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Analysis Of Calculation, Withholding and Reporting of Article 23 Income Tax for Cleaning Services at PT. Pelabuhan Indonesia (Persero) Paotere Unit in Makassar

Muhammad Akbardin[1], Jumriani[1], Resmi[1], Yulianti[1], Heril[1]

[1]Interest Area Tax Management, Management Study Program, Sekolah Tinggi Ilmu Ekonomi Indonesia Makassar

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Corresponding Author:
Muhammad Akbardin

Email:
muhammad.akbardin@stieindonesia-stikimks.ac.id

ABSTRACT

Purpose*: This study aims to analyze the calculation of Income Tax Article 23 on cleaning service fees, examine the tax withholding conducted on such services, and evaluate the tax reporting submitted to the Directorate General of Taxes (DJP).*

Subjects and Methods: *The subject of this study is PT Pelindo (Persero) Paotere Area Unit in relation to its tax obligations for cleaning service transactions with ISS Indonesia. The study uses a descriptive evaluative approach by examining the procedures for calculating, withholding, and reporting Income Tax Article 23 on cleaning service fees and comparing them with the applicable Indonesian tax regulations.*

Results: *The results indicate that the implementation of the calculation, withholding, and reporting of Income Tax Article 23 on cleaning service fees by PT Pelindo (Persero) Paotere Area Unit uses a tax rate of 2% of gross income because ISS Indonesia possesses a Taxpayer Identification Number (NPWP), which is in accordance with the provisions of Indonesian Income Tax Law No. 36 of 2008. Differences in the taxable object value occur each month due to varying cleaning service needs and differences in worker attendance, causing fluctuations in the income received by the service provider.*

Conclusions: *The study concludes that the mechanism for calculating, withholding, and reporting Income Tax Article 23 on cleaning service fees by PT Pelindo (Persero) Paotere Area Unit is fully compliant with the prevailing tax mechanisms in Indonesia and aligns with the provisions of Income Tax Law No. 36 of 2008.*

INTRODUCTION

Article 23 Income Tax (PPh) is a type of tax imposed on income in the form of capital, services, or gifts and awards other than those already withheld under Article 21 Income Tax (Kagiling et al., 2023). One taxable object subject to Article 23 Income Tax is cleaning services. Companies using cleaning services are required to withhold, deposit, and report Article 23 Income Tax in accordance with applicable tax regulations. (Cattleya Darmaya Fortuna). On the other hand, formal compliance is increasingly crucial. Periodic Tax Returns (SPT Masa) that are not submitted on time are subject to administrative sanctions/fines, and late payments also risk interest penalties as stipulated in the KUP Law and its implementing regulations (Arnold, 2019; Bird, 2015). For withholding entities, misclassification of objects, miscalculation of gross amounts, or missed reporting in electronic systems will directly impact compliance costs and potential audit findings (DGT, Ministry of Finance). Material-wise, Article 23 Income Tax is imposed on certain service fees paid by service users to service providers. The latest regulations outline that cleaning services are included in this group. "Other services" are subject to Article 23 Income Tax, with the gross amount as the basis for deduction being the entire payment (excluding VAT). The scope of cleaning services and the determination of this gross amount are stipulated in Minister of Finance Regulation 59/PMK.03/2022 and the latest list of objects published by the Directorate General of Taxes. Therefore, transactions procuring cleaning services by state-owned enterprises (BUMN) and other commercial entities are subject to Article 23 Income Tax withholding by the service user in accordance with the provisions.

PT. Pelabuhan Indonesia (Persero) Paotere Unit, as a port company that uses cleaning services, is obligated to comply with these tax provisions. However, in practice, discrepancies often occur between implementation and applicable regulations, such as late tax payments and reporting, as well as errors in calculating tax payable (Devos, 2014; James & Alley, 2004). This phenomenon has also been observed in previous research. For example, research by Kagiling et al. (2023) on PT Adicitra Anantara showed that although the calculation and remittance of Article 23 Income Tax were in accordance with regulations, reporting was inconsistent because it was not conducted monthly as stipulated in Minister of Finance Regulation No. 80/PMK.03/2010. Similarly, research by Nugraha and Kusairi (2024) at PT X found challenges in understanding regulations and implementing appropriate withholding and remittance of Article 23 Income Tax (PPh). (Cattleya Darmaya Fortuna).

Compliance with tax obligations is crucial to avoid administrative and criminal sanctions and to support state revenue. Therefore, an analysis of the calculation, withholding, and reporting of Article 23 Income Tax for cleaning services at PT. Pelabuhan Indonesia (Persero) Paotere Unit is necessary to determine whether they comply with applicable regulations and to identify potential problems in their implementation. Based on the foregoing, the authors chose the title "Analysis of the Calculation, Withholding, and Reporting of Article 23 Income Tax for Cleaning Services at PT. Pelabuhan Indonesia (Persero) Paotere Unit in Makassar.".

METHODOLOGY

Research Location and Timeframe

This research was conducted at PT Pelabuhan Indonesia (Persero) Unit Kawasan Paotere Makassar, located at Jl. Sabutung Paotere No. 1, Gusung Sub-district, Ujung Tanah District, Makassar City, Indonesia. The selection of this location was based on its direct involvement in the withholding, calculation, and reporting of Income Tax Article 23 (PPh Article 23), particularly on payments related to cleaning service activities. Conducting the research at this site enabled the researcher to obtain first-hand information regarding tax administration practices and internal procedures applied within the organization. The research was carried out over a period of two months, from June to August 2025. This timeframe allowed sufficient opportunity to conduct observations, interviews, document collection, and data verification to ensure the credibility and completeness of the findings.

Research Design

This study employed a descriptive qualitative research design. A descriptive qualitative approach aims to systematically describe, analyze, and interpret phenomena in the form of words, narratives, and explanations rather than numerical measurements. This approach was considered appropriate because the study seeks to understand and explain the procedures for withholding Income Tax Article 23 on cleaning service payments, including the calculation process, administrative procedures, and compliance with prevailing tax regulations. Although quantitative data such as tax amounts and withholding rates were utilized, the primary focus of the study was to provide an in-depth explanation of the processes and practices implemented by the company. Therefore, qualitative interpretation formed the core analytical framework of the research.

Types and Sources of Data

Types of Data

This research utilized both quantitative and qualitative data to support comprehensive analysis.

Quantitative data consisted of numerical information related to Income Tax Article 23 at PT Pelabuhan Indonesia (Persero) Unit Paotere, such as tax calculation amounts, withholding percentages, gross payment values, and related financial figures. These data were used to examine the accuracy and conformity of tax calculations with applicable regulations. Qualitative data included non-numerical information such as descriptions of the company's organizational structure, financial and taxation procedures, explanations regarding the implementation of PPh Article 23 on cleaning service payments, and insights obtained from interviews with relevant staff. These data provided contextual understanding and supported deeper interpretation of the tax administration process.

Sources of Data

The study relied on both primary and secondary data sources. Primary data were obtained directly from the research site through interviews with finance and tax staff, as well as through direct observation of tax-related administrative processes. Primary data also included original tax documents and internal records relevant to PPh Article 23 withholding and reporting. Secondary data were collected from company documents and external references, including financial reports, taxation regulations, official guidelines concerning Income Tax Article 23, and documentation related to tax withholding and reporting. These secondary sources were used to complement and validate the primary data.

Data Collection Methods

To obtain comprehensive and reliable data, the researcher applied the following data collection techniques:

Observation

Observation was conducted through direct engagement at the research site to examine the actual practices of tax withholding and reporting. Initially, general observations were carried out to gain an overall understanding of the company's tax administration system. Subsequently, focused observations were conducted to identify specific procedures related to the calculation, withholding, and documentation of Income Tax Article 23 on cleaning service payments. This method enabled the researcher to observe workflow patterns, administrative controls, and compliance mechanisms applied in daily operations.

Interviews

Interviews were conducted using a semi-structured format (guided but flexible interviews). In this method, the researcher prepared a set of guiding questions while allowing respondents the freedom to elaborate on their answers. This approach facilitated in-depth exploration of practical issues and challenges encountered in implementing PPh Article 23. The interviews were conducted directly with finance and taxation staff at PT Pelabuhan Indonesia (Persero) Unit Paotere Makassar. The discussion focused on procedures for calculating the 2% withholding rate (excluding VAT), documentation processes, payment and reporting mechanisms, and compliance with tax regulations concerning cleaning service transactions.

Documentation Study (Library and Document Review)

Documentation was used to collect written evidence supporting the research findings. The researcher examined financial statements, tax withholding slips, tax payment receipts, internal reports, and relevant taxation regulations.Additionally, a review of academic literature and taxation laws was conducted to establish theoretical foundations and regulatory benchmarks. This method strengthened the validity of the research by enabling comparison between regulatory provisions and actual implementation within the company.

Data Analysis Method

Data analysis in this study followed an interactive qualitative analysis model, as proposed by Miles and Huberman, consisting of data reduction, data display, and conclusion drawing/verification. The analysis process was conducted continuously throughout the research period until data saturation was achieved.

Data Reduction

Data reduction involved selecting, simplifying, and organizing raw data obtained from observations, interviews, and documentation. Irrelevant or repetitive information was eliminated, while essential information related to the implementation of PPh Article 23 on cleaning services was categorized systematically. This process enabled the researcher to focus on key aspects such as calculation accuracy, withholding procedures, reporting compliance, and alignment with taxation regulations.

Data Display

After reduction, the data were presented in an organized and systematic manner. Data display included descriptive narratives, tables of tax calculations, and structured summaries of interview findings. Presenting data in an organized format facilitated deeper interpretation and allowed patterns, relationships, and discrepancies to become more visible and understandable.

Conclusion Drawing and Verification

The final stage involved interpreting the analyzed data to draw conclusions that answer the research questions. The conclusions focused on explaining how PPh Article 23 on cleaning service payments is implemented, whether the procedures comply with applicable regulations, and what factors influence its execution. Verification was conducted by re-checking interview responses, cross-referencing documentation, and ensuring consistency between observed practices and regulatory standards. This process ensured the credibility, validity, and reliability of the research findings.

RESULTS AND DISCUSSION

Table 1. Proof of Article 1 Income Tax Invoices for January to December 2023 PT. Pelabuhan Indonesia (Persero) Unit Paotere

Taxpayer Name	Tax Identification Number (NPWP)	Month	Gross Amount (IDR)
ISS Indonesia	01-070-680-2-059-xxx	January	7,462,500
ISS Indonesia	01-070-680-2-059-xxx	February	28,073,150
ISS Indonesia	01-070-680-2-059-xxx	March	2,066,150
ISS Indonesia	01-070-680-2-059-xxx	April	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	May	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	June	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	July	4,916,950
ISS Indonesia	01-070-680-2-059-xxx	August	29,000,000
ISS Indonesia	01-070-680-2-059-xxx	September	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	October	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	November	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	December	29,000,000

Table 2. Proof of Income Tax Article 23 Invoices for January to December 2024 PT. Pelabuhan Indonesia (Persero) Unit Paotere

Taxpayer Name	Tax Identification Number (NPWP)	Month	Gross Amount (IDR)
ISS Indonesia	01-070-680-2-059-xxx	January	4,916,950
ISS Indonesia	01-070-680-2-059-xxx	February	4,916,950
ISS Indonesia	01-070-680-2-059-xxx	March	29,000,000
ISS Indonesia	01-070-680-2-059-xxx	April	89,930,500

ISS Indonesia	01-070-680-2-059-xxx	May	5,154,900
ISS Indonesia	01-070-680-2-059-xxx	June	8,094,500
ISS Indonesia	01-070-680-2-059-xxx	July	84,899,850
ISS Indonesia	01-070-680-2-059-xxx	August	7,856,500
ISS Indonesia	01-070-680-2-059-xxx	September	89,930,500
ISS Indonesia	01-070-680-2-059-xxx	October	5,154,900
ISS Indonesia	01-070-680-2-059-xxx	November	5,154,900
ISS Indonesia	01-070-680-2-059-xxx	December	17,818,200

Based on table 1 and table 2 above, it shows that there are differences in the amount of bills every month. The amount of the tax object/bill value every month is due to changes in the provision of services carried out by the vendor ISS Indonesia, in terms of the provision of services required by PT. Pelindo IV always changes every month due to the evaluation of each workforce needed every month by PT. Pelabuhan Indonesia (Persero) Paotere Unit. In terms of the results of this study, it is strengthened by the researcher's interview with one of the treasurer employees of PT. Pelabuhan Indonesia (Persero) Paotere Unit on July 8, 2025, he stated "that PT. Pelindo IV does not pay the cleaning service fees always the same every month, because PT. Pelindo IV always asks for proof of the presence of cleaning service workers every month, so when the bill for cleaning service payments occurs every month there is always a difference."

Table 3. Proof of Income Tax Article 23 Invoices for January to May 2025 PT Pelabuhan Indonesia (Persero) Paotere Unit

Taxpayer Name	Tax Identification Number (NPWP)	Month	Gross Amount (IDR)
ISS Indonesia	01-070-680-2-059-xxx	January	84,899,850
ISS Indonesia	01-070-680-2-059-xxx	February	58,339,500
ISS Indonesia	01-070-680-2-059-xxx	March	84,899,850
ISS Indonesia	01-070-680-2-059-xxx	April	84,899,850
ISS Indonesia	01-070-680-2-059-xxx	May	58,339,500

Based on table 3, it shows that the payment of bills made by PT. Pelabuhan Indonesia (Persero) Paotere Unit to the cleaning service provider vendor ISS Indonesia is only until May 2025, because PT. Pelabuhan Indonesia (Persero) Paotere Unit terminated the cooperation with the ISS Indonesia vendor. Therefore, PT. Pelabuhan Indonesia (Persero) Paotere Unit only pays the bills according to the mutually agreed contract. Therefore, according to Income Tax Law No. 36 of 2008, PT. Pelabuhan Indonesia (Persero) Paotere Unit as a taxpayer appointed as a third party who can deduct Article 23 Income Tax on services has the right to calculate and deduct income received by ISS Indonesia as a cleaning service provider. ISS Indonesia is a corporate taxpayer who has a Taxpayer Identification Number (NPWP) 01-070-680-2-059-xxx, therefore the amount of Article 23 Income Tax imposed by PT. Pelabuhan Indonesia (Persero) Paotere Unit is 2% in accordance with the contents of Law No. 36 of 2008 article 23 paragraph (2) concerning other services. Based on the results of the research conducted by the author on the research on PPh PT. Pelabuhan Indonesia (Persero) Paotere Unit, the author can clearly explain the calculations, deductions and reporting carried out by PT. Pelabuhan Indonesia (Persero) Paotere Unit.

Table 4. Calculation of Article 23 Income Tax on Cleaning Service Services for the Periodic Tax Return for January to December 2024 of PT. Pelabuhan Indonesia (Persero) Paotere Unit

Taxpayer Name	Tax Identification Number (NPWP)	Month	Gross Amount (IDR)	Rate	Income Tax Withheld (IDR)
ISS Indonesia	01-070-680-2-059-xxx	January	4,916,950	2%	98,339
ISS Indonesia	01-070-680-2-059-xxx	February	4,916,950	2%	98,339

ISS Indonesia	01-070-680-2-059-xxx	March	29,000,000	2%	580,000
ISS Indonesia	01-070-680-2-059-xxx	April	89,930,500	2%	1,798,610
ISS Indonesia	01-070-680-2-059-xxx	May	5,154,900	2%	103,098
ISS Indonesia	01-070-680-2-059-xxx	June	8,094,500	2%	161,890
ISS Indonesia	01-070-680-2-059-xxx	July	84,899,850	2%	1,697,997
ISS Indonesia	01-070-680-2-059-xxx	August	7,856,500	2%	157,130
ISS Indonesia	01-070-680-2-059-xxx	September	89,930,500	2%	1,798,610
ISS Indonesia	01-070-680-2-059-xxx	October	5,154,900	2%	103,098
ISS Indonesia	01-070-680-2-059-xxx	November	5,154,900	2%	103,098
ISS Indonesia	01-070-680-2-059-xxx	December	17,818,200	2%	356,364
TOTAL			**352,828,650**	2%	**7,056,573**

Table 5. Calculation of Article 23 Income Tax on Cleaning Service Services for the Periodic Tax Return for January to May 2025, PT. Pelabuhan Indonesia (Persero) Paotere Unit

Taxpayer Name	Tax Identification Number (NPWP)	Month	Gross Amount (IDR)	Rate	Income Tax Withheld (IDR)
ISS Indonesia	01-070-680-2-059-xxx	January	84,899,850	2%	1,697,997
ISS Indonesia	01-070-680-2-059-xxx	February	58,339,500	2%	1,166,790
ISS Indonesia	01-070-680-2-059-xxx	March	84,899,850	2%	1,697,997
ISS Indonesia	01-070-680-2-059-xxx	April	84,899,850	2%	1,697,997
ISS Indonesia	01-070-680-2-059-xxx	May	58,339,500	2%	1,166,790
TOTAL			**371,378,550**	2%	**7,427,571**

Tables 4 and 5 indicate that the monthly taxable amounts billed for cleaning services varied due to differences in service utilization by PT Pelabuhan Indonesia (Persero) Unit Paotere. The calculation of Article 23 Income Tax (PPh Article 23) for cleaning services in 2024 was consistently applied at a rate of 2% of the gross amount (excluding VAT) paid to ISS Indonesia. In January and February 2024, the gross payment amounted to Rp 4,916,950 each month. The Article 23 Income Tax withheld was 2% × Rp 4,916,950 = Rp 98,339, resulting in a net payment of Rp 4,818,611 to ISS Indonesia for each month. In March 2024, the gross amount was Rp 29,000,000, with tax withheld of Rp 580,000, so the net payment received was Rp 28,420,000. In April and September 2024, the gross amount reached Rp 89,930,500. The tax withheld was Rp 1,798,610, resulting in a net payment of Rp 88,131,890 for each of those months. In May, October, and November 2024, the gross amount was Rp 5,154,900, with Rp 103,098 withheld, resulting in a net payment of Rp 5,051,802 per month. In June 2024, the gross payment was Rp 8,094,500, and the tax withheld amounted to Rp 161,890, leaving a net payment of Rp 7,932,610. In July 2024, the gross amount was Rp 84,899,850, with Rp 1,697,997 withheld, resulting in a net payment of Rp 83,201,853. Finally, in August 2024, the gross amount was Rp 7,856,500, with Rp 157,130 withheld, so ISS Indonesia received Rp 7,699,370. In each case, withholding tax receipts were issued as proof of deduction in accordance with applicable tax regulations.

Calculation, Withholding, and Reporting of Article 23 Income Tax on Cleaning Services by PT. Pelabuhan Indonesia (Persero) Paotere Unit in Accordance with Law No. 36 of 2008

In accordance with the results of the above research, the calculation, withholding, and reporting of Article 23 Income Tax on cleaning services performed by PT. Pelabuhan Indonesia (Persero) Paotere Unit as the third party entitled to perform Article 23 Income Tax activities on such cleaning services. Based on the theory of Law No. 36 of 2008, Article 23 paragraph (1) letter c, which states that technical services, management services, consulting services, and other services are subject to a rate of 2% of gross income. Therefore, in accordance with Minister of Finance Regulation No. 141/PMK.03/2015, cleaning services are included in other services subject to Article 23 Income Tax Withholding in accordance with Law No. 36 of 2008 at a rate of 2%.

In the analysis of the Calculation and Withholding study, based on the calculations in the previous research section, the vendor ISS Indonesia has a Taxpayer Identification Number (NPWP). Therefore, PT. Pelabuhan Indonesia (Persero) Paotere Unit, as the taxpayer, deducts 2% of the income received by ISS Indonesia each month. After analyzing the calculation and withholding of Article 23 Income Tax for cleaning services, no errors were found by the withholding treasurer. The calculation and withholding of Article 23 Income Tax followed procedures and consistently adhered to Law No. 36 of 2008 concerning Article 23 Income Tax for services subject to a 2% rate.

In this study, the researchers also found no delays in reporting Article 23 Income Tax for services performed by PT. Pelabuhan Indonesia (Persero) Paotere Unit. The Periodic Article 23 Income Tax Return (SPT) is submitted between the 15th and 30th of each month in which the tax is due. Therefore, the analysis in this study concludes that the calculation, withholding, and reporting of cleaning services at PT. Pelabuhan Indonesia (Persero) Paotere Unit has been operating well and in accordance with Law No. 36 of 2008, as outlined in the research findings above. Therefore, the cleaning service vendors no longer object to the withholding of Article 23 Income Tax (PPh) by PT. Pelabuhan Indonesia (Persero) Paotere Unit.

Based on Law No. 36 of 2008 and the Regulation of the Minister of Finance, the calculation, withholding, and reporting of Article 23 Income Tax on services are in accordance with both the current research and related research conducted by previous researchers. Previous research conducted by Nadya Nur Azizah et al. (2015) at PT. XYZ found that PT. X, as the withholding agent for Article 23 Income Tax on outsourcing services, did not comply with Law No. 36 of 2008. However, the rate used by PT. X was 2%, in accordance with Law No. 36 of 2008. In this regard, Law No. 36 of 2008 is similar to research conducted at PT. Pelindo (Persero) Regional 4 Makassar, Paotere Makassar Area Unit, with a rate of 2%.

Research by Intan Rahayuning Pertiwi (2014) entitled "Analysis of the Calculation, Withholding, and Reporting of Income Tax Article 23 for Services at PT. Unisem Batam" found that the calculation, withholding, and reporting of Income Tax Article 23 were in accordance with Law No. 36 of 2008. However, if PT. Unisem Batam reported late reporting, it was subject to a fine of Rp 100,000, which will be added to its Annual Tax Return.

A study by Anjas Wiliansayh (2017) entitled "Mechanism for Withholding, Depositing, and Reporting of Article 23 Income Tax at PT. Pelindo III, Tanjung Emas Branch, Semarang" found that the withholding, depositing, and reporting of Article 23 Income Tax at PT. Pelindo III complies with Law No. 36 of 2008. The withholding of Article 23 Income Tax by PT. Pelindo III uses the rates stipulated in Law No. 36 of 2008 concerning Income Tax.

Therefore, based on the results of previous research, the researcher concluded that the calculation, withholding, and reporting of Article 23 Income Tax for cleaning services at PT. Pelabuhan Indonesia (Persero) Unit Paotere are in accordance with previous research by Intan Rahayuning Pertiwi and Anjas Wiliansyah. The results of this study indicate that the calculation, withholding, and reporting of Article 23 Income Tax for services are in accordance with Law No. 36 of 2008 concerning Income Tax.

Calculation, Withholding, and Reporting Mechanism for Income Tax Article 23 on Cleaning Services Provided by PT Pelabuhan Indonesia (Persero) Paotere Unit

PT Pelabuhan Indonesia (Persero) Paotere Unit, as a taxpayer appointed by the Directorate General of Taxes (DGT), in accordance with Income Tax Law No. 36 of 2008 and is responsible for calculating, withholding, and reporting Article 23 Income Tax. Therefore, in calculating Article 23 Income Tax, the withholding party must fully understand the Article 23 Income Tax calculation mechanism. The following is the mechanism for calculating Article 23 Income Tax:

Article 23 Income Tax = Article 23 Income Tax Rate x Taxable Base (DPP)

Note:

*Article 23 Income Tax Rate = 2% (if the vendor has a Taxpayer Identification Number)

4% (if the vendor does not have a Taxpayer Identification Number)

*Taxable Base (DPP) = Gross Income

An example of the Article 23 Income Tax calculation performed by PT. Pelabuhan Indonesia (Persero) Unit Paotere is as follows:

PT. Pelabuhan Indonesia (Persero) Paotere Unit entered into a cleaning service labor contract with the service provider, ISS Indonesia. The service provider has the Taxpayer Identification Number 01-070-680-2-059-xxx. The procurement of cleaning service labor in January 2025 by PT. Pelabuhan Indonesia (Persero) Paotere Unit, with a contract value of Rp. 84,899,850, was subject to a 2% tax rate in the calculation made by PT. Pelabuhan Indonesia (Persero) Paotere Unit, as the cleaning service provider has a Taxpayer Identification Number (NPWP). The following is the calculation of Income Tax Article 23 by PT. Pelindo IV: Income Tax Article 23 Calculation:

Contract Value = Rp. 84,899,850, Income Tax Article 23:

2% x Rp. 84,899,850 = Rp. 1,697,997

Therefore, the amount payable and received by the vendor ISS Indonesia is Rp. 83,201,853, and the Income Tax that must be remitted by PT. Pelabuhan Indonesia (Persero) Unit Paotere is Rp. 1,697,997.

The withholding agent for Article 23 Income Tax is a government agency, a domestic entity, an activity organizer, a permanent establishment, or a representative of another foreign company. Therefore, for cleaning service activities, the withholding agent, PT. Pelabuhan Indonesia (Persero) Unit Paotere, has the right and responsibility to withhold or collect Article 23 Income Tax. The party authorized by the company to withhold is the treasurer responsible for its tax obligations. The Article 23 Income Tax withheld by the withholding agent must be remitted no later than the 10th of the following month after the end of the tax period.

The mechanism for withholding Income Tax Article 23 is as follows: (1) Examine whether the services used are subject to Income Tax Article 23 based on PMK-141/PMK.03/2015; (2) The treasurer prepares and completes the Withholding Tax slip with Article 23 Income Tax deducted according to the applicable rate; (3) The withholding agent is PT. Pelabuhan Indonesia (Persero) Unit Paotere; (4) The treasurer prepares and completes the Withholding Tax slip list based on the Withholding Tax slips for the tax period and totals them; (5) The treasurer provides the vendor with the first sheet as proof of withholding.

Reporting Article 23 Income Tax for Cleaning Services

Tax reporting is an essential element for every entity in fulfilling its tax obligations to the government. Generally, in accordance with the Tax Law, tax reporting is carried out using a Tax Return (SPT). The Income Tax Return (SPT) serves as a means for taxpayers to report and account for the actual tax calculation and for any withholdings/collections made.

PT. Pelabuhan Indonesia (Persero) Paotere Unit, as the withholding agent for Article 23 Income Tax, is required to provide proof of withholding to vendors for each withholding of Article 23

Income Tax. For income recipients, this proof of withholding of Article 23 Income Tax serves as proof of payment of the Income Tax payable for the year, which will then be credited to their Annual Tax Return. The withholding agent for Article 23 Income Tax must report Article 23 Income Tax in the form of a Periodic Tax Return (SPT). The filing of Article 23 Income Tax must be submitted no later than 20 days after the end of the tax period. The filing of the Periodic Tax Return is conducted at the Tax Service Office where the withholding agent is registered. Before filing the Periodic Tax Return (SPT), the treasurer must attach several documents, such as a Tax Return (SPT), an Electronic Payment Slip, and a list of withholding evidence and proof of withholding performed by the treasurer of PT. Pelabuhan Indonesia (Persero) Paotere Unit.

CONCLUSION

The calculation, withholding, and reporting of Article 23 Income Tax (PPh) for cleaning services performed by PT. Pelabuhan Indonesia (Persero) Paotere Unit uses a rate of 2% of gross income. Because ISS Indonesia, the vendor and cleaning service provider, has a Taxpayer Identification Number (NPWP), the calculation, withholding, and reporting of Article 23 Income Tax (PPh) by PT. Pelabuhan Indonesia (Persero) Paotere Unit are in accordance with Income Tax Law No. 36 of 2008. The difference in the value of the taxable object each month that must be paid by PT. Pelabuhan Indonesia (Persero) Paotere Unit is due to the different cleaning service needs required by PT. Pelabuhan Indonesia (Persero) Paotere Unit and the varying attendance lists of cleaning service workers each month, resulting in varying income received by ISS Indonesia each month. The mechanism for calculating, withholding, and reporting Article 23 Income Tax (PPh) for cleaning services performed by PT. Pelabuhan Indonesia (Persero) Paotere Unit has complied with the applicable taxation mechanisms in Indonesia and in accordance with Income Tax Law No. 36 of 2008.

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