

Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency

¹Alif Faruqi Febri Yanto *, ¹Apriana Rahmawati

¹Universitas Negeri Malang, Indonesia

*Corresponding author

Email: aliffaruqi.feb@um.ac.id

Volume

4

Issue

2

Edition

November

Page

546-553

Year

2023

Article History

Submission: 10-10-2023

Review: 13-10-2023

Accepted: 31-10-2023

Keyword

Counseling;
Government regulation;
UMKM;

How to cite

Yanto, A. F. F., Rahmawati, A. (2023). Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency. *Jurnal Pengabdian Masyarakat*, 4(2), 546-553.
<https://doi.org/10.32815/jpm.v4i2.2001>

Abstract

Purpose: The aim is for UMKM to understand their tax obligations, namely registering, recording, calculating, depositing, and reporting (5M) taxes as well as taking advantage of tax incentives provided by the government for business actors affected by the after Covid-19 pandemic. The incentive given to UMKM players is by reducing the PPh (Final PPh) rate to 0.5% of total turnover, in accordance with Government Regulation (PP) No. 23 of 2018.

Method: The method used in this activity is to create a Community Service (PKM) activity by providing online counseling regarding taxation (online system) to UMKM actors in Gunung Gangsir Village, Pasuruan Regency which includes the functions and obligations of taxation as well as a question-and-answer session.

Practical Applications: The results of this community service activity increase insight in the field of accounting which focuses on making simple financial reports, and how UMKM calculate their taxes according to tax regulations. Lack of understanding about taxation makes many UMKM ask how to register, record, calculate, pay and report (5M) their taxes.

Conclusion: Carrying out tax counseling in Gunung Gangsir Village, Pasuruan Regency, business actors at the UMKM Center have understood the importance of tax insight and have been able to make Individual Annual SPTs (OP Annual SPTs) based on PP No. 23 of 2018.



Introduction

In Gunung Gangsir Village, Pasuruan Regency, outreach was conducted regarding regulations for collecting UMKM Income Tax (PPh) with the aim of increasing legal awareness of UMKM actors in fulfilling their tax obligations. Tax aspects that pay attention to the interests of the business world (business-friendliness) must be used as a new paradigm, especially in the current era of industrial revolution 4.0, the existence of SMEs is increasingly important. The role of the state is to ensure an effective regulatory framework as well as control and policy mechanisms (Putra et al., 2018). The government must consider that support from legal aspects is very necessary for UMKM. The current very dynamic tax regulations require taxpayers to always follow the latest developments regarding the obligations that must be fulfilled by entrepreneurs, including micro, small and medium enterprises. However, many UMKM do not understand the importance of knowledge in taxation. Even though the government issued State Regulation Number 23 of 2018 concerning Taxation of Income Received or Received by Taxpayers with Certain Gross Turnover, which regulates tax deductions for UMKM which previously included final income tax in 2018 (Asnawi & Muslimin, 2022; Riskillah et al., 2022). The tax rate is 1% from this government regulation. The rate has been reduced to 0.5 percent. This is to make it easier for UMKM to calculate payments without making financial reports, just multiply one month's turnover or gross income by 0.5%. Regardless of the taxpayer's profit/loss, this facility is expected to increase tax compliance for UMKM players (Nurizzaman, 2020).

Based on research by (Marlina & Syahribulan, 2021), Indonesian UMKM are one of the foundations of the economy, that is, more than 60% can survive economic instability and have many business fields to develop. On the other hand, apart from capital, the development of UMKM is hampered by several weaknesses, namely intellectual capital, management capabilities, innovation capabilities, entrepreneurship, production and operations, marketing including customer relationship management, and legal issues (Yulia Anggraeni et al., 2022). Law can act as a tool of social engineering (Matnuh, 2018). Thus, legal policies regarding business legitimacy can encourage UMKM to develop and if managed well, UMKM can increase productivity, increase community income, and contribute to regional income (Kosasih et al., 2022). Even though UMKM contributes greatly to the country's economy, this does not necessarily have an impact on increasing income.

Based on the Tax Law, Law Number 36 of 2008 concerning Income Tax and Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, the tax obligations of UMKM are generally limited to obtaining a NPWP or registering as a taxpayer to obtain a NPWP (Negara et al., 2018). It is stipulated that it consists of If confirmed as a PKP and becomes a PKP, collecting, depositing, and reporting VAT as well as depositing and reporting PPh on the goods. It is deducted not only from income tax and other taxes, but also from deductions and collections made (Gunawan & Pramesti, 2023; Puspanita et al., 2022). A taxpayer is said to be tax compliant if he has good and structured accounting records and is fully aware of his tax obligations towards UMKM (Silaban et al., 2022). In Indonesia, the government needs to be aware of the lack of understanding of tax laws, due to the lack of socialization, understanding and awareness of taxation among taxpayers (Fitria & Supriyono, 2019).

The problem with this community service activity is that the current situation post-Covid-19 shows that many UMKM are affected by the pandemic situation which has continued to reduce the economy for almost two years, especially in Gunung Gangsir Village, Pasuruan Regency, they still do not know the role of UMKM in tax matters. Tax knowledge is still low, and they do not understand the incentives provided by the government to UMKM. The researcher's survey showed that there were problems in implementing UMKM tax collection in Gunung Gangsir Village, Pasuruan Regency, mainly due to a lack of socialization and training for UMKM actors, resulting in low levels of compliance in paying and reporting their tax obligations. Due to this problem, there is a need for social education regarding the role of

548) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

taxes for UMKM and expanding tax benefits to those affected post-pandemic. The aim of this activity is to provide information and guidance to UMKM regarding their obligations as taxpayers and provide information regarding tax incentives given to UMKM taxpayers based on PP No. 23 of 2018. The aim of this community service is to ensure that UMKM in Gunung Village Gangsir Pasuruan Regency can understand the tax obligations and regulations of UMKM, so that UMKM actors can fulfill their tax obligations and know and apply existing incentives to be able to fulfill their tax obligations in the post-Covid19 period.

Method

The method used in this activity is to create a Community Service (PKM) activity by providing online counseling regarding taxation (online system) to UMKM actors in Gunung Gangsir Village, Pasuruan Regency which includes the functions and obligations of taxation as well as a question-and-answer session which is packaged in an interesting so that it can arouse participants' curiosity in deepening the material.:

1. Tax report preparation activities start from calculating, depositing, and reporting taxes. Activities include: The way to calculate the tax payable is based on PP 23 of 2018, namely by multiplying the turnover in one month by the final PPh rate of 0.5%. Example: If the turnover in one month is fifty million rupiah, then the calculation method is $\text{IDR } 50 \text{ million} \times 0.5\% = \text{two hundred and fifty thousand rupiah}$. This amount must be paid to the state treasury.
2. How to create a billing code/tax deposit letter before making a payment to Perception Bank. Namely by accessing <https://djponline.pajak.go.id/account/login>. Through this web address, e-billing can be done.
3. How to make an Individual (OP) Annual Tax Return (SPT). Start by determining the SPT form that will be used based on the amount of income and source of income. There are three types of SPT OP forms, namely:
 - a. Annual SPT 1770 (Users of this form are individual taxpayers (WPOP) with the status of business owners or freelancers)
 - b. Annual Tax Return 17701770 S (Those who use it are WPOPs who earn income above sixty million rupiah every year. Besides that, this form is used by employees with sources of income from two employers in the same tax year.)
 - c. Annual Tax Return 17701770 SS (Users are WPOP who have an income of less than or equal to sixty million rupiah annually.)

Result

The urgency of the Tax Training activities in the form of Registering, Recording, Calculating, Depositing and Reporting (5M) Taxes for the UMKM Center in Gunung Gangsir Village can then be disseminated to UMKM packaged under the activity name "Tax Counseling PP No. 23 of 2018 on UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency" is to help participants master tax reports. The target of the outreach program is so that UMKM business actors at the Gunung Gangsir UMKM Center can carry out their tax obligations properly and correctly. Problems that commonly occur at the UMKM Center in Gunung Gangsir Village, Pasuruan Regency cannot be separated from the following discussion of UMKM Tax Calculations, Limited Capital Problems, Irregular accounting records, and Tax knowledge is still low.

Discussion

Tax material is presented based on the latest tax regulations relating to UMKM taxpayers. This is intended to provide focused understanding to business actors. This socialization explains the tax obligations of UMKM, the amount of turnover, and the tariff limits that taxpayers have. According to Government Regulation No. 23, 2018, the final PPh rate is 0.5% as follows: a) WP OP 7 years; b) WP such as cooperatives, CV and 4-year firms; c)

549) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

Corporate WP in the form of a limited liability company (PT) 3 years (Safrina et al., 2018).

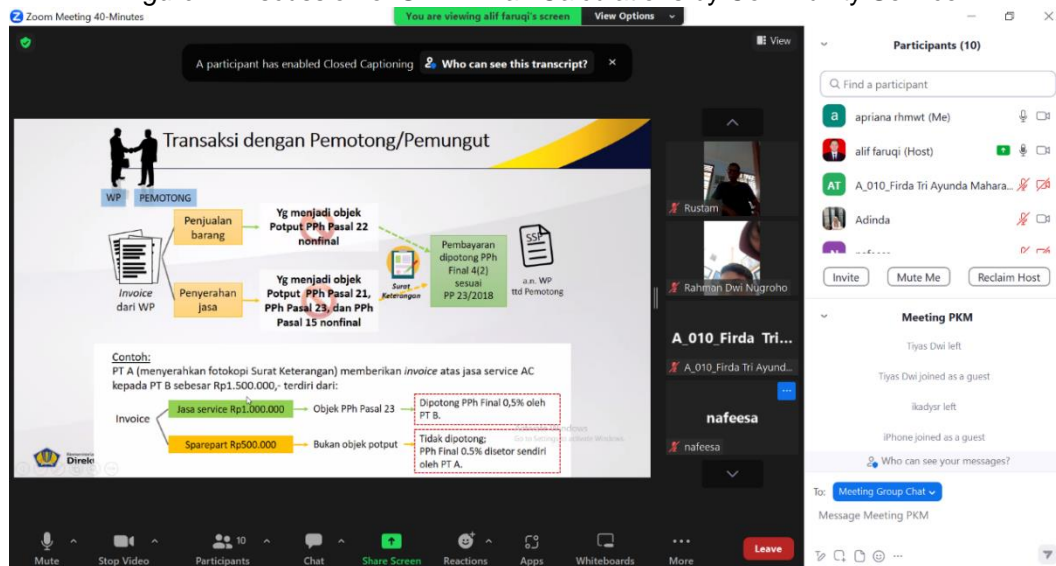
With the end of the limited liability company rates, companies use normal rates. During this pandemic, the government issued Law No. 7, 2021, namely "Harmonization of Tax Regulations" (Hasanah et al., 2021), for corporate taxpayers at a rate of 50%, while for individual taxable income (PTKP) such as follows:

Table 1. Tax rates

No.	Taxable Income	Rates
1	Above 0 – 60 million	5%
2	Above 250 – 500 million	15%
3	Above 500 – 5 billion	30%
4	Above 5 billion	35%

The results of this outreach activity increase knowledge in accounting focused on making simple financial reports, and how UMKM calculate their taxes according to tax regulations. Socialization has been carried out and UMKM players are very enthusiastic about asking how to calculate their taxes. The lack of understanding of taxation makes many UMKM ask how to calculate, pay, and report their taxes. This activity was welcomed positively by the UMKM of Gunung Gangsir Village, Beji District, Pasuruan Regency. The community hopes that there will be further socialization regarding tax bookkeeping by discussing in more depth the subject and object of tax.

Figure 1. Discussion of UMKM Tax Calculations by Community Service



Source: Researcher Documentation, 2023

Capital problems are the main obstacle in business development for entrepreneurs who are members of the Gunung Gangsir Village UMKM Center. This is because in running their business they are only limited to capital that comes from family savings. The lack of a network in the banking world is also a problem for them, this is caused by a lack of knowledge about the ins and outs of administering banking credit applications.

On average, UMKM in Gunung Gangsir Village, Pasuruan Regency run their businesses only based on self-taught knowledge and abilities, only a small percentage have a background in economics or accounting. This problem is related to their still limited mindset

550) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

regarding the importance of a good recording system, for them it is important to know the cost of goods produced and the cost of goods sold and the profit earned is considered sufficient, they do not consider it important to record accounting so that the financial cycle can be monitored systematically. This condition is also influenced by their educational background, where the majority do not have an economics background.

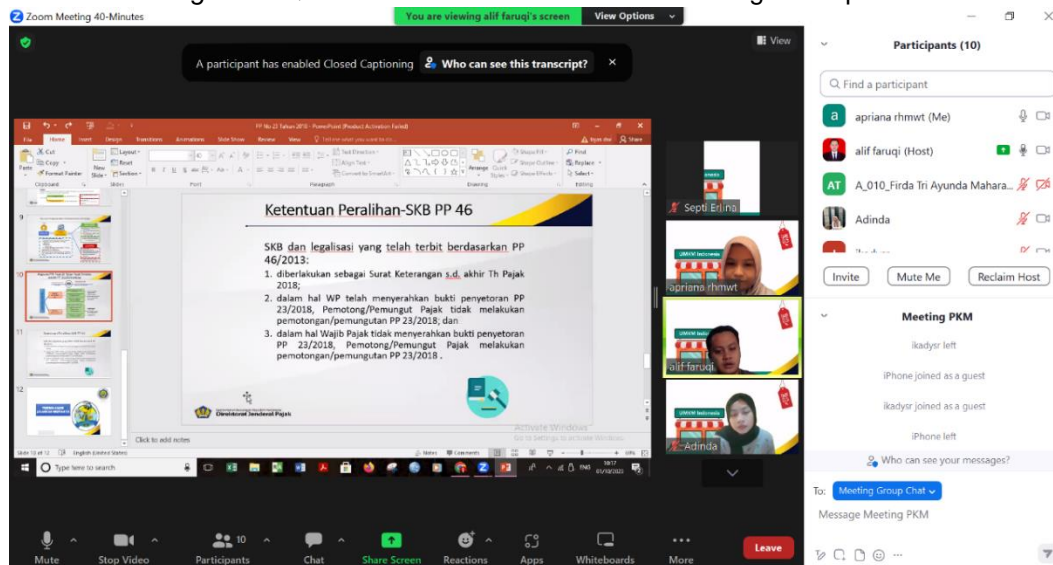
Based on questions and answers with UMKM counseling participants in Gunung Gangsir Village, Pasuruan Regency, it is known that most of them do not know about the elements of taxation which are obligations for every individual or business entity they own. In fact, one of the obligations that must be carried out is to make a tax report, both for the business owner as an individual taxpayer and the form of business as a corporate taxpayer, if it is in the form of a CV or PT. So, this counseling can open their insight into the importance of tax knowledge. Especially during the Covid-19 pandemic like now, the government really appreciates the existence of UMKM, so it provides various incentives for UMKM.

Figure 2. Opening of UMKM Tax Counseling by Community Service



Source: Researcher Documentation, 2023

Figure 3. Questions and Answers from Counseling Participants

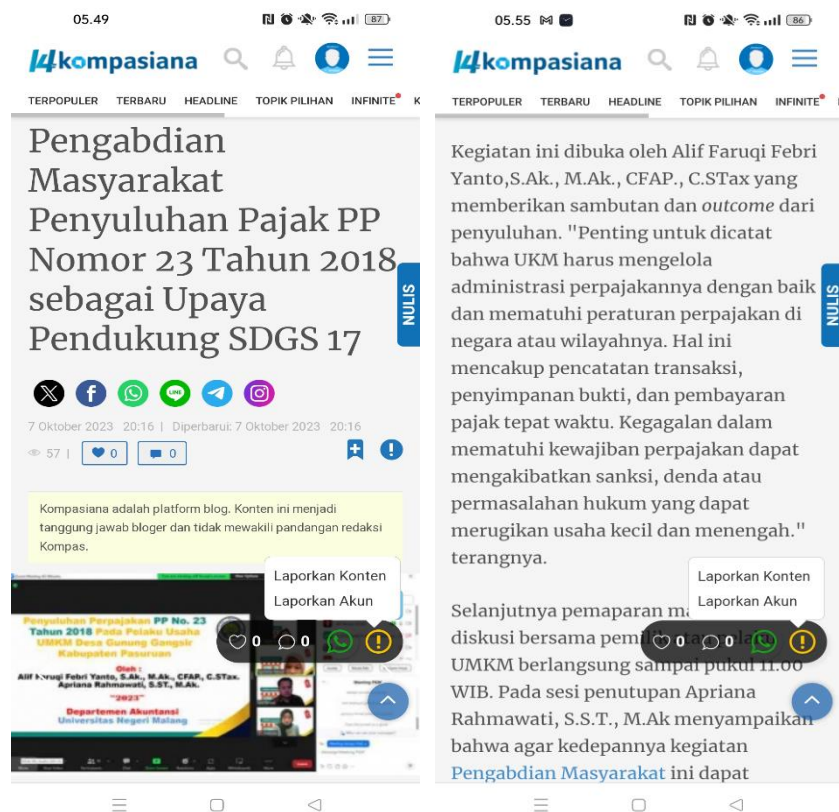


Source: Researcher Documentation, 2023

551) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

The results of this activity were also published by local news media in the form of articles, namely *kompasiana.com*. This can be used as a reference for UMKM entrepreneurs or other readers that this activity has taken place and can be read again in the article. With news, a person's insight increases, increasing curiosity about current problems, for example the development of tax regulations PP No. 23 of 2018 concerning UMKM.

Figure 4. Kompasiana Times Media News



Conclusion

After the tax socialization was held in Gunung Gangsir Village, Pasuruan Regency, business actors at the UMKM Center understood the importance of tax knowledge and have been able to make Individual Annual SPT (OP Annual SPTs). Have awareness of the importance of accounting bookkeeping and how to register, record, calculate, pay and report (5 M) taxes to the government. The distance between the village and urban areas makes them reluctant to pay taxes and assumes there is minimal supervision, apart from that because they do not fully understand it. For further community service activities, training can be held with material related to corporate income tax and how to report it so that you can contribute suggestions for the good and advancement of knowledge of the local community. Frequent changes in tax regulations require continuous socialization so that the public knows the latest developments. The author would like to express his gratitude to UMKM in Gunung Gangsir Village, Beji District, Pasuruan Regency as partners in implementing the tridharma of higher education.

Acknowledgements

In this part we would like to thank the entire team and involved the people in Mount Gangsir village for their dedication to this community engagement.

552) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

Reference

- Asnawi, M., & Muslimin, U. R. (2022). Literasi Pajak dan Keuangan: Optimalisasi Peningkatan Kompetensi UMKM di Jayapura. *The Community Engagement Journal: The Commem*, 5(1), 313–326. <https://doi.org/10.52062/thecommen.v5i1.2486>
- Fitria, P. A., & Supriyono, E. (2019). Pengaruh Pemahaman Peraturan Perpajakan, Persepsi Tarif Pajak, Dan Keadilan Perpajakan Terhadap Kepatuhan Wajib Pajak. *EconBank: Journal of Economics and Banking*, 1(1), Article 1. <https://doi.org/10.35829/econbank.v1i1.7>
- Gunawan, E., & Pramesti, R. A. (2023). Calculation, Deposit, Reporting and Recording of VAT Accounting With E-Invoice on PT. Cipta Medika Indonesia. *Neo Journal of Economy and Social Humanities*, 2(3), 177–185. <https://doi.org/10.56403/nejesh.v2i3.127>
- Hasanah, U., Na'im, K., Elyani, E., & Waruwu, K. (2021). Analisis Perbandingan Tax Amnesty Jilid I dan Jilid II (Program Pengungkapan Sukarela) Serta Peluang Keberhasilannya. *Owner*, 5(2), 706–716. <https://doi.org/10.33395/owner.v5i2.565>
- Kosasih, R., Margianti, E. S., Harmanto, S., Mukodim, D., & Putra, H. D. (2022). Perancangan Sistem Otomatis Transaksi Pembayaran Pada Marketplace UMKM Menggunakan Metode Crawling Horspool. *Jurnal Media Informatika Budidarma*, 6(4), 2247. <https://doi.org/10.30865/mib.v6i4.4803>
- Marlina, L., & Syahribulan, S. (2021). Peranan Insentif Pajak Yang Di Tanggung Pemerintah (DTP) Di Era Pandemi Covid 19. *Economy Deposit Journal (E-DJ)*, 2. <https://doi.org/10.36090/e-dj.v2i2.910>
- Matnuh, H. (2018). Law as a Tool of Social Engineering. *Proceedings of the 1st International Conference on Social Sciences Education - 'Multicultural Transformation in Education, Social Sciences and Wetland Environment' (ICSSE 2017)*. 1st International Conference on Social Sciences Education - 'Multicultural Transformation in Education, Social Sciences and Wetland Environment' (ICSSE 2017), Banjarmasin, Indonesia. <https://doi.org/10.2991/icsse-17.2018.28>
- Negara, H. K. S., Purnamasari, D. I., & Universitas Pembangunan Nasional Veteran Yogyakarta Indonesia. (2018). The Influence of Taxation Knowledge and Tax Awareness on Umkm to Taxpayer Compliance in The Special Province of Yogyakarta. *Research in Management and Accounting*, 1(2), 85–91. <https://doi.org/10.33508/rima.v1i2.2594>
- Nurizzaman, R. (2020). Analisis Kepatuhan Perpajakan Pelaku Usaha Mikro, Kecil, Dan Menengah (Umkm) Di Indonesia: Studi Pada Kota Banjarbaru Kalimantan Selatan. *Jurnal Ilmiah Ekonomi Bisnis*, 6(2), 176–185. <https://doi.org/10.35972/jieb.v6i2.345>
- Puspanita, I., Mulyanah, M., Pratiwi, R., & Pratama Yuli Arsyah, A. (2022). Collecting and Reporting Mechanism Value Added Tax. *Journal of Applied Business, Taxation and Economics Research*, 2(2), 217–223. <https://doi.org/10.54408/jabter.v2i2.150>
- Putra, A. H., Aswari, A., Arifin, M. Y., & Rina, R. (2018). Quantitative Series: Factors Analysis Effects of Government Regulation Number 46 the Year 2013 For SME's by Justice, Convenience, and Simplicity of Tax Aspects. *Substantive Justice International Journal of Law*, 1(2), 65. <https://doi.org/10.33096/substantivejustice.v1i2.16>
- Riskillah, A., Irawan, I., & Rachman, A. A. (2022). Pengaruh Pengetahuan Perpajakan, Kondisi Keuangan dan Lingkungan terhadap Kepatuhan Wajib Pajak UMKM: (Studi Kasus UMKM di Kota Bandar Lampung). *Jurnal Ilmiah ESAI*, 16(1), 1–14. <https://doi.org/10.25181/esai.v16i1.2407>
- Safrina, N., Soehartono, A., & Noor, A. B. S. (2018). *Kajian Dampak Penerapan Pph Final 0,5 % Terhadap Umkm Dalam Rangka Pencapaian Target Penerimaan Pajak Tahun 2018*. <https://www.semanticscholar.org/paper/Kajian-Dampak-Penerapan-Pph-Final-0%2c5-Terhadap-UMKM-Safrina-Soehartono/0343415ffb3ccf6b5fb1b7bdfbc8ba2178e81809>
- Silaban, A., Robin, R., Satriawan, B., Irfan, I., Khaddafi, M., Khaddafi, M., & Wibisono, C.

553) Tax Counseling PP No. 23 of 2018 as support for SDGS 17 for UMKM Business Actors in Gunung Gangsir Village, Pasuruan Regency, Yanto, A. F. F., Rahmawati, A.

(2022). The Influence of Tax Knowledge, Understanding of Tax Regulations, And Implementation Of E-Filing Systems, Towards Msmes Taxpayer Compliance with Tax Socialization as A Moderating Variable (Survey on Umkm Agency Wp Registered at Kpp Pratama Batam Selatan. *International Journal of Social Science, Educational, Economics, Agriculture Research and Technology (IJSET)*, 1(12), 787–796. <https://doi.org/10.54443/ijset.v1i12.84>

Yulia Anggraeni, N., Melinasari, S., & Shiddieqy, H. A. (2022). Analisis Strategi Pemasaran Usaha Mikro Kecil Dan Menengah (Umkm) Nyonya Sambel Kecamatan Pamijahan, Kabupaten Bogor Dalam Perspektif Manajemen Syariah. *Sahid Business Journal*, 2(01), 118–128. <https://doi.org/10.56406/sahidbusinessjournal.v2i01.84>