ANALYSIS OF THE CHANGES OF INCOME TAX PROVISION ON GOODS AND SERVICES RELATED TO GOLD

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Abstract
One of the economic transactions that has become a potential taxation for the Directorate General of Taxes (DGT) is gold, where its Income Tax Withholding are regulated in the Regulation of Finance Minister (PMK). As of May 1, 2023, Income Tax Article 22 on transactions related to gold has changed through the issuance of PMK Number 48 Year 2023. There is a decrease in the Income Tax Article 22 rate from 0.45% to 0.25% and an expansion of the taxation base which was originally only on gold bullion, now extends to gold jewelry and jewelry made of other than gold. This study aims to determine the factors behind and the impact of the issuance of this PMK. The method used in this research is qualitative through interviews with policy makers at the DGT and literature study. The results show that some of the factors that support the issuance of this regulation are due to: the unique characteristics of gold; the absence of special regulations for gold; the need for legal certainty, justice, convenience and simplicity of tax imposition; and the need to encourage business actors to contribute actively. The issuance of this PMK has an impact on optimizing state revenue.

Keywords: Gold, Income Tax, Jewelry

INTRODUCTION

The use of gold is closely related to the lives of Indonesian people. In Hinduism in the area of Bali Province, Sukrawati (2019) argues that gold is one of the elements of panchadatu which is realized in the form of kepeng bolong money as upakara Yadnya. Besides being part of the culture of society, gold is also in demand as an investment instrument in Indonesia. Unlike companies that have the possibility of going bankrupt and the value of their shares can drop dramatically, gold prices are unlikely to drop dramatically and this is what makes gold considered a safe investment. Even in their research, Rotinsulu et al (2021) stated that the price of gold has a material and positive effect on the Indonesia Composite Index (ICI). Apart from culture and investment, gold is also a consumer good, Puspita et al (2021) stated that gold metal is often formed into jewelry that sells well in the market because of its more diverse designs.

Due to its multifunctionality, gold, both in the form of bars and jewelry, has an impact on the Indonesian economy. Based on BPS (2023) in 2021 gold production in Indonesia reached 78.9 tons or worth 64.6 trillion rupiah with the gold price in 2021 reaching 148% compared to the gold price in 2018. Whereas 2018 is the year with the highest gold production from 2017 to 2021 at 132.7 tons. This means that gold is believed to be an investment tool. Gold transactions are also increasingly widespread with more accessible mechanisms such as digital media. Trading in the digital gold physical market also received full support from the Head of the Commodity Futures Trading Supervisory Agency (Bappebti), as evidenced by the issuance of Bappebti Regulation Number 4 of 2019 concerning Technical Provisions for the Implementation of the Digital Gold Physical Market on the Futures Exchange. Bappebti (2019) stated that this regulation is expected to provide legal certainty and also convince the public to invest through gold trading.

As a state revenue institution, the Directorate General of Taxes (DGT) sees the potential for taxation on the rise of transactions related to gold, both bars and jewelry. One type of tax imposed on transactions related to gold is Income Tax. As of May 1, 2023, Income Tax Article 22 on gold bullion sales transactions has changed. Through the issuance of PMK Number 48 Year 2023, Gold Jewelry Entrepreneurs and/or Gold Bar Entrepreneurs are mandated to collect Income Tax Article 22 of 0.25% of the selling price of gold jewelry and/or gold bars and deposit
and/or report the tax. This also applies to the sale of jewelry whose material is not entirely made of gold and the sale of gemstones and/or other similar stones. Not only for the sale of goods, Income Tax collection is also carried out on services in connection with gold jewelry, gold bars, jewelry whose material is not entirely made of gold and gemstones and/or other similar stones, hereinafter in this paper will be referred to as goods and/or services related to gold.

Based on the latest regulation, there is a decrease in the rate from 0.45% to 0.25% for the collection of Income Tax Article 22. According to Agustina & Hartono (2022), the reduction in tax rates is allegedly to attract investment so as to boost the economy. This is also supported by the statement of the Director of Counseling, Services and Public Relations of the DGT that the tariff reduction is aimed at increasing the participation of gold industry businesses to enter the system (Kementerian Keuangan, 2023). However, the same regulation also regulates the expansion of the taxation base of Income Tax Article 22 by not only imposing taxes on gold bullion sales transactions, but also on transactions of goods and/or services related to gold which were not originally subject to Income Tax Withholding and Collection.

On the one hand, the government uses fiscal policy to reduce Income Tax Article 22 rates on gold transactions as a regulatory function to improve the economy, but on the other hand, the government has increased the types of transactions that are taxed which will actually distort the economy. Therefore, this paper aims to analyze more deeply the factors and impacts of the issuance of PMK Number 48 of 2023.

There are two previous studies that also discuss taxation on gold. Previous research conducted by Dary & Anditya (2020) focused more on aspects of Value Added Tax (VAT) on gold jewelry with PMK Number 30 of 2014 with the research results that Taxable Entrepreneurs (PKP) in Sleman Regency have good tax compliance. Another study by Munthe (2022) focused on exploring the tax potential of jewelry store business activities in Karo Regency with the results of research that tax receipts from gold jewelry stores in Karo Regency were only 4.36% of the potential tax calculated by the author.

LITERATURE REVIEW
Gold Bars and Jewelry

Gold bars (gold cast bars) go through a long process until they are ready for market. According to Firdiansyah (2022) the process of making gold bars goes through several stages, starting from the gold is placed in a bar-shaped container to be molded and then the mold is put into an induction furnace and then melted at a temperature of around 1200 Celsius. The melted gold is released from the mold through a cooling tunnel and when the mold is completely cool, the gold is removed from the mold, cleaned, and weighed.

Gold bars are generally marketed by gold miners, gold distributors, and gold retailers. However, the gold bar and jewelry supply chain generally separates the roles of miners, producers and distributors. This results in quite a number of actors in the gold supply chain.

Quoted from antaranews.com (2022), people's purchasing power interest in gold is strongly influenced by price fluctuations. For this reason, the turnover of gold traders is highly dependent on the price of gold commodities in the market. Indirectly, the price of gold bullion commodities is related to tax revenue. To see the fluctuation of gold bullion prices in Indonesia sourced from harga-emas.org (2024), Figure 1. Gold Prices in Indonesia in the Last 5 Years is presented.
Figure 1 Gold Prices in Indonesia in the Last 5 Years

Source: harga-emas.org

Based on Figure 1, there was an 89% increase in the price of gold from April 2019 to March 2024, where April 02, 2019 the price of gold per one gram was IDR 660,500.00 and on March 24, 2024 the price of gold per one gram was IDR 1,249,000.00. This is common with previous years, meaning that in the long term the price of gold commodities tends to rise. However, if the graph in Figure 1 is examined further, it will show a pattern of increasing and decreasing gold prices in the short term or within a year. In other words, if gold is used as a short-term investment, then investors should expect a non-patterned movement of the gold price. The range of price increases and decreases in gold sales is presented in Table 1.

Table 1 Range of Increase and Decrease in Gold Price in the Last Five

<table>
<thead>
<tr>
<th>Year</th>
<th>Range of Increase and Decrease in Gold Price per gram</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>-2.84% to 10.56%</td>
</tr>
<tr>
<td>2020</td>
<td>-2.98% to 17.70%</td>
</tr>
<tr>
<td>2021</td>
<td>-1.48% to 0.97%</td>
</tr>
<tr>
<td>2022</td>
<td>-2.35% to 4.03%</td>
</tr>
<tr>
<td>2023</td>
<td>-1.03% to 4.28%</td>
</tr>
</tbody>
</table>

Source: processed by the author from harga-emas.org

The data in Table 1 indicates that the price of gold commodities in the short term cannot be categorized as stable. According to Gusnindar & Syafri (2023), in the long term, the significant influences on gold prices are the exchange rate, Gross Domestic Product (GDP), interest rates, ICI and Consumen Price Index (CPI). However, in the short term the exchange rate and ICI have a significant effect on the price of gold. If we rely on the ICI to short-term gold price fluctuations, then to be able to analyze the increase or decrease in gold prices, it is necessary to continue to update knowledge of business, political, and economic information. This is because market prices are determined by information, quoted by Titman et al (2018).

Apart from gold bars, gold ore can also be formed into jewelry. Suarpradana et al (2021) explain that to make gold into jewelry, goldsmiths in Bali carry out a series of stages. The process of making designs according to orders or catalogs, then the process of expanding gold and mixing it with other sturdier metals such as copper. Gold is forged so that the shape of the gold becomes flat so that it is easier to shape into jewelry that requires detail. The modern way of replacing the forging process is grinding using machines. After the gold is flattened and smaller in size, it will be expanded again to produce a pointed tip of gold wire that can be shaped as desired. Next is the brazing process, which connects one part of the gold jewelry to another. After brazing, there is the gilding process, which is coating the gold jewelry with other metals to improve the surface quality of the jewelry and ends with the washing process.

Gold sales are also influenced by the characteristics of an area's society. (Munthe, 2022) states that certain communities use gold as a means to show social status and the pattern of increasing gold sales is influenced by certain events. This indicates that analyzing gold jewelry sales also requires sociodemographic information.

The unique characteristics of gold, ranging from gold sales that do not necessarily depend on company performance, but also factors outside of control such as the ICI, to the
The characteristics of the community in certain areas, cause tax regulations to have a special strategy in order to continue to optimize the tax imposition. In addition to revenue optimization, the government should also use tax as a tool to regulate the economy, so that the gold industry is not threatened with death.

**Gold-related Services**

Gold-related transactions are not only about the sale of goods but also service delivery transactions, mentioned that most jewelry stores provide gilding, repair, and jewelry modification services to end consumers. At the request of the end consumer, some gold jewelers execute it with their tools and human resources. However, many gold jewelers also work with other gold jewelers or gold jewelry manufacturers to execute the services requested by consumers.

**Withholding Tax**

(Lestari et al (2024) explained that Withholding Tax in Indonesia is a tax payment mechanism that involves a third party to help withhold tax money from the tax burden bearer. This mechanism is present to accelerate the tax collection process, where the Minister of Finance has the right to appoint other parties to become Tax Collectors and/or Tax Withholders. The tax collection process becomes simpler and does not involve many taxpayers.

Withholding tax mechanism is needed in developing countries. In his scientific article (Mebratu, 2024.) revealed that tax non-compliance is a persistent problem that is increasing, especially in developing countries. In addition to having the task of collecting taxes, the government is also tasked with raising the level of tax compliance, whereas the level of tax compliance and tax revenue are two things that are interrelated and cannot be disconnected. For this reason, Mebratu considers the Withholding Tax mechanism to be an effective form of tax compliance coercion. Some theories that support Mebratu's statement are as follows.

Social Influence Theory by Snavely (1990), namely individual tax compliance attitudes are influenced by social norms or certain group references. In other words, the Withholding Tax mechanism that involves many third parties can form a massive tax collection climate, which will affect individual perceptions of paying taxes.

Comparative Treatment Theory by Walsh (2012), namely that the fairness and reasonableness of the tax system will affect individual tax compliance. The Withholding Tax mechanism hands over the extension of taxpayers and tax authorities to a third party to collect and/or withhold taxes so that this third party is the mediator as well as an indicator of fairness and reasonableness in the tax collection system.

In Indonesia, Withholding Tax system is stipulated in Article 32A of the Law on General Provisions and Tax Procedures (UU KUP). This system is commonly used in various transactions, one of which is the transaction of goods and/or services related to gold.

**Income Tax Article 22**

Income Tax Article 22 is one of the unique types of Income Tax, because the mechanism of Income Tax Article 22 is more similar to VAT than Income Tax. This is because the mechanism used in Income Tax Article 22 is Collection instead of Withholding. Referring to the VAT collection mechanism, Damarwati, (2023.) interpreted as the addition of the amount to be paid.

As stipulated in Article 22 of the Income Tax Law, the Minister of Finance may determine Tax Collectors consisting of Government Treasurers who collect income tax payable from government counterparties in transactions, Certain Bodies that collect income tax from importers or entrepreneurs in other fields, and Certain Corporate Taxpayers who collect income tax from buyers of goods classified as very luxurious. More detailed provisions regarding Income Tax Article 22 Collectors are further regulated in the PMK. Through PMK-48 Year
2023, Gold Jewelry Entrepreneurs and/or Gold Bar Entrepreneurs are appointed as Collectors of Income Tax Article 22 on the sale of gold jewelry and/or gold bars.

The mechanism for collecting Income Tax Article 22 is that the Collector will receive more money than the transaction price where the excess difference is Income Tax Article 22 which must be deposited by the Collector to the state treasury. In addition to making deposits, the Collector must also report the Income Tax Article 22 collected using the Unification Periodic Tax Return every month as stipulated in Regulation of the Director General of Taxes Number 24 of 2021. For taxpayers whose income tax is collected by the Collector, they can credit it to reduce the amount of income tax accrued.

**Framework of Thought**

Based on the introduction and theoretical studies that have been compiled, a framework is presented in this study. This framework is a description of the writing posture in this study.

**Figure 2 Framework of Thought**

<table>
<thead>
<tr>
<th>Initially, Income Tax Article 22 of 0.45% was imposed on the sale of gold bullion only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through PMK Number 48 Year 2023, there are changes to Income Tax Article 22 on gold</td>
</tr>
<tr>
<td>Reduction of Income Tax Article 22 rate to 0.25%</td>
</tr>
</tbody>
</table>

**Factors that cause**

<table>
<thead>
<tr>
<th>Tariff reduction</th>
<th>Tax base expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage businesses to actively contribute</td>
<td>The need for legal certainty, justice, convenience, and simplicity of tax imposition</td>
</tr>
<tr>
<td>Gold has unique characteristics</td>
<td>There is no specific regulation on jewelry</td>
</tr>
</tbody>
</table>

Source: processed by the author

**METHODS**

**Data Collection Methods**

As an effort to answer the problem formulation, the author uses a qualitative method. Hasibuan (2022) explains that this method is able to lead the author to state the problem in terms of quality. In achieving the purpose of writing, the author uses primary data and secondary data. Broadly speaking, primary data is obtained through interviews with government agencies such as DGT and secondary data through journals, books, theses, and credible sites. Based on this, two types of data collection methods can be classified, namely the Field Study Method, and the Literature Study Method.

**Field Study Method**

Sekaran & Bougie (2016) divide data collection methods by means of interviews into two types, namely structured and unstructured. All interviews conducted used semi-structured
Interviews with an emphasis on core questions that would answer the problem formulation and were developed impromptu based on the informant's explanation. Semi-structured interviews were conducted via online communication media with tax officials who have the duties and functions of making tax regulations. Tax officials have a role as policy makers who are the key players in the issuance of MoF Regulation No. 48 Year 2023. For details, Table 2 presents the list of informants and the dates of the interviews.

**Table 2 Details of Informants and Interview Dates**

<table>
<thead>
<tr>
<th>No</th>
<th>Profession</th>
<th>Interview Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technical Implementation Directorate of Tax Regulation II, DGT</td>
<td>February 29, 2024</td>
<td>Informant 1</td>
</tr>
</tbody>
</table>

Source: processed by the author

The interviews were transcribed and to get the essence of the interview, a coding technique was used. The coding results of all interviews conducted are listed in Table 3. Outline of Interview Coding Results. The coding results will be used as the basis for solving the problem formulation and will be further elaborated through the literature study method.

**Table 3 Outline of Interview Coding Results**

<table>
<thead>
<tr>
<th>Problem Formulation</th>
<th>Focus Coding Results</th>
<th>Informant</th>
</tr>
</thead>
</table>
| Factors in the issuance of PMK Number 48 Year 2023 | a. Types of transactions with distinctive characteristics  
b. There is no special arrangement  
c. The need for legal certainty, fairness, ease and simplicity of tax imposition  
d. Need to encourage businesses to actively contribute | Informant 1 |
| The impacts of the issuance of PMK Number 48 Year 2023 | Optimization of tax revenue | Informant 1 |

Source: processed by the author

**Literature Study Method**

Literature study is a technique of finding information with the help of other tools such as documents, books, and others (Febrianti, 2024). This method is used as a complement to the literacy of the primary data that has been collected. The literature used in this writing is as listed in Table 4 List of Literature Sources for Literature Study.

**Table 4 List of literature sources**

<table>
<thead>
<tr>
<th>Literature</th>
<th>Information</th>
</tr>
</thead>
</table>
| Scientific Articles | 1. Business process of making gold bars and jewelry  
2. Overview of jewelry sales in the field  
3. Impact of tax rate reduction |
| Credible Sites | 1. Gold bar and jewelry prices  
2. List of physical sellers of digital gold |
| Books | 1. Market price characteristics  
2. Theories of taxation |

Source: processed by the author
RESULTS AND DISCUSSION

Income Tax on Transaction Related to Gold

Prior to the issuance of PMK Number 48 Year 2023, transactions related to gold are regulated in PMK Number 34 Year 2017 concerning Collection of Income Tax Article 22 in Connection with Payment for Delivery of Goods and Activities in the Field of Import or Business Activities in Other Fields. PMK Number 34 Year 2017 regulates several articles regarding transactions in connection with gold.

Article 1 paragraph (1) letter k states that on the sale of gold bars in the country conducted by business entities, Income Tax Article 22 must be levied. This clause specifies that the type of gold that is subject to Income Tax Article 22 is gold bars, so gold in other forms such as jewelry is not subject to Income Tax Article 22. Article 2 paragraph (1) letter h states that Income Tax Article 22 levied on the sale of gold bars domestically by business entities is 0.45% of the selling price. This rate is higher than the rate stipulated in PMK Number 48 of 2023. Article 3 regulates the exceptions to the imposition of Income Tax Article 22, including the import of gold bars that will be processed into gold jewelry intended for export, as well as the sale of gold bars to Bank Indonesia. Imported gold bars, although they will be processed into gold jewelry, but their purpose is to be exported, actually only make Indonesia a "transit country" so there is no need to collect Income Tax Article 22. Likewise, the delivery of gold bars to Bank Indonesia because it is intended as a state foreign exchange reserve not for commercial purposes. Article 4 paragraph (5) states that Income Tax Article 22 on the sale of gold bullion domestically by a business entity is payable when the sale is made. This affects the due date of collection, deposit and reporting of Income Tax Article 22, considering that in accounting terms the sale is recorded when the goods sold have transferred ownership. The arrangement regarding when a sale occurs depends on the sale and purchase contract. In general, there are two bases when recognizing sales, namely Freight on Board (FOB) Shipping Point, and FOB Destination.

PMK Number 34 Year 2017 is then replaced by PMK Number 48 Year 2023 which further regulates income tax on transactions related to gold. There are 4 (four) points that have changed from the old regulation. Article 2 paragraph (1) states that on the sale of gold jewelry and/or Gold Bullion, Income Tax Article 22 is levied. This removes the previous provision that Income Tax Article 22 was only imposed on the sale of Gold Bullion. The government also expanded the taxation base, namely imposing Income Tax Article 22 on the sale of jewelry whose materials are not entirely made of gold and/or gemstones and/or other similar stones. This clause is stipulated in Article 3 paragraph (2). Article 2 paragraph (3) regulated that the party designated to collect, deposit and/or report income tax is the Gold Jewelry Entrepreneur and/or Gold Bar Entrepreneur who has a role as a Manufacturer or Trader. Article 2 paragraph (3) does not explain the clause regarding the form of Entrepreneur, whether Individual Taxpayer or Corporate Taxpayer. Thus, the previous provisions governing the type of Tax Collector, namely Business Entity, no longer apply. Article 2 paragraph (5) regulated that the rate of Income Tax Article 22 levied on the sale of gold jewelry is 0.25% of the selling price. The rate stipulated in Article 2 paragraph (5) is lower than the previous rate of 0.45%. In Article 5 paragraph (1) stipulates that Income Tax Article 22 on gold sales transactions is not imposed if the delivery is made to end consumer; taxpayers who are subject to final income tax; and taxpayers who have a Certificate of Exemption for the collection of Income Tax Article 22. This provision was previously not regulated in PMK Number 34 Year 2017. In addition, Article 5 paragraph (2) also regulates the collection of Income Tax Article 22 which is not carried out if the transaction is carried out to Bank Indonesia through the physical digital gold market.
The previous provision did not regulate the sale of gold through the digital gold physical market. As of the writing of this research, there are six digital gold physical markets registered with the Indonesian Commodity and Derivatives Exchange (BKDI), namely PT Quantum Metal Indonesia, PT Indogold Makmur Sejahtera, PT Indonesia Logam Pratama, PT Laku Emas Indonesia, PT Pluang Emas Sejahtera, and PT Sehati Indonesia Sejahtera. So, if there is a sale to other than the six physical digital gold traders, Income Tax Article 22 must be collected.

In addition to transactions related to gold in the form of goods, Income Tax is also imposed on transactions related to gold in the form of services. Article 8 regulates gold-related services such as modification services, repair services, coating services, gilding service, cleaning services, and other services. Income Tax Article 21 for Individual Taxpayers or Income Tax Article 23 for Corporate Taxpayers shall be withheld on remuneration received in connection with such services. This clause is not regulated by the previous provisions.

**Factors of the Issuance of PMK Number 48 Year 2023**

**Factors of the Reduction of Income Tax Article 22 Rate on Transaction Related to Gold**

Basically, the issuance of PMK-48 Year 2023 brings two major changes, namely the reduction of ITA 22 rates and the expansion of the taxation base on Income Tax Article 22 in relation to gold. Broadly speaking, Informant 1 provides a mapping that the reduction in the Income Tax Articles 22 rate is used as a trigger for gold business actors to enter the gold taxation ecosystem as well as a form of legal certainty, justice, convenience, and simplicity of tax imposition. Meanwhile, the expansion of the tax base, which was originally only gold bullion, then expanded to gold jewelry to jewelry not made of gold due to the unique characteristics of gold and the absence of regulations governing gold jewelry and jewelry not made of gold.

So far, the fulfillment of tax payment obligations for Gold Jewelry Entrepreneurs in the form of Manufacturers or Traders is carried out with the Self Assessment System mechanism. This mechanism is most common for entrepreneurs because entrepreneurs are considered capable of fulfilling their own tax obligations starting from calculating, depositing to reporting their taxes. Through this scheme, Gold Jewelry Entrepreneurs are expected to provide an active role where there is no need to wait for a Tax Assessment Letter in advance from the DGT to be able to carry out their tax obligations.

Informant 1 explained that in fact tax deposits from taxpayers with Business Field Code in relation to gold jewelry do not yet reflect the optimal amount. Even if the tax deposit is compared to the sales turnover, it does not differ much from the tax deposit of Small and Medium Enterprises (SMEs) entrepreneurs. Therefore, the government tries to use the withholding tax system to improve the tax compliance of Gold Jewelry Entrepreneurs. The third party that will be the collector of Income Tax Article 22 is the party that makes the delivery. So, with the application of withholding tax, it can capture many actors both as the bearer of the tax burden and as the party responsible for tax collection and remittance. Therefore, there should be more gold entrepreneurs who will enter the gold taxation ecosystem. However, to be able to "convince" gold jewelry entrepreneurs who will also become collectors or important players in withholding tax, a lighter is needed. The reduction of Income Tax Article 22 rate from 0.45% to 0.25% is expected to form the perception of "low tax rate" that can lure more new players in the gold taxation ecosystem in Indonesia.

In addition to binding more players in the gold taxation ecosystem, the lower rate of Income Tax Article 22 is also a form of fairness, convenience and simplicity in the imposition of tax on the sale or delivery of gold bullion, gold jewelry and jewelry that is not made of gold. Entrepreneurs who have just entered the gold taxation ecosystem who previously never collected ITA 22, will feel that they have an increased tax burden due to the inherent obligation
of "Collector of ITA 22". The government provides justice in the form of a reduction in the rate of Income Tax Article 22 so that the net transaction value after collecting Income Tax Article 22 does not interfere too much with the entrepreneur's operating cash flow, so that during the current tax year, more money from gold delivery transactions can be used for the entrepreneur's business needs.

**Table 5 Calculation of Cash Outflow Difference Due to Decrease of the Rate of Income Tax Article 22**

<table>
<thead>
<tr>
<th>Description</th>
<th>Income Tax Article 22 rate 0.45%</th>
<th>Income Tax Article 22 rate 0.25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Price</td>
<td>Rp100.000.000,00</td>
<td>Rp100.000.000,00</td>
</tr>
<tr>
<td>Income Tax Article 22 collected</td>
<td>Rp450.000,00</td>
<td>Rp250.000,00</td>
</tr>
<tr>
<td>Total payments to tax collectors</td>
<td>Rp100.450.000,00</td>
<td>Rp100.250.000,00</td>
</tr>
<tr>
<td>Difference in cash outflow</td>
<td></td>
<td>Rp200.000,00</td>
</tr>
</tbody>
</table>

Source: processed by the author

Based on Table 5, it can be seen that Gold Jewelry Entrepreneurs who bear the tax burden do not have to spend IDR 200,000.00 or 0.2% of the delivery transaction price due to the reduced Income Tax Article 22 rate. The difference can be utilized by entrepreneurs for productive activities or other business operations.

However, the absence of the effect of the reduction in Income Tax Article 22 rates will actually increase the amount of Income Tax Article 29 or accrued tax to be greater, in terms of tax calculations it is true. However, the impact occurs at the end, namely when taxpayers calculate the tax under/overpayment before reporting the tax return. Meanwhile, the reduction in Income Tax Article 22 rates will also have a positive effect on the current tax year period. Where the money that should be "paid in installments" to pay taxes, can be used for productive activities to generate income.

**Factors for the Expanded Gold Taxation Base**

Informant 1 explained that gold jewelry transactions are unique and different from other traded goods. This is because the turnover of gold jewelry does not always reflect the performance of the entrepreneur. Gold jewelry follows the properties of its raw material, namely gold, so that it follows the movement of gold prices. Based on this unique nature, the self-assessment system previously applied to fulfill the tax obligations of gold jewelry entrepreneurs is doubtful of its effectiveness. Because the nature of the self-assessment system that makes taxpayers calculate, deposit and report their own tax obligations, gives the expectation that the income tax paid will be stable and not much different from previous deposits. In fact, the turnover of gold jewelry entrepreneurs is very vulnerable to spikes and downturns because it is influenced by fluctuations in gold prices.
Figure 3 Trend of Gold Price in Indonesia from November 2023 to May 2024

Source: harga-emas.org

Based on the trend of gold prices in Indonesia over the past 6 months, there has been a surge in the price of gold per 1 gram from Rp1,105,000 on November 19, 2023 to Rp1,350,000 on May 17, 2024. The jump of 22.17% will affect the price of gold jewelry. Referring to the data, there should be an increase in profit before tax of 22.17%. However, if the turnover or sales of gold jewelry experiences a sharp increase or decrease due to the trend in gold prices, there will not necessarily be an increase or decrease in turnover, because in the Cost of Goods Sold (COGS) component there are raw materials that are also made of gold whose purchase price also follows fluctuations in market prices which are quite unstable. Assuming that COGS costs other than raw materials such as salaries of gold jewelry craftsmen, and factory overhead costs are fixed (fixed costs) and operational costs are also fixed, there will be profit distortions from fluctuations in the selling price of gold and also fluctuations in the purchase price of gold.

Due to the difficulty in monitoring profits in connection with the sale of gold, including gold jewelry, due to the influence of price fluctuations, the withholding tax system is considered more effective and efficient. The collection of tax on each transaction chain makes the supervision of goods with these unique characteristics more effective and efficient.

Apart from its unique nature, gold jewelry is also included in the tax base of Income Tax Article 22 regulated by PMK Number 48 Year 2023 for the sake of legal certainty. Previously, the special regulation on gold jewelry was limited to VAT as stipulated in MoF Regulation Number 30 Year 2014, while there was no income tax type. Informant 1 emphasized that all gold sector business actors must contribute positively to the development of the country by providing the same level of "playing field" with all business actors in all layers of the gold jewelry industry ecosystem. Thus, it is necessary to create a special regulation governing income tax on gold jewelry, which is currently born in PMK Number 48 Year 2023.

Because PMK Number 48 Year 2023 was born with the spirit of taxation for gold entrepreneurs, so the key is in gold entrepreneurs. Even though the gold entrepreneur sells jewelry whose raw materials are entirely made of non-gold metals and/or made of diamonds or other stones, he is still obliged to collect Income Tax Article 22 and/or Income Tax Article 21/23 as stipulated in Article 3 paragraph (2) of PMK Number 48 Year 2023. Because the key is in the gold entrepreneur, so if the jewelry entrepreneur does not deliver gold either in the form of bars or jewelry, for example a silver jewelry entrepreneur, then, he is not given the obligation to collect Income Tax Article 22, aka using the self-assessment system in general.
Impact of the issuance of PMK Number 48 Year 2023

PMK-48 Year 2023 only came into effect on May 1, 2023, so there has not been a significant impact in terms of state revenue and taxpayer compliance. However, as a form of early impact detection from the DGT on this regulation, the Subdirectorate of Harmonization of Tax Regulations, Directorate of Tax Regulations II conducted an Effectiveness Survey. This survey was distributed to all communities that accommodate affected taxpayers, namely gold bullion and gold jewelry entrepreneurs. Based on Informant 1's statement, Directorate of Taxation Regulation II has received a reply letter from the Indonesian Gold and Gem Entrepreneurs Association (APEPI) on the Effectiveness Survey. In the reply letter, APEPI explained that there are still many Gold Jewelry Entrepreneurs, both manufacturers and traders, who have not joined as members of APEPI, making it difficult for the association to reach out and provide explanations regarding tax compliance. This indicates that the Effectiveness Survey conducted by DGT showed unsatisfactory results, and APEPI even suggested to postpone the implementation of PMK Number 48 Year 2023.

Although the implementation in the field still has not shown optimal results as planned by the government, as a form of legal certainty that if PMK-48 Year 2023 has been stipulated and stated in it the date of enactment of this regulation, DGT will continue to supervise the compliance of tax obligation fulfillment. One of the supervision activities conducted by DGT related to PMK-48 Year 2023 is the submission of data related to gold bullion and/or gold jewelry delivery transactions from the Directorate of Taxation Data and Information to DGT vertical units so that it can be followed up through supervision by Account Representatives.

PMK-48 Year 2023, which is still as old as a corn, raises two major changes, namely the reduction of the Income Tax Article 22 rate on gold sales, and the expansion of the gold tax base, which was originally only gold bullion, now followed by gold jewelry and jewelry that is not made of gold. Based on Informant 1, these two major changes are planned to have one major impact, namely the optimization of tax revenue.

Based on Agustina (2021), the reduction in income tax rates will actually have a good effect on the country's economy. This is due to the relationship between Income Tax (t) and Gross Domestic Product (GDP). This statement can be dissected from Equation 1 to calculate GDP as follows.

\[ Y = C + I + G + (X - M) \]  

(1)

Income tax (t) will decrease the company’s income or disposable income (Id), so it will increase the cash flow of the company itself. If the company's cash flow increases, the amount of investment (I) will also increase, then GDP (Y) will also increase. In general, GDP is used as an indicator that reflects the economy of a country. However, it should be noted that based on Table 5, the reduction in Income Tax Article 22 rates does not affect the total income tax payable (one year's income tax), so the reduction in Income Tax Article 22 rates through the issuance of PMK Number 48 Year 2023 actually does not directly affect the improvement of the country's economy, when viewed from the GDP equation. The reduction in the Income Tax Article 22 rate is actually a long-term strategy for the government to optimize state revenue through expanding the database in the gold taxation ecosystem.

CLOSING

There are several factors behind the issuance of PMK Number 48 Year 2023, especially related to the reduction of Income Tax Article 22 rates and the expansion of the tax base, as follows. Lure gold businesses to actively contribute to the gold taxation ecosystem; Providing legal certainty, fairness, ease, and simplicity in the imposition of tax on gold transactions. Gold has unique characteristics that require a more effective and efficient taxation system; and There is no special taxation provision for Gold Jewelry Entrepreneurs.
The impact of the issuance of PMK Number 48 Year 2023 is still not significant due to the young age of the regulation. However, the expected impact of the reduction in the Income Tax Article 22 rate on gold transactions and the widespread taxation of gold transactions through the issuance.

REFERENCES


