Policy review of government regulation no. 55 of 2022 regarding regulations adjustment of income tax in the micro small medium enterprises (MSMEs)

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ABSTRACT

This study aims to analyze GR No. 55 of 2022 with regulations that have an impact on previous regulations. The analysis technique used is qualitative with several approaches. The qualitative descriptive approach analysis technique analyzes the comparison of GR No. 55 of 2022 and the Miles and Hubermen approach analysis technique is used in the policy study of GR No. 55 of 2022. Data collection techniques by collaborating literature study techniques with in-depth interviews with academic and practitioner informants. Main findings of the study identified that a significant change in GR No. 55 of 2022 is the regulation of benefit in-kind from non-taxable to taxable income. The determination of the value of benefit in-kind can create room for disputes due to differences in perceptions arising from the valuation of benefit in-kind based on the market price. This potential dispute becomes a reference for further regulation by the tax authority. The results of this study contribute to MSME taxpayers in fulfilling GR No. 55 of 2022 as an application of tax liability compliance.

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Introduction

The government tries to continue to review the strategic policies made to deal with changes in the situation that occur both globally and nationally. The changes in the global situation that have occurred recently are the impact of the Covid-19 pandemic which has hit various sectors, causing financial performance to decline. The decline in the financial performance of various companies will also have an impact on the decline in state revenue. The government is also trying to prevent the downturn of the national economy in crisis conditions due to the Covid-19 pandemic (Wijaya & Firmansyah, 2022). This situation is one of the triggers for the government to carry out strategic policy updates.

One of the strategic policies carried out by the government is on tax regulations. The renewal of tax regulations is also carried out as an effort to improve the economy (Mertens & Olea, 2018; Zidar, 2019; Nguyen et al., 2021, Cloyne et al., 2018; Alinaghi & Reed, 2021). Various legal products were issued by the government such as PMK No. 9/PMK.03/2021 and PMK No. 82/PMK.03/2021 concerning tax incentives for taxpayers affected by the 2019 corona virus disease pandemic, as well as other policies. In addition, to increase sustainable economic growth and support the acceleration of economic recovery, a fiscal consolidation strategy is needed so that adjustments to policies in the fields of general provisions and procedures for taxation, income tax, value added tax, and excise as well as arrangements regarding carbon tax and policies in the form of a taxpayer voluntary disclosure program in one comprehensive law. Based on these considerations, the government finally enacted Law No. 7 of 2021 concerning tax harmonization. Then to provide legal certainty, simplify tax administration, convenience, and justice to taxpayers who have a certain gross circulation.
within a certain period of time, as well as to implement international agreements in the field of taxation while still paying attention to good governance, it is necessary to adjust the regulations in the field of income tax, so that Government Regulation (GR) Number 55 of 2022 (hereinafter referred to as GR 55) concerning adjustments to regulations in the field of income tax.

Articles in Income Tax Law No. 36 of 2008 that are affected by Income Tax Law No. 7 of 2021 and explained in GR 55 include article 4 regarding income tax objects and exceptions to income tax objects, article 6 regarding 3M income costs, article 7 regarding PTKP and gross circulation limits not subject to income tax, article 6 regarding costs that may not be deducted, article 11 regarding depreciation, article 11A regarding amortization, article 17 regarding tariffs, article 18 regarding special relationships, article 32A regarding international agreements, and article 32C delegation of authority. Coupled with the affected regulations described in GR 55 include GR No. 23 of 2018, GR No. 18 of 2009, and GR No. 30 of 2020. From these changes, what has a significant impact on MSMEs in fulfilling their tax obligations is the new provision of 0.5% Final Income Tax where WPOPs that utilize the Final Income Tax will get additional facilities. Another significant adjustment is regarding natura which is one of the income tax objects.

The role of MSMEs is very large for Indonesia's economic growth. The contribution of MSMEs to Gross Domestic Product also reaches 60.5%, and to employment is 96.9% of the total national employment (Hanum & Rusmina, 2023). MSMEs have received tax incentive programs from the government to help the growth rate of MSMEs during the Covid-19 Pandemic. The gradual recovery of the country's economy through MSMEs does not limit the government from continuing to make adjustments to fiscal policy in the field of taxation, so that MSMEs are also expected to be able to adjust the fulfillment of their tax obligations in accordance with the latest applicable regulations.

As of 2021, the Ministry of Cooperatives, Small and Medium Enterprises has recorded 64.2 million MSME players throughout Indonesia with a contribution to Gross Domestic Product (GDP) of 61.07% or IDR 8,573.89 Trillion (Ekon, 2021). However, of the 64.2 million MSME players, only 2.3 million MSMEs have an NPWP. Even of the MSMEs that already have an NPWP, not all of them routinely pay taxes due to the lack of knowledge of MSMEs regarding the latest tax regulations (Nurhidayah, 2021). Overall, the level of MSMEs tax compliance is still far from optimal with an estimated 15% (World Bank, 2021) and there is still a need for literacy studies to improve compliance with MSME tax obligations (Kristiadji et al., 2022; Saad, 2014). The changes in tax regulations and the lack of knowledge of MSME actors regarding taxation encourage researchers to conduct research on applied studies of GR 55.

Based on this background, this research is conducted to review Government Regulation No. 55 Year 2022 regarding regulation adjustment of income tax on Micro, Small and Medium Enterprises (MSMEs). This research is expected to increase compliance with tax obligations which also has a positive impact on the performance of MSMEs and Indonesia's economic growth.

Based on the background that has been described previously, problems of this study include:

i. What is the comparison of GR 55 with previous rules?

ii. What is the policy review of GR 55?

Literature Review

Tax Compliance Theory

Tax compliance can be interpreted as a taxpayer's decision to comply with tax laws and regulations by carrying out tax obligations in accordance with applicable regulations. The success of a tax system can be measured based on the level of tax compliance. In addition, the level of tax compliance can also be used as an instrument used to project the application of tax regulations.

Broadly speaking, the tax compliance approach can be divided into two, namely the economic deterrence approach and the behavioral approach which includes social, normative, and psychological aspects (Devos, 2013). The economic deterrence approach is focused on the assumption that the taxpayer is a rational party who carries out cost-benefit considerations and tries to maximize the utility obtained, so that taxpayer compliance will depend on the high and low costs and benefits obtained if he complies or disobeys tax provisions. Meanwhile, the behavioral approach lays the assumption that the taxpayer is not a party that always maximizes utility, but as a party that has a set of attitudes and beliefs that interact and respond to social norms, so that taxpayer compliance depends on how he interacts and responds to social factors and psychology that surrounds them and transforms them in their attitudes and beliefs, especially towards the taxation system.

Within the scope of corporate tax compliance, Downs & Stetson (2014) has three indications that are more applicable to economic and moral/social norms approaches. The first indication is that corporate taxpayers will comply with a tax regulation if the positive expected value is material. Second, the perceived legality of corporate taxpayers towards a tax provision referring to the perspective of social and legal norms can affect their tax compliance, even more significantly than indications based on an economic approach. Third, corporate tax compliance determined by corporate decision makers on a tax regulation does not depend on how much the tax compliance can protect it from criticism from superiors.

Youde & Lim (2019) deepens the theory of tax compliance by presenting two perspectives, namely enforced tax compliance and voluntary tax compliance. Enforced tax compliance relies on the assumption of an economic deterrence approach, which illustrates
that taxpayers make cost-benefit considerations in complying with tax provisions. This approach focuses on the impact of audits, penalties/sanctions, and other penalties on the cost-benefit considerations of the taxpayer. Meanwhile, voluntary tax compliance relies on psychological determinants as the key to tax compliance. Tax morale, strong relationship between government and taxpayers, intrinsic belief in tax compliance, awareness, and trust in tax authorities are the key factors influencing taxpayer compliance.

Government Regulation No. 55 of 2022

GR 55 was stipulated with the consideration of providing legal certainty, simplification of tax administration, convenience and justice to taxpayers who have a certain gross turnover within a certain period of time, as well as to implement international agreements in the field of taxation while taking into account good governance, it is necessary given fiscal policy through regulatory adjustments in the field of income tax. GR 55 consists of 13 Chapters.

Research and Methodology

This study uses primary data and secondary data. The primary data used in this research is the results of interviews with 3 informants. Informants are classified into two, namely from practitioners and from academies with the aim of being able to provide a broader view of the technical and philosophical aspects of a regulation. The first informant is a practitioner named Mr. Agung who is a tax consultant has 13 years of experience and has a tax consulting office. The second informant is practitioner named Mr. Wayan who is a tax consultant and has 10 years experience in the field of taxation and has a tax consulting office and an accounting services office. The third informant is academia named Mr. Nyoman with a doctoral degree in Accounting who is active in international national journal publications. Secondary data in this study are GR 55 documents and regulatory documents affected by changes to GR 55.

Methods of data collection through documentation studies and in-depth interviews. Pattern of interview results is presented based on 4 indicators, namely goal alignment indicators, program indicators, decision indicators and impact/effect indicators (Rahayu, 2010). Documentation study was carried out by reviewing the GR 55 regulatory documents and previous regulations that were affected by changes to GR 55. In-depth interviews are a type of interview that allows the interviewer to explore in depth the respondents’ views and perspectives on the subject, in-depth interviews are considered more effective for revealing more detail and depth from small respondents (Showkat & Parveen, 2017). Qualitative data in the form of interview scripts are then compiled in the same theme and then complemented by contemplation of the researcher's subjectivity, as a form of the researcher as the main research instrument (Darmayasa et al., 2022).

The stages of this research:

i. The first stage is to determine the income tax provisions that have changed in Government Regulation No. 5 Year 2022.
ii. The second stage is to carry out a comparative study of the previous regulations with the current regulations.
iii. The third stage is to conduct interviews with academics and professionals regarding policy studies on the application of these regulations.
iv. The fourth stage is drawing conclusions and generalizing the results.

The analysis technique used is qualitative. To answer the first problem, we used a qualitative descriptive approach by examining GR 55 documents with previous regulations affected by GR 55. To answer the second problem, we used qualitative data analysis techniques by Miles and Hubermen models. This study used the analysis tool of research informant interview manuscripts in the form of perceptions formed at the same points complemented by contemplation of the researcher's subjectivity. Before presenting the data, a source triangulation process was carried out using data confirmation techniques and data reduction was carried out so that the data presented was valid.

Findings and Discussions

Comparative of Government Regulation No. 55 of 2022 with the Previous Rules

GR 55 is a tax regulation concerning adjustments to regulations in the field of income tax. In this regulation it is stated that the purpose of issuing this regulation is to provide legal certainty, simplify tax administration, convenience and justice to taxpayers who have a certain gross turnover within a certain period of time, as well as to implement international agreements in the field of taxation while taking into a good governance. Well, it is necessary to provide fiscal policy through regulatory adjustments in the field of income tax and the need for adjustments to tax policy arrangements that are comprehensive and consolidative after the promulgation of Law No. 7 of 2021. Comparison of changes to GR 55 with previous regulations, presented in Table 1.
### Table 1: Comparative of Government Regulation No. 55 of 2022 with the Previous Rules

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
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<tbody>
<tr>
<td><strong>Regulation</strong></td>
<td><strong>Principal Changes</strong></td>
</tr>
<tr>
<td>Law No. 36 of 2008</td>
<td>Depreciation: Permanent buildings are depreciated with a useful life of 20 years</td>
</tr>
<tr>
<td></td>
<td>Benefit in kind: Reimbursement or compensation in kind and/or enjoyment is excluded from the object of income tax</td>
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- Replacement or rewards in the form of benefit in kind and/or enjoyment which are excluded from income tax objects for recipient parties, namely:
  1. food, food ingredients, beverage ingredients, and/or drinks for all employees;
  2. nature and/or enjoyment provided in certain areas;
  3. nature and/or enjoyment that must be provided by the employer in carrying out the work;
  4. in kind and/or enjoyment sourced from or financed by the state revenue and expenditure budget, regional revenue and expenditure budget, and/or village revenue and expenditure budget; or
  5. nature and/or enjoyment with certain types and/or limitations.

**Government Regulation No. 18 of 2009**

- Aid or donations, including zakat and religious contributions which are obligatory for adherents of religions recognized in Indonesia, are excluded from being subject to income tax as long as there is no connection with the business, occupation, ownership or control between the parties concerned, such as:
  a. amil zakat bodies or amil zakat institutions established or approved by the Government;
  b. the rightful recipient of zakat.

**Government Regulation No. 23 of 2018**

- Religious donations that are obligatory for followers of religions that are recognized in Indonesia are religious donations received by:
  a. religious institutions established or legalized by the Government;
  b. the rightful recipient of donations

**Government Regulation No. 55 of 2022**

- Religious contributions which are obligatory for adherents of religions recognized in Indonesia, which are received by religious institutions established or authorized by the government and which are received by the recipients of the donations who are entitled, are exempted from Income Tax objects as long as they are not related to business, work, ownership, or control between the parties concerned.

- Domestic Taxpayers who have certain gross income subject to final Income Tax as referred to in Article 56 paragraph (1) are:
Table Cont’d

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<tr>
<th>Article 2 paragraph (I)</th>
<th>Tax as referred to in Article 2 paragraph (I) are:</th>
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<tr>
<td>a. Individual Taxpayers; And</td>
<td>a. Individual taxpayers</td>
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<td>b. Corporate Taxpayers such as cooperatives, limited partnerships, firms, or limited liability companies, which receive or earn income with gross turnover not exceeding Rp.4,800,000,000.00 (four billion eight hundred million rupiah) in 1 (one) Tax Year.</td>
<td></td>
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<tr>
<td>Taxpayers of village-owned enterprises/village-owned joint ventures, which receive or earn income with gross turnover not exceeding Rp.4,800,000,000.00 (four billion eight hundred million rupiah) in 1 (one) Tax Year.</td>
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<tr>
<th>Government Regulation No. 23 of 2018</th>
<th>Unregulated</th>
<th>Government Regulation No. 55 of 2022</th>
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<tr>
<td>Taxpayers of village-owned enterprises/village-owned business entities jointly or individual companies established by 1 (one) person who were registered before the enactment of this Government Regulation, the period for the imposition of final Income Tax is calculated from the Tax Year when this Government Regulation are be in force</td>
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<th>Government Regulation No. 23 of 2018</th>
<th>Unregulated</th>
<th>Government Regulation No. 55 of 2022</th>
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<td>Individual taxpayers who have certain gross turnover as referred to in Article 57 paragraph (1) letter a, for the share of gross turnover from businesses up to IDR 500,000,000.00 (five hundred million rupiah) in 1 (one) Tax Year are not subject to tax Income</td>
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<th>Government Regulation No. 30 of 2020</th>
<th>The Income Tax rate applied to taxable income for domestic corporate taxpayers and permanent establishments is as follows:</th>
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<tr>
<td>a. 22% (twenty two percent) applicable in the 2020 Tax Year and 2021 Tax Year; And</td>
<td>a. 22% (twenty two percent) applicable in the 2020 Tax Year and 2021 Tax Year; And</td>
</tr>
<tr>
<td>b. 20% (twenty percent) which will take effect in the 2022 Fiscal Year.</td>
<td>b. 22% (twenty two percent) which will take effect in the 2022 Fiscal Year, in accordance with the provisions of Law Number 7 of 2021 concerning Harmonization of Tax Regulations.</td>
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Review of Policy Studies on GR 55 of 2022

The review of policy studies regarding PP No. 55 of 2022 is presented based on 4 indicators, namely goal alignment indicators, program indicators, decision indicators and impact/effect indicators (Rahayu, 2010).

Review of objectives appropriateness indicator related to the affected articles regulated in GR 55, it is in line with what is referred to in article 1 of this GR, namely the purpose of issuing this PP is to provide legal certainty, simplify tax administration, convenience, and justice to taxpayers who have a certain gross circulation within a certain period of time, and to implement international agreements in the field of taxation. Both Mr. Agung and Mr. Wayan agreed with this statement.

Mr. Agung

“I observe that the articles stipulated in GR 55 are in line and in harmony with what is the purpose of the issuance of GR 55. It is also in line with the consideration of the issuance of this GR where the core of this regulation is to harmonize rules outside of taxation such as in the work copyright law which makes it easier for companies to run businesses and invest. For example, the establishment of a company can be done with BUMDES, BUMDA and individual limited company is also accommodated in GR 55 regarding taxation.”

Mr. Wayan
"Regarding this question, in my opinion, the implementation of GR 55 Year 2022 is in line with the intent and purpose of the issuance of GR 55. There is an article stipulating that taxpayers with gross turnover of up to 500 million do not need to pay tax. This reflects that the tax authority applies fairness to taxpayers who have a certain gross circulation."

There was an additional view on objectives appropriateness indicator presented by Pak Nyoman. Pak Nyoman mentioned that normatively it is rather difficult to balance justice and simplicity because when things become simple, it will override the fulfillment of justice. The purpose of the issuance of GR 55 is to provide justice to taxpayers. According to Mr. Nyoman, GR 55 has provided justice to taxpayers for rigid matters that are regulated but will provide little complexity for the taxpayers involved. Complexity is low because simplicity is not optimally achieved considering that PP 55 regulates with criteria, so that an entity that meets these criteria will be limited. By fulfilling the criteria, simplicity becomes secondary to prioritizing fairness. The impact of prioritizing justice in its direction on providing legal certainty for taxpayers regulated in GR 55.

Mr. Nyoman

"PP 55 of 2022 normatively states that it is rather difficult to balance between fairness and simplicity because when it becomes simple, there is a possibility that the fairness aspect is ignored. Likewise, PP 55 is fair for those who are regulated rigidly but will provide a little complexity to the taxpayers involved because simplicity is not optimally achieved considering that PP 55 regulates with rigid criteria, so that an entity meets these criteria. The fulfillment of the criteria causes simplicity to become secondary to favoring fairness. The purpose of PP 55 of 2022 which provides legal certainty has been fulfilled but its simplicity is secondary to the prioritization of justice. The conclusion is that GR 55 of 2022 is fair but its simplicity is secondary to legal certainty."

On the program indicator, a significant change in PP 55 is the change in the concept of benefit in-kind. Pak Nyoman gave the view that we must look at the philosophy behind why GR 55 regulates things that were previously not tax objects to become tax objects. Mr. Wayan stated that this PP clarifies the taxable deductible and untaxable undeductable parts of benefit in-kind. Referring to Article 4 paragraph 3 letter d of Law No. 36 of 2008, compensation in connection with work or services received in the form of benefit in-kind and/or enjoyment from taxpayers or the government is not a tax object (non-taxable income). However, if benefit in-kind or enjoyment is provided not by the taxpayer, taxpayers subject to final tax, or taxpayers who use special calculation norms, then benefit in-kind is subject to tax. While from the side of the giver of the natura, the costs incurred in the form of natura also cannot be a deduction from gross income except benefit in-kind in the form of food and drink for all employees, benefit in-kind and/or enjoyment due to assignment in a certain area, benefit in-kind and/or enjoyment due to necessity in the performance of work, such as uniforms and others. However, in the HPP Law which is further regulated in GR 55, the concept of natura changes by stipulating natura as an income tax object.

Mr. Agung

"The concept of benefit in-kind has changed significantly, previously it was excluded from the object of income tax except for taxpayers subject to final income tax. Now, everything is equalized. All benefits in the form of benefit in-kind are made as tax objects. But there are still some exceptions such as the provision of food and drinks for employees in the workplace. Now, I agree more with the current concept. All benefit in-kind are equally used as income tax objects. Because previously it was suspected that the provision in the form of because it was excluded from the object, it was excluded from the object for this name which is subject to final Income Tax, all gifts are given in the form of benefit in-kind so that it does not affect the underpayment of Income Tax Article 29."

Mr. Wayan

"Regarding the fundamental changes in PP 55 of 2022, basically the concept is almost the same. However, I note again that this regulation makes it clearer which ones are taxable deductible and untaxable undeductable."

Mr. Nyoman

"The need to increase social status by displaying a glamorous life with luxury homes, luxury vehicles. This becomes a weapon for companies competing to recruit employees at certain levels by providing these facilities so that employees can be loyal to the company where they work. The phenomenon of hijack hiring from other companies to attract employees with portfolios and customer databases by providing beneficial compensation in the form of these luxurious facilities so that these employees want to move entities."

Based on the indicators of the decision, according to both Mr. Agung and Mr. Wayan, this change in the concept of benefit in-kind opens up room for disputes related to differences in interpretation in the way in which benefit in-kind is valued with market value provisions.

Mr. Agung

"There is a potential room for dispute because the valuation of benefit in-kind reimbursement must be based on market value. If we talk about market value, there will be many interpretations because the market value according to the taxpayer is of course usually different from the market value according to the tax authority. This often happens in disputes that interpret market value. There has even been a case in one of the taxpayers in the Lombok area where the taxpayer in calculating the market value has used an appraisal, but still the tax authorities have a different assessment".
Mr. Wayan

"If asked about whether there are potential things that can become disputes between taxpayers and tax authorities, the possibility remains a potential dispute, especially related to the definition of taxable vs untaxable natura/enjoyment. Because this is related to each perception. It could be that the tax authority translates as untaxable nature/enjoyment, but the taxpayer translates the nature/enjoyment as taxable. So, this difference in perception can lead to disputes."

Different interpretations or views on the application of applicable regulations are possible in the implementation of tax obligations. Including in this GR 55. The view of the potential dispute is because in article 3 paragraph 2 of PP No. 23 of 2022 it is confirmed that taxpayers who have chosen to be subject to income tax based on the rate of article 17 of the Income Tax Law can no longer utilize the final 0.5% rate, but in article 72 letter c of GR 55 it is explained that since this regulation is promulgated, the previous regulation PP 23 of 2018 is revoked and declared invalid so that the application of BUMDes taxation can use the scheme in GR 55. On the potential dispute, Mr. Nyoman gave the following views:

"GR 55 was published at the end of 2022 and took effect as a whole in 2022. This confirms that BUMDes is included in the GR 55 scheme but was previously not clearly regulated by PP 23 as a tax subject so that before 2022 the taxation of BUMDes was calculated using the general mechanism using the rate of article 17 of Law No. 36 on income tax. The potential dispute is that BUMDes that are already running cannot return to the mechanism of using the final income tax or when GR 55 applies it is like restarting from zero that the BUMDes using GR 55 can start from 2022 even though previously more than three years he used the general mechanism. Our perspective as academics is that BUMDes continues to use the general mechanism regardless of which application calculation results in a greater or smaller income tax value."

The existence of potential things that can become a space for disputes between tax authorities and taxpayers is something that needs more attention so that the dispute gap can be minimized. In terms of legal certainty review and simplification in improving the technical implementation of GR 55, it is necessary to make additional adjustments governing the method of tax repayment of GR 55, where GR 55 adheres to two principles of tax collection, namely withholding tax and self-assessment. The application of withholding tax can reduce legal certainty when taxpayers who have met the requirements using PP 55 but at the time of registration are constrained by the system and when the taxpayer makes a transaction cannot show a GR 55 certificate so that it has an impact on deductions on Income Tax 23 non-final income. In addition, a more detailed explanation is also needed so as not to confuse taxpayers, both from the employer and employee side related to natura/enjoyment in certain areas, whose categorization and definition are too broad.

Mr. Agung

"Adjustments are needed to provide more legal certainty in the application of GR 55. I provide input for the application of GR 55 only by self-deposit by taxpayers without a withholding mechanism, because taxpayers in applying GR 55 are required to have a GR 55 certificate but when transacting with individuals or entities as tax withholders and taxpayers have not managed to download the certificate due to constraints during the registration process and so on so that the transaction opponent must withhold in accordance with income tax article 23 at a rate of 2%. Of course, the service provider taxpayer objects because they feel entitled to apply GR 55."

Mr. Wayan

"Regarding matters that still need to be re-regulated in GR 55, although GR 55 has explained several things related to the procedures for assessing natura/enjoyment as tax objects, a more detailed explanation is still needed so as not to confuse taxpayers, both employers and employees. For example, related to natura/enjoyment in certain areas, whose categorization and definition are too broad and still leave question marks. GR 55 explains that the "certain area" referred to is an area that has economically feasible potential to be developed, but in general the infrastructure is inadequate and difficult to reach by public transportation, either by land, sea, or air. One of them is benefit in-kind provided by the company to employees who get certain assignments, as long as the employer's business location gets a certain regional designation from the Director General of Taxes. The note at the end of the sentence can be interpreted that companies living in remote areas that do not have a "certain area" determination letter from the DGT, cannot take advantage of the income tax-free facility."

Review of the effect indicators or impact of GR 55 policy, both Mr. Agung and Mr. Wayan stated that the issuance of GR 55 could increase taxpayer compliance by emphasizing the limitation of non-taxable income of IDR 500,000,000. This article provides a stimulus for entrepreneurs who have not previously reported taxes. Entrepreneurs in this category will register as taxpayers by simply reporting taxes without having to pay. This is the first step of extensification in the field of taxation.

Mr. Agung

"In practice, with the issuance of GR 55, especially regarding the part that regulates income tax on income from businesses received or obtained by taxpayers who have a certain gross turnover. My experience in the field there are entrepreneurs who in previous years he never reported his turnover tax in one year. However, because there is a limitation on non-taxable income, he started to report his
business because he felt light in paying taxes. Well, this also provides a stimulus to report their tax obligations and realize their compliance as taxpayers.”

Mr. Wayan

"In line with the purpose of the issuance of this GR, from my view it will certainly have an impact on increasing MSME taxpayers. Because of the convenience regulated in this GR, namely the limitation of taxable income for taxpayers who have gross income of up to 500 million rupiah."

Mr. Nyoman

"This GR is issued in an effort to improve taxpayer compliance can be viewed from the slippery framework compliance model which is supported by two dimensions. The left dimension is the power or policy issued by the tax entity, then the right dimension is how taxpayers respond to the policy or power of the tax entity. Through GR 55, the tax entity realizes its authority or enforces its authority by regulating various things that need to be regulated that have not previously been regulated, which have not previously been firmly emphasized. The taxpayer's response if there are articles that potentially violate justice, or are not in line with previous policies, then it will slowly cause uncertainty. Uncertainty will be responded to by taxpayers using two approaches with the attribution theory that their actions can be influenced by internal and external factors. The second theoretical approach is prospective theory. Prospective theory explains that taxpayers will behave or make decisions seeing a situation of uncertainty, so the steps taken will maximize utility that is economically beneficial of course and certainty. This increase in compliance cannot have an immediate impact. Of course, look at the next 2 to 3 years after it takes effect. Which is also influenced by the derivative rules of this GR whether it provides legal certainty and justice so as to create taxpayer confidence.”

Changes in Government Regulation No. 55 Year 2022 has significant impact on MSME’s taxes, especially on applied of benefit in-kind. On previous rules, benefit in-kind is a non-taxable, so if MSME’s give a benefit in kind to his staff, it can not be recognized as deduction from fiscal gross income and it can increase the amount of tax paid. With the issuance of this regulation, it will provide benefits to MSMEs because the amount of tax paid is less than before.

Conclusions

The following conclusions are based on the discussion in the previous chapter:

i. Changes in Government Regulation No. 55 Year 2022 include Depreciation of Tangible Assets and/or Amortization of Intangible Assets, Tax Treatment of Reimbursement or Rewards in the Form of Natura and/or Enjoyment, Assistance or Donations Including Zakat, Infaq, Alms, and Religious Donations of a Mandatory Nature that are Excluded from Income Tax Objects, Income Tax on Income from Business Received or Obtained by Taxpayers with Certain Gross Circulation, and Reduction in Income Tax Rates for Domestic Corporate Taxpayers in the Form of Public Companies.

ii. The articles stipulated in GR 55 are in line and in harmony with the reasons for the issuance of this GR, namely to provide legal certainty, simplification of tax administration, convenience, and justice to taxpayers who have certain gross turnover within a certain period of time, as well as to implement international agreements in the field of taxation. What is of concern is that simplicity becomes secondary to favoring justice for taxpayers whose criteria are definitively regulated in this GR. A significant change in this GR is the regulation on benefit in-kind, which was originally non-taxable, becoming taxable. This creates room for disputes due to differences in perception arising from the valuation of in-kind based on the market price. This potential dispute becomes a reference for further regulation. In the end, this GR has an impact on increasing taxpayer compliance due to the convenience for domestic taxpayers with certain gross turnover. Sustainable taxpayer compliance will be fulfilled if the derivative rules of this PP are not contradictory, thus building trust from taxpayers.

The following are suggestions for tax authorities and further research:

i. The suggestion for the tax authority is to further regulate the market value referred to in the reward or replacement in the form of goods other than money that is transferred from the giver to the recipient.

ii. Suggestions for future research are that this research is limited to examining PP 55 Year 2022 in terms of sanding, policy studies, and implementation. Future research is expected to examine tax policy more comprehensively.

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Author Contributions: Conceptualization, Formal Analysis, Writing—Original Draft Preparation, Writing—Review And Editing by authors with equal participation. All authors have read and agreed to the published the final version of the manuscript.

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

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References


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