

Value Added Tax (Vat) Restitution Process For Construction Services At The Tax Consultant Office

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Keywords:

Value Added Tax, Restitution, Construction Services, Tax Consultants

Abstract

The purpose of this study was to evaluate the Value Added Tax (VAT) Restitution Process for Construction Services at a Tax Consulting Office in Makassar. This research was conducted at the Massaniga & Partners Tax Consulting Office with samples using client data who are taxpayers for construction services. The technique in this study uses applied qualitative techniques. The research data was obtained by the author through field research both by observation and interviews and supported by the acquisition of documents from the research site. The results showed that the value added tax refund process for construction services at the Massaniga & Partners Tax Consultant Office was implemented, running well and systematically.

1. INTRODUCTION _

The process of value added tax (VAT) refunds for construction services is a process of returning taxes that have been paid by contractors or construction service providers to the state. VAT on construction services is a tax imposed on the provision of services in the field of construction which are included in other services, in accordance with the provisions of the laws and regulations in Indonesia

Value Added Tax (VAT) refunds are refunds of Value Added Tax overpayments caused by a larger input tax nominal than the output tax nominal (Jusman & Rudi Qurniawan, 2016). In Law No. 42 of 2009 concerning VAT and PPNBM article 9 paragraph 4 it is regulated that if during the tax period, the input tax can be credited more than the output tax, the excess input tax can be submitted for a refund at the end of the financial year . The return is made with a refund. . There are several problems experienced in returning refunds, including taxpayers who do not report their taxes, lack of completeness of documents or company data, lack of knowledge of taxpayers regarding tax refunds, etc. Even

though Article 17B of the Law on General Provisions on Taxation (UU KUP) stipulates that the Directorate General of Taxes does not make a decision within a period of no later than 1 (one) month after the period ends.

Based on the data above, it is necessary to have a tax consultant service to help clients, during the Value Added Tax refund process to overcome this problem. Starting from preparing data, submitting refunds, examining until the final process of receiving tax overpayment returns. The VAT refund process begins with the submission of an application by the taxpayer and then continues with an examination after which it is continued with filing objections, until the settlement of objections (Sarah oktavia et al, 2015) .

The VAT refund process for construction services is carried out by a tax consulting office that has expertise and experience in tax administration. A tax consultant office can assist contractors or construction service providers in submitting VAT refunds for construction services that have been paid. This is important because VAT on construction services is a significant burden for contractors or construction service providers. By carrying

out the VAT refund process for construction services, contractors or construction service providers can reduce the tax burden that must be paid and optimize the use of funds for their business needs. However, the VAT refund process for construction services requires a procedure that is quite complicated and takes quite a long time. Therefore, the tax consulting office has an important role in assisting contractors or construction service providers in carrying out the VAT refund process for construction services.

The Tax Consultant Office plays an important role in assisting contractors to understand and follow the VAT refund process. The VAT refund process itself involves various stages and requirements that must be met so that contractors can recover the VAT that has been paid. In the case of construction services, VAT refunds can be an important strategy in optimizing cash flow and reducing production costs. Therefore, the background of the VAT refund process at the tax consulting office is to assist contractors in understanding and following the VAT refund process so that they can recover VAT that has been paid correctly and on time.

When applying for VAT refunds, there are several things that must be done by the taxpayer because this is related to the state treasury. The taxpayer must comply with the application for refunds. Starting from submitting requests for refunds, the research process or inspection by the Directorate General (Dirjen) of taxes on requests for refunds. Research is carried out on applications for refunds of excess taxes submitted by Taxable Entrepreneurs (PKP) with certain criteria, PKP that meets the requirements as referred to in Article 17D of the Law -Law No. 16 of 2009 concerning general provisions and tax procedures (KUP) or low-risk PKP. In addition to the PKP, an examination is carried out on the application for returning the excess tax.

One of the companies in Makassar engaged in construction services is at the Massaniga & Partners tax consultant office.

This company submitted a request for refund of the VAT budget for material purchases on government projects that had been issued in advance using the company's operational data. Aspects of taxation for the construction services business sector have different characteristics from other business fields. Judging from the operating cycle which has more than one year so that income and expenses are calculated

in particular. The field of construction services includes architectural, civil, mechanical, electrical and environmental management works, each and its accessories. Based on the background in the previous section, the formulation of the problem in this study is "How to evaluate the Value Added Tax (VAT) Restitution Process for Construction Services at a Tax Consulting Office".

2. LITERATURE REVIEW

2.1 Value Added Tax (VAT)

Law Number 42 of 2009 Value Added Tax (VAT) is a tax imposed on consumption, both consumption of taxable goods and taxable services within the customs area by individuals or entities, which is subject to production and distribution of goods or services value added tax is a levy imposed on goods and services sale and purchase transactions carried out by individual taxpayers or corporate taxpayers who have become taxable entrepreneurs (PKP).

Wahono (2012: 264) defines Value Added Tax as a tax on the consumption of goods and services in the customs area which is imposed in stages in each production and distribution channel. According to (in Whaskita, 2013) said that value added tax is a tax that is imposed when a company purchases BKP/JKP which is imposed from the Tax Imposition Basis (DPP). In (Lalujan (2013) VAT is a type of indirect tax, meaning that the tax is paid by another party (trader) who is not the tax bearer or in other words, the tax bearer (final consumer) does not deposit the tax he bears directly.

2.2 Construction services

Yamin (2017: 129) states that construction services are construction work planning consulting services, construction work implementation services and construction work supervision consulting services. Construction services have a fairly broad scope of activities which involve two parties that enter into a working relationship based on law, namely service users and service providers.

Service users are individuals or entities that enter into a permanent form of business which requires construction services, while service providers are individuals or entities that provide construction services either as construction planners, construction implementers or construction supervisors.

2.3 Value added tax on construction services

The value added tax that is imposed on the purchase of a construction service company is the value added tax that is imposed on the purchase of materials used in the company's processes, the Value Added Tax that is obtained from the purchase of this Taxable Goods is called the Input Tax as well as the Value Added tax on the delivery of construction services as the delivery of taxable services and collect output tax. Input tax collected can be credited against output tax for the same tax period, but if it cannot be credited for output tax for the same period, it can be credited no later than 2 (three) months after the end of the relevant tax period

2.4 Value Added Tax Restitution

a. Restus

Djuanda & Lubis (2011: 121) state that restitution is an overpayment of value added tax that occurs because the amount of input tax paid is greater than the amount of output tax collected in one tax period.

b. N refund

Value added tax refunds are submissions for refunds of tax payments by Taxable

Entrepreneurs (PKP). VAT refunds can only be submitted if the amount of tax credits is greater than the tax payable or the PKP makes tax payments that should not be owed. However, with the record that the PKP does not have other tax debts.

3. RESEARCH METHODS

3.1. Place and time of research

This research will be carried out at AKP2I Massaniga & Partners Tax Consultant Office which is located at Jl. Education 1 Block B3 No. 26, Rappocini District, Makassar, South Sulawesi. The time of the research was carried out for approximately two months starting from February-March 2022.

3.2. Source of Informan

Table 1.
Informant Sources

| Informan | Keterangan |
|--|--|
| Bapak Massaniga (Ketua Kantor Konsultan Pajak Massaniga & Rekan) | Ketua Kantor Konsultan Pajak Massaniga & Rekan selaku orang yang lebih paham secara teknis dan detail tentang permasalahan yang terdapat dalam penelitian ini kemudian memberikan tugas kepada Manejer kantor untuk membantu peneliti dalam proses penelitiannya |
| Ibu Cepci (Manajer Kantor Konsultan Pajak Massaniga & Rekan) | Manejer Kantor Konsultan Pajak Massaniga & Rekan selaku orang yang lebih paham secara teknis dan detail tentang permasalahan yang terdapat dalam penelitian ini |

The basic informants as subjects in this study were the chairman and managers of the Massaniga & Partners Tax Consulting Office as people who understood more technically and in detail about the problems contained in this research. In addition, supporting informants are needed as additional information to complement the evaluation and discussion in this study.

The supporting informants needed in this study are the staff involved in the Value Added Tax refund process at the Massaniga & Partners Tax Consultant Office.

3.3. Data collection technique

a. Document

In this study, the documents that the researchers used were sample documents belonging to a client (taxpayer) from the Massaniga & Partners Tax Consultant Office.

The data sources obtained in the field are in the form of books, archives, magazines, even agency/company documents or official documents related to the focus of research and document retrieval.

b. Interview

Researchers used interview techniques to obtain information directly face to face. Interviews were conducted with managers related to the Massaniga & Partners Tax Consultant Office. In the interview process, the researcher used an open method, the purpose of which was to provide opportunities for informants to argue and not limit answers.

c. Observation (observation)

Researchers made direct observations at the Massaniga & Partners Tax Consultant office. In the observation method the researcher observes and records the behavior patterns of subjects, objects or systematic events without any questions and communication with the individuals studied.

3.4. Data analysis technique

The data analysis technique used in this study is an applied qualitative technique because apart from being required by academics to use this technique, Miles and Huberman (Sugiyono 2012:91), suggest that qualitative data analysis uses several stages, namely as follows:

a. Data collection

In the first model analysis, data were collected from interviews, observations, and various documents based on categorization according to the research problem which was then developed to refine the data through further data searches.

b. Data reduction

According to Sugiyono (2012: 92) reducing data means summarizing, choosing the main things and focusing on the important things. So that the reduced data will provide a clear picture.

c. Display Data

After the data is reduced, the next step is displaying the data or presenting the data. By displaying data, it will make it easier to understand the events under study.

d. Data verification

The final step in data analysis is drawing conclusions. Conclusion *drawing* is information obtained from data that has been compiled and/or grouped.

e. Conclusion Drawing

Drawing conclusions is part of a complete configuration activity (Miles and Huberman, 2007: 18). Conclusions are also verified during the research. and various propositions (Harsono, 2008: 169).

4. RESULTS AND DISCUSSION

4.1. Research result

Based on the research results that have been examined from the Massaniga & Partners Tax Consultant Office, data is obtained in the form of Value Added Tax (VAT) calculations from 2019 to 2022, causing an overpayment of taxes at the Massaniga & Partners Tax Consultant Office.

a. VAT Restitution for 2019-2021 at the Massaniga & Partners Tax Consultant Office

In VAT refunds, the Massaniga & Partners Tax Consultant Office took over the submission and process of the refund. This restitution comes from companies engaged in construction services where the company gets work projects by participating in tenders and through partners in the sense between private companies. The company's work projects hold a lot of tenders and carry out government work, which means that it has a transaction partner, namely the treasurer, where all types of taxation are the treasurer who collects taxes in the work project, in this case if there is a stage of work that has been completed, the taxpayer issues a counter output tax invoice. transaction. In accordance with the results of an interview with the Manager of the Massaniga & Partners Tax Consulting Office which stated that:

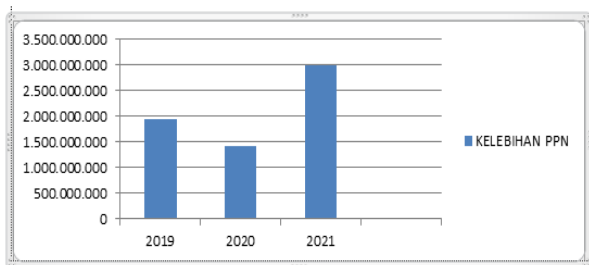
"This VAT refund can occur because, there is a purchase of goods, meaning that a building can be built because of a purchase that is subject to tax, so a tax invoice is issued, now the input tax invoice is given by the seller to the buyer. Therefore, restitution occurs because the taxpayer constructs the building and sells it to the government, then the government pays the full tax. So that the money paid at the time of purchase can be taken back because there are payments made 2 times for the same item.

This refund focuses on construction services that have experienced tax overpayments which will be broken down from data that has been recapitulated from January 2019 to December 2021 so that you get a value that can be considered to be decent. Therefore, filing for refunds can be made to take away the rights of taxpayers, because it is not only paying taxes that are the rights/obligations of taxpayers, but refunds/refunds of excess taxes are the rights of taxpayers.

Table 1
VAT refund data for 2019, 2020, 2020 1

| Kelebihan PPN tahun 2019, 2020, 2021 | |
|--------------------------------------|-------------------|
| Tahun | Kelebihan PPN |
| 2019 | Rp. 1,937,012,337 |
| 2020 | Rp.1,426,746,368 |
| 2021 | Rp. 2,995,536,69 |

Source: Data processed. (2022)



Source: Processed data, (2022)

From the data above, it shows that not every year there are large overpayments of taxes, we can see data on overpayments of taxes in 2019 Rp. Rp. 1,937,012,337 . Year 2020. Rp. 1,426,746,368 , and for 2021 Rp. 2,995,536,695 , this means that every year the

excess VAT changes and the highest excess VAT is in 2019 while the lowest is in 2020. And in 2019 tax refunds are carried out, 2020 compensation is carried out to the next period, namely 2021, as the place for filing VAT refunds. As said by the manager of the massaniga tax consulting office & colleagues

"In our office every year there must be a request for refund, but the refund we propose does not always experience a large excess, this is due to each company how much sales/excess tax has been paid."

4.2. Discussion

Value Added Tax (VAT) Restitution Process for Construction Services at a Tax Consulting Office.

The Massaniga & Partners Tax Consultant Office often makes VAT refunds. The thing that causes refunds is the amount of input tax compared to output tax, and the amount to be refunded is the difference from the amount compensated for the next tax period.

a. According to the official instructions, procedures for VAT refunds or returns for overpaid VAT are as follows:

- 1) PKP can apply for VAT refunds
- 2) Fill out the Periodic VAT SPT by placing a cross in the return column (restitution)
- 3) If the return column (restitution) on the Periodic VAT SPT is not filled in or does not include a request for refund of excess tax, the PKP can make its own application letter.
- 4) Refund of overpayment of tax on payment of tax by the payer
- 5) Requests for returns are submitted in writing in the Indonesian language
- 6) The return request must be signed by the paying party
- 7) Paying parties include;
 - a) Individual taxpayers
 - b) Corporate Taxpayer
 - c) Individuals or entities that are not required to have a Taxpayer Identification Number

- 8) In the event that the application is signed by a non-paying party, a special power of attorney at the time of the application must be attached in accordance with the provisions of the laws and regulations in the field of taxation
- 9) Return application must attach documents
- 10) The attached document is in the form of original proof of tax payment in the form of a Tax Payment Slip or other administrative means equivalent to a Tax Payment Slip
- 11) Calculation of taxes that should not be owed
- 12) Reasons for requesting a return of overpaid taxes that should not be payable
- 13) Return requests are submitted directly to;
- 14) The KKP where the taxpayer is registered or the KKP whose working area includes the residence of the individual or the body's domicile, in the event that the individual or entity is not required to have a taxpayer identification number, and in the future, proof of receipt of a letter will be provided.
- 15) In addition to direct delivery, requests can also be submitted by post with proof of letter delivery
- 16) Or an expeditionary service company or courier service with proof of mail delivery.

b. Proof of receipt of letter

as referred to is proof of receipt of the application letter.

- 1) After the Directorate General of Taxes checks, then checks, then a Decision Letter for Preliminary Adoption of Tax Excess (SKPPKP) is involved in the following cases:
- 2) The amount of tax credit is far greater than the amount of tax payable or the PKP makes tax payments that should not be owed. If there is tax payable collected by the VAT collector, then the amount of tax payable is the amount of output tax minus input tax or tax collected by the VAT collector.
- 3) Decision Letter on Preliminary Refund of Tax Excess (SKPPKP) issued by the Directorate General of Taxes no later than 12 months/1 year after the complete application letter has been submitted and received, except for certain activities which

have been determined based on a decision of the Directorate General of Taxes

- 4) If within 12 months of the application for VAT refunds, the Directorate General of Taxes does not make a decision, then the application for VAT refunds is granted and the SKPPKP will be issued no later than 1 month after the period ends.

Based on the results of interviews with the Manager of the Massaniga & Rekam Tax Consulting Office, stated that:

"The VAT refund process begins with the taxpayer submitting a VAT return where the output tax is smaller than the input tax, this is stated in the Periodic VAT Return, after that the taxpayer fills out the Periodic VAT Return, so that the difference between the amount of VAT paid is smaller. output tax starts from sales and input tax starts from purchases or deductions from third parties, for example the purchase of goods. Now this is formulated in the Periodic VAT SPT, the time period for taxpayers to submit SPT is 12 months. The submitted or proposed SPT will be examined and there are certain criteria. From the results of the inspection, an SKPLB (Overpaid Tax Assessment Letter) will be issued, of course by conducting research on the range of whether the credited tax invoice is correct according to the taxpayer's procession with the amount credited, the value is correct or not and the tax invoice is appropriate or not, the issuer is valid or No. If the inspection results are correct and appropriate, an SKPLB will issue the overpaid amount. Then a Tax Overpayment Decision Letter (SKKPP) will be issued. Then an order to make the payment will be transferred, then from the inspection section, a service dissection will be continued, an order will be issued to make the payment of the tax owed back. Then it will be

submitted to the KPKN and the overpaid amount will be transferred to the taxpayer's account.

c. The legal basis for VAT refund procedures

Based on the applicable legal basis, there are procedures that have been clearly described. The following is the legal procedure for VAT refunds:

- 1) Law Number 42 of 2009 concerning the Third Amendment to Law Number 8 of 1983 concerning Value Added Tax on Goods and Services on the Sale of Luxury Goods.
- 2) Regulation of the minister of finance number 72/PMK.03/2010 concerning Procedures for Refunding Excess VAT/PPnBM. Requests for Restitution Can Only Be Filed at the End of the Fiscal Year. PKP can only apply for refund of VAT overpayment/VAT refund at the end of the financial year.
- 3) If in a tax period, the input tax that can be credited is greater than the output tax, then the difference is an excess tax that can be compensated in the next tax period.
- 4) PKP can apply for refund of overpaid VAT/VAT refunds at the end of the financial year. In contrast to individual PKP which is exempt from the obligation to submit bookkeeping, the meaning of the financial year in the previous point is the calendar year.

d. VAT Restudy Research Criteria

- 1) The PKP with certain criteria in question is the PKP that complies with Articles 17C and 17D of the KUP Law, namely taxpayers with the criteria of complying taxpayers.
- 2) Not a low-risk PKP as in Article 9 Paragraph of the VAT Law.

In the process of filing for refunds, the obstacles encountered include:

- 1) There is a purchase of assets that do not have proof of a tax invoice but have been credited
- 2) There is a KMK/loan account that has quite large transactions
- 3) There are VAT tax payments on work projects that are not included in the payment *record*
- 4) There is *a record*. a work project in an area and still not in turnover and in other words not reporting turnover.

In every obstacle there must be a way / solution that is done to overcome it, including:

- 1) Look for other supporting evidence regarding the purchase of accurate assets
- 2) Provide accurate information regarding transactions on loan/KMK accounts
- 3) Book transfer done

Receive a predetermined penalty for not issuing a tax invoice for such unreported turnover which is 2% of the bureau value .

5. CONCLUSION

5.1 Conclusion

Based on the results of the research and discussion above, it can be concluded that: The process of value added tax refunds for construction services at the tax consulting office in the company is sure to experience an overpayment of taxes every year, but in 2019, 2020 choose to compensate in the following year, meaning in In 2021, value added tax (VAT) refunds have been made, and a refund process is needed to complete this refund. So that the return of excess taxes can run properly and systematically. The VAT refund process carried out by the Massaniga & Partners Tax Consultant Office has supporting factors that cause the entire process to be completed more quickly, namely cooperation between the two parties which is shown in a cooperative attitude. However, there are also inhibiting factors in the process of VAT refunds, namely the counterparty to the treasurer's transactions who are less concerned about the completeness of the project completion documents related to the tax that has been collected .

5.2 Suggestion

For taxpayers to pay more attention to the documents needed when VAT refunds and prepare as well as possible and complete the data as described in the regulations so that people, especially taxpayers who do business on taxable goods, can understand how important taxes are. and also learn things about taxes specifically regarding refunds.

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