



Training or Counseling for Tax of Micro, Small and Medium Enterprises and Tax Incentives during the Covid 19 Pandemic

Luk Luk Fuadah^{1*}, Kencana Dewi¹, Liliana¹, Abdullah Saggaf¹

¹Faculty of Economics, Universitas Sriwijaya, South Sumatra, Indonesia

*Correspondence author: lukluk_fuadah@unsri.ac.id

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Abstract: The purpose of this service is to conduct training/counseling on Micro, Small and Medium Enterprises (MSMEs) Taxes during the Covid 19 Pandemic in West Ilir District. II. This is because it is important for MSMEs owners to understand about tax incentives during the Covid 19 pandemic given by the government. The method used in this service is to conduct training/counseling through monologues and also dialogues for MSMEs from Ilir Barat II District. The place for the activity is in the Diploma III Hall, Faculty of Economics, Sriwijaya University. Implementation time is Wednesday, November 11, 2020. Participants who take part are MSME owners, including convection, culinary, souvenir and small businesses. The results of this service are expected to be able to understand and know the tax incentives provided by the government that can be utilized by MSMEs. The training/counseling provides convenience for the owners of Micro, Small and Medium Enterprises (MSMEs) in Ilir Barat II District to calculate Income Tax, Value Added Tax. Next, this training/extension provides benefits and knowledge about tax incentives for Micro, Small and Medium Enterprises (MSMEs) in Ilir Barat II District. Furthermore, this training / counseling also provides insight, especially regarding tax incentives during the 2019 Corona Virus Disease (Covid) Pandemic. This kind of training or counseling is very, very important for owners of Micro, Small and Medium Enterprises (MSMEs) in Ilir Barat II District. Thus, the role of the government through the provision of tax incentives can be carried out properly in accordance with the expected goals.

Keywords: Taxation, MSMEs, Tax Incentives, Covid 19, Government.

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1. INTRODUCTION

Taxes are contributions that must be paid by the people or taxpayers to the state for the benefit of the government and the welfare of the general public who do not get direct reciprocity (Waluyo, 2018). Because there is a law that regulates taxes, Micro, Small and Medium Enterprises (MSMEs) should obey taxes. This is because there is a threat of punishment for SMEs who do not comply with taxes. The sanctions consist of administrative sanctions and criminal sanctions. There are three administrative sanctions, namely fines, the amount of which is determined based on a certain amount, a percentage of a certain amount or the multiplication of a certain amount (Second, interest sanctions that can be imposed on MSME business actors who violate the obligation to pay taxes. The third is an increase sanction, namely a sanction where if the MSME business actor has to pay double taxes according to a certain percentage figure. Criminal sanctions are imposed on MSME

business actors who intentionally do not submit annual notification letters (SPT) or submit but the contents of the SPT are not correct. Criminal sanctions can be in the form of fines, imprisonment and imprisonment (Siregar, 2020). Based on Law no. 20 of 2008. The criteria for micro-enterprises are those that have a net worth of Rp. 50,000,000 excluding buildings and land where the business is located. The maximum annual sales of micro businesses is Rp. 300,000,000 Small business is a productive economic business that stands alone, whether owned by individuals or groups and not as a branch business entity of the main company (Klemm & Van Parys., 2012).

Controlled and owned as well as being a part either directly or indirectly of a medium-sized business. The criteria for a small business is a business that has a net worth of IDR 50,000,000 with a maximum required amount of Rp. 500,000,000. Annual business sales results are between Rp. 300,000,000 up to a maximum of Rp. 2,500,000,000. Meanwhile, medium-sized businesses are businesses in a productive economy and are not branches or subsidiaries of the central company and are directly or indirectly part of the small business or large business with a total net worth in accordance with the laws and regulations. Medium-sized businesses are often categorized as large businesses with the criteria that the net worth of the business owner reaches more than Rp. 500,000,000 to Rp. 10,000,000,000 and does not include buildings and land where the business is located. Its annual sales results reach Rp. 2.5 billion to Rp. 50 billion.

There are several reasons why the distribution of tax incentives for Micro, Small and Medium Enterprises (MSMEs), namely the first is the lack of socialization (Farhan et al., 2020). This is because the Micro, Small and Medium Enterprises (MSMEs) feel that the incentives provided by the government are automatic, even though they must apply first to get the incentives provided by the Directorate General of Taxes. Second, not all MSMEs have a Taxpayer Identification Number (NPWP). Data from the Ministry of Cooperatives, currently there are around 64 million MSMEs in Indonesia. The details are 63 million micro enterprises, 783 thousand small enterprises, and 60 thousand medium enterprises. But based on the report from the Directorate General of Taxes, last year only 2.3 million MSMEs already had a Taxpayer Identification Number (NPWP) and paid taxes to the state. This amount is only 3.5 percent of the total MSMEs. The last cause is the fear of taking care of tax incentives (Pebrianto and Setiawan., 2020).

Government's demands, namely the Directorate General of Taxes, are related to the Micro, Small and Medium Business Tax in paying taxes, but there are still many MSMEs who do not understand the taxes that are their obligations. The implementation in this proposal is in the form of training and or counseling to facilitate the implementation of finance for Micro, Small and Medium Enterprises related to taxes and tax incentives during the Covid 19 pandemic (Bin Nahwan et al., 2021). Main problems faced by Micro, Small and Medium Enterprises (MSMEs) related to taxes are, among others: 1) Knowledge and understanding of MSME taxes. 2) Tax incentives during the Covid 19 pandemic. With the above problems, this training and/or counseling is expected to be able to provide knowledge and understanding for MSMEs in paying and reporting their taxes (Sari., 2021).

2. LITERATURE REVIEW

2.1. Taxation

MSMES tax obligations in the form of entities and individuals have differences. Tax obligations that must be carried out include the following:

In general, the tax obligations for MSMEs as entities are as follows (Hawala, 2018):

1. Register to get Taxpayer identification number and or taxable entrepreneurs;
2. With holding or collecting Income Tax (PPh 21, PPh Article 23, PPh Article 25, PPh Article 26);
3. Deposit and report income tax both from withholding/collection made or on corporate income tax (cooperatives) and other taxes;
4. Collect, deposit, and report value added tax if appointed as a taxable entrepreneur.

In general, the tax obligations for individual MSMEs are (Hawala, 2018): (1) Register yourself to get a Taxpayer Identification Number and or Taxable Entrepreneurs; (2) Deposit and report Personal Income Tax and other taxes; (3). Collect, deposit, and report Value Added Tax.

This MSME Income Tax payment condition is measured using 10 indicators which include (Hawala, 2018): 1) Tax information obtained by MSMEs; 2) Timely tax payment; 3) Tax rates; 4) How to calculate the tax payment; 5) Implementation of tax payments; 6) Completion of Annual Tax Return (SPT); 7) Difficulty in calculating tax when filling out the SPT; 8) Average tax payment; 9) Turnover; 10) The effect of bookkeeping on the smooth payment of taxes

There are three reasons why MSMEs are lazy to pay taxes. First, the socialization of the tax authorities on the obligations and ease of paying taxes for MSMEs is not friendly. Second, the lack of support from the local government (Pemda) to embrace MSMEs (Ermadiani et al., 2022). According to Prastowo, the slowing growth of the UMKM taxpayer base is not solely due to the central tax office. This is because the local government is the party that has been providing permits and providing business places for MSMEs. Third, the pattern of MSMEs moving from offline to digital platforms. The shift in this business model actually stirred up the tax authorities in capturing the MSME tax base (Santoso and Kartika, 2019).

According to Sandi (2019) there are five problems faced by Micro, Small and Medium Enterprises (MSMEs), namely: 1) Limited capital, the solution is to take advantage of the presence of financial technology to get additional capital. 2) Not having a clear legal entity, the solution is to take care of an official license, one of which is a Trading Business Permit. 3) Low awareness of paying taxes, the solution is to understand final PPh or MSME taxes. 4) Lack of innovation, the solution is that Micro, Small and Medium Enterprises actors should be critical and innovative in producing goods and services. 5) Many are technology stuttering, the solution is to keep learning and being able to adapt to the current technology.

Some of the advantages of reducing the tax rate to 0.5% are very beneficial for MSME actors (Ariyanti, 2018), including:

1. MSMEs can pay taxes easily and simply. Because PPh is Final, the calculation of taxes for offline and online MSMEs only needs to add up the gross turnover in a month, then multiply by the rate. It's simple right?
2. Can reduce the tax burden of MSME actors. With low rates, the remaining net turnover after taxes can be used by entrepreneurs to develop their businesses
3. Low tax rates can stimulate people to become entrepreneurs. So no need to worry about being charged high taxes
4. With this special rate, it is expected to encourage MSME compliance in paying taxes and increase the taxpayer base.
5. MSMEs can go up a class. Because after they can compile financial reports neatly, pay taxes obediently, it can be a way for them to gain access to capital through banks.

2.2. Tax Incentives

There are several Minister of Finance Regulations (PMK) which are explained as follows:

1. PMK No. 23 year 2020

Background: The impact of the Covid 19 pandemic has slowed down the world economy massively and significantly, including the economy in Indonesia. For this reason, the government has anticipated by issuing tax incentives. The aim is to maintain the stability of economic growth, people's purchasing power, and the productivity of certain sectors in connection with the corona virus outbreak. Support the response to the impact of the corona virus.

2. PMK No. 44 years 2020

The background is Resurrection is needed, economic stimulus is needed, which hits the most affected sectors. This real sector absorbs a lot of workers and we hope that they will be able to survive and not lay off workers.

Goals are:

The COVID-19 pandemic is a national disaster, so regulatory efforts are needed in order to support the response to the impact of COVID-19 and the increasingly widespread impact of COVID-19 to other sectors, including small and medium-sized businesses, it is necessary to provide an expansion

of tax incentives for every taxpayer. For this reason, PMK-23/PMK.03/2020 is no longer in accordance with current developments, so it is necessary to expand to reach sectors that will be given incentives.

3. PMK No. 86 year 2020

Background

1. Our biggest challenge today is how to prepare an appropriate economic recovery program, executed quickly, with speed, so that our country's economic growth rate is not further corrected.
2. To handle the impact of the COVID-19 pandemic, it is necessary to expand the sector which will be given the necessary tax incentives during the national economic recovery period
3. The COVID-19 pandemic is a national disaster, so it is necessary to regulate the provision of tax incentives to support the mitigation of the impact of COVID 19.

Goals are:

Maintaining the stability of economic growth, people's purchasing power, and the productivity of certain sectors in relation to the corona virus outbreak as well as support to overcome the impact of the corona virus.

4. PMK No. 110 year 2020

The background for PMK No. 110 year are (a). Tax installment relief for all taxpayers is given due to the current economic conditions, in particular the low level of production and sales of the business world; (b). Facilitating the use of wider incentives through sector expansion that will be given tax incentives; (c). Re-arrange the provisions for reducing the amount of Article 25 Income Tax installments for certain sector Taxpayers who are affected by the Covid-19 pandemic; (d). The imposition of final Income Tax borne by the Government for certain construction services to increase production and/or business circulation for Taxpayers

The main changes are additional deductions for income tax installments of article 25 from the previous reduction of a percent of the total installments that should be owed to a reduction of 50 percent and the final income tax on construction services is borne by the government for taxpayers in the acceleration program for improving irrigation water use (P3-TGAI) to support increased supply (irrigation) as a labor-intensive project which is an important requirement for the agricultural sector.

3. METHODS

3.1. Method of Implementation of Activities

The scope of training and/or counseling activities regarding taxation for Micro, Small and Medium Enterprises includes: Socialization of tax laws and regulations, which is (a). Law Number 36 of 2008 concerning Income Tax (PPH); (b) Law Number 42 of 2009 concerning Value Added Tax (VAT); (c) Law Number 13 of 1985 concerning Stamp Duty.

3.2. Activity Materials

Materials for training and/or counseling activities for all Micro, Small and Medium Enterprises (MSMEs) are expected to provide understanding at the conceptual and practical level. The concept level is expected to be able to provide a conceptual understanding of the framework for participants, in this case all MSMEs. The conceptual framework provides a basic understanding of the ideas about the material presented in this case the concept of taxation. The Practice Level provides participants with an understanding of the technical preparation process regarding training and/or preparation materials. Assistance material regarding taxation and providing practice on the technical process of tax reporting.

With these two types of material, it is hoped that participants will be able to understand well the material provided by the resource persons and apply it well to MSMEs. Thus, training and counseling are expected to help MSMEs in paying and reporting taxes. The materials for training and/or counseling activities for Micro, Small and Medium Enterprises regarding taxation include: A)

Tax Calculation for MSMEs. B) Payment methods and tax reporting. C) Tax incentives during the Covid 19 pandemic.

3.3. Methodology of Training and or Extension

Training and/or counseling provided to mentoring participants uses pedagogical learning methods. This method provides assistance to participants where participants are considered adults. The discussion provides assistance with a monologue, then continues with a two-way dialogue between the resource person and the participants. Monologue learning, which is adult learning, is by providing one-way material to participants. Participants provided directions from resource persons on various materials and technical directions for filling out forms.

Monologue learning is followed by a dialogue process. The dialogue process is the process of providing materials and directions to participants by means of discussions, face-to-face discussions and sharing of income on cases and materials as well as various directions from resource persons to mentoring participants. In this assistance process, efforts are made to provide several examples of calculations and also reporting related to taxes.

4. RESULT AND DISCUSSION

4.1. Implementation

The training was conducted on 11 November 2020 followed by 20 participants as the owners of micro, small medium enterprises. During the implementation of the training participants are very enthusiastic to follow each stage. The training began with a speech from the team leader and reciting of prayer.

4.2. Response of Participants

The training went smoothly and casually, but seriously in delivery. All participants were seated equipped with LCD, microphone and speaker speakers. so that the owners of micro, small medium enterprises can deeply explore and understand directly. In implementation used the infrastructure facilities from Faculty of Economics Universitas Sriwijaya due to it held in Diploma III Hall.

4.3. Material Giving

At the beginning, it is an introduction and goes straight to the material, where the initial material briefly discusses the taxes that must be calculated by Micro, Small and Medium Enterprises (MSMEs), namely Income Tax, Value Added Tax and also Stamp Duty.



Figure 1. The Explanation and Discussion of the Material

Next is to describe the tax incentives provided by the government to MSME owners. This Community Service was carried out on Wednesday 11 November 2020 which was attended by owners of Micro, Small and Medium Enterprises (MSMEs). The variety of businesses owned is culinary, convection, souvenirs and also stalls in Ilir Barat II District. In this explanation, one by one the Regulations of the Minister of Finance is presented and also the comparison between them. As for the Ministerial Regulation Finance No. 23 of 2020, Minister of Finance Regulation No. 44 of 2020, Minister of Finance Regulation No. 86 of 2020, Minister of Finance Regulation No. 110 of 2020. The beginning of this activity was in the form of a monologue, namely providing material to the participants, namely the Micro, Small and Medium Enterprises (MSMEs).

This feedback is an important part of the training and counseling carried out which aims to determine the extent to which participants understand the material provided. Feedback is intended to see how successful the community service has been carried out by the presenter which consists of the delivery of material, the material provided. In this feedback session, each participant was asked to convey their impressions and messages, as well as criticism and suggestions for the training directly. Most of the participants gave a positive response and also gave suggestions for future community service.

4.4. Discussion

After giving the material and discussing the material, there is a discussion, namely a question and answer session. There were several questions asked by the participants of Micro, Small and Medium Enterprises (MSMEs). First, someone asked about whether you have to have a Taxpayer Identification Number (NPWP) which is related to taxation, it is better to have an NPWP even though the responsibility for making an Annual Tax Return (SPT) will also apply.



Figure 2. Discussion session

Someone asked about income tax. There are also those who ask related to the tax incentives that are available given by the government as well as why not all owners of Micro, Small and Medium Enterprises (MSMEs) do not receive assistance from the government. The income tax is imposed if the income is indeed more than the applicable regulations and may be subject to income tax. Discussion on tax incentives and providing examples related to the topic.



Figure 3. Closing Session on MSMEs Tax Incentives

Participants who take part in this service activity are owners of Micro, Small and Medium Enterprises (UMKM) around Ilir Barat II District. This can be seen from Figure 3. The last is closing and giving final conclusions from the results of the discussions that have been carried out. After the dialogue and discussion there is a photo session for the last one in this session which is attended by approximately 20 (twenty) participants.

5. CONCLUSION

Based on the evaluation results of this mentoring training activity, there are several things that can be concluded from the results of this activity, including: Training/counseling provides convenience for owners of Micro, Small and Medium Enterprises (UMKM) in Ilir Barat II District to calculate Income Tax, Value Added Tax, this training/counseling provides benefits and knowledge about tax incentives for Micro, Small and Medium Enterprises (MSMEs) in Ilir Barat II District and this training/counseling also provides insight, especially regarding tax incentives during the 2019 Corona Virus Disease (Covid) Pandemic.

6. SUGGESTION

Training or counseling like this is very, very important for owners of Micro, Small and Medium Enterprises (MSMEs) in Ilir Barat II District. In addition, activities like this are a form of contribution from educators, namely Lecturers at Higher Education to participate in advancing the community by providing information, knowledge and insight for the community. This also helps the government, namely the tax authorities, in conducting socialization about taxation that can be applied by the community, one of which is the owner of Micro, Small and Medium Enterprises (MSMEs). Thus, it is hoped that Micro, Small and Medium Enterprises (MSMEs) can be on time in carrying out their tax payments and reporting.

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