**ABSTRACT**

Lulu Wulandari / 30179056 / 2019 / Analysis of the Calculation and Reporting of Income Tax (PPh) Article 21 for Permanent Employees at PT XYZ in 2017/ Advisor: Dr. Hanif Ismail, S.E., M.M., M.Ak.

Tax is one source of state income. Taxes contribute the most to state revenues among other state revenues. Recognizing the importance of tax revenue for the state, the government made several policy and create a budget each year. Although the budget and the policy has been created but in reality the budget is made not met. From these inaccessibility there are several contributing factors, one of them is an error in the calculation and reporting of income tax article 21 which is not in accordance with regulations. Because of the prevailing taxation system is self-assessment system there is a possibility of an error in the calculation and reporting of income taxes.

Income tax of article 21 is the income tax imposed on income in the form of salaries, wages, fees, allowances and other payments of any name relating to employment, services or activities performed by an individual tax payer in the country. Income tax subject of article 21, namely employees, pension recipients, honorarium recipients, wage and other private persons. The object of income tax article 21 that income derived by a permanent employee, income received or accrued pension recipients on a regular basis, income in connection with the termination of employment, income of non-permanent employees or freelance workers, in exchange for not employees and remuneration to the target audience.

The object of this research is PT XYZ. The sample used in this study were 26 permanent employees of PT XYZ in 2017. Data were collected using observation, interview and documentation. This study is a descriptive study. Based on the time dimension is a cross-sectional study, because the observed object remains the same and a specific time period.

Results of analysis showed that the calculation of income tax article 21 for a permanent employees in 2017 at PT XYZ is not in accordance with the applicable tax laws because of the analysis of research there are some components that do not fit the applicable tax and resulted in underpayment. While the reporting of income tax article 21 for a permanent employees in 2017 at PT XYZ uses two methods, namely manual reporting, from January to September 2017 and online reporting is from October to December 2017. PT XYZ in the reporting of income tax article 21 permanent employees in 2017 had reported before the deadline specified tax regulations.

The conclusion from this study showed that the calculation of income tax article 21 for a permanent employees of PT XYZ in 2017 is not in accordance with applicable regulations. While the reporting of income tax article 21 for a permanent employees of PT XYZ in 2017 using two methods, namely manual reporting and online reporting.

Key words: Calculation of Article 21 Income Tax, Reporting of Article 21 Income Tax,

Permanent Employees