

Optimizing Income Tax Article 21: Simultaneous Use of Gross and Gross Up Methods (Case Study of PT. X)

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Abstract

This study aims to analyze the effectiveness of the application of mixed method (gross and gross-up) in the calculation of Income Tax Article 21. The analysis focuses on the suitability of the method with the applicable tax provisions, as well as its impact on tax liabilities, fiscal efficiency, and cash flow management of the company. This research uses a descriptive qualitative approach with a case study method at PT X. The data used are primary and secondary data collected through observation, interviews, and documentation on the calculation of Income Tax 21 for the December period for the Director position. The results showed that the application of mixed method is a tax planning strategy that is legally valid, adaptive to the company's financial condition, and able to increase the efficiency of the tax burden, especially in the face of irregular income. In its application, this method faces challenges in the form of technical complexity of calculations and limitations of the tax administration system. Therefore, it is necessary to prepare systematic and accountable documentation, as well as active communication with tax authorities to mitigate the risk of fiscal correction and ensure the suitability of the withholding method with the company's financial condition.

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INTRODUCTION

Tax has a very crucial role in supporting the country's fiscal structure and is the main source of state revenue. Data from the Directorate General of Taxes (DGT) Annual Report for 2023 shows that tax revenue reached IDR 1,869.23 trillion, with the largest contribution coming from Income Tax (ITA) amounting to IDR 1,061.82 trillion or around 56.8% of total tax revenue. Among all types of income tax, Income Tax Article 21 was recorded as the second largest contributor to non-oil and gas income tax, which amounted to 19% (DGT, 2023). This indicates that ITA 21 is not only an important fiscal instrument for the state, but also a strategic indicator in labor tax management by the business sector.

Income Tax Article 21 is imposed on income received by employees, whether in the form of salaries, allowances, bonuses, or other rewards. In the Indonesian tax system, ITA 21 is managed through a withholding system, where the employer acts as a tax withholder, depositor, and reporter on behalf of the employee (Regin Seyni & Elim, 2021). This system encourages companies to have a comprehensive understanding of tax regulations as well as adequate administrative capabilities. Inefficiencies in managing these obligations can lead to wasted operational costs, sanction risks, and decreased levels of tax compliance (Thancy et al., 2024).

Tax planning strategy is an important instrument for companies in maintaining fiscal efficiency without violating legal provisions. One of the main aspects in this strategy is the selection of the right Income Tax withholding method. Based on the Regulation of the Director General of Taxes Number PER-16/PJ/2016, taxpayers have the flexibility to choose a tax withholding method, as long as the method is in line with the principle of calculating income on a gross or net basis. There are several methods that are commonly used, namely the net, gross, gross-up method, and a combination of methods or mixed methods. Each method has

different implications for the company's tax burden, the attractiveness of compensation, and the effect on cash flow.

Along with the complexity of managing employee income, a number of companies began to adopt a mixed method, which is a combination of gross and gross-up methods to divide the tax burden between the company and employees (Ortax, 2022). In the case analysis "Analysis of Income Tax Planning Article 21 at PT. CAS" Noer (2022), the mixed method (net and gross up) can be the best solution by adjusting the tax strategy based on the employee's income level to maintain a balance between corporate tax efficiency and employee welfare. According to Saleha's research (2021) regarding the analysis of ITA 21 tax planning to increase the efficiency of the tax burden, the gross-up method is considered the most effective. In this method, the company covers employee taxes through the provision of allowances, so that the employee's net salary is maintained. The gross and mixed methods have their own advantages and disadvantages, but are considered less effective than gross-up in maintaining employee welfare and increasing corporate tax efficiency. One example of the application of mixed method can be found in PT X, a company operating in the coal mining sector.

PT X generally applies the gross-up method in withholding Income Tax 21 for all employees. However, in December, the company was faced with the obligation to pay a significant annual bonus to the director. Given the cash constraints, PT X decided to apply the special gross-up method to the bonus income given to the director. As a result, in one tax period, two withholding tax methods are applied simultaneously, namely gross-up for fixed income and gross for bonus. The application of this mixed method becomes an effective tax planning strategy for PT X, allowing the company to optimize tax policy, adjust payroll structure, and manage tax burden more efficiently.

The application of mixed method by companies raises administrative issues, especially related to the imbalance in the preparation of withholding slip A1 due to differences in calculations between the gross and gross-up methods. This inconsistency can cause a difference between the amount of tax withheld and recorded in the system, potentially resulting in fiscal corrections or administrative sanctions from the tax authority. These conditions indicate the urgency to evaluate the suitability and effectiveness of the application of mixed methods in ITA 21 withholding, considering that until now there has been no technical regulation that explicitly accommodates this combination of methods in national tax administration. The limitations of the DGT's reporting system, which does not yet support the integration of two withholding methods in one withholding slip, further increase the risk of data discrepancies and differences in interpretation between taxpayers and tax authorities.

This condition indicates a gap in taxation practices that requires serious attention from academics, practitioners, and regulators to encourage the formation of a tax administration system that is more responsive, accountable, and adaptive to the dynamics of the business world. Therefore, an in-depth analysis of the application of mixed methods is crucial so that companies can design effective tax strategies and manage tax burdens optimally without getting out of the applicable regulatory corridors.

LITERATURE REVIEW

Compliance Theory

According to James (2004), tax compliance behavior refers to the level of obedience of taxpayers in fulfilling established tax provisions. This compliance reflects the level of honesty of taxpayers in preparing tax reports by ensuring that all information presented is accurate and in accordance with the required documents (Saeed et al., 2020). Theory of Planned Behavior proposed by Ajzen (1991) states that tax compliance is determined by three main aspects, namely attitudes towards taxes, social norms, and perceived control over compliance. In the context of ITA 21 withholding, the company as a tax withholder has a crucial role in ensuring that taxes on employee income have been withheld and deposited in accordance with applicable regulations.

Income Tax Article 21

Income Tax Article 21 (ITA 21) based on the provisions of PER-16/PJ/2016 is a tax imposed on income received or obtained by domestic Individual Taxpayers (WPOP). The income includes various forms of

compensation such as salary, honorarium, allowances, and other rewards related to certain positions, professions, or activities (PER-16/PJ/2016, 2016). The implementation mechanism of ITA 21 is carried out through a withholding system by the employer or the party providing the benefit before the income is fully received by the taxpayer.

The provision further explains that the tax subject of ITA 21 is individuals who receive income, while the tax object includes all forms of income received by individuals who meet certain criteria as stipulated in Articles 3 and 5 of PER 16/PJ/2016. Parties that are obliged to make deductions are referred to as ITA 21 withholders, which include employers, government treasurers, pension fund management institutions, and activity organizers. In addition, the calculation of ITA 21 involves important components in the form of gross income (such as salary, bonuses, and THR), gross income adders (such as BPJS and JKK premiums), and gross income deductors (such as job expenses, pension contributions, and JHT contributions). Understanding this structure is crucial to ensure the accuracy of deductions and reporting in accordance with applicable regulations.

Income Tax Article 21 Rates

The Indonesian government has reformed the provisions for calculating Income Tax Article 21 through the issuance of Government Regulation No. 58 Year 2023 and PMK No. 168 Year 2023. This reform divides the ITA 21 rate scheme into two approaches, namely the progressive rate as stipulated in Article 17 paragraph 1 letter a of the Income Tax Law and the Effective Rate (TER) scheme. The progressive rate is applied to annual taxable income (PKP) with a rate that increases as income increases, which is used in the last tax period of permanent employees. Meanwhile, TER is a method of simplifying the calculation of monthly or daily Income Tax 21 based on a certain percentage of gross income, referring to the classification of Non-Taxable Income (PTKP), which aims to improve administrative efficiency and tax compliance.

Tax Withholding Methods

According to Mardiasmo, there are three main strategies that companies can use in calculating ITA 21 as part of tax planning, namely the gross, net, and gross-up methods (Saleha, 2021). In the gross method, employees bear their own ITA 21 obligations deducted directly from salaries, without affecting company profits or causing fiscal corrections. In contrast, in the net method, the company bears the entire tax burden on employee income, where based on the latest provisions (PMK No. 66 of 2023), these costs can be recognized as a deduction from taxable income. As for the gross-up method, the company provides additional income in the form of tax allowances to employees, which are calculated as part of gross income and become the basis for calculating ITA 21 in accordance with PMK No. 168 of 2023. Each method has different fiscal and administrative implications, so the selection of the method must be adjusted to the company's policy and tax efficiency objectives.

Tax Planning

Tax planning is a strategy implemented by taxpayers to legally reduce the tax burden, by utilizing the applicable tax provisions (Saleha, 2021). According to Chairil Anwar (in Saleha, 2021), the main objectives of tax planning are to reduce tax liabilities, maximize profits, prevent tax sanctions, and achieve efficiency in fulfilling tax obligations. In general, there are several strategies that can be applied, such as tax saving, tax avoidance, and avoiding regulatory violations. In addition, companies can also consider postponing tax payments, optimizing liabilities by utilizing tax credits, and avoiding overpayments to minimize the risk of tax audits.

RESEARCH METHODS

Subject and Object of Research

This research adopts a case study method with a descriptive qualitative approach to analyze the application of the mixed method (gross and gross up) in the calculation of Income Tax Article 21 at PT X, a company in the coal mining sector. The subject of this research is PT X, while the object includes the application of the mixed method (gross and gross up) in the December tax period, specifically related to Income Tax Article 21

obligations for the Director and the company itself. The focus of this research is to collect descriptive data to describe phenomena that occur in real context, with the aim of understanding whether the application of the method is in accordance with applicable tax provisions and efficient in tax saving efforts.

Data Collection Methods

This research uses three main methods in data collection, namely observation, documentation, and interviews. Observations were conducted with a participatory approach to gain an in-depth understanding of operational activities related to the application of the Income Tax Article 21 withholding method at PT X. The documentation method was used to collect secondary data in the form of relevant documents, such as proof of deduction, tax calculations, and internal company policies related to the application of mixed methods. Meanwhile, interviews were conducted in a semi-structured manner to allow for more in-depth exploration of information based on informant responses. The informants in this study consisted of three parties, namely the person in charge of taxes (PIC) of PT X who is directly involved in managing the company's taxation, tax consultants as experienced practitioners in tax planning strategies, and academics in the field of taxation who provide theoretical perspectives based on laws and regulations. Data credibility testing is done by triangulating sources and techniques, namely comparing interview results from various informants and using various data collection methods to ensure consistency and accuracy of information.

Data Analysis Techniques

Data analysis in this study was carried out through three main steps, namely data reduction, data presentation, and conclusion drawing and verification. Data reduction involves simplifying information by selecting important and relevant elements from observations, interviews, and documentation. Data presentation aims to organize and present information clearly by using visual elements and the Nvivo application to identify key themes in the interviews. Drawing conclusions was conducted in stages along with verification to ensure the validity and accuracy of the findings, which were continuously evaluated to enhance the credibility of the research.

RESULTS AND DISCUSSION

Application of Mixed Method (Gross and Gross Up) by PT X

Table 1. Use of Income Tax Withholding Method 21 of PT X in 2024

Period	Income Tax Withholding Method 21	Description
January - November	Gross Up	Consistently applied to all
December	Gross Up	Applied to employees other than directors
	Mixed Method (Goss and Gross Up)	Applied exclusively to directors

Table 1 shows that PT X has consistently used the gross up method in calculating Income Tax 21 on employees' fixed income. In the December period, the company was faced with the obligation to pay annual bonuses of significant value, especially for the board of directors. This condition encourages PT X to adopt the mixed method scheme as a strategic step in tax planning, with the main objective of maintaining the stability of the company's cash flow without ignoring the applicable tax obligations.

PT X applies a mixed method scheme by differentiating the treatment between routine income components and year-end bonuses. For the basic salary component and fixed allowances, the company consistently uses the gross up approach, where the entire tax burden is borne by the company. For the annual bonuses payment to the director in December, the company chooses to use the gross up method, so that the tax liability for the bonuses is charged to the recipient. The application of the mixed method scheme by PT X as an effort to maintain the company's liquidity condition is in line with the principle of tax planning, which aims to legally manage the tax burden to ensure the company's financial viability is maintained. This policy reflects the application of the principle of tax efficiency, in which the company seeks to comply with fiscal provisions while maintaining the health of cash flow.

The procedure for calculating Income Tax Article 21 using the mixed method approach in PT X is carried out through a series of systematic stages as follows:

1. Initial calculation (routine income - gross up method)

The first stage is carried out by calculating ITA 21 on all components of the Director's routine income, without including bonuses. This calculation uses the gross up method, in which tax allowances are included in gross income to determine the amount of Income Tax 21 payable.

2. Advanced calculation (total income - including bonuses)

After that, the company recalculates ITA 21 by including the year-end bonuses in the Director's total regular income. Although the income increases, the tax allowance is still maintained according to the value of the first calculation result, which is when only routine income is calculated.

3. Identification of tax difference due to bonuses

From the two calculation results, the difference in ITA 21 arising is identified. This difference comes from the comparison between Income Tax 21 on total income (including bonuses) and Income Tax 21 on routine income only. This value reflects the additional tax burden arising from the bonuses.

4. Taxpayer on bonuses

The difference in ITA 21 arising from the granting of bonuses is not borne by the company, but becomes the Director's responsibility as a recipient of non-routine income. The tax on routine income is still borne by the company in accordance with the calculation in the first step.

This scheme reflects the application of mixed method where the tax burden on the bonuses is borne by the Director through the gross approach, while the tax on routine income is still borne by the company through the gross up method. The illustration of the mixed method ITA 21 calculation procedure for the Director of PT X is as follows:

Step 1: Calculation of Income Tax 21 on income other than bonuses using the gross up method.

Mr. A	Exclude Bonuses	
	Monthly	Yearly
Base Salary	73.229.978	878.759.733
Car Rental		158.508.000
THR		73.229.978
Employer-paid insurance premiums (IFG Aspurjab 2023)		
Housing allowance	20.000.000	240.000.000
Bonuses		-
Amount of Revenue		1.350.497.711
Tax allowance		469.213.300
		1.819.711.011
Deduction		
Position Cost		(6.000.000)
Jamsostek		
PTKP		(63.000.000)
Net Income		1.750.711.011
	5%	60.000.000
	15%	190.000.000
	25%	250.000.000
	30%	1.250.711.000
	35%	-
Tax Amount		1.750.711.015
		469.213.300

Figure 1. Calculation Scheme of Income Tax 21 without Bonuses on Gross Up Basis

Step 2: Calculation of Income Tax 21 on income including bonuses with the amount of tax allowance equal to the first calculation.

Mr. A	Include Bonuses		
	Monthly	Yearly	
Base Salary	73.229.978	878.759.733	
Car Rental		158.508.000	
THR		73.229.978	
Employer-paid insurance premiums (IFG Aspurjab 2023)		-	
Housing allowance	20.000.000	240.000.000	
Bonuses		<u>3.359.000.000</u>	
Amount of Revenue		4.709.497.711	
Tax allowance		<u>469.213.300</u>	
		5.178.711.011	
Deduction			
Position Cost		(6.000.000)	
Jamsostek			
PTKP		<u>(63.000.000)</u>	
Net Income		5.109.711.011	
	5%	60.000.000	3.000.000
	15%	190.000.000	28.500.000
	25%	250.000.000	62.500.000
	30%	4.500.000.000	1.350.000.000
	35%	<u>109.711.000</u>	<u>38.398.850</u>
Tax Amount		5.109.711.011	1.482.398.850

Figure 2. Income Tax Calculation Scheme for Income Tax 21 Including Bonuses

Step 3: Difference of Income Tax payable in the calculation of step 1 and step 2 to determine the amount of income tax on bonuses

Bonusses	3.359.000.000
Tax on bonuses = 1.482.398.854 - 469.213.300	1.013.185.550
Net bonuses	4.372.185.550

Figure 3. Calculation Scheme of Income Tax 21 on Director Bonuses

Based on the above calculation, the amount of Income Tax 21 on bonuses borne by directors is IDR 1,013,185,554, while the amount of Income Tax 21 on routine income borne by the company is IDR 469,213,300.

For the income received by the directors, PT X uses the data import method in the process of reporting proof of withholding ITA 21 with the gross up withholding option. This is due to the limitations of the DGT e-Bupot system, which until now has not accommodated the option of making withholding slip with a mixed method approach.

Comparison of Mixed Method with Single Method

The simulation results of Income Tax 21 on the income of the director of PT X show a significant difference between the gross, gross up, and mixed methods, both in terms of the total tax payable and the burden borne by the company and employees. The gross method is an approach where the entire income tax liability is borne by the employee, resulting in a total income tax payable of Rp3,577,847,400, which is the lowest value among the three methods. The main advantage of this method lies in the absence of additional financial burden from the company, so it does not cause pressure on cash flow. On the other hand, this method has the disadvantage that this method does not provide fiscal benefits for the company because the tax paid by employees cannot be deducted as a cost in the calculation of Corporate Income Tax, and has the potential to cause employee dissatisfaction if there is no explicit agreement regarding the taxpayer. From another perspective, the gross up method results in the highest tax of Rp5,364,541,100, which places the entire tax burden on the company through the provision of benefits to employees. The advantage of this approach is the maintenance of employees' take home pay, which has a positive impact on employee satisfaction and harmonization of industrial relations, although on the other hand it increases pressure on the company's cash

flow due to considerable additional expenses. The mixed method offers a more balanced solution, with a total income tax payable of Rp4,067,189,354 and a division of the tax burden between the company and employees.

Table 2. Comparison of Gross, Gross Up, and Mixed Method

Method	Company Covered	Employee Covered	Tax Payable Amount
Gross		3.577.847.400	3.577.847.400
Gross Up	5.364.541.100		5.364.541.100
Mixed Method	1.566.614.000	2.500.575.254	4.067.189.254

In the case of PT X, this method is chosen by considering the company's liquidity limitations, especially regarding large amounts of irregular income. Through this approach, the company can still claim the tax burden on regular income as a deduction for Corporate Income Tax, while the tax on irregular income is borne by the employees. This strategy provides the fiscal flexibility and cash efficiency needed, although it requires more complex calculations and administrative rigor, such as the application of the withholding slip import process to the DGT system. By considering the calculation results, fiscal efficiency, and internal company dynamics, the application of mixed method by PT X reflects a strategic approach that is adaptive to operational conditions and cash flow limitations, and is able to create a balance between the company's fiscal interests and the fulfillment of tax obligations.

Mixed Method Compliance with Tax Regulations

The application of mixed method in the withholding of Income Tax Article 21 in PT X is considered substantively valid and in line with the applicable tax provisions, although the regulations PER-16/PJ/2016 and PMK 168/2023 do not explicitly regulate the use of the method. Based on Article 3 paragraph (1) of PER- 16/PJ/2016, withholding of Income Tax Article 21 is made by the employer on the income of permanent employees, both regular and irregular in a tax year. This provision does not limit certain withholding methods, thus providing flexibility for employers to choose the appropriate approach, whether using the net, gross, gross- up method, or a combination of them. Therefore, the selection of the ITA 21 withholding method is basically the right of the employer as a tax withholder, whose implementation is based on internal company policies and agreements, not on direct instructions or approval from the tax authorities, as long as it remains within the corridors of the applicable tax regulations.

Through the combination of gross and gross up methods, PT X is able to maintain a balance between fiscal efficiency and compliance with tax obligations, through proportional distribution of tax burden in accordance with the basic principles of Income Tax 21 withholding. This compliance is further strengthened by the latest provisions, namely PMK 66/2023, which emphasizes that in-kind benefits provided by the company to employees are the object of Income Tax. Thus, as long as the allowance has been calculated correctly as part of taxable income and the entire calculation and reporting process is carried out appropriately, accurately, and transparently, the application of mixed method by PT X remains valid, legally accountable, and effective in supporting the efficiency of the company's cash flow without ignoring the tax rights and obligations of employees.

In practice, there are a number of potential compliance risks that must be carefully anticipated. The main risk arises from the mismatch between the substantive method applied and the type of proof of deduction reported, because PT X uses a combination of gross and gross up but all proofs of deduction are reported in gross up format. This mismatch has the potential to result in fiscal correction if not supported by strong documentation. In addition, the limitation of DGT's e-Bupot system in accommodating mixed methods forces PT X to do manual import, which increases the risk of incorrect rates, especially in combining regular and irregular income. Additional risk also comes from the contractual aspect if there is no written agreement and clear communication with employees regarding the division of tax responsibilities. Therefore, while the mixed method is legitimate and provides flexibility, its implementation requires administrative rigor, proper documentation, and formal justification to be accountable before the tax authorities.

Analysis of the Impact, Constraints, and Benefits of Mixed Method

The application of mixed method in ITA 21 withholding in PT X has a strategic impact on the management of tax burden and cash flow stability of the company, by combining the gross up method for routine income

and the gross method for non-routine income such as annual bonuses. This approach allows adaptive adjustment of the tax burden to the company's financial condition without overriding the principle of fiscal compliance, while maintaining liquidity, especially when facing large bonus payment obligations. Fiscally, this strategy optimizes deductible costs and avoids additional tax burden on irregular income, as long as the entire implementation is supported by adequate documentation and reporting in accordance with the provisions. From an industrial relations perspective, the application of mixed method reflects a proportional compromise effort between the company and employees, as long as it is communicated transparently and formalized in official documents such as company regulations or employment contracts.

In practice, the implementation of a mixed method tax withholding strategy presents various challenges that require careful management, ranging from the higher complexity of calculations compared to the consistent use of a single method, to the need to separate calculation simulations based on the type of fixed (gross up) and non-permanent (gross) income. High accuracy is inevitable, given that errors in determining the amount of tax can have serious consequences, especially in the division of tax burden between employees and companies, which often triggers a tug of interest. Technical challenges also arise from the limitations of the DGT's e-Bupot system, which does not allow explicit recording of mixed methods, forcing companies to report manually with a high level of accuracy to reduce the risk of data input errors. The difficulty increases during year-end equalization, where the reconciliation between withholding slip, Periodic Tax Return, and Annual Tax Return must reflect the two withholding tax approaches, and discrepancies in this process can increase the risk of fiscal correction. From an accounting perspective, the obstacles that arise are administrative in nature, especially in consistently classifying tax expenses in the financial statements.

Despite the challenges and constraints, the application of mixed methods still provides a number of benefits. The application of this method not only reflects a fiscal strategy, but also an effort by the company to balance the interests of the employer and employee. This policy arises from the need to accommodate the parties' agreement, especially in the provision of tax benefits, where the company only provides benefits for certain income, while other income, such as bonuses, is not supported by tax. This shows that the flexibility of the mixed method provides room for companies to determine a fair portion of the tax burden based on a legal employment agreement. From the company's perspective, this method is efficient because the tax is deducted directly from the employee's income, without spending additional funds. For employees, even though part of the income is deducted without tax allowances, the income tax deducted can still be used as a tax credit in the Annual Tax Return, so it is still fiscally beneficial. Thus, employees still obtain fiscal benefits, and this mixed method is considered a solution that does not burden one party. This method also provides certainty and transparency to the employee's tax responsibility, even though it causes a reduction in their take-home pay, it is still within the framework of a legal and documented agreement.

CONCLUSIONS AND RECOMMENDATION

1. PT X applies a mixed method in withholding Income Tax Article 21 as a form of tax planning strategy that is efficient and adaptive to the company's financial condition. This approach combines the gross-up method for regular income and gross for irregular income, allowing a balanced distribution of the tax burden between the company and employees.
2. The application of mixed method (gross and gross-up) by PT X is a managerial strategy that is legally valid and effective in supporting tax compliance. The choice of income tax withholding method is the right of the taxpayer, which is based on the agreement between the company and the employee, not the decision of the tax authorities. The application of the mixed method scheme is fully in accordance with the regulation of PER-16/PJ/2016, provided that all components of the tax object are calculated correctly and the procedures for withholding, depositing, and reporting are carried out in accordance with applicable regulations.
3. The application of the mixed method has a positive impact on fiscal efficiency and tax planning, creating a balance between the interests of the company and the rights of employees. However, challenges such as the complexity of calculations and the limitations of the DGT's e-Bupot system still exist, where PT X has to import data manually and faces the risk of fiscal correction due to errors in the format of proof of deduction.
4. Suggestion for PT X: PT X is advised to establish intensive communication with the Account Representative (AR) to understand the limitations and flexibility of the mixed method scheme. This will help PT X avoid administrative errors and ensure compliance with tax authorities' expectations. Given the

limitations of DGT's e-Bupot system, PT X can report income using the gross method, but still include tax allowances in gross income. It is important for PT X to prepare clear and easy-to-understand documentation, and make communication with AR a reference for tax decision-making.

5. Suggestions for Tax Consultants: Tax consultants are expected to provide active technical assistance, update information on tax regulations, and assess the risks of each scheme chosen by the company. They also need to bridge the understanding between companies and tax authorities to minimize potential corrections or sanctions.
6. Suggestions for Companies Planning to Implement Mixed Method: Companies planning to implement mixed method are advised to keep monitoring the latest tax regulations and ensure supporting documents are neatly stored. The choice of tax withholding method must be adjusted to the needs of the company and its financial condition, by considering calculation simulations of various scenarios. In addition, companies need to maintain transparency in communication with employees regarding the proportion of tax borne by each party, to create mutual understanding and maintain a balance between the interests of the company and the rights of employees.

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