



ANALYSIS OF INCOME TAX INCENTIVE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) AFTER THE ISSUE OF GOVERNMENT REGULATION NO. 23 OF 2018

Made Laksmi Sena Hartini

Faculty of Economy, Mahasaraswati University, Bali, Indonesia

Abstract

The increasing number of micro, small and medium enterprises (MSMEs) every year in Indonesia proves that these enterprises has a significant role in Indonesia economy growth. However, this increase is not accompanied by the increase of income tax revenue from this sector. An initiative is taken by the government to improve tax revenue from these enterprises by giving incentive of income tax revenue through Government Regulation No. 46 of 2013 (hereinafter is stated as PP 46/2013) which was issued on 12 June 2013, and then revised by Government Regulation No. 23 of 2018 (hereinafter is stated as PP 23/2018) which was issued on 8 June 2018 and effectively valid since 1 July 2018. This study used explorative and descriptive approach. This is a literature study with qualitative approach. Based on the conducted study, there was significant change in tax regulation after the issue of the Government Regulation about the incentive of income tax for MSMEs in accordance with PP 23/2018 if it is compared to previous regulation. The absence of Ancillary Regulation of PP 23/2018 causes confusion in the implementation of this regulation.

Keywords: MSMEs, Income Tax, Tax Incentive, PP 46/2013, PP 23/2018

Introduction

The importance of Micro, Small and Medium Enterprises (MSMEs) has been recognized worldwide due to its significant contribution to gratifying various social economy objectives such as higher growth of employment, output, promotion of exports and fostering entrepreneurship (Keskin et al., 2010).

In Indonesia, contribution of MSMEs has strategic role in economy growth and employment. MSMEs has 99.99% proportion from the total of entrepreneurs in Indonesia and supports 60% of Gross Domestic Product (GDP) (Central Bank of Republic of Indonesia, 2016). It is indicated by the rapid growth of MSMEs in Indonesia every year,



even the number of MSMEs after the monetary crisis of Indonesia in 1997-1998 is not declining (Central Bureau of Statistics Republic of Indonesia, 2016).

Besides that, based on annual report of Ministry of Cooperation and Micro, Small and Medium Enterprises year 2016 showed that until 2015 the number of MSMEs was 59,267,759 units. It increased by 1,372,038 units from the last data published by Ministry of Cooperation and Micro, Small and Medium Enterprises (Ministry of Cooperation and Micro, Small and Medium Enterprises, 2017). In another words, it can be said that MSMEs has been able to prove its existence in the economy of Indonesia.

However, in tax sector, MSMEs could not dominantly contribute in the tax revenue. Based on annual report of Directorate General of Taxes in 2016, realization of Final Income Tax Revenue in 2016 was IDR 117,676.78 Billion or only 64.37% from the target of Final Income Tax Revenue in 2016. If it is compared to 2015, there was decrease of Final Income Tax Revenue realization of 1.66% in which the realization in 2015 was IDR 119,665.59 (Directorate General of Taxes, 2017). Therefore, in 2018, the increase of MSMEs tax revenue is of the focuses of Ministry of Finance through Directorate General of Taxes (DGT) in which the Ministry keeps improving the tax participation level of MSMEs by creating friendly tax ecosystem and easy tax mapping for the MSMEs (Gustomo; 2018). In order to realize the increase of tax revenue in MSMEs sector, the Government provides tax incentive for the MSMEs by issuing Government Regulation No. 23 of 2018 (hereinafter is stated as PP 23/2018) which replaced Government Regulation No. 46 of 2013 (hereinafter is stated as PP 46/2013).

The issuing of PP 23/2018 concerning Income Tax on Operating Income Received or Acquired by Taxpayers Having Certain Gross Turnover or well-known as Income Tax Incentive of MSMEs contains some significant changes if it is compared to the previous regulation. Indeed, this changes would affect the Taxpayer of MSMEs who can and will implement this regulation.

Literature Review

Micro, Small & Medium Enterprises (MSMEs)

MSMEs is a business unit managed by some people or family which is mostly Indonesian entrepreneurs and has a strategic role in national economy development (Keziana, Made & Wirshandono, 2016). MSMEs can be defined as an independent productive business unit,



which is managed by individual or business entity in all economy sector (Tambunan, 2012)

Classification of Micro, Small & Medium Enterprises (MSMEs) Based on Law No. 20 of 2008 about MSMEs

Based on the wealth and sales result in Law No. 20 of 2008, the criteria of MSMEs are as follows:

1. Micro Enterprises

- a. Having maximum net wealth of IDR 50,000,000.00 (fifty million rupiah) not including the land and building in which running the business; or
- b. Having maximum annual sales of IDR 300,000,000.00 (three hundred million rupiah).

2. Small Enterprises

- c. Having net wealth more than IDR 50,000,000.00 (fifty million rupiah) until maximum IDR 500,000,000.00 (five hundred million rupiah) not including the land and building in which running the business; or
- d. Having annual sales more than IDR 300,000,000.00 (three hundred million rupiah) until maximum IDR 2,500,000,000.00 (two and half billion rupiah).

3. Medium Enterprises

- a. Having net wealth more than IDR 500,000,000.00 (five hundred million rupiah) until maximum IDR 10,000,000,000.00 (ten billion rupiah) not including the land and building in which running the business; or
- b. Having annual sales more than IDR 2,500,000,000.00 (two and half billion rupiah) until maximum IDR 50,000,000,000.00 (fifty billion rupiah).

Classification of Micro, Small & Medium Enterprises (MSMEs) Based on Income Tax Law No. 36 of 2008

In taxation, definition of MSMEs is not specifically regulated in Income Tax Law, yet implicitly in the rate calculation of Article 31E of Income Tax Law, provides facility of rate reduction for Taxpayer of Company with gross turnover until IDR 4.8 billion of 50% from the applicable rate. Considering the amount of gross turnover until IDR 4.8 billion is categorized as micro, small & medium enterprises based on Law No. 20 of 2008 concerning MSMEs, so it can be concluded that this rate is given for Taxpayer of Company with category of MSMEs (Inasius, 2015).



Income Tax

Based on Income Tax Law No. 36 of 2008, income tax is tax imposed on any increase in economics capacity received by or accrued by a Taxpayer from Indonesia as well as from offshore, which may be utilized for consumption or increasing the taxpayer's wealth, in whatever name and form. Based on the deduction and/or collection, Income Tax is divided into 2 (two) namely Final Income Tax and Not-final Income Tax. Final Income Tax is an income tax with final tax imposition (end) so it cannot be credited (deducted) from payable Income Tax total in the end of tax year (Resmi, 2014).

Tax Incentive

Tax Incentive is all available or provided financial or non-financial facilities for the taxpayer by a tax system. Definition of tax incentive is wide which covers anything providing benefits for the taxpayer. Tax incentive can be defined as a government policy (Nurlita, 2012). Tax incentives are relief's granted to tax payers or industries in the form of set-offs from the total

income before tax liability is determined. It could be in form of tax holidays or waivers. It is established by legislations or statute authorizing such payment of tax (Uwaoma & Ordu, 2016).

Research Method

This study used explorative and descriptive approach. Method of this study used literature study, i.e. by collecting and reading literatures such as book, journal, article, and Law of Taxes as well as the technical regulations.

DISCUSSION

Income Tax for MSMEs in Indonesia based on Income Tax Law No. 36 of 2008

MSMEs can be individually or in form of company. Based on Income Tax Law No. 36 of 2008, subject of income tax can be in form of company taxpayer or individual taxpayer. In taxes, MSMEs is categorized as a business with turnover/gross revenue below or not more than IDR 4.8 billion in one tax year. In Article 31E of Income Tax Law No 36 of 2008, it is stated that Resident entity taxpayer with gross income of IDR 50,000,000,000.00 (fifty billion rupiah) receives facilities in the form of reduction of the rate by 50% (fifty percent) of the rate as referred to in paragraph (1) subparagraph b and (2a) of Article 17 imposed on taxable Income from the part of the gross revenue of IDR



4,800,000,000.00 (four billion, eight hundred million rupiah). From the description of Article 31E, it can be referred that for MSMEs company with turnover/gross revenue until IDR 4.8 Billion will have rate deduction of 50% from normal rate based on Article 17 paragraph 2 of Income Tax Law No.36 of 2008, i.e. 25%, in which with this rate deduction so the effective tax rate is 12.5%. Meanwhile, for individual MSMEs, the imposition of income tax is calculated by multiplying Taxable Income with Income Tax Rate of Article 17 paragraph 1 of Income Tax Law No. 36 of 2008. Income Tax Rate of Article 17 paragraph 1 of Income Tax Law No. 36 of 2008 is divided into four levels, namely for taxable income until IDR 50 million is 5%, taxable income between IDR 50 million and IDR 250 million is 15%, taxable income between IDR 250 and IDR 500 million is 25%, and for taxable income more than IDR 500 million is 30%. Meanwhile, Taxable Income means business net income after reduced by Non-Taxable Income. To get business net income of individual taxpayer, it can be done by using bookkeeping or net income calculation by norms which is further regulated by Minister of Finance Regulation.

Income Tax Incentive for MSMEs in Indonesia based on Government Regulation No. 46 of 2013 (PP 46/2013)

PP 46/2013 was issued on 13 June 2013 and effective valid since 1 July 2013. With the existence of this regulation, it is expected that there will be an increase of participation in tax payment, the increase of income tax revenue from taxpayers who have certain gross turnover, and increase the tax revenue for government so the chance of government to improve people's welfare will also improve (Hakim & Mildawati, 2016).

PP 46/2013 is a Final Income Tax on Income from business received or earned by taxpayer having certain gross turnover. Taxpayers who have certain gross turnover as mentioned in PP 46/2013, shall be Taxpayer fulfilling the following criteria based on Article 2 paragraph (2) PP 46/2013 :

- a. Individual Taxpayer or Corporate Taxpayer excluding permanent establishment; and
- b. Receiving income from business, excluding income from service related to independent work, with gross turnover of not more than IDR 4,800,000,000.00 (four billion eight hundred million rupiah) in 1 (one) Fiscal Year.



Income received or earned by Individual Taxpayers from services in relation to independent work based on Regulation of the Director General of Taxes No. PER-32/PJ/2015 consists of experts performing independent work, consisting of attorneys, accountants, architects, physicians, consultants, notaries, Land Deed Officials, appraisers, and actuaries; musicians, masters of ceremony, singers, comedians, movie actors, television actors, advertisement models, movie directors, movie crew, photo models, male/female runway models, stage actors, and dancers; athletes; advisors, lecturers, trainers, speakers, counselors, and moderators; authors, researchers, and translators; advertisement agents; project supervisors or managers; brokers; salesmen; insurance agents; distributors of multi level marketing companies or direct sales and other similar activities.

Not included as individual Taxpayer as intended in paragraph (2) of PP 46/2013 shall be individual Taxpayer who conducts trade and/or service business activities, which business:

- a. uses knock-down facilities or infrastructures, either permanent or non-permanent; and
- b. uses a part of or the entire place for public interests not designated as business or trade place.

Not included as corporate Taxpayer as intended in paragraph (2) shall be:

- a. corporate Taxpayer that is not commercially operating yet; or
- b. corporate Taxpayer that in the period of 1 (one) year after commencing commercial operation obtains gross turnover of more than IDR 4,800,000,000.00 (four billion eight hundred million rupiah).

In Article 3 & 4 of of PP 46/2013 explained that :

- a. The amount of tariff of final Income Tax as intended in Article 2 shall be 1% (one percent).
- b. The imposition of Income Tax as intended in paragraph (1) shall be based on the gross turnover from business in 1 (one) year from the last Fiscal Year before the relevant Fiscal Year.
- c. In the event that cumulative gross turnover of a Taxpayer in a month has exceeded the amount of IDR 4,800,000,000.00 (four billion eight hundred million rupiah) in a Fiscal Year, such Taxpayer shall remain subject to the tariff of Income Tax



already stipulated based on the provisions as intended in paragraph (1) up to the end of the relevant Fiscal Year.

- d. In the event that the gross turnover of a Taxpayer has exceeded the amount of IDR 4,800,000,000.00 (four billion eight hundred million rupiah) in a Fiscal Year, the income received or earned by the Taxpayer in the next Fiscal Year shall be subject to tariff of Income Tax based on the provisions of Income Tax Law.
- e. Tax collection basis used to calculate final Income Tax as intended in Article 2 paragraph (1) shall be the amount of gross turnover every month.

Implementing Regulation which regulates Procedures of Calculation, Payment, and Report of Final Income Tax PP 46/2013 is regulated in Minister of Finance Regulation No. 107/PMK.011/2013, in which in Article 4 paragraph (2) it is stated that the basis of Final Income Tax imposition is the total of monthly gross turnover, for every place of business activity. Article 6 regulates the exemption from withholding tax by another party by requesting the Exemption Certificate called "SKB". Article 10 also regulates mechanism of tax payment that should be carried out by Taxpayer who gets income or in other words the tax payment is carried out by themselves.

PP 46/2013 can be considered as one of tax incentive for MSMEs, since by using scheme of Final Income Tax calculation with 1% rate which is based on Taxpayer gross turnover record without being required for writing bookkeeping, surely makes it simple and easy for the Taxpayer if it is compared to the implementation of Income Tax Rate Article 31E or Income Tax Rate Article 17 of Law of Income Tax No 36 of 2008. It is in line with the purpose of issuing this regulation, i.e. to ease both individual and company Taxpayer who have certain gross turnover. The study conducted by Syafiqurrahman, et.al. (2017) concluded that PP 46/2013 positively affects the existence of MSMES, and the implementation of PP 46/2013 about Final Income Tax Rate of 1% from the gross turnover helped MSMEs in increasing their income and venture capital. PP 46/2013 also positively affected MSMEs Taxpayer compliance in paying tax because it eases and simplifies tax calculation of the Taxpayer, so MSMEs taxpayer is getting easy to calculate and pay their tax.

The implementation of this Tax Incentive also raises contra, besides it is considered not significantly increasing tax revenue, which is supported by the study conducted by Hakim & Nangoi (2015). This



study focused on the effect of PP 46/2013 implementation on the growth of Taxpayer and Revenue of Final Income Tax in Manado Tax Office. Finding of this study showed that Revenue of Final Income Tax from MSMEs for 17 months after the issuing of PP 46/2013 fluctuated and categorized as very less and there was declining of taxpayer growth of 0.23%. It showed that the effort of General Directorate of Taxes to increase the potency of tax revenue, specifically MSMEs Tax, was not well-achieved. It is also proven by Syarifudin (2015) in his study about the implementation of Final Income Tax PP 46/2013 and its implication. Syarifudin concludes that the implementation of PP 46/2013 seems to be “winging” convenience which means giving tax administrative facility but do not consider the taxpayer financial condition. The implementation of 1% single rate tax from the turnover benefits taxpayer who have high margin profit because the tax will decline while for the low margin profit in contrast will raise.

Income Tax Incentive for MSMEs in Indonesia based on Government Regulation No 23 of 2018 (PP 23/2018)

By considering the evaluation result of PP 46/2013 implementation, it was considered not significant to the tax revenue. The government issued new Tax Incentive for MSMEs through PP 23/2018. It was legalized on 8 June 2018 and valid effectively on 1 July 2018. The purpose of providing this Tax Incentive is to ease and simplify the Taxpayer in conducting their tax obligation, on the accepted or gained income of the business which have certain gross turnover and subjected to final income tax in certain period of time. The issuing of this regulation is basically expected able to provide easiness and fairness to the small entrepreneurs to contribute in national development with lower tax payment. By the legalization of PP 23/2018 so the Tax Incentive for MSMEs which is regulated in PP 46/2013 is no longer valid and replaced New Income Tax which is regulated in PP 23/2018.

This new Tax Incentive provision gives new hope for taxpayer especially MSMEs i.e. by implementing 0.5% Final Income Tax Rate from gross turnover which is regulated in Article 2 paragraph (2) of PP 23/2018. There is rate reduction of Final Income Tax compared to PP 46/2013 as much as 1%. This reduction surely decreases the tax burden



of MSMEs taxpayer and it is expected to bring positive effect on the business development of the MSMEs taxpayer.

The same as PP 46/2013, in PP 23/2018 is also regulated about criteria of taxpayer that could use this regulation, which is regulated in Article 3 paragraph (1) stated that taxpayers having certain gross turnover subject to final Income Tax as intended in Article 2 paragraph (1) shall constitute: Individual Taxpayers; and Corporate Taxpayers in the form of cooperatives, limited partnership, firms, or limited liability companies, receiving or earning income with gross turnover of not exceeding IDR 4,800,000,000.00 (four billion eight hundred million rupiah) in 1 (one) Fiscal Year.

Different with PP 46/2013, PP 23/2018 provides more detail regulation related to taxpayer that cannot use PP 23/2018 as stated in paragraph (1) shall as follows :

- a. Taxpayers choose to be subject to Income Tax based on the tariff of Article 17 paragraph (1) sub-paragraph a, Article 17 paragraph (2a), or Article 31E of Income Tax Law;
- b. Corporate Taxpayers in the form of limited partnership or firms established by several Individual Taxpayers having special expertise which deliver services similar to the services in relation to independent work as intended in Article 2 paragraph (4);
- c. Corporate Taxpayers obtain Income Tax facilities based on: Article 31A of Income Tax Law; or Government Regulation Number 94 Year 2010 regarding Calculation of Taxable Income and Settlement of Income Tax in the Current Year as well as the amendments thereto or replacements thereof; and
- d. Taxpayers in the form of Permanent Establishment.

Taxpayer that cannot use PP 23/2018 as stated in paragraph (2) subparagraph a, should deliver notification of General Directorate of Taxes and for the following Tax Years cannot be subjected for Income Tax based on PP 23/2018. Regulation in PP 23/2018 indicates that individual Taxpayer who conducts trade and/or service business activities, which business: uses knock-down facilities or infrastructures, either permanent or non-permanent; and uses a part of or the entire place for public interests not designated as business or trade place and also companies that have not yet commercially operated or have not passed a period of 1 year since commercially operating can utilize tax incentive facility of PP 23/2018. In other words, street vendors and



newly established companies are now able to utilize 0.5% tax rate facilities without waiting for a period of 1 year after commercially operating. Besides that, PP 23/2018 provides option to the taxpayer to use Income Tax based on PP 23/2018 or choosing to be subjected of Income Tax based on Law of Income Tax No 36 of 2008 by delivering notification. PP 23/2018 also provides emphasis related to Income Tax imposition upon company which is established by several Individual Taxpayers having special expertise which deliver services similar to the services in relation to independent work, where this has not previously been regulated in PP 46/2013.

Related to definition of gross turnover is regulated in Article 4 paragraph (1) PP 23/2018 stated that The amount of certain gross turnover as intended in Article 3 paragraph (1) shall constitute the amount of gross turnover in 1 (one) year of the last Fiscal Year before the Fiscal Year concerned, determined based on the entire gross turnover of business, including gross turnover of branches. Added in Article 6 about the definition of gross turnover shall constitute remuneration or replacement value in the form of money or value of money received or earned from business, before deducted by discount of sales, cash discount, and/or similar discounts. The provision in this article are improvement from PP 46/2013, where previously there was no detail regulation related to definition of gross turnover so it was vulnerable to create multiple interpretations. It surely could cause mistakes in tax imposition and affecting tax revenue.

In Article 5 PP 23/2018, it is regulated the period of this Tax Incentive implementation as follows :

1. Certain period of time for the imposition of Final Income Tax as intended in Article 2 paragraph (1) shall be a maximum of:
 - a. 7 (seven) Fiscal Years for Individual Taxpayers;
 - b. 4 (four) Fiscal Years for Corporate Taxpayers in the form of cooperatives, limited partnership, or firms; and
 - c. 3 (three) Fiscal Years for Corporate Taxpayers in the form of limited liability companies.
2. The period of time as intended in paragraph (1) shall be calculated as from:
 - a. The Fiscal Year the Taxpayers are registered, for Taxpayers who are registered as from the coming into effect of this Government Regulation, or



- b. The Fiscal Year of the coming into effect of this Government Regulation, for Taxpayers who were already registered prior to the coming into effect of this Government Regulation.

In Article 7 PP 23/2018 is regulated regarding the treatment of tax imposition after the period stated in Article 5 has expired, stated that:

- a. With regard to Taxpayers as intended in Article 3 paragraph (1) whose gross turnover in the current Fiscal Year has exceeded IDR 4,800,000,000.00 (four billion eight hundred million rupiah), the income from business shall remain subject to the tariff of Income Tax as intended in Article 2 paragraph (2) up to the end of the Fiscal Year concerned.
- b. The income from business as intended in Article 2 paragraph (1) received or earned in the following Fiscal Years by Taxpayers as intended in paragraph (1) shall be subject to Income Tax based on the tariff of Article 17 paragraph (1) subparagraph a, Article 17 paragraph (2a), or Article 31E of Income Tax Law.

Regulation in Article 5 and 7 PP 23/2018 are improvement of previous regulation, i.e. this Article emphasizes the period of using this Tax Incentive for MSMEs which is adjusted with the owned business form. It indicates that Incentive of 0.5% rate of Final Income Tax could not be used forever. By the end of the period, the taxpayer should use calculation of Income Tax at normal rate based on Law of Income Tax No 36 of 2008.

In Article 8 PP 23/2018 it is stated that Income Tax payable as intended in Article 6 paragraph (3) shall be settled with the following methods that are paid by the Taxpayers themselves having certain gross turnover; or withheld or collected by Tax Withholders or Collectors in the event that the relevant Taxpayers conduct transactions with the parties appointed as Tax Withholders or Collectors. Self payment of Income Tax payable as intended in paragraph (1) sub-paragraph a must be made every month. Withholding or collection of Income Tax payable as intended in paragraph (1) sub-paragraph b must be conducted by Tax Withholders or Collectors for each transaction with Taxpayers subject to Final Income Tax based on this Government Regulation. Further provisions on the procedure for payment as intended in paragraph (2) and the procedure for withholding or collection as intended in paragraph (3) shall be stipulated in a Regulation of the Minister of Finance. There are additional regulation in this Article compared to the previous



regulation, where in PP 46/2013 with its technical regulation of Minister of Finance Regulation No. 107/PMK.011/2013, the procedure of tax payment is done by self-payment mechanism, but in PP 23/2018, it can be also done by tax deduction by another party. However, it is not clearly explained in detail about the category of taxpayer that could do tax deduction and tax collection based on this regulation.

Related to deduction of Final Income Tax by other party which is regulated in Article 8 PP 23/2018, so in Article 9 described about certificate application of using PP 23/2018 stated that in the event that the Taxpayers subject to Income Tax based on this Government Regulation are conducting a transaction with Tax Withholders or Collectors as intended in Article 8 paragraph (1) sub-paragraph b, the aforementioned Taxpayers must file an application for a statement letter to the Director General of Taxation. The Director General of Taxation shall issue a statement letter stating that the relevant Taxpayers are subject to Income Tax based on this Government Regulation, based on the application from Taxpayers as intended in paragraph (1). Further provisions on the procedure for filing an application for and issuing the statement letter as intended in paragraph (1) and paragraph (2) shall be stipulated in a Regulation of the Minister of Finance. This Article indicates that there is no need use of Exemption Certificate called "*SKB*" to avoid tax deduction by other party based on PP 46/2013, but it is replaced by Certificate of the Use PP 23/2018 called "*S-Ket*".

Closing

Government seeks to increase the potential of tax revenue from the MSMEs sector by providing Income Tax Incentives specifically for MSMEs. These tax incentives are stated in PP 46/2013 which was later replaced by PP 23/2018. Issuance of PP 23/2018 is a refinement of tax incentive rules for MSMEs. In PP 23/2018 there are some significant changes when compared with PP 46/2013, which includes changes in tariffs, changes in tax subject exceptions, addition of regulations related to the period of use of tax incentives, the addition of a definition of gross turnover, the addition of taxation methods and the use of a certificate of the Use PP 23/2018 called "*S-Ket*". This difference in regulation must be a concern of MSMEs taxpayers because this will affect the procedures and administration in the implementation of PP 23/2018 which is effective as of July 1, 2018.



Related to the above conclusion, some suggestions can be proposed by the researcher related to tax imposition if the period of using tax incentive of PP 23/2018 has been over. There should be special regulation related to procedure simplification of tax imposition for Individual Taxpayers because so far, most of them just conducted the record of transaction not full bookkeeping. It can be done by providing application which is easily understood by the Individual Taxpayers who do not conduct full bookkeeping. Besides that, there should be urgently issued ancillary regulation of PP 23/2018 so there will not be confusion in the implementation such as related to the procedure of tax deduction of Final Income Tax PP 23/2018 by other party.

Bibliography

Central Bank of Republic of Indonesia. 2016. *Profil Bisnis UMKM*. Downloaded on 30 June 2018.

<https://www.bi.go.id/id/umkm/penelitian/nasional/kajian/Pages/Profil-Bisnis-UMKM.aspx>

Central Bureau of Statistics Republic of Indonesia. 2016. The development of MSMEs in the period 1997-2013. Downloaded on 30 June 2018.

<https://www.bps.go.id/statictable/2014/01/30/1322/tabel-perkembangan-umkm-pada-periode-1997--2013.html>

Directorate General of Taxes. 2017. Annual Report 2016. Downloaded on 30 June 2018.
http://www.pajak.go.id/sites/default/files/Annual%20Report%20DJP%202016%20-%20INA_0.pdf

Gustomo, Ma'ruf. 2018. *Menciptakan Pajak yang ramah untuk UMKM*. Ministry of Finance of Indonesia Republic Publication. Downloaded on 30 June 2018.
<https://www.kemenkeu.go.id/publikasi/artikel-dan-opini/menciptakan-pajak-yang-ramah-untuk-umkm/>

Government Regulation (PP) No. 46 of 2013 Concerning Income Tax On Income From Business Received or Earned By Taxpayer Having Certain Gross Turnover. Stipulated: 12 June, 2013. Jakarta.



- Government Regulation (PP) No. 23 of 2018 Concerning Income Tax on Operating Income Received or Acquired By Taxpayers Having Certain Gross Turnover. Stipulated: 12 June, 2013. Jakarta.
- Hakim, Fadli and Grace B Nangoi. 2015. *Analisis Penerapan PP No.46 Tahun 2013 Tentang Pajak Penghasilan UMKM Terhadap Tingkat Pertumbuhan Wajib Pajak dan Penerimaan PPh Pasal 4 Ayat (2) Pada KPP Pratama Manado*. In: EMBA Journal. Vol 2 No. 1 : 787-795.
- Hakim, Firdaus Miftahul and Titik Mildawati. 2016. *Implikasi PP 46 Tahun 2013 Atas PPh Badan, Laba Bersih Usaha Setelah Pajak, dan Peredaran Bruto*. In: E-Journal STIESIA. Vol 5 No. 12.
- Income Tax Law No. 36 of 2008 Concerning Fourth Amendment To Law No.7 Of 1983 Concerning Income Tax. Stipulated: 23 September, 2008. Jakarta.
- Inasius, Fany. 2015. *Pajak Penghasilan Orang Pribadi Usaha Mikro dan Kecil Di Indonesia: Kebijakan dan Implikasi* . In: Binus Business Review Vol. 6 No. 1 Mei 2015: 1-10
- Keskin, Hidayet and Canan Senturk and Onur Sungur and Hakan M Kiris. 2010. The Importance of SMEs in Developing Economies. In: 2nd International Symposium on Sustainable Development, June 8-9 2010, Sarajevo. 183-192.
- Keziana and Anwar Made and Doni Wirshandono Y. 2016. *Analisis Penerapan PP No. 46 Tahun 2013 Terhadap Tingkat Kepatuhan Wajib Pajak Dan Penerimaan PPh Final (Studi Di Kantor Pelayanan Pajak Pratama Kepanjen)*. In: Accounting Student of Economy Faculty of Kanjuruhan Malang University Research Journal. Vol 4 No. 2.
- Law No. 20 of 2018 Concerning Indonesia Micro, Small and Medium Enterprises (MSMEs). Stipulated: 4 July, 2008. Jakarta.
- Ministry of Cooperation and Micro, Small and Medium Enterprises. 2017. Annual Report 2016. Downloaded on 30 June 2018. [http://www.depkop.go.id/pdf-viewer/?p=uploads/tx_rtgfiles/Laporan_Tahunan_KUKM_Tahun_2016.pdf](http://www.depkop.go.id/pdf-viewer/?p=uploads/tx_rtgfiles/Laporan_Tahunan_Kementerian_KUKM_Tahun_2016.pdf)



- Minister of Finance Regulation No. 107/PMK.011/2013 Concerning Procedures For Calculation, Deposition, and Reporting of Taxes Income on Income From The Business Accepted or Obtained by Taxpayers Who Have Certain Gross Turnover. Stipulated: 30 July, 2013. Jakarta.
- Nurlita, Linda Asri. 2012. *Analisis Kebijakan Pemberian Insentif Pajak Penghasilan Pada PP. No.52/2011 Dalam Rangka Mendorong Investasi Industry Komponen Otomotif Di Indonesia*. In: Indonesia University Essay.
- Resmi, Siti. 2014. *Perpajakan Teori dan Kasus*. 8th edition. Salemba Empat. Jakarta
- Syafiqurrahman, Muhammad and Agus Budiatmanto and Anis Widjajanto and Anas Wibawa and Doddy Setyawan and Rizky Akbar Anwar. 2017. *Analisis Pengaruh PP 46 Tahun 2013 terhadap Upaya Pemerintah dalam Meningkatkan Perekonomian Indonesia Melalui Sektor UMKM*. In: Journal of Applied Accounting and Taxation. Vol 2 No. 2 : 75-82.
- Syarifudin, Akhmad. 2015. *Analisis Penerapan Pajak Penghasilan Final PP 46/ 2013 Dan Implikasinya*. In: Fokus Bisnis: Media Pengkajian Manajemen dan Akuntansi Journal. Vol 14 No. 2.
- Tambunan, Tulus. 2012. *Usaha Mikro, Kecil dan Menengah di Indonesia. Isu-isu Penting*. LP3ES. Jakarta.
- Uwaoma, Ironkwe and Promise A. Ordu. 2016. The Impact Of Tax Incentives On Economic Development In Nigeria (Evidence of 2004-2014). In : International Journal of Economics, Connerce and Management. Vol IV : 686-737.