



Taxation Analysis of Manamu Handwoven as a Micro, Small, and Medium Enterprise in Bali

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Abstract. Micro, Small, and Medium Enterprises (MSMEs) have an important role in the Indonesian economy for the Indonesian government as evidenced by the existence of the Ministry of Cooperatives and SMEs. This ministry specifically deals with the MSME sector starting from formulation, and implementation, to policy supervision and empowerment. Manamu Handwoven is a micro, small, and medium enterprise (MSME) that operates in the field of hand-woven technical crafts using steel wire, copper, and brass as the basic materials. This industry focuses on reviving and encouraging the art of traditional hand weaving techniques which have almost become extinct over time. The obstacles experienced by MSMEs who have just obtained a business license are related to tax reporting related to their business activities. This research is a descriptive research that analyzes the taxation aspect of Manamu Handwoven as a MSME and how far the company has fulfilled the tax obligation according to its business license.

Keywords: Industry, MSME, Taxation, Teaching Factory

1 Introduction

Micro, Small, and Medium Enterprises (MSMEs) are contributing a very important role in the Indonesian economy. The SMEs are very important for economic growth through the industrial development (Sari & Gryga, 2023). Economic growth is associated with real GDP growth, and SME development is considered as an important driver of economic growth as well (The Organisation for Economic Co-operation and Development [OECD], 2010). MSMEs contribution in the economy is including job creation, income provision, and encouraging regional economic growth. The more MSMEs that develop in a country, the better the country's economy will be. Micro, Small, and Medium Enterprises (MSMEs) hold an important role in the Indonesian economy, evidenced by the establishment of the Ministry of Cooperatives and SMEs by the Indonesian government. This ministry specifically manages the MSME sector, from formulation, implementation, to policy supervision and empowerment.

Manamu Handwoven is a micro, small, and medium enterprise (MSME) engaged in the craft of handwoven techniques using materials such as steel wire, copper, and brass.

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A. A. N. G. Sapteka et al. (eds.), *Proceedings of the International Conference on Sustainable Green Tourism Applied Science - Social Applied Science 2024 (ICoSTAS-SAS 2024)*, Advances in Economics, Business and Management Research 308,

https://doi.org/10.2991/978-94-6463-622-2_21

This industry focuses on reviving and promoting the traditional handwoven technique art that is nearly extinct with the passage of time. This is due to the decreasing number of wire weavers each year and the fact that many wire weavers are choosing to switch professions to other fields that are perceived to be more profitable. Therefore, Manamu Handwoven's mission is to empower wire weavers from the Sumba Islands who reside in Bali while preserving this handwoven wire technique as part of Indonesia's cultural heritage that must be conserved. Currently, Manamu Handwoven has five staff members consisting of weavers as well as administrative and marketing staff. Additionally, Manamu has freelance workers who are employed when there are orders that cannot be handled by the weaving staff. The production process is done traditionally using 100% handcrafting to produce works such as various jewelry, bags, lamps, and other art pieces. Manamu Handwoven's products have been marketed internationally, such as in the Maldives, Australia, and America. This shows that Manamu Handwoven's products are quite popular overseas.

Since its establishment, Manamu Handwoven has operated as an MSME without having a business license. As an MSME, Manamu's annual turnover ranges from 200 to 500 million IDR, with a drastic decrease in turnover during the Covid-19 period. Many companies have experienced the impact of Covid-19, resulting in layoffs of their employees, which is caused by weak public consumption and restrictions on activities (Meita & Nurdiniah, 2023). In the post-Covid-19 period, as tourism began to resume normally, Manamu Handwoven experienced a turnover increase surpassing pre-pandemic conditions. This encouraged the owner of Manamu Handwoven to make the business a legal entity. The industry has now obtained a limited liability company business license since July 2023. A Limited Liability Company, hereinafter referred to as the Company, is a legal entity which is a partnership of capital, established based on an agreement, conducting business activities with authorized capital all divided into shares and meeting the requirements set out in this Law and its implementing regulations. The challenge faced by this newly licensed MSME is related to tax reporting associated with its business activities. Taxation is one manifestation of the mandatory participation of citizens taxes that directly and jointly carry out tax obligations will be used to finance all state needs and national (Prang et al., 2017). Tax compliance is defined as Taxpayer actions in fulfilling obligations taxation is in accordance with the provisions applies in a country (Prebawa & Kusuma, 2022). Compliance with paying taxes is very important to increase the country's income and welfare (Mumu et al., 2020). As a form of tax compliance, Manamu Handwoven must also fulfill its tax obligations. Manamu find difficulty in counting and reporting the tax they have to pay and report each month and every year, so they need help from either professional or academic assistant about tax.

2 Methodology

The solution to the problems faced by Manamu Handwoven is providing tax training and assistance for Manamu Handwoven's business license so that partners gain in-depth insight and knowledge regarding the taxation mechanisms of their business

based on the business license they have from sources certified as tax consultants. Tax knowledge is one of the factors underlying the level of taxpayer compliance in paying taxes including taxpayer knowledge regarding tax regulations (Kartikasari & Yadnyana, 2020). The method used is a combination of material presentation and mentoring approaches. Presentation of tax material is carried out by external speakers who are certified as tax consultants. This training will be provided by providing an understanding of taxation to both the owner and administrative staff. Manamu Handwoven will also be provided with a tax module that can be used as a guide in reporting its taxes so that even though the service activities have been completed, partners still have a reference for reporting their taxes. Apart from that, through TEFA Accounting Department, Manamu Handwoven will also receive assistance from Accounting Department students in understanding the taxation mechanism during this service program. The best practice approach is pursued in the form of a teaching factory (TEFA) so that students gain knowledge and experience worthy of practice in the industrial world.

3 Result and Discussion

3.1 *PPh Pasal 21*

One of the country's highest revenues is taxation (Alfina & Diana, 2022). Taxes are mandatory contributions to the State owed by individuals or entities that are coercive by law, by not receiving direct compensation and used for the benefit of the State for the greatest possible prosperity of the people (Adikara & Rahayu, 2022). The taxation that Manamu Handwoven must carry out in 2023 is *PPh Pasal 21* and reporting Corporate Income Tax Returns at the end of each year. Income tax could provide insights into the effectiveness of tax policy and the role of accounting. *PPh Pasal 21* is a tax imposed on income in the form of salaries, wages, honorarium, allowances and other payments in any name and in any form. The deadline for payment of *PPh Pasal 21* is the 10th of the following month, while the reporting deadline is the 20th of the following month. If the SPT *PPh Pasal 21* is not submitted on the specified date, a fine of IDR 100,000 will be imposed. *Pasal 21* income tax withholding rates use monthly effective rates. Government always reevaluate the rule of taxation in Indonesia. For example, according to the Job Creation Law, the Indonesian government reduced the corporate income tax rate from 25% to 22% in the year 2020 (Mohammad & Zus Rizal, 2023). The newest regulation about income tax is Government Regulation Number 58 of 2023. Government Regulation Number 58 of 2023 concerning income tax withholding rates for *pasal 21* on income in connection with work, services or activities of individual taxpayers is the latest regulation regarding income tax *pasal 21*. The effective rates in this latest regulation are divided into three, namely TER A, TER B, and TER C.

The application of the TER rate is closely related to the type of non-taxable income (PTKP) of each tax object. The TER A rate is applied to taxpayers who are unmarried with a PTKP status of IDR 54,000,000 and taxpayers who are unmarried with one

dependent or married with no dependents where the PTKP value is IDR 58,500,000. The TER B rate is applied to taxpayers who are unmarried with two dependents or married taxpayers with one dependent where the PTKP value is IDR 63,000,000 and taxpayers who are unmarried with three dependents or married with two dependents where the value PTKP amounting to IDR 67,500,000. The TER C rate is applied to married taxpayers with three dependents where the PTKP value is IDR 72,000,000. Manamu Handwoven has two employees and the owner is director. The conditions for employees owned by Manamu Handwoven consist of one person who is unmarried and has no dependents and one person who is married and has no dependents. The owner of Manamu Handwoven as director of the Company is single and has no dependents. The *PPh Pasal 21* rate for this case is the TER A rate. Details of the TER A rate are presented in Table 1.

Table 1. TER A tariff

No.	Bruto Revenue (Rp)	Tariff
1	0 – 5,400,000	0.00%
2	5,400,001 – 5,650,000	0.25%
3	5,650,001 – 5,950,000	0.50%
4	5,950,001 – 6,300,000	0.75%
5	6,300,001 – 6,750,000	1.00%
6	6,750,001 – 7,500,000	1.25%
7	7,500,001 – 8,550,000	1.50%
8	8,550,001 – 9,650,000	1.75%
9	9,650,001 – 10,050,000	2.00%
10	10,050,001 – 10,350,000	2.25%
11	10,350,001 – 10,700,000	2.50%
12	10,700,001 – 11,050,000	3.00%
13	11,050,001 – 11,600,000	3.50%
14	11,600,001 – 12,500,000	4.00%
15	12,500,001 – 13,750,000	5.00%
16	13,750,001 – 15,100,000	6.00%
17	15,100,001 – 16,950,000	7.00%
18	16,950,001 – 19,750,000	8.00%
19	19,750,001 – 24,150,000	9.00%
20	24,150,001 – 26,450,000	10.00%
21	26.450.001 – 28.000.000	11.00%
22	28.000.001 – 30.050.000	12.00%
23	30.050.001 – 32.400.000	13.00%
24	32.400.001 – 35.400.000	14.00%
25	35.400.001 – 39.100.000	15.00%

No.	Bruto Revenue (Rp)	Tariff
26	39,100,001 – 43,850,000	16.00%
27	43,850,001 – 47,800,000	17.00%
28	47,800,001 – 51,400,000	18.00%
29	51,400,001 – 56,300,000	19.00%
30	56,300,001 – 62,200,000	20.00%
31	62,200,001 – 68,600,000	21.00%
32	68,600,001 – 77,500,000	22.00%
33	77,500,001 – 89,000,000	23.00%
34	89,000,001 – 103,000,000	24.00%
35	103,000,001 – 125,000,000	25.00%
36	125,000,001 – 157,000,000	26.00%
37	157,000,001 – 206,000,000	27.00%
38	206,000,001 – 337,000,000	28.00%
39	337,000,001 – 454,000,000	29.00%
40	454,000,001 – 550,000,000	30.00%
41	550,000,001 – 695,000,000	31.00%
42	695,000,001 – 910,000,000	32.00%
43	910,000,001 – 1,400,000,000	33.00%
44	>1,400,000,000	34.00%

Tariffs will be adjusted to the income received by employees and also the director of Manamu Handwoven. For example, if the salary of employee A who is unmarried and has no dependents in one month is IDR 5,000,000, this means the annual income is IDR 60,000,000. According to TER A, the PTKP is worth IDR 54,000,000 so the gross income is IDR 6,000,000 so the rate is 0.75%.

3.2 Pelaporan SPT Badan

The reporting process for *PPh Pasal 21* is carried out on the page djponline.pajak.go.id. The reporting process begins by logging in using your respective account then selecting the “*Pra Pelaporan*” menu then “*ebupot*” as in Figure 1.

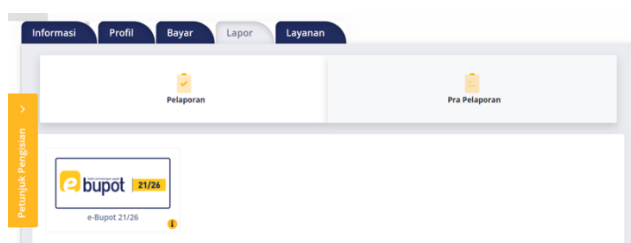


Figure 1. Reporting interface (in Indonesian language)

The next stage starts with filling in the Withholding Proof, selecting the *Pasal 21* Income Tax Bupot List, then selecting “Record”, as shown in Figure 2. In the record menu, there are 2 options. If you want to make proof of withholding of the monthly *PPh Pasal 21* report, then the choice is Monthly Bupot/Final Not Final. If you want to create an Annual Withholding Proof, then select Annual Deduction A1.



Figure 2. Bupot interface (in Indonesia language)

If all proof of deductions have been entered into the system, then click the “Posting” menu. Next, select the Periodic SPT and input the data according to the Periodic SPT that will be created then click the “Post” menu at the bottom as in Figure 3.



Figure 3. Posting interface (in Indonesia language)

If the SPT has been posted, click “Penyiapan SPT Masa PPh 21/26” and select the pencil mark in the “aksi” section, to complete the report, as shown in Figure 4.



Figure 4. Complete report interface (in Indonesia language)

Next, fill in the complete SPT in the “*lengkapi SPT*” menu as shown in Figure 5.



The screenshot shows the 'Lengkapi SPT' (Complete SPT) interface. The top navigation bar includes 'Dashboard', 'Bukti Potong', 'SPT Masa', and 'Pengaturan'. The main content area has three tabs: 'Posting', 'Perekaman Bukti Penyetoran', and 'Penyimpulan SPT Masa PPh 21/26'. The 'Lengkapi SPT' form contains the following fields:

Nama	PT Matahari	Tahun/Masa Pajak	2024/05
NPWP		Pembetulan	0
Email		No Telepon	
Alamat			

At the bottom, there is a notification: 'Penghitungan PPh Pasal 21/26 yang Kurang (Lebih) disetor'.

Figure 5. SPT interface

After the SPT is filled in completely, select “*simpan*”. If everything has been filled in correctly and the SPT is signed correctly, it will appear as shown in Figure 6.

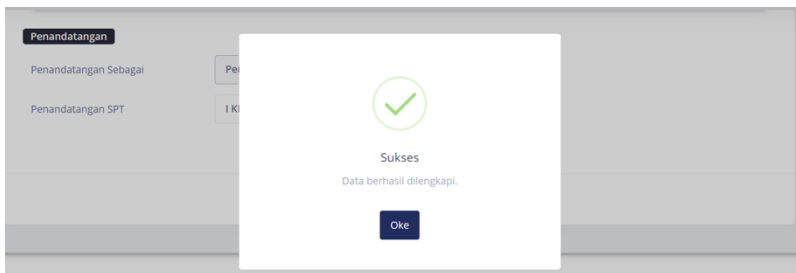


Figure 6. Success sign interface

The final process in reporting is to click “*Kirim SPT*”. Before sending the SPT, make sure the report is correct. The verification code will be sent to the registered email when the “*Kirim SPT*” process is complete. Enter the verification code you received, then click “*Lapor*”.

4 Conclusion

Taxes are mandatory contributions to the State owed by individuals or entities that are coercive by law, by not receiving direct compensation, and used for the benefit of the State for the greatest possible prosperity of the people. MSMEs have tax obligations if they fulfill several criteria. Manamu Handwoven as an MSME has a business license as a Limited Liability Company (PT). This business license requires Manamu Handwoven to fulfill its tax obligations. Manamu Handwoven's tax obligations are *PPh Pasal 21* and reporting the Annual Corporate Tax Return.

Acknowledgment

The author would like to thank profusely to Manamu Handwoven and P3M Politeknik Negeri Bali for their support in this research.

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