

## Simplification of Income Tax Withholding Article 21 Through the Application of Average Effective Rates for Individual Taxpayers

Tjandra Wasesa<sup>1</sup>, Sugiharto Heri Toni<sup>2</sup>, Bambang Karnaen<sup>3</sup>, Diana Zuhroh<sup>4</sup>, Rina Dewi<sup>5</sup>

Departement of Accounting, Faculty of Economic and Business, Universitas 45 Surabaya, Indonesia<sup>1,2,3,3,4,5</sup>

Corresponding Author: Tjandra Wasesa ([tjandra.wasesa@yahoo.co.id](mailto:tjandra.wasesa@yahoo.co.id))

### ARTICLE INFO

Date of entry:  
7 September 2024  
Revision Date:  
22 September 2024  
Date Received:  
30 September 2024

### ABSTRACT

Income Tax Article 21 is a withholding tax on income received by an individual taxpayer originating from work, services or activities carried out within the country. In general, PPh 21 is related to taxes used in a company's employee payroll system. Calculation of Income Tax and PPh 21 withholding is quite complex and has a confusing calculation scheme so it is necessary to simplify and simplify calculations and deductions, as well as administrative management that does not burden taxpayers in carrying out their tax obligations correctly. In addition to progressive tax rates, the Directorate General of Taxes has implemented changes to the PPh 21 withholding rates using the average effective rate (TER) scheme in accordance with Government Regulation Number 58 of 2023. Find out about the new scheme and the latest example of PPh 21 calculations which will be effective starting in 2024. With the tariff scheme Effective PPh 21 TER, the calculation of Income Tax Article 21 becomes simpler. The TER scheme also does not change the calculation of PPh 21 in a year, because it is still based on Article 17 paragraph (1) letter a of the Income Tax Law. Apart from that, the TER scheme also does not provide additional new tax burdens because it is basically a method of calculating taxes on a monthly or daily basis.

Keywords: Withholding Income.



Cite this as: Wasesa, T., Toni, S. H., Karnaen, B., Zuhroh, D., & Dewi, R. (2024). Simplification of Income Tax Withholding Article 21 Through the Application of Average Effective Rates for Individual Taxpayers. *International Journal of Accounting and Management Research*, 5(2), 89–97. <https://doi.org/10.30741/ijamr.v5i2.1484>

## INTRODUCTION

Income Tax Article 21 is a tax deduction made on income in connection with work, services and activities paid to individuals who are domestic Tax Subjects, including employees. For the employees themselves, perhaps the term PPh Article 21 sounds a little foreign, all that employees know is that they get the income stated in their pay slip with a statement of Income Tax deductions for each month. However, on the other hand, for personnel or business owners, the term PPh Article 21 is something that is often handled routinely, it could even be that the procedures for withholding PPh 21 often create difficulties in carrying out the obligation to withhold PPh 21.

Income Tax Article 21 must be paid by all employees who have received income. In reality, the amount of tax withheld varies from one employee to another, so that the company carries out its

payment obligations according to the applicable mechanism, namely the company deducts tax on employee income every month to be paid to the state treasury. Apart from that, the company is also obliged to provide proof of withholding of Income Tax Article 21 to the employee concerned. Article 21 Income Tax deductions will be listed on the employee's pay slip along with details of other deductions or additions. Furthermore, at the end of the tax year, the company provides proof of withholding of PPh Article 21 which has been withheld from employee income during the current year.

In fact, the imposition of PPh Article 21 is widely used for various other activities taking into account the tax subject, including: formal workers or employees, casual workers or non-employees, both workers and entrepreneurs, as well as individual taxpayers as entrepreneurs. So the treatment of PPh Article 21 and the percentage of tax that will be charged varies greatly depending on the circumstances of the income recipient. For this reason, it is necessary to simplify efforts to withhold Income Tax Article 21 by using the Average Effective Tariff (TER) scheme. It is hoped that the implementation of the TER scheme can overcome the complexity of withholding PPh Article 21 and not burden taxpayers in carrying out their tax obligations correctly. Thus, taking into account the explanation above, considering that the treatment of PPh Article 21 deductions for various tax subjects varies greatly, it is necessary to apply the Average Effective Tariff scheme.

### **Formulation of the Problem**

Based on the description of the background to Income Tax deductions Article 21 which has been presented above, a problem formulation can be drawn which can be used as a limitation of the problem as follows:

- a. How to simplify Article 21 Income Tax deductions?
- b. How is the Average Effective Rate (TER) applied to individual taxpayer income?

## **LITERATURE REVIEW**

### **Understanding Income Tax Article 21**

PPh Article 21 is a tax on income in the form of salaries, wages, honorarium, allowances and other payments in any name and in any form in connection with work or position, services and activities carried out by individuals subject to domestic taxation. This income tax payment is made in the current year through deductions by certain parties. The party withholding PPh Article 21 is obliged to calculate, withhold and deposit the PPh Article 21 owed, and must provide proof of the withholding. The amount of tax that has been properly withheld and remitted by the employer and other withholding agents can be used by the Taxpayer to be used as a tax credit for the Income Tax payable at the end of the year.

### **Income Tax Withholding Article 21**

What is meant by Article 21 Income Tax Withholding is every individual or entity that is required under the Income Tax Law to withhold or collect Article 21 Income Tax, including, among others: employers, government treasurers, pension funds, companies, agencies, foundations, and administrators activity.

### **Income Recipient**

Taxpayers whose income is deducted from PPh Article 21 include: State Officials, ASN, employees, permanent employees, freelance workers, pension recipients, honorarium recipients, wage recipients, and other individuals who receive or obtain income in connection with work, services, and the activities of tax withholding agents. Individual taxpayers as income recipients do not pay the tax themselves, but this type of PPh Article 21 is deducted or collected by the company/employer through withholding PPh Article 21. Next, the withholding party/company/employer deposits or pays the withheld PPh Article 21. from individual taxpayers who receive taxable income to the state treasury, and income recipients as parties subject to PPh Article 21, will receive proof of withholding PPh Article 21 from the party who deducts income.

### **Object of Income Tax Article 21**

Several types of income that are deducted from PPh Article 21 include:

- a. Income received or earned by permanent employees, whether in the form of regular or irregular income
- b. Income received or earned by industry recipients regularly takes the form of industry money or similar income
- c. Income in connection with termination of employment and income in connection with industry which is received as a lump sum in the form of severance pay, industrial benefit money, old age allowance
- d. Income of non-permanent employees or casual workers, in the form of daily wages, weekly wages, piece wages, industrial wages or wages paid monthly
- e. Rewards to non-employees, including honorariums, commissions, fees and similar rewards in any name and in any form as compensation in connection with work, services and activities carried out
- f. Rewards to activity participants include, among other things, pocket money, representation money, meeting money, honorarium, prizes or awards in whatever name and in whatever form, and similar rewards in whatever name.

### **Legal Basis**

The legal basis for the latest PPh Article 21 calculation scheme is in accordance with the provisions in Article 21 paragraph (5) of Law Number 36 of 2008 concerning Income Tax (UU PPh) and Law Number 7 of 2021 concerning Harmonization of Tax Regulations (HPP), which states that: "The withholding rate for income as intended in paragraph (1) is the tax rate as intended in Article 17 paragraph (1) letter a, unless otherwise stipulated by Government Regulation."

Furthermore, the government issued technical regulations as implementing rules for Government Regulation Number 58 of 2023 through Minister of Finance Regulation Number 168 of 2023 concerning Guidelines for Implementing Tax Deductions on Income in Connection with Work, Services or Individual Activities.

Thus, the latest Article 21 PPh deduction calculation scheme is based on the recipient and the amount of income subject to tax. This aims to provide legal certainty, convenience and simplicity regarding withholding of PPh Article 21 by employers. This PMK is issued so that it can accommodate adjustments to withholding rates using the effective rate of the rate of Article 17 Paragraph (1) of the Income Tax Law.

### **Changes to Article 21 Income Tax Regulations**

The government has re-regulated the withholding of PPh Article 21 as stated in Government Regulation (PP) Number 58 of 2023 concerning Rates of Withholding of PPh Article 21 on Income in Connection with Work, Services or Activities of Individual Taxpayers. There are two income tax withholding rate schemes for Article 21, namely:

1. Tariffs are based on Article 17 paragraph (1) letter a of the Income Tax Law  
The progressive rate scheme of Article 17 paragraph (1) letter a of the Income Tax Law is used to calculate Article 21 Income Tax for a year in the Last Tax Period.
2. Average effective rate (TER) withholding of PPh Article 21  
This average effective rate scheme for Income Tax Article 21 is for calculating Income Tax Article 21 in tax periods other than the Last Tax Period or on a monthly or daily basis.

Therefore, it is necessary to simplify calculations and deductions, as well as administrative management that does not burden taxpayers in carrying out their tax obligations correctly. By implementing the effective rate scheme for Income Tax Article 21 (TER), calculating Income Tax Article 21 becomes simpler. The TER scheme does not change the calculation of PPh Article 21 in a year because it still follows Article 17 paragraph (1) letter a of the Income Tax Law. Apart from

that, the TER scheme does not add any new tax burden because it is a monthly or daily tax calculation method.

### Changes to the Income Tax Calculation Scheme Article 21

The latest scheme for calculating PPh Article 21 is by using the Average Effective Tariff (TER). There are two types of TER, the first is Monthly TER and the second is Daily TER. Monthly TER is intended for certain tax subjects on gross income paid every month. There are three Monthly TER Categories, namely Categories A, B and C, determined based on the income recipient's PTKP status. In each category there is an Article 21 PPh rate which varies based on the status of the income recipient and according to the gross income layer in that category:

1. Monthly TER Category A is for income recipients with PTKP status TK/0, TK/1, and K/0, namely with a PTKP value of 54 million rupiah and 58.5 million rupiah. In Category A, there are 44 tariffs according to gross income layers and the highest tariff value in Category a Monthly TER is 34%.

**Table 1. TER Monthly Category A**

No	Gross Income (Rp)		Tariff A	N o	Gross Income (Rp)		Tariff A
1	up to 5.400.000		0,00 %	23	30.050.001	32.400.000	13,00 %
2	5.400.001	s.d. 5.650.000	0,25 %	24	32.400.001	35.400.000	14,00 %
3	5.650.001	s.d. 5.950.000	0,50 %	25	35.400.001	39.100.000	15,00 %
4	5.950.001	s.d. 6.300.000	0,75 %	26	39.100.001	43.850.000	16,00 %
5	6.300.001	s.d. 6.750.000	1,00 %	27	43.850.001	47.800.000	17,00 %
6	6.750.001	s.d. 7.500.000	1,25 %	28	47.800.001	51.400.000	18,00 %
7	7.500.001	s.d. 8.550.000	1,50 %	29	51.400.001	56.300.000	19,00 %
8	8.550.001	s.d. 9.650.000	1,75 %	30	56.300.001	62.200.000	20,00 %
9	9.650.001	s.d. 10.050.000	2,00 %	31	62.200.001	68.600.000	21,00 %
10	10.050.001	s.d. 10.350.000	2,25 %	32	68.600.001	77.500.000	22,00 %
11	10.350.001	s.d. 10.700.000	2,50 %	33	77.500.001	89.000.000	23,00 %
12	10.700.001	s.d. 11.050.000	3,00 %	34	89.000.001	103.000.000	24,00 %
13	11.050.001	s.d. 11.600.000	3,50 %	35	103.000.001	125.000.000	25,00 %
14	11.600.001	s.d. 12.500.000	4,00 %	36	125.000.001	157.000.000	26,00 %
15	12.500.001	s.d. 13.750.000	5,00 %	37	157.000.001	206.000.000	27,00 %
16	13.750.001	s.d. 15.100.000	6,00 %	38	206.000.001	337.000.000	28,00 %
17	15.100.001	s.d. 16.950.000	7,00 %	39	337.000.001	454.000.000	29,00 %
18	16.950.001	s.d. 19.750.000	8,00 %	40	454.000.001	550.000.000	30,00 %
19	19.750.001	s.d. 24.150.000	9,00 %	41	550.000.001	695.000.000	31,00 %
20	24.150.001	s.d. 26.450.000	10,00 %	42	695.000.001	910.000.000	32,00 %

21	26.450.00	s.d.	28.000.000	11,00 %	43	910.000.001	s.d.	1.400.000.000	33,00 %
22	28.000.00	s.d.	30.050.000	12,00 %	44	more than 1.400.000.000			34,00 %

Source : Government Regulation (PP) Number 58 of 2023

2. Monthly TER Category B is for income recipients with PTKP TK/2 and TK/3 status worth 63 million rupiah and PTKP K/1 and K/2 status worth 67.5 million rupiah. In Category B Monthly TER there are 40 rates according to gross income layers and the highest rate value in Category B Monthly TER is 34%.

**Table 2. TER Monthly Category B**

No	Gross Income (Rp)			Tariff B	No	Gross Income (Rp)			Tariff B
1	up to 6.200.000			0,00%	21	37.100.001	s.d.	41.100.000	15,00%
2	6.200.001	s.d.	6.500.000	0,25%	22	41.100.001	s.d.	45.800.000	16,00%
3	6.500.001	s.d.	6.850.000	0,50%	23	45.800.001	s.d.	49.500.000	17,00%
4	6.850.001	s.d.	7.300.000	0,75%	24	49.500.001	s.d.	51.800.000	18,00%
5	7.300.001	s.d.	9.200.000	1,00%	25	51.800.001	s.d.	58.500.000	19,00%
6	9.200.001	s.d.	10.750.000	1,50%	26	58.500.001	s.d.	64.000.000	20,00%
7	10.750.001	s.d.	11.250.000	2,00%	27	64.000.001	s.d.	71.000.000	21,00%
8	11.250.001	s.d.	11.600.000	2,50%	28	71.000.001	s.d.	80.000.000	22,00%
9	11.600.001	s.d.	12.600.000	3,00%	29	80.000.001	s.d.	93.000.000	23,00%
10	12.600.001	s.d.	13.600.000	4,00%	30	93.000.001	s.d.	109.000.000	24,00%
11	13.600.001	s.d.	14.950.000	5,00%	31	109.000.001	s.d.	129.000.000	25,00%
12	14.950.001	s.d.	16.400.000	6,00%	32	129.000.001	s.d.	163.000.000	26,00%
13	16.400.001	s.d.	18.450.000	7,00%	33	163.000.001	s.d.	211.000.000	27,00%
14	18.450.001	s.d.	21.850.000	8,00%	34	211.000.001	s.d.	374.000.000	28,00%
15	21.850.001	s.d.	26.000.000	9,00%	35	374.000.001	s.d.	459.000.000	29,00%
16	26.000.001	s.d.	27.700.000	10,00%	36	459.000.001	s.d.	555.000.000	30,00%
17	27.700.001	s.d.	29.350.000	11,00%	37	555.000.001	s.d.	704.000.000	31,00%
18	29.350.001	s.d.	31.450.000	12,00%	38	704.000.001	s.d.	957.000.000	32,00%
19	31.450.001	s.d.	33.950.000	13,00%	39	957.000.001	s.d.	1.405.000.000	33,00%
20	33.950.001	s.d.	37.100.000	14,00%	40	more than 1.405.000.000			34,00%

Source : Government Regulation (PP) Number 58 of 2023

3. Monthly TER Category C is for income recipients with PTKP K/3 status worth 72 million rupiah. In Category C there are 41 rates according to gross income layers and the highest rate in Category C Monthly TER is 34%.

**Table 3. TER Mounthly Category C**

No	Gross Income (Rp)			Tariff C
1	up to 6.600.000			0,00%
2	6.600.001	s.d.	6.950.000	0,25%
3	6.950.001	s.d.	7.350.000	0,50%
4	7.350.001	s.d.	7.800.000	0,75%
5	7.800.001	s.d.	8.850.000	1,00%
6	8.850.001	s.d.	9.800.000	1,25%
7	9.800.001	s.d.	10.950.000	1,50%
8	10.950.001	s.d.	11.200.000	1,75%
9	11.200.001	s.d.	12.050.000	2,00%
10	12.050.001	s.d.	12.950.000	3,00%
11	12.950.001	s.d.	14.150.000	4,00%
12	14.150.001	s.d.	15.550.000	5,00%
13	15.550.001	s.d.	17.050.000	6,00%
14	17.050.001	s.d.	19.500.000	7,00%
15	19.500.001	s.d.	22.700.000	8,00%
16	22.700.001	s.d.	26.600.000	9,00%
17	26.600.001	s.d.	28.100.000	10,00%
18	28.100.001	s.d.	30.100.000	11,00%
19	30.100.001	s.d.	32.600.000	12,00%
20	32.600.001	s.d.	35.400.000	13,00%
21	35.400.001	s.d.	38.900.000	14,00%
22	38.900.001	s.d.	43.000.000	15,00%
23	43.000.001	s.d.	47.400.000	16,00%
24	47.400.001	s.d.	51.200.000	17,00%
25	51.200.001	s.d.	55.800.000	18,00%
26	55.800.001	s.d.	60.400.000	19,00%
27	60.400.001	s.d.	66.700.000	20,00%
28	66.700.001	s.d.	74.500.000	21,00%
29	74.500.001	s.d.	83.200.000	22,00%
30	83.200.001	s.d.	95.600.000	23,00%
31	95.600.001	s.d.	110.000.000	24,00%
32	110.000.001	s.d.	134.000.000	25,00%
33	134.000.001	s.d.	169.000.000	26,00%
34	169.000.001	s.d.	221.000.000	27,00%
35	221.000.001	s.d.	390.000.000	28,00%
36	390.000.001	s.d.	463.000.000	29,00%
37	463.000.001	s.d.	561.000.000	30,00%
38	561.000.001	s.d.	709.000.000	31,00%
39	709.000.001	s.d.	965.000.000	32,00%
41	more than 1.419.000.000			34,00%

Source: Government Regulation (PP) Number 58 of 2023

Apart from Monthly TER, there is also Daily TER. Daily TER is used to calculate PPh Article 21, the type of tax subject for Non-Permanent Employees who receive gross income paid daily, weekly, individually or in pieces. The daily TER for income received on a weekly, piece or piece rate basis is applied using the average amount of daily income from the average weekly, piece or piece rate wages received. Calculating Income Tax Article 21 with Daily TER only uses two rates, based on gross income received per day, namely:

1. 0% rate for daily gross income layers of less than IDR 450 thousand per day.
2. 0.5% rate for daily gross income layer of IDR 450 thousand - IDR 2.5 million per day.

## METHODS

The preparation of this research journal is directed at searching the literature (library research), the Government Regulation approach (statute approach), and other documents related to the subject matter of this research. Based on the results of this search, a systematic scientific article will be produced using an analytical approach, so it is hoped that a qualitative discussion will be obtained. In this research, the problem that will be examined is the simplification of Article 21 Income Tax deductions through the application of the Average Effective Rate (TER) for individual taxpayers. Meanwhile, the aim of this research is to find out systematic and actual descriptions of the facts and



relationships between the problems being researched, then interpret them to obtain the necessary information, and then compare them with existing theories to obtain appropriate problem solving conclusions (Sugiyono, 2019:86)

The materials and data used are secondary data obtained in the form of books, articles or scientific journals, as well as research results related to the object being discussed. Meanwhile, data collection can also be supplemented with several tax articles obtained from internet sources or other scientific articles, and supported by Government Regulations related to this discussion as a guide in the description of this research discussion. Furthermore, the data from this research is carried out in an in-depth, holistic and comprehensive analysis in order to produce knowledge that can provide mutual benefits.

## RESULTS AND DISCUSSION

### Application of TER in Calculating Income Tax Article 21 for Permanent Employees

An employee as a permanent employee at a company receives a monthly salary of IDR 8 million per month and pays pension contributions of IDR 100 thousand per month. The employee is unmarried and has no dependents (PTKP TK/0) so the calculation of PPh 21 using TER is as follow Article 21 Income Tax Withholding (tax period January – November 2024):

The employee has PTKP TK/0 status with a gross income of IDR 8 million per month, withholding PPh Article 21 on his income for the tax period January to November 2024 using an effective category A rate of 1.50%.

The amount of PPh Article 21 per month = Gross income per month x Effective Monthly Rate = IDR 8 million x 1.50% = IDR 120 thousand

Article 21 Income Tax Withholding (tax period December 2024):

Gross income per year = IDR 8 million x 12 months = IDR 96,000,000

Subtrac: Position Fee = 5% x IDR 96,000,000 = IDR 4,800,000

Pension Contribution = IDR 100,000 x 12 months = IDR 1,200,000 +

Deductible Fee IDR 6,000,000 -

Net income per year: IDR 90,000,000

PTKP a year (TK/0): IDR 54,000,000-

Annual Taxable Income (PKP): IDR 36,000,000

The amount of PPh Article 21 per year

= Rate of Article 17 (1) letter a of the Income Tax Law x PKP a year

= 5% x IDR 36,000,000 = IDR 1,800,000

PPh 21 December = PPh 21 a year – (PPh 21 January to November 2024)

= IDR 1,800,000 - (IDR 120,000 x 11 months) = IDR 480,000

The total PPh Article 21 a year paid by the employee by applying the latest TER PPh 21 is IDR 1,800,000 and you can ask for proof of deduction as a tax credit for PPh Article 21

### Application of TER in calculating Income Tax Article 21 for Non-Permanent Employees

A non-permanent employee at a company has completed a piece of work that took him 12 days and earned an income of IDR 2,400,000, so the calculation of PPh Article 21 using TER is as follows: Average daily income = IDR 2,400,000: 12 days = IDR 200,000

Because the average daily income is still less than IDR 450,000 per day, the calculation of PPh Article 21 uses an effective rate of 0% so the calculation of PPh Article 21 on the income of non-permanent employees from contract work is equal to:

= Daily effective rate x Daily gross income

= 0% x IDR 200,000 = IDR 0.

Another thing is, there is a non-permanent employee who receives weekly income of IDR 1,800,000 per day, in that week the employee works for 6 days, then the income of the non-permanent employee is deducted from PPh Article 21 with the following calculation. Because daily income has reached between IDR 450,000 – IDR 2,500,000 per day, the calculation of PPh Article 21 uses an effective rate of 0.5% so the calculation of PPh Article 21 on the income of non-permanent employees from daily work paid weekly is:

$$= \text{Daily effective rate} \times \text{Daily gross income}$$

$$= 0.5\% \times \text{IDR } 1,800,000 = \text{IDR } 9,000.$$

The employee works 6 days, then PPh Article 21 is deducted when receiving it  
= IDR 9,000 x 6 days = IDR 54,000

If it turns out that a non-permanent employee receives income of more than IDR 2,500,000 per day, then the income tax imposed on the income he receives uses the PPh Article 21 calculation using the rate of Article 17 of the Income Tax Law.

#### **Application of TER in the calculation of Income Tax Article 21 for non-employees**

A public accountant is working on a financial audit for a company and receives a service fee of IDR 350,000,000 so the calculation of PPh Article 21 on non-employee income from financial audit work is:

$$= \text{Income Tax Article 17 rate} \times (50\% \times \text{gross income received})$$

$$= \text{Income Tax Article 17 rate} \times (50\% \times \text{IDR } 350,000,000)$$

$$= \text{PPh Article 17 rate} \times \text{IDR } 175,000,000$$

The amount of PPh Article 21 is:

$$= 5\% \times \text{IDR } 60,000,000 = \text{IDR } 3,000,000$$

$$= 15\% \times \text{IDR } 115,000,000 = \text{IDR } 17,250,000 +$$

$$\text{Income Tax Article 21 payable} = \text{IDR } 20,250,000$$

## **CONCLUSION**

Based on the research results and several explanations in the discussion regarding the simplification of Article 21 Income Tax deductions through the application of the Average Effective Rate for Individual Taxpayers, the following conclusions can be drawn : Government Regulation Number 58 of 2023 was issued with the aim of making it easier for Taxpayers to calculate and administer PPh Article 21 deductions, so that business processes become more effective, efficient and accountable, That the calculation scheme with Monthly TER is used to calculate PPh Article 21 with the subject of tax for Permanent Employees and Retirees for all monthly income in each Tax period (January - November), except for the last Tax period (December or the last Tax Period for permanent employees working in the section tax year). Meanwhile, the calculation of PPh 21 a year for the Last Tax Period (December), continues to use the rates of Article 17 paragraph (1) letter a of the Income Tax Law in accordance with the provisions currently in force, Meanwhile, the Daily Income Tax Article 21 TER calculation scheme is only used for Non-Permanent Employees tax subjects. The basis for tax imposition is daily gross income. If so far non-permanent employees with a daily gross income of less than 450 thousand have not had a Withholding Proof produced, with the use of Daily TER, a withholding proof will still be made at a rate of 0%. Then for daily gross income in the range of more than 450 thousand to 2.5 million per day, the calculation of PPh Article 21 with Daily TER uses a rate of 0.5%, The application of TER does not add a new tax burden to the tax calculation. The TER calculation scheme will make it easier for withholding agents to prepare Proof of Withholding Income Tax Article 21 in each tax period because the determination of the rate only takes into account the status of the tax subject (employee PTKP) and the tax base, namely gross income. One of the objectives of the DJP in establishing a calculation scheme using TER is to uphold the principle of fairness to all tax subjects for income included in the object of PPh Article 21, namely the creation of a Withholding Proof of PPh Article 21 even though the tax value is IDR 0. This is shown in the Daily TER provisions, namely the rate for Proof of Withholding Income Tax



Article 21 using a rate of 0% for non-permanent employees with a gross income of less than 450 thousand a day, The implementation of calculating Income Tax Article 21 using the Average Effective Tariff (TER) scheme for income received as of January 1 2024 is expected to provide more convenience for Taxpayers in carrying out tax obligations and through the implementation of this new calculation scheme it is hoped that it can also further improve the accuracy of tax calculations in order to increase tax awareness and compliance among the public in order to achieve better and more equitable prosperity.

## REFERENCES

- Agoes, Sukirno and Trisnawati Estralita. 2016. Tax Accounting. Revised second edition. Jakarta: Salemba Empat.
- Burton, Richard and Wirawan B. Ilyas. 2014. Hukum Pajak. Jakarta: Salemba Empat Publishers.
- Dwi Astuti, siaran pers Direktur Penyuluhan, Pelayanan dan Humas Direktorat Jenderal Pajak Nomor SP-2/2024.
- Fitriya. 2024. Click Tax. Calculation and Withholding of Income Tax Article 21 Using Effective Rates. (<https://klikpajak.id/blog/pajak-penghasilan-pasal-21-2/>)
- Mardiasmo. 2019. Perpajakan. Edisi Revisi. Yogyakarta: Andi.
- Peraturan Direktur Jenderal Pajak Nomor PER-31/PJ/2012 tentang Pedoman Teknis Tata Cara Pemotongan, Penyetoran, dan Pelaporan Pajak Penghasilan Pasal 21 dan/atau Pajak Penghasilan Pasal 26 Sehubungan dengan Pekerjaan, Jasa, dan Kegiatan Orang Pribadi.
- Peraturan Menteri Keuangan Nomor 162/PMK.011/2012 tentang Penyesuaian Besarnya Penghasilan Kena Pajak.
- Peraturan Menteri Keuangan Nomor 168/PMK.03/2023 tentang Petunjuk Pelaksanaan Pengurangan Pajak atas Penghasilan Sehubungan dengan Pekerjaan, Jasa, atau Kegiatan Orang Pribadi.
- Peraturan Pemerintah (PP) Nomor 58 Tahun 2023 tentang Tarif Pemotongan Pajak Penghasilan Pasal 21 atas Penghasilan Sehubungan dengan Pekerjaan, Pelayanan atau Kegiatan Wajib Pajak Orang Pribadi.
- Pohan, Chairil Anwar. 2013. Manajemen Perpajakan. Jakarta: Gramedia Pustaka Utama.
- Resmi, Siti. 2019. Taxation: Theory & Cases. Edition 11. Book 1. Jakarta: Salemba Empat.
- Shafira, Ziya Datan Nisa. 2024. Pay attention to the Latest Effective Tariff (TER) of PPh Article 21 in 2024. (<https://kumparan.com/shafira-ziya/cermati-ini-tarif-effeksi-ter-pph-21-terbaru-tahun-2024-22T5lqle4VC>)
- Sony, Devano. 2016. Taxation Theory Concepts and Issues. Jakarta: Prenada Media.
- Suandy, Erly. 2016. Tax Planning. Edition 6. Jakarta: Salemba Empat.
- Sugiyono. 2019. Quantitative, Qualitative and R&B Research Methods. Bandung: Alfabeta.
- Shah, Afrialdi Putra Lubis. 2024. Calculation of Income Tax Article 21: Don't Get Corrected. (<https://pajak.go.id/id/article/penghitungan-pph-pasal-21-jangan-besar-ter-koreksi>)
- Undang-Undang Nomor 36 Tahun 2008 Perubahan Keempat Atas Undang-Undang Nomor 7 Tahun 1983 tentang Pajak Penghasilan. Jakarta : Sekretariat Negara.
- Undang-Undang Nomor 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan. Jakarta : Sekretariat Negara.
- Wasesa, Tjandra, Sugiharto, Bambang Karnaen. 2022. Tax Aspects of Controlling Operational Costs on Cash Disbursement Efficiency. *Scientific Journal of Accounting* '45. Vol 3 (No 2). November 2022 Page 113-121 E-ISSN: 2747-2647; P-ISSN: 2828-7215. DOI: <http://doi.prg/10.30640/akuntansi45 v3i2>.
- Website of the Director General of Taxes, Ministry of Finance of the Republic of Indonesia.