**ABSTRACT:** The purpose of this study is to analyze the strategy, implementation, and evaluation of tax management in facing corporate income tax audits at PT.ABC. The research method used in this study is descriptive qualitative. The data used in this study were obtained from interviews, observations, document reviews and online research. This research was conducted at PT.ABC for year 2020. The results of the research related to the implementation of tax management strategies in facing tax audits in 2020 are that PT.ABC only carries out tax management strategies in the form of tax compliance and has not conducted a tax review. Meanwhile, the implementation of the tax management strategy in the form of tax compliance shows that PT.ABC is still less compliant in carrying out its tax obligations. As well as the results of evaluating the implementation of PT.ABC's tax management in facing a tax audit, namely showing the potential for tax surprises with a significant value which has the potential to become a tax authority finding in a tax audit.

**KEYWORDS:** Corporate Income Tax, Tax Management Strategy, Tax Audit.

**INTRODUCTION**

Taxes are the main source of state revenue used to finance routine expenditures and for state development in order to achieve public prosperity and welfare. This is stated in the State Revenue and Expenditure Budget (APBN) from 2020 to 2022, where the value of tax revenue is the largest domestic revenue compared to other revenues. Efforts made by the government to increase the amount of state tax revenue are by increasing taxpayer compliance, tax administrative supervision, tax audits, investigations, collections, and various tax law enforcement.

Nominally, the realization of state revenue has increased from IDR 1,647,783 billion in 2020 to IDR 1,846,137 billion in 2022. The contribution of tax revenue in state revenue in 2020 is 78%, in 2021 it is 79% and in 2022 it is 82% (Central Bureau of Statistics, 2022). From 2020 to 2022 the contribution of tax revenue has always increased. Therefore, the government always makes efforts to always increase tax revenue. To achieve this, the government through the Director General of Taxes supervises taxpayer compliance in the form of supervision and consultation at each tax service office called an Account Representative. Tax management is a comprehensive effort made by management so that matters related to taxation can be managed properly, efficiently, and economically, so as to provide maximum contribution to the company. Tax management strategy is an important first step for companies to be able to see the potential for tax surprises arising from the results of tax audits and is an integral part of the overall tax liability process.

Tax management strategies in tax audit actions can be carried out by one of the domestic taxpayers, namely PT.ABC, which is a private company in Central Jakarta and is engaged in supporting services for oil and gas energy infrastructure. In this case, PT.ABC received letter No: S-62/WPJ.XX/XX/X/2022 related to the 2020 tax audit with the aim of testing compliance with the fulfillment of tax obligations. So far, PT.ABC considers that it has complied with its tax obligations and believes that the calculations made so far are correct. However, on the other hand, the tax authorities are of the opinion that there are still elements of error that cause tax obligations to be materially incorrect.

In general, previous studies conducted tax reviews on the calculation of corporate income tax fiscal corrections as a form of tax management strategy. However, considering that this research is a management effort in facing a corporate tax audit, the researchers added a tax review of tax equalization by comparing costs and revenues in the financial statements with costs and revenues in the Corporate Income Tax Return. This is done to find out the strategy, implementation and evaluation of PT.ABC’s tax management in facing corporate income tax audits and to find out tax surprises or tax savings.
THEORETICAL STUDIES

Definition of Tax
According to Andriani in (Suharyadi, 2019) states that, Taxes are contributions to the state (which can be forced) that are owed by those who are obliged to pay them according to the regulations with no return on performance, which can be directly appointed, and whose use is to finance expenses -general expenditures related to the state's duty to administer the government. Based on the above understanding, it can be concluded that taxes are obligatory contributions to the state owed by individuals or entities that are coercive under the law by not getting compensation directly and are used for the needs of the state for the greatest prosperity of the people.

Income tax according to Law number 11 of 2020, tax is a mandatory contribution to the state owed by individuals or entities that are compelling based on the law, by not getting a direct reward and being used for the greatest prosperity of the people. With the tax subject in the form of everything that has the potential to earn income and become a target to be subject to income tax on the tax subject with respect to the income received or earned in the year concerned.

Corporate Income Tax
Corporate income tax according to law number 17 of 2021 about harmonization of tax regulations, corporate income tax is a tax imposed on tax subjects or on income received or earned in one tax year. Thus, corporate income tax is a tax imposed on income received or earned by a business entity as referred to in the KUP law. Corporate income tax is imposed on the income of individuals and business entities received during one tax year. Income referred to is any increase in economic capacity received or obtained by Corporate Taxpayers, both from within and outside the country, for any purpose including for example increasing wealth, consumption, investment, and so on. And then, to calculate corporate income tax, multiply the corporate income tax rate by the taxable income.

According to Halim (2022), Corporate income tax is resident corporations are taxed based on worldwide income. A foreign company carrying out business activities through a permanent establishment in Indonesia will generally be required to assume the same tax obligations as a resident taxpayer. A flat CIT rate of 22% generally applies to net taxable income. However, certain tax objects or industries have special tax regimes. Taxable business profits are calculated on the basis of normal accounting principles as modified by certain tax adjustments. Generally, a deduction is allowed for all expenditures incurred to obtain, collect, and maintain taxable business profits. A timing difference may arise if an expenditure recorded as an expense for accounting cannot be immediately claimed as a deduction for tax.

Tax Audit
Tax audit is basically regulated by law, namely article 29 paragraph 1 of the KUP law which reads that the director general of taxes has the authority to conduct audits to test compliance with the fulfillment of tax obligations of taxpayers and for other purposes in order to implement the provisions of tax laws and regulations. General provisions and procedures for tax audit are regulated in the minister of finance regulation number 17/PMK.03/2013 concerning tax audit procedures as last amended by the minister of finance regulation number 105/PMK.18/2021. Tax audit actions are carried out by taxation officers (tax authorities) in the context of carrying out audits of taxpayers, to find materials in determining the amount of tax payable and the amount of tax to be paid. The purpose of the audit is to test compliance with the fulfillment of tax obligations in order to provide legal certainty, justice, and guidance to taxpayers. According to Suandy (2020). Based on the type, tax audits are divided into two, namely field audits conducted at the residence or domicile of the taxpayer and office audits conducted at the directorate general of taxes office. The flow of tax audits starts from assignment and audit instructions, audit system planning, issuance of warrants and audit notices, requests to borrow documents to taxpayers, inspection and testing to document return, reporting, and determination of audit results.

Tax Management Strategy
Tax management strategy according to Suandy (2020) is a means to fulfill tax obligations correctly, but the amount of tax paid can be reduced as low as possible to obtain the expected profit and liquidity. Tax is a cost for a company, therefore with a tax management strategy, it is hoped that the company can minimize the tax burden while still complying with established tax regulations. The function of carrying out a tax management strategy in general is to be able to calculate and pay taxes and businesses efficiently. While the purpose of the tax management strategy is to achieve profit and tax payment efficiency. Tax management strategies for corporate income tax can be carried out by companies in order to deal with tax audits. According to...
Suandy (2020) strategies that can be taken to legally minimize the tax burden are tax saving, tax avoidance, tax equalization, postponement of payment of tax obligations, optimizing tax credits and avoiding violations of tax regulations. These activities can be summarized in an action, namely the tax review tax management strategy.

According to Suandy (2020), tax review is an examination of all tax obligations in a company and the implementation of the fulfillment of these obligations both from the method of calculation, deposit, settlement and reporting to assess tax compliance that has been carried out. Regarding the focus of the audit conducted by the tax authorities, taxpayers should conduct an internal tax review by conducting a series of tax testing and examination activities. Internal tax review allows taxpayers to build various scenarios and projections of audit directions comprehensively so as to minimize audit risks.

**Previous Research**

There are various studies on the application of tax review as a form of corporate tax management strategy in evaluating tax obligations in the face of tax audits or as internal company evaluation material. The results of these studies are as follows:

Arvan, Nasution, and Debora (2022) concluded that after the tax review was carried out, there was an implementation of tax obligations that were not in accordance with tax laws so that there were calculation errors that caused tax fines to arise as a form of tax surprise, this tax review research is in line with the research conducted by researchers.

Oktavianti and Apriliawati (2021) concluded that after the tax review shows that actually depositing and reporting are in accordance with the applicable tax regulations, but the company has not carried out optimal bookkeeping. So that there is a possibility of an error in calculating the tax payable which requires the company to make tax corrections in order to avoid tax administration sanctions that will arise in the future.

Utari and Malini (2021) concluded that after the tax review was carried out, there were errors in the calculation of value added tax payable and the implementation of vat deposit obligations that were not in accordance with tax laws, this research is not in line because the tax object studied only focuses on vat.

Meanwhile, Lestari (2020) concluded that after conducting a tax review, it was found that taxpayers had carried out their tax obligations to report and deposit in accordance with applicable tax regulations, but there were still errors in calculations that caused tax surprises. This tax review research is in line with the research conducted by researchers.

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**Figure 1. Research Framework**
RESEARCH METHODS
This research uses descriptive-comparative method with qualitative data, namely by analyzing and processing existing financial statement data and fiscal reports, then comparing business circulation to annual income tax return and periodic tax return. Then further processed to provide an explanation of the differences caused in order to obtain the objectives of the study. According to Sugiyono (2017) qualitative research methods are often called naturalistic methods because the research is conducted in natural conditions. According to Thomas Kuhn, the research paradigm is the perspective, beliefs, and agreements of researchers regarding how the focus of the problem is understood and studied. Egon G. Guba classifies social research paradigms into three aspects, namely ontology, epistemology, and methodology. The research method that will be applied is a case study approach. According to Creswell (2019), a case study is an exploration of a bounded system or a case or various cases over time through in-depth data collection and involving various rich sources of information in a context. The type of data used in this research is qualitative data sourced from premier data and secondary data. Primary data is obtained from data collected directly from the company by conducting observations and interviews regarding conditions related to the subject matter. Meanwhile, secondary data is obtained from literature studies and previous research results used as a theoretical basis, as well as company reports such as financial statements, annual corporate income tax returns and company profiles. The data used is 2020 tax year data.

In qualitative research, researchers enter certain social situations, make observations and interviews with people who are considered to know about these social situations. Determination of data sources on interviewees is done by purposive, which is selected with certain considerations and objectives. The research results will not be generalized to the population because, sampling is not taken randomly.

RESULTS AND DISCUSSION
Tax Management Strategy
PT.ABC implements a management strategy in the form of tax compliance in the face of tax audits which is useful for reducing the burden of compliance and minimizing the risk of taxes payable that arise. The application of tax compliance is closely related to the results of tax compliance audits, but besides that there are still other tax management strategies that can be carried out by PT.ABC in an effort to reduce the tax burden, namely in the form of tax review. Tax review is in principle part of a series of internal controls and supervision in measuring compliance and correctness of the implementation of predetermined tax provisions. That it is hoped that through the tax review PT.ABC can improve and make corrections to the annual tax return in order to avoid greater administrative sanctions. The tax review that can be carried out is in the form of an examination of the calculation of fiscal corrections, tax equalization, examination of utilized tax credits, and recalculation of the correctness of the corporate tax return. Therefore, tax management strategies in the form of tax review are deemed necessary to prepare taxpayers in facing tax audits and can also avoid the imposition of undue tax burdens and tax sanctions by the tax authorities.

Implementation of Tax Management Strategy
The tax management strategy in the form of tax compliance carried out by PT.ABC in this case in the form of depositing and reporting taxes based on PMK No. 9/PMK.03/2018, it was found that there were still income tax deposits and reports that did not comply with the deadline, with the following details:
Table 1. Results of Tax Compliance Management Strategy Implementation

<table>
<thead>
<tr>
<th>No</th>
<th>Detail of Income Tax</th>
<th>Tax Periods</th>
<th>Payment Due Date</th>
<th>Payment Realization Date</th>
<th>Report Due Date</th>
<th>Report Realization Date</th>
<th>Description</th>
</tr>
</thead>
</table>

PT.ABC is considered less compliant (comply) in terms of tax remittance and reporting due to a mismatch in the deadline for remittance and reporting of taxes in 2020 in accordance with PMK No.9/PMK.03/2018. Therefore, PT.ABC is potentially subject to administrative sanctions in the form of tax fines which are regulated in accordance with article 7 (1) and article 9 (2a) of the KUP law which regulates fines for late reporting and paying income tax. So that in the future this can be a concern or attention for management in carrying out tax obligations in accordance with applicable tax laws and regulations in Indonesia.

Non-compliance with the fulfillment of the 2020 tax obligations carried out by PT.ABC with the tax regulations in force in Indonesia resulted in PT.ABC being considered less compliant (compliance) in the timeliness of depositing and reporting taxes. So that in the future this can become a concern and concern for management in carrying out tax obligations in accordance with tax laws and tax regulations that apply in Indonesia.

Due to PT.ABC's negligence in carrying out tax obligations, one of the kpps in central jakarta where PT.ABC is registered as a taxpayer issued audit notice no: S-62/WPI.xx/xx/xx/2022 related to the 2020 tax audit with the aim of testing compliance with the fulfillment of tax obligations. If a tax audit is carried out, the chances of finding other findings besides those described above are greater and there is a chance of correction of the calculation of corporate income tax for the 2020 period to be underpaid with a material value accompanied by administrative sanctions that have a negative impact on PT.ABC.

**Evaluation of Tax Management Strategy Implementation**

The implementation of tax review as a form of tax management strategy can be applied by recalculating the overall corporate income tax by taking into account the components of the fiscal correction calculation and equalizing the expenses and income in the corporate income tax return.

1. Tax Review on Fiscal Correction

The implementation of a tax management strategy in the form of a tax review starts from analyzing the fiscal corrections used to see whether the fiscal corrections made are in accordance with the applicable tax regulations, checking the details of prepaid taxes, conducting an analysis regarding the suitability of the costs in the financial statements with the costs on the SPT. The period and lastly to recalculate the corporate income tax payable in order to find out tax surprises and as a reference in making tax corrections in accordance with the provisions in accordance with applicable laws.

Tax review is carried out on 5 (five) account groups are consist of revenue, other income, the cost of goods sold, the general & administrative expenses, and the other expense, to find out that all income and expenses have been fiscal corrections are carried out in accordance with the tax laws and tax regulations in force in Indonesia. The result of the tax review on the calculation of fiscal
correction shows that there are expenses and revenues in the corporate income tax that have not been subject to fiscal correction and should not be a deduction from the tax payable with the following details:

Table 2. Results of Tax Review Fiscal Correction

<table>
<thead>
<tr>
<th>Detail</th>
<th>Fiscal on Annual Tax Report</th>
<th>Tax Review of Fiscal Correction</th>
<th>Fiscal after Tax Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>185,850,055,356</td>
<td>625,795,186</td>
<td>185,224,260,170</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,171,717,598</td>
<td></td>
<td>2,171,717,598</td>
</tr>
<tr>
<td>Cost Of Good Sold</td>
<td>(64,515,176,536)</td>
<td>2,025,289,259</td>
<td>62,490,887,287</td>
</tr>
<tr>
<td>General &amp; Administrative Expenses</td>
<td>(4,831,671,583)</td>
<td>4,390,593,603</td>
<td>(62,821,185,689)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(1,459,233,399)</td>
<td>-</td>
<td>(1,459,233,399)</td>
</tr>
<tr>
<td>Net Profit as Tax Calculation Basis</td>
<td>80,215,671,386</td>
<td>6,115,882,853</td>
<td>85,331,554,239</td>
</tr>
</tbody>
</table>

Analysis of the calculation of corporate income tax for the 2020 period were carried out after the researchers made fiscal corrections to the income and expense accounts against fiscal profit of IDR 85,678,103,996. so that the corporate tax payable for 2020 by calculating using a 22% rate should be IDR 18,851,162,660. In 2020 PT. ABC has a tax credit which can be used as a deduction for the tax payable originating from the Article 23 PPh tax credit and PPh 25 installments of IDR 12,877,136,026 (see table 3). The corporate income tax rate used to calculate the corporate income tax payable for 2020 is based on article 17 paragraph (1) part B of law no. 7.

Table 3. Prepaid Tax

So that the recalculation of corporate income tax in 2020 after the tax review of fiscal corrections causes a surprise tax underpayment of corporate income tax worth IDR 2,488,483,275 with details of the calculation as follows:

Table 4. Potential Tax Suprises from Recalculate Income Tax
2. Tax Review on Fiscal Correction

The results of the application of tax review on tax equalization show that there are expenses in the financial statements that have not been reported for tax in the monthly spt masa during 2020 with the following details:

Table 5. Potential Tax Suprises from Equalization Tax

<table>
<thead>
<tr>
<th>Detail of Income Tax</th>
<th>Value on Financial Statements</th>
<th>Value on Periodic Tax Return</th>
<th>Different Equalization</th>
<th>Potential Income Tax Surpris</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax article 21</td>
<td>16,944,617,030</td>
<td>16,199,156,345</td>
<td>745,466,685</td>
<td>151,366,671</td>
</tr>
<tr>
<td>Income Tax article 23/26</td>
<td>20,370,500,780</td>
<td>14,409,726,713</td>
<td>5,900,774,067</td>
<td>779,718,199</td>
</tr>
<tr>
<td>Income Tax article 4 (2)</td>
<td>11,879,023,984</td>
<td>6,937,652,484</td>
<td>4,941,371,500</td>
<td>395,556,280</td>
</tr>
<tr>
<td>Value Added Tax</td>
<td>185,856,055,355</td>
<td>174,122,492,459</td>
<td>11,727,562,897</td>
<td>1,172,756,290</td>
</tr>
<tr>
<td>Foreign Service Value Added Tax</td>
<td>4,210,771,667</td>
<td>772,989,114</td>
<td>3,437,782,553</td>
<td>343,778,255</td>
</tr>
</tbody>
</table>

The difference in tax equalization causes the value of periodic tax surprises during 2020 which is calculated based on the difference in expenses that have not been reported on the periodic tax return multiplied by the tax rate that has been regulated in tax regulations based on the type of income tax. The periodic income tax surprises consist of income tax 21 surprises worth IDR 151,366,671, income tax 23/26 surprises worth IDR 779,718,199, income tax 4 (2) surprises worth IDR 395,556,280 vat surprises worth IDR 1,172,756,290 and foreign service vat surprises worth IDR 343,778,255.

3. Tax Surprise Evaluation

The total amount of tax surprises based on the results of the application of tax review conducted by researchers on the amount of tax payable that has not been reported by PT.ABC is worth IDR 5,334,658,971. While the tax surprise according to the tax examiner (tax authorities) is worth IDR 4,955,443,060. Evaluation of tax surprises based on the audit results with tax surprises based on the results of the application of tax management strategies tax review shows a smaller difference of IDR 379,215,910 (IDR 4,955,443,060 < IDR 5,334,658,971).

The difference is caused by the existence of tax expenses that are not included in the findings of the tax authorities as a result of the audit of expenses by sampling. However, this can be used as a reference for tax correction and guidelines in carrying out tax obligations for the next years. And also this difference is not much different from the researcher's estimate and can be used as a tax management strategy in dealing with the 2020 tax audit. Differences that are not found by the tax authorities during the inspection can be used as a reference for tax corrections and as a guide in carrying out tax obligations for the following years. Therefore, with the tax surprise there is no tax saving for 2020 that can be done by PT.ABC to save expenses for tax payments.

Table 6. Tax Surprise Evaluation

<table>
<thead>
<tr>
<th>No</th>
<th>Detail of Income Tax</th>
<th>Potential Tax Surprises According to Fiscus</th>
<th>Potential Tax Surprises According to researchers</th>
<th>Different</th>
<th>Description of the difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Value Added Tax</td>
<td>1,184,483,853</td>
<td>1,172,756,290</td>
<td>11,727,563</td>
<td>Value Added Tax 1. Recalculate of administration fine</td>
</tr>
<tr>
<td>6</td>
<td>Foreign Service Value Added Tax</td>
<td>347,216,038</td>
<td>343,778,255</td>
<td>3,437,783</td>
<td>Foreign Service Value Added Tax 1. Recalculate of administration fine</td>
</tr>
</tbody>
</table>

Total 4,955,443,060 5,334,658,971 (379,215,910)
After the Notification of tax audit findings (SPHP) is received, PT. ABC has the right to provide a response or objection. If the SPHP received is significantly different from the results carried out in the tax management strategy, PT. ABC can refuse and provide a rebuttal to the minutes of refusal to receive the SPHP signed by the examining team. However, if PT. ABC feels that it has no objections to the findings at the SPHP, then PT. ABC can make a response in the form of a statement of approval for the results of the inspection.

CONCLUSIONS
This study aims to analyze the tax management strategy that has been carried out by PT. ABC in facing the 2020 Corporate Income Tax audit, which is only in the form of tax compliance. Where PT. ABC has never carried out a tax management strategy other than tax compliance to face the 2020 tax audit. Tax Compliance is carried out in the form of fulfilling tax obligations by making regular deposits and reporting every month during 2020. Tax Compliance is one of the tax management strategies at PT. ABC in dealing with tax audits because it can minimize the risk of tax payable and the tax burden that arises.
This study reveals that the implementation of management strategies in the form of tax compliance that has been carried out by PT. ABC is considered to be less compliant (comply) in terms of depositing and reporting taxes due to a mismatch in the deadline for depositing and reporting taxes in 2020 according to PMK No.9/PMK.03/2018. Therefore, PT. ABC is potentially subject to administrative sanctions in the form of tax fines which are regulated in accordance with Article 7 (1) and Article 9 (2a) of the KUP Law which regulates fines for late reporting and paying Income Tax. So that in the future this can become a concern and concern for management in carrying out tax obligations in accordance with tax laws and tax regulations that apply in Indonesia.
While the application of other tax management strategies in the form of tax reviews in the face of tax audits resulted in tax surprises worth IDR 5,334,658,971, which came from errors in the implementation of tax obligations that were not in accordance with tax procedures and tax regulations. The tax surprises consist of income tax 29 surprises worth IDR 2,488,483,275, income tax 21 surprises worth IDR 151,366,671, income tax 23/26 surprises worth IDR 779,718,199, income tax 4 paragraph 2 surprises worth IDR 379,215,910, and VAT surprises worth IDR 1,516,534,545. Meanwhile, the tax surprise according to the tax auditors (tax authorities) stated in the Notice of Audit Results is worth IDR 4,955,443,060. Evaluation of tax surprises resulting from tax audits with tax surprises resulting from the application of tax review management strategies shows a smaller difference of IDR 379,215,910.

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Journal

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