

Tax reporting literacy on article 21 income tax for company employees in Banjarmasin

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Abstract

This community service activity aims to improve employees' understanding of the implementation of Income Tax (PPh) Article 21 for individual taxpayers at PT. Tri Bangun Bersatu Banjarmasin. Many employees still face difficulties in calculating and reporting personal income taxes accurately, resulting in potential errors in compliance with taxation regulations. The activity was designed to provide literacy and practical guidance on determining, calculating, and reporting Income Tax Article 21 based on the latest tax policies issued by the Directorate General of Taxes. The methods used included lectures, discussions, and direct practice using the DJP Online system. The results of the activity showed an increased awareness and capability among employees in performing proper tax calculations, identifying taxable income components such as salaries, allowances, and honoraria, and completing tax reporting independently and correctly. This activity also fostered a positive attitude toward tax compliance as part of civic responsibility. Through this literacy program, employees are expected to continuously apply the knowledge in their workplace and ensure that all personal tax reporting is done in accordance with prevailing laws and regulations. The community service program thus contributes to strengthening tax awareness and compliance culture among company employees.

Keywords: tax literacy, Income Tax Article 21, employee compliance, individual taxpayer, DJP Online

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1. Introduction

In the current era of a free and globalized economy, Indonesia, like other countries, relies heavily on the taxation sector as one of the main sources of national income. Taxes are a form of state revenue collected based on statutory regulations, serving as a tangible expression of citizens' loyalty and participation in supporting national development (Mardiasmo, 2015; Waluyo, 2015). According to the 1945 Constitution Article 23 paragraph 2, all tax collections must be based on laws to ensure fairness and legal certainty. The government has continuously improved the tax system through the revision of the Income Tax Law No. 7 of 1983, which has undergone several amendments, including Law No. 17 of 2000 and Law No. 36 of 2008, to strengthen the role of taxes in supporting economic development and fiscal sustainability.

Income tax (PPh) is one of the key instruments in Indonesia's tax system, imposed on income earned by individuals and entities within a fiscal year. Specifically, Article 21 of the Income Tax Law regulates taxes on income received by individual taxpayers from employment relationships. This tax is implemented through a self-assessment system, where taxpayers are responsible for calculating, paying, and reporting

their own tax obligations (Gunadi, 2016; Tjendraputra & Andriani, 2015). However, in practice, many individual taxpayers, especially employees, often rely on withholding systems by employers and have limited understanding of tax reporting procedures (Irwansyah Lubis, 2015; Hoesein, 2017).

Given these challenges, literacy in the application of Article 21 Income Tax (PPh 21) for individual employees has become increasingly important. Adequate knowledge enables employees to correctly determine taxable income, apply appropriate deductions such as non-taxable income (PTKP), and perform accurate reporting through online systems such as DJP Online (Wirawan, 2015). Therefore, this community service program was conducted at PT. Tri Bangun Bersatu Banjarmasin, aiming to enhance employees' understanding of the calculation and reporting procedures for PPh Article 21. Through this program, employees are expected to gain the competence to independently and accurately perform their tax reporting obligations in accordance with prevailing tax regulations, thereby minimizing the risk of late reporting or administrative sanctions and promoting better tax compliance within the company environment.

2. Research Design and Method

The community service program focused on the topic of Tax Literacy in the Application and Reporting of Income Tax Article 21 for Individual Taxpayers (Wajib Pajak Orang Pribadi) among company employees in accordance with current taxation laws and regulations. This program aimed to improve employees' understanding of the correct calculation and online reporting of Income Tax Article 21 to ensure compliance with the prevailing tax provisions. The target audience of this activity consisted of employees of PT. Tri Bangun Bersatu Banjarmasin, who required guidance in understanding the proper determination of taxable income, the calculation of Article 21 tax, and its reporting procedures through the Directorate General of Taxes' (DJP) online platform.

The implementation method of this program combined literacy enhancement, explanation of materials, and practical exercises. The service team possessed expertise and literacy in tax reporting systems, particularly regarding Income Tax Article 21, and delivered educational sessions to the employees. The first stage involved providing theoretical explanations on tax principles, taxable and non-taxable income, as well as calculation procedures based on manual and online systems. This was followed by hands-on sessions, where participants practiced tax calculations and online reporting simulations using the DJP Online system. Through these stages, employees were expected to gain both conceptual understanding and practical skills in applying PPh Article 21 procedures independently.

The implementation process took place over two months and included several stages: preparation of teaching materials related to the calculation and reporting of Income Tax Article 21 for individual taxpayers, preparation of supporting materials and facilities, identification of participating employees within the company, execution of literacy and practice sessions, evaluation of the program outcomes, and compilation of the final community service report. The program was conducted at PT. Tri Bangun Bersatu Banjarmasin, located at Jalan Tembus Mantuil, Samping Gang Arjuna RT.25/RW.4, Banjarmasin.

The schedule for this activity included one week of initial preparation, followed by eight sessions of implementation, and three weeks for report preparation. This structured timeline ensured the program could be implemented effectively, allowing sufficient time for literacy development, practice, and evaluation of the results.

3. Results and Discussion

Implementation Results

Income tax withholding, payment, and reporting related to income earned by individuals for work, services, or other activities must be carried out by employers or payers. Income Tax Article 21 (PPh Pasal 21) requires all employees or recipients of income from employment to comply with the tax obligations

stipulated by law. This tax applies to individuals receiving salaries or wages, who are subject to withholding tax based on government regulations. The basis for income tax imposition is regulated in Article 5 paragraph (2) and Article 8 paragraph (1) of PER-31/PJ/2009 dated May 25, 2009, concerning technical guidelines for the withholding, payment, and reporting of Income Tax Article 21 and/or Article 26 related to employment, services, and personal activities.

The calculation of Income Tax Article 21 is performed to determine the total amount of tax due and to ensure that all employee income is properly reported to the state. This follows the provisions of the Director General of Taxes Regulation No. PER-16/PJ/2016 on Technical Guidelines for Withholding, Payment, and Reporting of Income Tax Article 21 and/or Article 26 concerning work, services, and individual activities. The preparation of the PPh Article 21 report indicates a company's compliance with national tax regulations, thus strengthening its credibility and business reputation in competitive markets.

The community service implementation began with interviews and initial orientation sessions with company employees regarding the general concept of Income Tax Article 21 in accordance with the Income Tax Law. The sessions continued with identifying income components exceeding the non-taxable income threshold (PTKP) for employees, along with additional income and allowances that must be included in tax calculations. The program also involved practical evaluation and exercises on tax computation and online input using the DJP Online system.

Application of income tax article 21 calculation for individual taxpayers

The implementation of PPh Article 21 in the company was aligned with the applicable taxation policies and regulations. The training emphasized the importance of accurate calculation, withholding, and payment of taxes by employers. Employees were guided to apply the correct formulas in determining taxable income and calculating the amount of PPh Article 21 payable based on the income received. The company's compliance in executing these calculations and remittances reflects its support for the government's tax system and contributes to the improvement of corporate tax awareness and accountability.

Evaluation results

Along with technological and economic advancements, the cost of living has significantly increased, leading to the need for continuous adjustment of the Non-Taxable Income (PTKP) threshold to reflect current economic realities. The Ministry of Finance of the Republic of Indonesia periodically reviews and updates PTKP rates to ensure fairness and the accuracy of tax burdens borne by employees.

The results of this activity showed that the company must consistently implement tax calculations using the Form 1721-A1, which serves as official proof of PPh Article 21 withholding for permanent employees. This form records the total income received and the corresponding tax withheld during the fiscal year, which must be accurately reported through the online tax system.

Reporting of income tax article 21

Tax reporting includes two main types of periodic obligations, namely the Periodic Tax Return (SPT Masa) and the Annual Tax Return (SPT Tahunan). The Periodic Tax Return is a form used by taxpayers to report tax calculations and payments for a specific tax period, ensuring that each period's tax obligations are properly fulfilled in accordance with applicable regulations. Meanwhile, the Annual Tax Return serves as a comprehensive report that summarizes and reconciles a taxpayer's total income, deductions, and tax liabilities over the course of one fiscal year with the periodic reports that have been previously submitted. Both types of reports are essential for maintaining compliance, transparency, and accountability in the tax administration process.

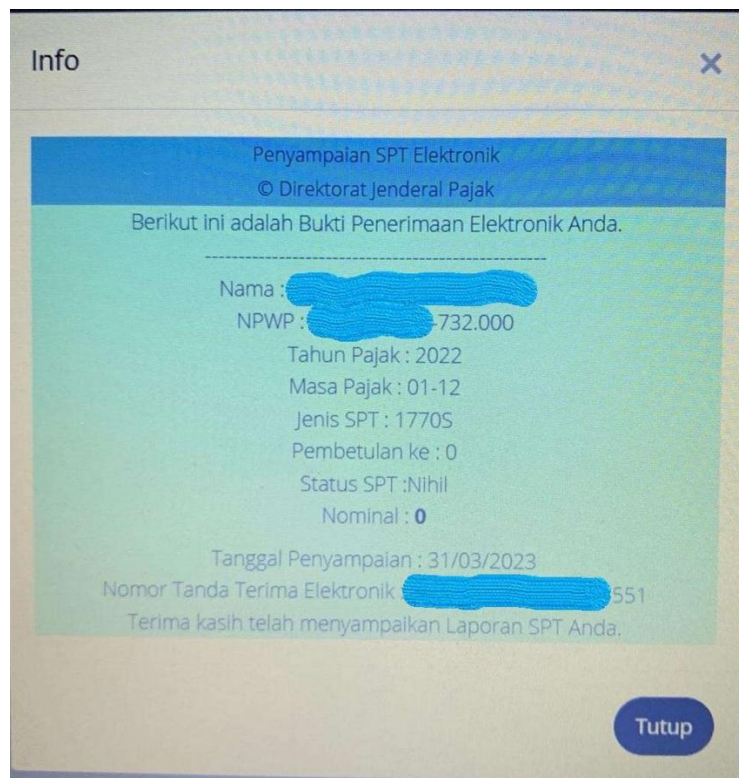


Figure 1. Proof of Electronic SPT Submission

According to Waluyo (2015:16), the deadline for submission is the 20th day of the following month for SPT Masa, and three months after the fiscal year ends for SPT Tahunan. Through this program, employees were trained to access and submit their PPh Article 21 reports through the DJP Online system efficiently and correctly.

Implementation of the community service report

The preparation of the final community service report was carried out over a five-day period following the completion of the training activities. This stage included data compilation, report documentation, printing, and formal endorsement by the head of the service team. The report served as a comprehensive record of the activity outcomes, employee participation, and evaluation results of the tax literacy program at PT. Tri Bangun Bersatu Banjarmasin.

4. Conclusions

The responsibility of individual taxpayers is to accurately calculate, document, and report income derived from employment, administrative tasks, and other professional activities in accordance with applicable taxation regulations. This includes recording all forms of compensation such as salaries, honoraria, and allowances under the taxpayer's name in a structured and lawful manner. The implementation of this community service program has enhanced employees' understanding of Income Tax Article 21, enabling them to perform tax calculations and reporting more accurately through the DJP Online system. It is strongly recommended that individual taxpayers consistently fulfill their tax reporting obligations to ensure transparency in determining the amount of tax payable. As responsible citizens of Indonesia, maintaining compliance with tax regulations is an essential form of contribution to national development and the sustainability of public welfare.

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