

Analysis of the Application of Income Tax Article 21 on Employee Salaries at the Panambungan Health Center Makassar City

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This study aims to analyze the calculation, withholding, and reporting of Income Tax Article 21 on the income of permanent employees at the Panambungan Health Center, as well as to assess its compliance with applicable tax regulations. The research method used is quantitative descriptive with a qualitative approach. Data were obtained through interviews with financial staff (treasurer) and documentation of withholding slips and employee salary data.

The results of the study indicate that the calculation of Income Tax Article 21 at the Panambungan Health Center is not fully in accordance with tax regulations, particularly in the use of non-taxable income (PTKP), which does not take into account each employee's dependent status. This has resulted in excessive tax withholdings (overpayments). The withholding is carried out using the gross-up method; however, there are still technical errors in the calculation. Meanwhile, the reporting of Income Tax Article 21 has been carried out in accordance with the regulations through e-filing, although the withholding slips are only provided annually, not monthly.

1. Introduction

The Government of the Republic of Indonesia has implemented tax reform through Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (UU HPP). This reform aims to create a fair, efficient, and adaptive taxation system in response to economic and technological developments (BPK RI, 2021). One of the key taxes in this system is Income Tax Article 21, which is a tax on individual income such as salaries, allowances, and honoraria, withheld directly by the employer (Novianti et al., 2024).

The calculation and withholding of Income Tax Article 21 are regulated under Minister of Finance Regulation (PMK) No. 168 of 2023 and Government Regulation (PP) No. 58 of 2023, which introduce the average effective tax rate (TER) and an updated reporting mechanism through e-filing (Minister of Finance, 2023). However, in practice, several challenges persist, such as inconsistencies in non-taxable income (PTKP) data and a lack of understanding of the latest regulations.

Panambungan Public Health Center (Puskesmas Panambungan), as one of the technical implementation units in Makassar City, was selected as the object of this study due to its relatively large number of employees and administrative complexity. Preliminary surveys revealed limited understanding of regulatory changes and discrepancies in the recognition of family dependents. These findings align with previous studies by Malia (2023) and Novianti et al. (2024), which also found inconsistencies between tax practices and applicable regulations.

This study aims to analyze the application of Income Tax Article 21 at Panambungan Health Center and identify potential errors in tax calculation and reporting in order to improve accuracy, compliance, and contribution to state revenue.

2. Research Methodology

This study employs a qualitative approach with a quantitative descriptive method to provide an in-depth description of the implementation of Income Tax Article 21. Data were obtained through interviews with the treasurer as primary data and salary documents as well as tax reports as secondary data. Data collection techniques included interviews and documentation. Data analysis was carried out in four stages: data collection, data reduction, data presentation, and conclusion drawing. The validity of the data was tested using triangulation of techniques and time to ensure the accuracy and consistency of the information.

3. Research Findings

The study reveals that the calculation of Income Tax Article 21 for permanent employees at Panambungan Health Center is not fully in accordance with the prevailing tax regulations. The calculation is based on gross income, which includes basic salary and various allowances, then reduced by job-related expenses and pension contributions to obtain net income. However, there is a discrepancy in the application of Non-Taxable Income (PTKP), where employee dependent status is not accurately accounted for. This resulted in a total difference of IDR 8,344,800 or approximately 48.96% higher compared to the calculation based on the applicable tax regulations.

Table 1. Comparison of Income Tax Article 21 for Permanent Employees at Panambungan Health Center and the 2024 Tax Law

Employee Name	Rank	Status	PPh Article 21 Panambungan Public Health Center	PPh Article 21 Based on Tax Law (IDR)	Difference (IDR)
AIM	IV/c	K/2	1.778.700	1.103.700	675.000
AES	IV/b	K/1	1.536.300	1.086.300	450.000
S	IV/b	K/0	1.418.600	1.193.650	224.950
N	IV/a	K/2	1.618.200	943.250	674.950
M	IV/a	K/0	1.344.500	1.119.500	225.000
ESB	IV/a	K/2	1.298.900	623.900	675.000
NH	IV/a	K/2	997.400	322.400	675.000
E	III/d	K/1	1.192.700	742.750	449.950
N	III/d	K/2	1.089.600	414.600	675.000
AIM	III/d	K/2	872.300	198.850	673.450
AF	III/d	K/2	870.300	195.300	675.000
SH	III/d	K/2	626.200	626.200	0
NN	III/d	K/0	360.500	135.500	225.000
IM	III/c	K/2	596.200	0	596.200
S	III/c	K/2	318.000	0	318.000

I	III/c	K/1	386.500	0	386.500
NM	III/b	K/2	241.200	0	241.200
P	III/b	K/1	148.900	0	148.900
J	III/b	K/2	355.700	0	355.700
RFA	III/b	K/0	0	0	0
S	III/b	K/2	0	0	0
M	III/a	TK/0	0	0	0
AM	II/d	TK/0	0	0	0
AG	II/c	TK/0	0	0	0
TOTAL			17.050.700	8.705.900	8.344.800

Source: Processed Data, 2025

Tax withholding is carried out monthly using the gross-up method, whereby Income Tax Article 21 is borne by the employer in the form of a tax allowance. This process is executed automatically through the SIMGAJI application by the institution's treasurer. Although the system is computerized, errors in determining Non-Taxable Income (PTKP) status affect the amount of tax withheld, potentially disadvantaging employees.

The reporting of Income Tax Article 21 is conducted in accordance with Minister of Finance Regulation No. 168 of 2023. Taxes are deposited into the state treasury no later than the 10th of the following month and reported via the DJP e-filing system by the 20th at the latest. Each employee receives an annual withholding slip (Form 1721-A2) as the basis for filing their Annual Tax Return (SPT), although monthly withholding slips are not regularly distributed.

4. Discussion

The calculation of Income Tax Article 21 at the Panambungan Public Health Center is carried out through the SIMGAJI application. However, all employees are assigned the PTKP status of TK/0 (unmarried with no dependents), without considering their actual marital and dependent status. This results in a higher Taxable Income (PKP) and a greater amount of tax owed than necessary. The discrepancy leads to potential financial loss for employees and inefficiency in the institution's budget. This issue arises due to a lack of updated employee data and weak interdepartmental coordination. These findings are consistent with the Theory of Planned Behavior and the study by Poluan et al. (2024), which emphasize the importance of accurate data in fulfilling tax obligations.

The withholding is carried out using the gross-up method, yet errors persist because the basis of calculation is inaccurate. The uniform application of PTKP affects the size of the tax allowance provided and may impact the accuracy of salary reports and budget allocation. The lack of data updates and oversight has allowed these errors to continue. This reinforces the findings of Armansyah & Calista (2024), which state that income tax withholdings in government institutions are often not based on the most recent employee data.

The reporting is conducted in accordance with Minister of Finance Regulation No. 168/2023, via e-filing and the DJP billing system. However, because the calculation and withholding are inaccurate, the substance of the reporting does not comply with the regulations. Employees receive only annual withholding slips, making it difficult to verify the accuracy of monthly deductions. The lack of data control is a key contributing factor, as explained in the Theory of Planned Behavior and further supported by Wedana (2024).

5. Conclusion and Recommendation

5.1 Conclusion

Based on the research findings, it can be concluded that the calculation, withholding, and reporting of Income Tax Article 21 at the Panambungan Public Health Center are not yet fully in compliance with the applicable tax regulations. In the calculation process, it was found that employees' Non-Taxable Income (PTKP) status was not properly updated, as all employees were assumed to have the TK/0 status. This led to higher tax deductions than appropriate and created the potential for overpayment. The withholding was carried out using the gross-up method, where the tax is borne by the institution. However, errors in determining PTKP status affected the accuracy of the tax allowance provided. Meanwhile, the reporting of Income Tax Article 21 has been conducted regularly and on time through e-filing, in accordance with Minister of Finance Regulation No. 168 of 2023, although there remains a lack of transparency as employees only receive annual withholding slips instead of monthly ones.

5.2 Recommendation

Panambungan Public Health Center should regularly update employee status data to ensure a more accurate PTKP calculation. The treasurer and financial staff are also advised to participate in technical training on the gross-up method and the calculation of Income Tax Article 21 based on employees' actual conditions. Furthermore, to enhance transparency and employee awareness of their tax obligations, withholding slips should be provided not only annually but also on a monthly basis.

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