CONCEPT AND UNDERSTANDING OF WITHHOLDING TAX SYSTEM TO INCOME TAX ARTICLE 21 IN OF INDIVIDUALTAXPAYER ON KPP REGION SEBERANG ULU OF PALEMBANG

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AbstractBased on the Law of KUP NUMBER 16 YEAR 2009 Article 1 paragraph 1 mentioned that the definition of Tax is a compulsory contribution to the state payable by an individual or a coercive body under the Act, by not obtaining direct rewards and used for the purposes of the state for the greatest possible prosperity of the people. The taxation system is also called the way or method of how to manage the tax debt that owes can flow to the state treasury by the taxpayer. The object of research in this study is the active tax payers who work on the area opposite uluPlaju Palembang. Here the researcher wants to see the level of understanding of the individual taxpayer who is in the area opposite ulu Palembang, and will classify the individual taxpayer based on the level of understanding. Therefore, researchers consider it important to see the extent to which the taxpayer's understanding of the concept and understanding witholding tax system on income tax article 21 on individual taxpayer in the region seberangulu Palembang

Keywords: Tax, withholding tax system, personal taxpayers

1. Introduction

Taxes are mandatory contribution to a country that is indebted by an individual or a business entity based on the Act, by not obtaining direct remuneration and used for the purposes of the state for the greatest possible prosperity of the people. It is undeniable that one of the earners of national income comes from tax revenue that accounts for about 75% of all state revenues for 2016 (APBN 2016 Information, Kemenkeu RI).

The taxation system is also called the way or method of how to manage the tax debt owed can flow to the state treasury by the taxpayer. In the tax collection system known as Self assessment System, Official Assessment System, and

Withholding Tax System.One of the tax collection system applied in Indonesia is Withholding Tax system. Cutting taxes means reducing the amount received, commonly found in income tax article 21, income tax article 23, income tax article 26 and final income tax. While tax collection means increasing the amount paid, commonly found in income tax article 22.

Through the understanding of taxation provided to the community, it is hoped that the public knows the importance of taxes on development and growth of the country. With regard to taxation rights and obligations, efforts are needed to increase public understanding of taxes.

Hardiningsih (2011)states that taxpayers who do not understand the tax laws will obviously tend to become non-compliant taxpayers.This is the basis for the estimate that the taxpayer's understanding of taxation regulations affect taxpayer compliance to report and pay tax value. Research conducted by Widayati and Nurlis (2010) found that knowledge and understanding of taxation regulation have a significant influence to taxpayers' willingness to pay taxes.

The object of research in this study is the active tax payers who work on the area seberanguluPlaju Palembang. The purpose of this research is to know the Concept and Understanding Witholding Tax System on Income Tax Article 21 on Individual Taxpayer in SeberangUlu Palembang Area.

2. Literature Review

2.1 Withholding Tax System Mechanisms

Cutting and tax collection are often regarded as the same thing, but different. withholding taxes means reducing the amount received, commonly found in income tax article 21, income tax article 23, income tax article 26 and final income tax.While tax collection means increasing the amount paid, commonly found in income tax article 22. Here is the mechanism withholding tax system in general

1. Tax cutter / tax collector to deduct / collect taxes on the provision of income from a particular transaction at a prescribed rate.
2. Tax cutter / tax collector depositing and reporting withholding taxes using Tax Collection tax payment slip and Tax Return.
3. For taxpayers withholding taxes, these are tax credits (deductible tax) or prepaid taxes in the Annual Tax Return on the tax year.
4. For tax payers whose income is subject to final income tax, the value deducted / collected by other parties is the settlement of income tax payable and not a tax credit in the Annual Income Tax Return

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2.2 Kind of Income Tax and Withholding Tax

Kind of Income Tax and Withholding Tax:
1. Income Tax Article 21
2. Income Tax Article 22
3. Income Tax Article 23
4. Income Tax Article 24
5. Income Tax Article 26
6. Income Tax Article 4 paragraph 2 or income final
7. Income Tax Article 15

5. Research Methology

This research method using qualitative method, namely a research procedure that produces descriptive data in the form of written or oral words from people who behave that can be observed. In this study the researchers conducted a study on Individual Taxpayers who are in SeberangUlu Palembang Area.

The sampling technique used technique purposive sampling. Data analysis technique used in this research is interactive model of analysis. Miles danHuberman (1992:16).
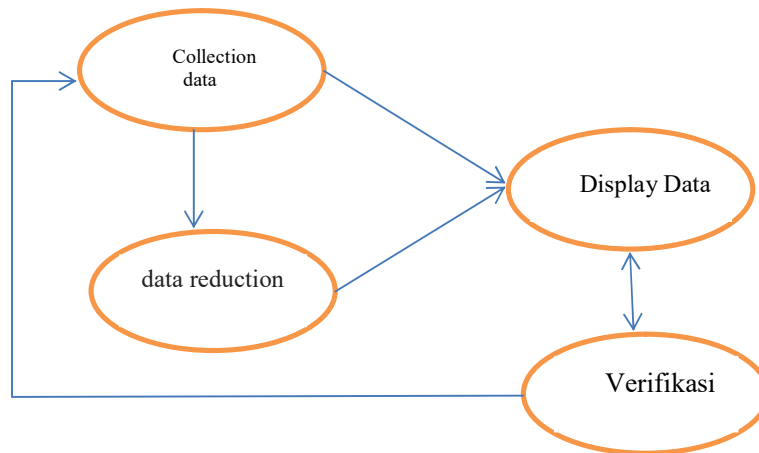
Figure: Schema Model of Interactive Analysis
(Source : Miles dan Huberman, 1992:20)

6. Result and Discussion

in this researchObjects studied is the system of tax deduction and taxation in Indonesia, especially withholding tax system. Withholding tax system is also

applied in companies registered in Tax Service Officeseberang ulu Palembang, third parties are entrusted with the obligation to perform the obligation to deduct or collect taxes on income paid to the recipient and to deposit them to the state treasury.

In qualitative research, the instrument or research tool is the researcher itself. Researcher choose informant as data source, informant in this research is Individual Taxpayer registered at Tax Service Officeseberang Ulu Palembang area. To find out an Individual Taxpayer registered at Tax Service OfficeseberangUlu is by looking at the Taxpayer Identification Number. In qualitative research, data collection is done in depth interview, for that writer make a list of questions.

The researcher selects 10 (ten) taxpayers registered at the Tax Service Office of SeberangUlu as an informant. After going through the process of data analysis, data analysis is done at the time of data collection take place.At the time of the interview, In the researcher has done analysis to answer interviewed.

In this research, data analysis method used is interactive analysis model. This interactive analysis model is conducted with three steps of qualitative data analysis, data reduction, data presentation and verification. After going through the data analysis component then the authors create a table to see the level of understanding Taxpayer withholding tax income tax Article 21

Table 6.1

Level of understanding withholding tax system on income tax article 21

No	Responden	Taxpayer Understanding					Conclusion
		Skor 4	Skor 3	Skor 2	Skor 1	Skor 0	
1	Responden 1			√			2
2	Responden 2			√			2
3	Responden 3			√			2
4	Responden 4		√				3
5	Responden 5		√				3
6	Responden 6	√					4
7	Responden 7	√					4
8	Responden 8			√			2

9	Responden 9			√			2
10	Responden 10			√			2

Viewed from table 6.1 on understanding withholding tax system on Income Tax Article 21 on individual Taxpayers registered in SeberangUlu Area, there are 2 respondents who are in score 4 that is the level of understanding Using Concept, Complete, correct, correct. 2 respondents in score 3 with level of understanding Using almost complete concept. 6 respondents in score 2 is the level of understanding Using the concept correctly but not yet complete. Indirectly Taxpayers have been understood with the concept of withholding tax system correctly but not yet complete.

7. Conclusion

        In this research several things that can be concluded related to the results of data confirmation and obstacles in the field are as follows: The concept and understanding of Witholding Tax System on Income Tax Article 21 on Individual Taxpayers in the Area SeberangUlu Palembang. From some interviews to Individual Taxpayers, it can be concluded they know that the income is cut but do not know the concept of withholding tax system itself. Can be seen the level of pemahamanan in score number 2 that is Using the concept, correctly but not complete

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