

**ANALYSIS ON IMPLEMENTATION OF GROSS UP METHOD AND NET BASIS
METHOD FOR WITHHOLDING TAX TO THE EFFICIENCY CORPORATE
INCOME TAX
(CASE OF STUDY PT. ISTECH RESOURCES ASIA)**

ABSTRACT

Accordance with the applicable tax laws, Company incorporated or having activities in Indonesia is subject to Indonesian tax and the company profit income tax object. Taxes paid by companies is often considered expenses, which raised the propensity of taxpayers to pay the minimum amount. Tax planning becomes part of the management strategy for tax saving. One of the tax planning using the methods allowed by the tax regulation is for calculation of withholding tax.

This research was about Implementation of the gross up method and net basis method for withholding tax to the efficiency of Income tax paid by company by case study on PT. Istech Resources Asia for project Santos (Sampang) Pty, Ltd. The method used is descriptive method of research that aims to create a systematic description, factual and accurate information on the implementation of gross up method and net basis method for withholding tax to the efficiency of income tax paid by company PT. Istech Resources Asia, based on data obtained by the author.

Until now the company has used gross up method for calculating withholding tax for Santos project. Withholding tax calculated using the gross up method can be expensed whereas if calculated on net basis method must do fiscal correction for corporate income tax purposes so that the amount of corporate analysis of the author, the implementation of the net basis method for Santos project could save the income tax payable by company up to Rp 115.595.783,- in the year 2009.

Key words : Gross up method, Net basis method, Withholding Tax, Income Tax Liability