

---

# Tax Overbooking of MSME Individuals on The Impact of The Harmonization of Tax Regulation Socialization

Tax Overbooking of  
MSME

Dedy Triyono<sup>1\*</sup>, Adhityawati Kusumawardhani<sup>2</sup>

51

## Abstract

This study aims to identify, assess, and provide an interpretation of the results of qualitative research regarding the phenomenon of socialization of the Government enact Law No. 7 of 2021 about Harmonization of Tax Regulations (Law 7/2021) that is affected by tax overbooking of Micro, Small and Medium Enterprises (MSME) Individuals. The data collection method was conducted by interviewing 10 MSME Individuals. Data analysis was carried out by interpreting the subjective understanding of MSME actors which was the followed by researcher reflection. This study shows the results that owned MSMEs do not understand the application of Law 7/2021 which has been in effect since 2022 so they make a tax overbook of the tax already paid. This is because the socialization carried out by the Directorate General of Taxes' socialization efforts during the Covid 19 pandemic received little attention from taxpayers who owned MSMEs.

Received 2 May 2022  
Revised 15 June 2022  
Accepted 16 July 2022

**Keywords:** Tax Overbooking, MSME, Harmonization of Tax Regulations

## Introduction

Since July 1, 2018, the Government has replaced government regulation No. 46 of 2013 and enacted government regulation No. 23 of 2018 to lower the rate of income tax on certain gross turnover from 1% to 0.5%. Hakim (2015) said that the application of government regulation No. 46 of 2013 caused a decrease of 0.23% of the growth of taxpayers due to the law understanding of taxpayers in understanding tax regulations and ignorance of various applicable tax regulations, also supported by research by Wicaksono (2016) and Andayani (2018).

The implementation of Government Regulation No. 23 of 2018 favors MSME actors by providing tax incentives to allow them to expand their businesses later, however it will have a negative effect on the government's tax revenue (Prastowo, 2018). In addition, the application of these regulations shows that there is convenience in paying taxes for MSME actors so that MSME tax compliance is increasing (Angesti et al., 2018; Setiawan & Prabowo, 2019)

The lower tax rates imposed on MSME actors allow MSME actors to easily carry out their administration and obligations. It is hoped that with this facility, MSME actors would be able to strengthen their investment and economic capabilities, therefore increasing their earnings and establishing a new business world.

So far, MSME actors have always been constrained in their obligation to maintain their bookkeeping. The reason is that MSME actors still do not fully comprehend and have a poor level of education, which means they do not understand how to utilize information technology effectively, which creates additional difficulties when creating financial reports (Muchid, 2015). MSME actors can lose money when they make mistakes as they use information technology to report their taxes. Overbooking may be used to correct errors. Overbooking is classified according to the type of error, notably tax year, tax type, tax period, deposit type, and deposit amount.

The COVID-19 pandemic is currently happening, affecting MSME actors by reducing sales turnover, decreasing demand, and disrupting the supply chain (Thaha & Hasanuddin, 2020).

International Journal of  
Organizational Behavior  
and Policy  
Vol. 1, No. 1, July 2022  
pp. 51-56

Department Accounting, UKP  
eISSN 2961-9548  
doi.org/10.9744/ijobp.1.1.51-56

---

<sup>1,2</sup> Accounting Department, School of Business and Management, Petra Christian University, Jl. Siwalankerto 121-131, Surabaya 60236, Indonesia.

\*Correspondence author; E-mail: detron81@petra.ac.id

The pandemic's impact has accelerated technological and digital growth since it impacts the wheels of economic life, so that later it can refocus on customers who have suffered a decline (Amri & Hasanuddin, 2020).

The COVID-19 pandemic situation made the Government enact Law no. 7 of 2021 concerning the Harmonization of Tax Regulations (Law 7/2021) aimed at improving the budget and increasing taxes. The provisions in Law 7/2021 have an impact on MSME actors due to changes in the income tax layer imposed and the change in non-taxable income tax rates for taxpayers in accordance with government regulation No. 23 of 2018. The purpose of this study is to determine the tax overbooking of MSME individuals on the impact of the Law 7/2021 socialization.

## **Theoretical Basis**

### ***Micro, Small and Medium Enterprises***

Micro, Small and Medium Enterprise (MSME) is a type of business that can be owned by an individual or a business entity whose form is regulated in accordance with the applicable law. If a micro business is in accordance with what is stipulated in the Law for the criteria for a micro business, a small business is a medium or large business that is in accordance with the criteria in the law, a medium business is a small or large business with the amount of capital and sales in accordance with the criteria contained in the Law.

### ***Government Regulation (PP) No. 46 of 2013 MSMEs Tax***

Government regulation No. 46 of 2013 contains rules for gross turnover and income owned by the taxpayer should not be more than Rp 4.8 billion in 1 year. Then the amount of the final tax imposed is 1% for MSME actors in accordance with government regulation No. 46.

### ***Government Regulation (PP) No. 23 of 2018***

Government regulation No. 23 of 2018 contains rules for gross turnover and income owned by the taxpayer should not be more than Rp 4.8 billion in 1 year. The amount of tax charged is 0.5 of the turnover they have. This government regulation is a replacement for the previous government regulation. Then the time limit of the tax incentive policy for tax subjects is also set, which are:

1. Individual taxpayers are a maximum of 7 (seven) Fiscal Years;
2. Corporate taxpayer in the form of limited partnership/CV, cooperative or firm is a maximum of 4 (four) Fiscal Years; and
3. A corporate taxpayer in the form of a limited liability company is a maximum of 3 (three) Tax Years.

This new policy is a facility for MSMEs to stimulate the emergence of new MSME actors, since the tariffs offered are not burdensome and may help MSMEs lower their cost of doing business.

### ***Law No. 36 of 2008 Regarding Income Tax***

Law No. 36 of 2008 regarding income tax, especially Article 17 (Mulyadi dkk., 2021) explain the corporate income tax rate as follows:

1. The applicable tax rate for domestic corporate taxpayers and permanent establishments is 28%, while the corporate tax rate has decreased to 25%, both of which are effective January 1, 2009.
2. The applicable tax rate for corporate taxpayers in the form of PT is at least 40% of the number of paid-up shares and complete other requirements will be subject to a lower rate of 5% and imposed as a taxable entrepreneur if the gross turnover of his business has reached Rp 4.8 billion in one year.

### ***Law on Harmonization of Tax Regulations***

The Law on the Harmonization of Tax Regulations (Law 7/2021), which was enacted by the government on October 29, 2021, seeks to create a fairer taxation system for individual

taxpayers. This is because individual taxpayers with a medium to low income may be subject to lower taxes than under the prior tax. The existing changes are expected to better reflect the principle of Ability to Pay for individual taxpayers. The rates for Personal Income Tax contained in the Law 7/2021 are as follows:

**Table 1.** Personal Income Tax Rates based on the Law 7/2021

Rates Layer	Income	Rate
I	0 – Rp 60 Million	5%
II	>Rp 60 – 250 Million	15%
III	>Rp 250 – 500 Million	25%
IV	>Rp 500 Million – 5 Billion	30%
V	>Rp 5 Billion	35%

## Research Methodology

The research method used is a qualitative approach regarding the phenomenon of socialization of the Government enact Law No. 7 of 2021 about Harmonization of Tax Regulations (Law 7/2021) that is affected by tax overbooking of Micro, Small and Medium Enterprises (MSME) Individuals. This phenomenon can be described as a phenomenology which refers to the individual's perception of the meaning of an event that occurs and how to interpret the experience (Morissan, 2019; Rukin, 2019). The purpose of phenomenology is to conduct direct investigations to explain phenomena as experienced by individuals without the need for prior explanation of casual relationships.

There are 4 stages in phenomenology (Morissan, 2019; Rukin, 2019), namely (1) Bracketing, (2) Intuiting, (3) Analysing and (4) Describing. In this study, bracketing is raised in every interview with MSME individuals. The next stage of analysis is intuitive by identifying the knowledge and understanding of MSME individuals towards the Law 7/2021 which requires targeted awareness. The third stage, which is analyzing the data by researchers, is looking for the essence of the facts behind the socialization phenomenon of the Law 7/2021 to get a meaning regarding the understanding of MSME individuals towards the regulation. The last stage, which is describing, is carried out by researchers by reflecting on what is happening.

Respondents used in this study were individuals of MSMEs in East Java. With the use of a random sampling method, a total of 10 MSMEs individuals were included in the study. In addition, interviews with MSME individuals were performed to acquire the essential data.

## Discussion of Results

The findings of this research revealed that the presence of government regulation No. 23 of 2018 allows individual taxpayers with a certain gross turnover to do bookkeeping more easily before being subject to Income Tax in accordance with Article 17 of Law No. 36 of 2008. In addition, there are also those who argue that with the government regulation no. 23 of 2018 it is hoped that the public will participate in economic activities with ease and simplicity for taxpayers who have a certain gross turnover in carrying out their tax obligations by being given a certain period of time. Taxpayers who have been able to carry out bookkeeping can choose to be subject to Income Tax which is regulated in the Income Tax Law Article 17 of Law no. 36 of 2008.

However, there are also MSME actors who have the perception that the use of PP No. 23 of 2018 is absolute or mandatory, when in reality the government's decision in government decision No. 23 of 2018 to reduce the Final Income Tax rate to 0.5% is optional. As a result, taxpayers are given the freedom to choose to use the 0.5% Final Income Tax rate or follow the normal rate based on the Income Tax Law, article 17 of Law no. 36 of 2008. So the MSME actors no longer use the rates contained in PP No. 46 of 2013 which is absolute and does not have a time period for its implementation.

Taxpayers who can take advantage of the final rate based on this Government Regulation are personal taxpayers and taxpayers in the form of cooperatives, CV, Firm, or PT that receive or earn income from gross turnover not exceeding Rp 4.8 billion in one tax year. Gross turnover in 1 (one) fiscal year preceding the relevant fiscal year, which is calculated using the overall

gross revenue of the business, including the gross revenue of branches. Taxpayers who have made final income tax payments in accordance with this Government Regulation are deemed to have submitted a Periodic Income Tax Return pursuant to Article 4 paragraph (2) on the validation date of the State Revenue Transaction Number listed on the Tax Payment Letter or other equivalent administrative means with a Tax Payment Letter.

The period as regulated in this Government Regulation is commencing from the Tax Year of the registered taxpayer, for taxpayers who have been registered since the enactment of this Government Regulation; or the Fiscal Year this Government Regulation comes into force, for taxpayers who have been registered prior to the enactment of this Government Regulation. The Government Regulations include:

**Table 2.** Form of Business, Period of Time and The End of Year Government Regulations No. 23 of 2018

No.	Form of Business	Start of Business	Turnover/ year	Rate	Period of Time (Year)	End of Year
1.	Individual	<=2018	<4,8 bil per year	0,5%	7	2024
2.	CV	<=2018	<4,8 bil per year	0,5%	4	2021
3.	Firm	<=2018	<4,8 bil per year	0,5%	4	2021
4.	PT	<=2018	<4,8 bil per year	0,5%	3	2020

If the four taxpayers in table 2 have a turnover of more than Rp. 4.8 billion during the year specified above, they must use the Income Tax Law, article 17 of Law No. 36 of 2008. However, if the taxpayer does not exceed Rp. 4.8 billion in annual revenue during that period but wishes to use the Income Tax Law, article 17 of Law No. 36 of 2008 is also permissible, but the taxpayer cannot return to using Government Regulations No. 23 of 2018.

If the time period specified in Table 2 has ended, the four taxpayers are expected to be able to conduct bookkeeping and be liable to Income Tax rates in line with the Income Tax Law Article 17 of Law No. 36 of 2008. Thus, taxpayers who establish their business after 2018 need only to add a time limit to the length of time they can employ the tax rate specified in Government Regulations No. 23 of 2018.

COVID-19 has had a direct influence on MSME players, impairing not only their ability to produce products and services, but also their ability to invest. The pandemic has increased the price of goods and services, made it expensive and scarce in the market, reduced the rate of foreign tourists visits (due to social distancing), damaged the national economic condition, and constrained and hampered the imports of goods and services.

This circumstance caused the government to implement new policies aimed at strengthening and dynamising the economy, including the enactment of the Law on the Harmonization of Tax Regulations (Law 7/2021), which was ratified on October 29, 2021 and takes effect in January 2022. The objective is to strengthen a sustainable economy and to aid in the acceleration of economic recovery, as well as to provide a more reliable and equitable tax system and to increase taxpayer compliance. Moreover, the Law 7/2021 was formed to encourage National Economic Recovery (PEN) as a result of the COVID-19 pandemic.

The enactment of the Law 7/2021 during the COVID-19 epidemic, during which the Indonesian people are confronted with complex economic challenges, has led to the public being unable to completely comprehend the information presented by the Directorate General of Taxes (DGT). Although on the other hand the Directorate General of Taxes had put their maximum effort toward giving the information regarding Law 7/2021 through mass media, social media, and several online counseling sessions. Individual taxpayers will have the greatest impact as one of the MSME actors who currently uses Government Regulations No. 23 of 2018 must subsequently migrate to Law 7/2021. The Law 7/2021 regulates Non-Taxable Income (PTKP) for individual taxpayers who are also MSME actors. This policy applies not only to individual taxpayers, but also to individual taxpayers who are also MSME actors, who are exempt from paying final income tax of 0.5 percent if their annual income is less than or equivalent to Rp500 million, as specified in Government Regulations No. 23 of 2018.

The issues outlined above were not properly communicated and socialized to individual taxpayers who were MSMEs and were discovered only after they paid the MSME tax under

code 411128-420 Final Income Tax Article 4 paragraph (2) on income from businesses received or obtained by taxpayers with a certain gross revenue in January and February 2022. Then, individual taxpayers in MSMEs can claim tax overpayments for taxes already paid.

Tax overbooking was originally regulated in the Decree of the Minister of Finance No.88/KMK.04/1991 concerning Procedures for Payment of Taxes Through Tax Overbooking, which is then regulated in DGT Decree No.KEP-965/PJ.9/1992 concerning the Technical Implementation of Tax Payment Procedures Through Tax Overbooking. Then, during its development, PMK No.242/PMK.03/2014 concerning Tax Payment and Deposit Procedures regulates the tax overbooking operation. Tax overbooking could be done for the following:

1. Between identical or dissimilar forms of taxation
2. Difference in tax period or year
3. For the same or different taxpayers
4. In the same or different Tax Service Office.

The method of tax overbooking is as follows:

1. Submit an application submitted to the office of the Directorate General of Taxes where the payment is administered using a letter or application form for tax overbooking.
2. The letter or form can be submitted directly to the Tax Service Office (KPP) where the payment is administered; or
3. By mail or delivery service, with proof of mailing a letter to the Tax Service Office that administers the payment.

Thus, for individual taxpayers, MSME actors can make payment corrections through tax overbooking after their revenue reaches Rp500 million. To illustrate, the author will discuss table 3.

**Table 3.** Illustration of Correction of Payments by Overbooking with a turnover of Rp. 500 million for individual taxpayers who are MSME actors

No	Month	Turnover (Rp)	Gov. Regulations No. 23 (0,5%)	Notes
1.	January	50.000.000	250.000	Paid in February 2022
2.	February	75.000.000	375.000	Paid in March 2022
3.	March	80.000.000	0	Just realized there is a new provision of the Law 7/2021
4.	April	120.000.000	0	
5.	May	100.000.000	0	
6.	June	90.000.000	75.000	Turnover of January – June 2022 Rp515 million for 15 million tax payable Rp75,000. For this reason, a book transfer was carried out from the payment in January 2022 of Rp75,000
7.	July	110.000.000	550.000	An overbooking was made from Government Regulations No. 23 which was paid in advance (Rp 250,000 - Rp 75,000) + 375,000 = Rp550,000 Thus, no payments are required in July; all that is required is book transfer.
8.	August	90.000.000	450.000	Paid in September 2022
9.	September	120.000.000	600.000	Paid in October 2022
10.	October	105.000.000	525.000	Paid in November 2022
11.	November	98.000.000	490.000	Paid in December 2022
12.	December	87.000.000	435.000	Paid in January 2023
	Total Rp.	1.125.000.000	3.125.000	

In this scenario, the author can conclude that there are still a significant number of taxpayers who are not actively seeking information on the most recent Tax Law and that the counseling and information methods used by the Director General of Taxes and their employees are still ineffective. However, what should be appreciated is the solution in the event of an administrative error and the ease with which the error can be resolved; the only difference is that tax overbooking must still be done manually, which means taxpayers must still make a physical visit to the tax service office and complete forms manually. This, of course,

is a lack of practicality and efficiency, as there is paper to fill out; therefore, in the future, the Directorate General of Taxes should develop a system for this tax overbooking facility that allows taxpayers to do so from their office or home without having to visit a taxes service office, and that utilizes data in the form of softcopy to minimize paper waste.

### Conclusion

The government published the Law 7/2021 on October 29, 2021, during the COVID-19 pandemic, and it became effective in January 2022 with the goal of assisting individual taxpayers of MSMEs in increasing their investments in order to improve earnings and revenue, while also generating new business environments.

The imposition of income tax rates in the Law 7/2021 is for individual taxpayers and MSME entrepreneurs with an annual income of less than Rp500 million, therefore there is no need to pay final income tax of 0.5 percent in accordance with Government Regulations No. 23 of 2018. Indeed, individual taxpayers of MSME actors who have already paid taxes in January and February 2022 in accordance with Government Regulations No. 23 of 2018 may make a tax overbooking for the tax already paid if their annual revenue exceeds Rp500 million in the month in which the calculated revenue exceeds Rp500 million. This is because the Directorate General of Taxes socialized during the COVID-19 pandemic situation, and individual taxpayers of MSME actors paid little attention since their primary objective was to recover the economics of their business damaged by the pandemic.

### References

- Amri, A., & Hasanuddin, U. (2020). *Dampak Covid-19 Terhadap Umkm Di Indonesia*. 2, 123–130.
- Andayani, E. (2018). *Pengaruh Faktor-Faktor Pelaksanaan PP 46 Tahun 2013 Terhadap Kepatuhan Wajib Pajak Umkm (Studi Kasus Umkm Pusat Grosir Tanah Abang Jakarta Pusat)*. *Transparansi Jurnal Ilmiah Ilmu Administrasi*, 1(1), 12-28. <https://doi.org/10.31334/trans.v1i1.137>.
- Angesti, N.K.D., Wahyuni, M.A., & Yasa, I.N.P. (2018). *Pengaruh Persepsi Wajib Pajak Umkm atas Pemberlakuan Peraturan Pemerintah Nomor 23 Tahun 2018 dan Pengetahuan Perpajakan Terhadap Kepatuhan Perpajakan*. 9 (1), 10.
- Hakim, F., & Nangoi, G. B. (2015). *Analisis Penerapan PP. No.46 Tahun 2014 Tentang Pajak Penghasilan UMKM Terhadap Tingkat Pertumbuhan Wajib Pajak dan Penerimaan PPH Pasal 4 Ayat (2) Pada KPP Pratama Manado*. 3, 787–795.
- Morissan. (2019). *Riset Kualitatif*. Kencana.
- Muchid, A. (2015). *Penyusunan Laporan Keuangan UMKM Berdasarkan Standar Akuntansi Keuangan-Entitas Tanpa Akuntabilitas Publik (SAK-ETAP) (Kasus Pada UD. Mebel Novel'l Di Banyuwangi)*. Universitas Negeri Jember.
- Prastowo, K. C. (2018, June 22). *Pajak UMKM 0,5 Persen Bisa Dongkrak Kegiatan Bisnis*. KOMPAS.com. <https://ekonomi.kompas.com/read/2018/06/22/214100826/pajak-umkm-0-5-persen-bisa-dongkrak-kegiatan-bisnis>
- Republik Indonesia, 2013. *Peraturan Pemerintah Republik Indonesia Nomor 46 Tahun 2013 Tentang Pajak Penghasilan atas Penghasilan dari Usaha yang Diterima atau Diperoleh Wajib Pajak yang Memiliki Peredaran Bruto Tertentu*.
- Republik Indonesia, 2018. *Peraturan Pemerintah Republik Indonesia Nomor 23 Tahun 2018 Tentang Pajak Penghasilan atas Penghasilan dari Usaha yang Diterima atau Diperoleh Wajib Pajak yang Memiliki Peredaran Bruto Tertentu*.
- Republik Indonesia, 2020. *Peraturan Pemerintah Republik Indonesia Nomor 2 Tahun 2020 Tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Corona Virus Disease 2019 (Covid-19) dan/atau Dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan Menjadi Undang-Undang*.
- Republik Indonesia, 2021. *Undang-Undang Nomor 7 Tahun 2021 Tentang Harmonisasi Peraturan Perpajakan (UU HPP)*.
- Republik Indonesia, 1992. *Keputusan DJP No.KEP-965/PJ.9/1992 Tentang Pelaksanaan Teknis Tata Cara Pembayaran Pajak Melalui Pemindahbukuan*.
- Rukin. (2019). *Metodologi Penelitian Kualitatif*. Yayasan Ahmar Cendekia Indonesia.
- Setiawan, T., & Prabowo, R. (2019). *Analisis Persepsi Wajib Pajak Pelaku Umkm Terhadap Penerapan Peraturan Pemerintah Nomor 23 Tahun 2018*. *International Journal of Social Science and Business*, 3(4), 463. <https://doi.org/10.23887/ijssb.v3i4.21637>.
- Thaha, A. F., & Hasanuddin, U. (2020). *Dampak Covid-19 Terhadap Umkm Di Indonesia*. 2, 147–153.