelian material atau bahan mentah yang sedikit juga menjadi kendala yang dihadapi perusahaan. Adapun upaya yang dilakukan perusahaan untuk meminimalisir kendala yang terjadi yaitu dengan memastikan customer membayar tagihan dan memfollow-up tagihan customer.

Kata kunci: Pajak, Akuntansi, Pajak pertambahan nilai, Perlakuan akuntansi

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INTRODUCTION

Taxes are one of the largest sources of state revenue used to improve the welfare of society (Agustina, 2020; Sulastyawati, 2014), aligning with the goals of Indonesia as outlined in the preamble of the 1945 Constitution, Article 23A, fourth paragraph, aiming to enhance the general welfare (Marbun, 2014). Hence, the government continues its efforts to prosper the people by implementing taxes.

The current tax collection system in Indonesia has undergone several changes, starting from the official assessment system, then the semi-self-assessment system, withholding system, and finally the self-assessment system (Pramudya, 2022; Sahade & Adi, 2021). In the self-assessment system, taxpayers are entrusted with calculating, assessing, and then reporting and depositing the owed taxes to the registered tax office (Fjord & Schmidt, 2023; Rokhman et al., 2023; Svetlozarova Nikolova, 2023). However, the implementation of the self-assessment system has not entirely ensured taxpayer compliance with honest and independent tax activities.

The Tax Law No. 7 of 2021, as stated in Article 9 regarding Input Tax in a Tax Period, credits the Output Tax in the same Tax Period related to Article 9 paragraph 2a. For Taxable Entrepreneurs who have not delivered Taxable Goods and/or Taxable Services and/or exported Taxable Goods and/or Taxable Services, the Input Tax on the acquisition of Taxable Goods and/or Taxable Services, import of Taxable Goods, and the utilization of Intangible Taxable Goods and/or the use of Taxable Services from outside the Customs Area within the Customs Area can be credited as long as it meets the crediting provisions according to the law (Sitepu & Muhasan, 2022).

The issue arising in recording Input and Output Taxes lies in the timing of Taxable Goods delivery and invoice issuance. Invoices can be issued at the end of the month following the month of Taxable Goods delivery. Consequently, at the time of goods/services delivery, the Value Added Tax (VAT) is already due, yet according to the tax, it is not recognized until the invoice is issued. However, the company considers it as revenue from the sale of local Taxable Goods and records it as income (accrual principle). From an accounting perspective, goods delivery represents an expense or acquisition of assets. Determining income is crucial for both companies and tax authorities (fiscus) because inaccuracies in determining this income will result in incorrect information. Setting income too low or too high will lead to mistakes in decision-making.

In general, taxpayer compliance is an act of obedience and awareness of the order of payment and reporting of tax obligations for the monthly and annual tax period by taxpayers who are a group of individuals or capital that constitutes a business in accordance with applicable tax regulations (Anto et al., 2019; Mukhlis & Simanjuntak, 2016; Suherman, 2020). Tax compliance is a supporting factor that can increase regional revenue (Kochanova et al., 2020; Le et al, 2020; Mukmin, 2022; Nini, 2021; Qi et al., 2020).

PT. Aneka Ragam Eng is a company engaged in engineering, construction, and manufacturing, particularly in the palm oil mill processing plant and the production of spare parts for palm oil mills. PT. Aneka Ragam Eng is a Taxable Entrepreneur that collects VAT owed on a transaction. In connection with this issue, the researcher is interested in conducting research on the accounting treatment of Value Added Tax, as well as how the calculation and reporting mechanisms of Input and Output Taxes work to generate the amount of tax paid to the state treasury based on the applicable VAT law and in accordance with recording according to the Financial Accounting Standards (PSAK).

When the government set a 11% Value Added Tax rate in April 2022, the total Value Added Tax at PT. Aneka Ragam Eng increased accordingly. However, during the payment of Value Added Tax, PT. Aneka Ragam Eng often experiences under/overpayment of Value Added Tax at the tax office.

Table 1. Tax Period for Input and Output Taxes
at PT. Aneka Ragam Eng January 2022 – December 2022

Tax Period	Input VAT 10% (11% April)	Output VAT 10 % (11% April)	Overpayment/ Underpayment
January	254,970,121	189,991,885	(64,978,236)
February	266,741,996	192,382,500	(74.359,496)
March	270,344,500	282,944,500	12,600,000
April	495,075,892	580,988,892	(715,000)
May	102,716,900	103,250,400	533,500
June	433,293,408	354,876,500	(228,432,908)
July	668,589,108	668,534,108	(55,000)
August	136,343,054	861,102,972	724,759,918
September	401,712,109	1,050,710,650	648,998,541
October	246,796,742	171,554,614	(75,242,128)
November	285,697,666	363,432,814	(62,454,852)
December	194,173,191	648,539,529	412,385,338
TOTAL	3,756,454,687	5,467,309,364	1,293,039,677

Source: PT. Aneka Ragam Eng (2022)

The issue that arises is during the tax periods occurring in March, May, August, September, and December, PT. Aneka Ragam Eng experienced underpayment in those periods rather than overpayment. PT. Aneka Ragam Eng pays its taxes at the Tax Service Office (KPP) every 25th to the 30th of the month and reports its taxes on the 25th of the following month. The causes of underpayment/overpayment of value-added tax also indicate the taxpayer's lack of knowledge in calculating the Tax Base or the incompleteness of documents due to many vendors not having a Taxpayer Identification Number (NPWP), and their businesses are not yet classified as Taxable Entrepreneurs (PKP).

Based on the above description, the researcher is interested in evaluating the accounting treatment of value added tax (VAT) in a contracting company engaged in engineering in the manufacture of spare parts for palm oil mills. Therefore, this study aims to evaluate the accounting treatment of value added tax (VAT) at PT. Aneka Ragam Eng.

METHODS

The method used in this research is qualitative descriptive. The object of this study is PT. Aneka Ragam Eng, located at Jalan Palembang No. 35 Pandau Hilir, Medan Perjuangan District, Medan City, North Sumatra, 2023. The researcher will conduct interviews with the Tax & Finance Staff and the Purchasing Division Staff.

This research involves six stages of procedures to detail and direct the course of the research. The first stage involves determining the research topic as the main focus. After that, the second stage involves formulating the research problem to provide a clear direction for the study. The third stage requires a literature review to obtain a solid theoretical foundation. Next, the fourth stage involves data collection as the substance of the research. Data analysis is the fifth stage involving the evaluation and interpretation of the collected data. Finally, the sixth stage involves drawing conclusions as the final result of this research. The entire procedure is designed to ensure the smoothness and success of the research.

The instruments in this research are divided into two, namely the main instrument and supporting instruments. The main instrument is the researcher himself, assisted by several tools to facilitate the research. The tools used include writing tools such as books and pens, recording tools such as a mobile phone used for recording during interviews, camera tools used for documentation, and computer software such as NVivo used for data processing. The supporting instrument in this research is the interview results and documents such as financial reports that have used 11% VAT.

In this research, two main types of data are used, namely primary data and secondary data. Primary data is obtained directly through observation and interviews with employees or relevant parties in the company. The process of collecting primary data involves direct interaction with respondents, such as direct consultation during data

collection. Meanwhile, secondary data is obtained indirectly from various sources, including company documents, historical information or company profiles, organizational structures, tax invoices, financial reports, and other data. The combination of these two types of data is expected to provide a comprehensive and in-depth overview of the aspects studied in this research.

The data sources in this study consist of primary data and secondary data. Primary data is obtained by conducting direct field research, which involves interviewing the Tax and Finance Officer who has been working for one year and five months, and then interviewing the purchasing department, which has been working for five years. To obtain and collect data at PT. Aneka Ragam Eng, while secondary data is obtained through literature review and documentation using data provided by PT. Aneka Ragam Eng.

In this research, data collection techniques include literature review, interviews, and documentation. Literature review is used to gather data and theories relevant to the issues under investigation, referring to books, literature references, journals, and previous research. Interviews are conducted through direct discussions or question-and-answer sessions with Mr. Firmandi Sugriat Nasution, who serves as the Tax & Finance Staff, and with the purchasing department at PT. Aneka Ragam Eng. The interview technique aims to obtain direct information from informants related to the Value Added Tax accounting treatment. Additionally, data collection involves documentation techniques, where data related to the Value Added Tax accounting treatment is captured through photography during the interview process. The combination of these three techniques is expected to provide comprehensive and in-depth data related to the research object.

The data analysis technique in this research is the qualitative descriptive data analysis technique using NVivo Version 12 Pro. Qualitative data analysis is used to process and analyze data obtained through interviews. In this study, the evaluation of the Value Added Tax (VAT) accounting treatment at PT. Aneka Ragam Eng is conducted through the qualitative descriptive data analysis method. This analysis technique processes and analyzes data using a quantitative approach to obtain characteristics of a problem in both primary and secondary data. The analysis steps involve interviews with the Tax & Finance Staff and the Purchasing Staff at PT. Aneka Raga Eng, located at Jl. Palembang No. 35, Medan, North Sumatra. Next, the SPT (Annual Tax Return) report for the year 2022 is taken, covering January to December and subjected to an 11% VAT rate. The interview data is processed using the NVivo application to ensure the validity of the data. Finally, conclusions are drawn from the research findings by comparing the theoretical basis in Law No. 7 of 2021 with Input and Output VAT, as well as relevant SPT reports.

RESULTS AND DISCUSSION

The Value Added Tax (VAT) Accounting Treatment at PT. Aneka Ragam Eng includes the reporting of the Annual Tax Return (SPT)

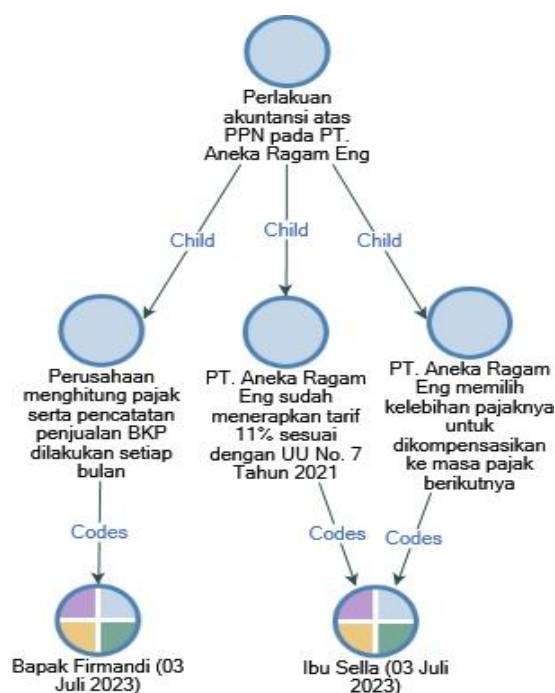
The accounting treatment of value-added tax at PT. Aneka Ragam Engineering is explained using the processed map results from Nvivo Version 12 Pro, as shown in Figure 1.

From Figure 1, it is explained that the accounting treatment of Value Added Tax (VAT) at PT. Aneka Ragam Eng includes the submission of VAT Returns (SPT). Taxation recommends or obliges every Taxable Entrepreneur (PKP) to conduct bookkeeping or recording of each transaction at the end of each accounting period. Every management will be accountable for financial reporting presented in financial statements, both to external parties interested in the presentation of financial statements and to internal parties within the company, especially in this case to the Directorate of Finance of the General Taxation. In managing and presenting financial information for financial decision-making of the company, the role of financial accounting is essential. Then, Value Added Tax is included in the income statement, balance sheet, and the 2022 annual tax return (SPT) report.

Based on the research results regarding the accounting treatment of Value Added Tax (VAT) at PT. Aneka Ragam Eng, several discussions can be presented. Every purchase

made by other companies from PT. Aneka Ragam Eng will be subject to tax, as well as sales. The Tax Base (DPP) is in accordance with Value Added Tax Law Number 7 of 2021, which is 11% (eleven percent) of the selling price in the form of money, including all requested costs due to the delivery of Taxable Goods, namely Sparepart Palm Oil Mill. The sales made by PT. Aneka Ragam Eng constitute Output Tax for PT. Aneka Ragam Eng. As a company that applies accounting treatment, for every transaction that occurs, the company records that transaction. PT. Aneka Ragam Eng, as a Taxable Entrepreneur that sells Taxable Goods, calculates the Tax, and the recording of the sale of Taxable Goods is done every month.

The data on input and output tax at PT. Aneka Ragam Eng from the calculation of Value Added Tax, the tax payable until the recording, in March, May, August, September, and December, the company experienced underpayment, while in January, February, April, June, July, and October, there was an overpayment of tax in 2022 as seen from its annual tax return report. The overpaid tax is included in the financial statements on the current assets side. Therefore, the Directorate General of Taxes provides two policies, namely restitution or compensation for the next tax period. PT Aneka Ragam Eng chooses to compensate for the overpaid tax in the subsequent tax period.



Source: Data processed using the Nvivo Version 12 Pro application

Figure 1. Accounting Treatment of Value Added Tax (VAT) Including Underpayment of VAT Returns at PT. Aneka Ragam Eng

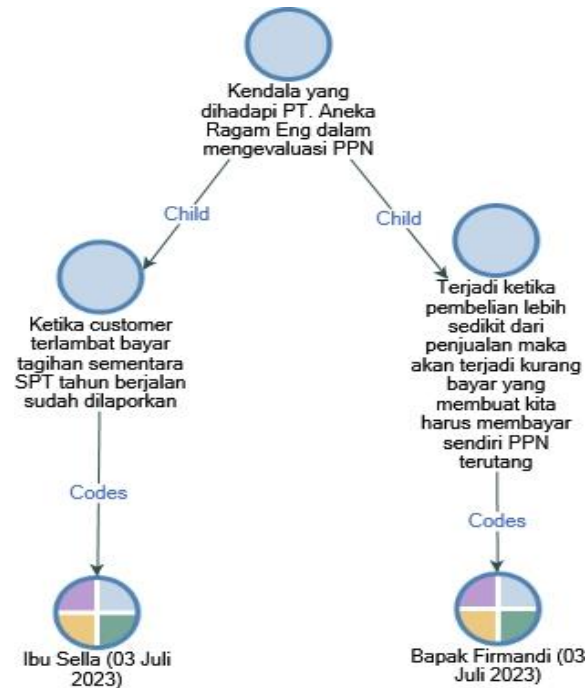
The challenges faced by PT. Aneka Ragam Eng in evaluating the accounting treatment of Value Added Tax (VAT) including underpayment in the VAT Periodic Returns (SPT PPN Masa)

Identifying the challenges experienced in the evaluation of the accounting treatment of Value Added Tax (VAT) at PT. Aneka Ragam Eng is explained using the processed map results from Nvivo Version 12 Pro, as shown in Figure 2.

Figure 2 illustrates several constraint factors faced by PT. Aneka Ragam Eng in evaluating the accounting treatment of Value Added Tax (VAT). These factors include the delay in reporting VAT Periodic Tax Returns (SPT PPN Masa) due to various reasons. Firstly, the main obstacle is the delay in bill payments by customers, resulting in the underpayment status of SPT. In this case, the VAT Periodic Tax Returns must be submitted every month, but late payments from customers often lead the company to

advance the payment of VAT until customers settle their bills. This can disrupt the company's cash flow if customers are late in paying their bills. Secondly, constraints arise when the purchase of raw materials is less than the spare parts sold to customers. Although, from a business perspective, selling more is profitable, from a tax perspective, there is a mismatch between Input Tax (purchase) being less than Output Tax (sales), resulting in underpaid VAT that the company has to cover.

Therefore, the evaluation of both constraints faced by the company should ensure that customers pay their bills on time so that if there is an underpayment, the company does not have to arrange advances for customers who have not paid their bills and increase the purchase of raw materials to increase Input Tax.



Source: Data processed using the Nvivo Version 12 Pro application

Figure 2. Map of Challenges Faced by PT. Aneka Ragam Eng in Evaluating the Accounting Treatment of Value Added Tax (VAT)

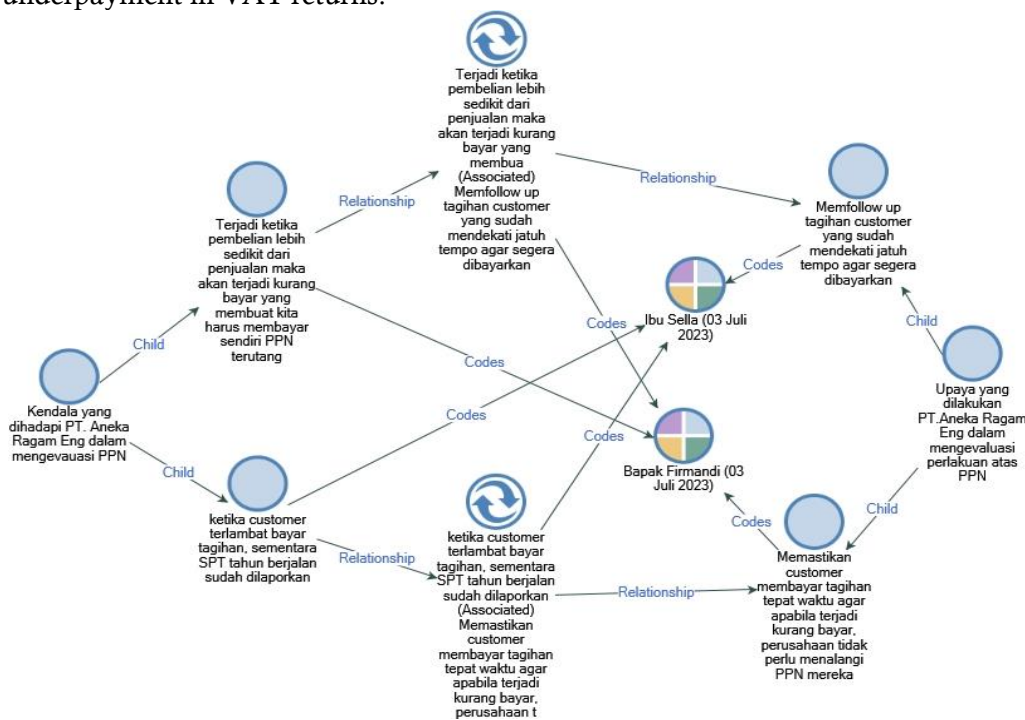
Efforts made by PT. Aneka Ragam Eng in evaluating the accounting treatment of Value Added Tax (VAT) including the underpayment of Periodic VAT Returns (SPT PPN Masa)

Identifying PT. Aneka Ragam Engineering's efforts to minimize issues faced in the internal control of inventory using the processed map results from the Nvivo application, as shown in Figure 3.

Figure 3 illustrates several efforts undertaken by PT. Aneka Ragam Engineering to minimize issues in the internal control system over the inventory of trading goods. Firstly, the company ensures timely payment of invoices by actively contacting customers approaching the payment deadline. Effective communication with customers can enhance cooperation and ensure timely payments. In the context of this evaluation, the researcher assesses the company's efforts to address underpayment issues in VAT returns by ensuring effective communication and expediting the payment of invoices nearing the deadline. Secondly, the company follows up on customer invoices approaching the deadline, hoping that these invoices will be promptly paid or covered using company funds. These steps are taken to avoid indebtedness or underpayment of VAT that could be detrimental to the company.

In this regard, the researcher evaluates the efforts made by PT. Aneka Ragam Eng to minimize existing issues, namely by proactively following up or covering overdue customer invoices in advance to avoid administrative penalties and interest sanctions due

to late payments caused by waiting for customers to settle invoices and to avoid the status of underpayment in VAT returns.



Source: Data processed using the Nvivo Version 12 Pro application

Figure 3. Map of the Analysis of Efforts Made by PT. Aneka Ragam Eng in the Evaluation of Value Added Tax (VAT) Accounting Treatment, Including Underpayment of VAT Returns

CONCLUSION

In summary, the researcher concludes that PT. Aneka Ragam Eng has appropriately applied the accounting treatment for Value Added Tax (VAT), aligning with fair value principles (PSAK) and the actual Tax Base as defined by Law No. 7 of 2021. However, the company encounters challenges related to VAT, primarily stemming from delays in customer invoice payments, leading to underpayment of VAT. Another obstacle arises from the purchase of materials or raw materials slightly less than the spare parts sold to customers. To address these challenges, PT. Aneka Ragam Eng is actively involved in efforts such as ensuring timely customer payments and following up on customer invoices, aiming to minimize the impact of these challenges on the company's VAT evaluations.

Based on the above conclusions, the researcher provides several recommendations. First, it is recommended that the company implement tax planning to avoid the potential for overpayment or underpayment of VAT and reduce the risk of tax audits. Second, the company should have a strict policy regarding customer invoice payments, such as issuing warnings or notices with legal consequences to prevent delays in tax payments. Third, there is a need to improve communication with companies that have outstanding payments, regularly reminding them of unpaid invoices. Finally, future research is expected to use the results of the evaluation of VAT accounting treatment as a reference for future research. By implementing these recommendations, it is hoped that the company can be more effective in VAT management and fulfilling tax obligations.

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