



Journal homepage: <https://ejournal.uniska-kediri.ac.id/index.php/JCK>

Fiscal Reconciliation of Commercial Financial Statements for Corporate Income Tax Calculation

Vivi Arvianda¹, Mukti Prasaja^{2*}, Koerniawan Dwi Wibawa³, Aan Nurrohman⁴

^{1,2,3,4}Politeknik Negeri Madiun

ARTICLE INFO

Keywords:

Commercial Financial Statements, Fiscal Reconciliation, Financial Statements, Income Tax, PDAM Ngawi.

JEL Classification: H20, H26, H32

Article History:

Received
2025-02-19
Revised
2025-09-03
Accepted
2025-10-01

DOI: 10.32503/jck.v4i2.6811

*Corresponding Author at
Accounting Program, Madiun
State Polytechnic, Jl. Ring
Road Barat, Manguharjo,
Kota Madiun
E-mail address:
mukti_prasaja@pnm.ac.id²



ABSTRACT

Manuscript type: Research paper

Introduction/Main Objectives: This research aims to determine the amount of corporate income tax for PDAM Ngawi Regency in 2021 after fiscal reconciliation. **Background Problems:** There are several components in the financial statements, such as depreciation of fixed assets, representation fees, and meeting consumption costs that do not follow tax provisions. This creates a difference between commercial profit and fiscal profit, which impacts the calculation of taxes payable. **Novelty:** Using BUMD as an object provides a new perspective in implementing fiscal reconciliation in entities owned by local governments. **Research Methods:** This research uses descriptive quantitative research. The data sources used are secondary data. The data analysis technique uses steps to make fiscal adjustments to the profit and loss report. Calculate fiscal net income by multiplying it by the corporate income tax rate to calculate the tax payable. Compare the calculation of corporate income tax payable between commercial and fiscal. Finally, the tax owed will be calculated, the differences identified, and the contributing factors will be concluded. **Findings/Results:** The results of this research indicate that income and expenses must be corrected. The results of the fiscal reconciliation caused operating profit to decrease to (Rp 195.368.629) or experience a loss because there was a positive fiscal correction of Rp. 507.193.723 and a negative fiscal correction of Rp 1.121.201.671. The income tax owed by PDAM Ngawi Regency in 2021 is included in nil because it experienced a fiscal loss of Rp 195.368.629.396, which will be compensated in the following year. **Conclusion:** Fiscal reconciliation of commercial financial statements shows that differences in accounting treatment and tax provisions cause compensable fiscal losses, so it is important to adjust financial statements following tax regulations to maintain compliance and accuracy in calculating taxes payable. **Research limitation/implications:** Inconsistencies in accounting treatment may lead to errors in calculating taxes payable, potentially resulting in sanctions or fiscal losses.

1. Introduction

Tax is one of the important pillars in state revenue that can support development for all Indonesian people (Saragih et al., 2023). As the most significant component and source of domestic revenue, taxes play a crucial role in financing national development needs (McMillan, 2023). Corporate income tax is one of the taxes that contribute to state revenue (Kurniawan & Adrison, 2025). The tax aims to strengthen the state's interests and obtain its economic resources (Li et al., 2025). In its development, the Government has targeted the acquisition of tax revenue in Indonesia, which is expected to increase to 85.5% of Indonesia's total state revenue or around Rp 1,618.1 trillion (Oktafiani et al., 2020). This increase will undoubtedly be supported by positive growth in various sectors.

There are several efforts to simplify the tax reporting process set by the Directorate General of Taxes. One of the self-assessment systems aims to allow taxpayers to calculate, pay, and convey the tax owed and is expected to make a profit (Juniawaty, 2018). Corporate income tax is a tax imposed on companies related to income earned during one year of taxes paid and received by the company (Suwardi et al., 2024). Article 28 Paragraph 1 of Law Number 28 of 2007 concerning General Provisions and Tax Procedures, companies that are corporate taxpayers in Indonesia must prepare financial statements. These financial statements result from a series of activities to record and summarize business transactions, which are used to convey information about the company's activities to stakeholders (Hery, 2014). This document is a commercial financial statement prepared by a company to provide information related to its operational activities. According to Dasuki (2021), commercial financial statements are prepared based on applicable Financial Accounting Standards and are helpful for decision-making.

On the other hand, as stipulated in Law Number 36 of 2008 concerning Income Tax, financial statements are financial statements that are made following tax regulations and are used as a basis for

calculating the amount of tax that must be paid during the tax period. These differences include variations in accounting principles, methods used, and recognition of income and expenses.

Fundamentally, the difference between commercial and fiscal financial statements lies in recognizing income and expenses (Resmi, 2016). The existence of these differences will cause fiscal corrections in both negative and positive forms (Tilaar et al., 2025). Fiscal correction or fiscal reconciliation is an effort to adjust financial statements between commercial and taxpayer regulations, including modification of accounts, methods, and recognition of transactions (Pandiangan, 2014). Suppose there is a positive fiscal correction, a tax adjustment is needed, which can increase fiscal profit while the profit according to the commercial report has decreased (Kurniawan & Adrison, 2025). However, an adjustment is needed for a negative fiscal correction, while in fiscal profit, the figure has decreased compared to commercial profit. The difference in treatment between commercial and taxation requirements leads to positive and negative fiscal corrections, which are then corrected to meet the tax obligations for the company.

In general, each company that has become a taxpayer will carry out fiscal reconciliation as the basis for imposing taxes according to the tax regulations that have been regulated (Saputro et al., 2025). Perusahaan Daerah Air Minum (PDAM) is a regionally owned enterprise with an interest as a taxpayer. Its main activity is to provide services and ensure benefits in the drinking water sector. The company also calculates, reports, and pays taxes owed on its income. The method used by PDAM Ngawi in calculating its taxation is the self-assessment system, which is familiar and often used by taxpayers in the Indonesian tax system.

Furthermore, in preparing financial statements, PDAM Ngawi Regency follows Standar Akuntansi Keuangan untuk Entitas Tanpa Akuntabilitas Publik (SAK ETAP). However, commercial rates are still used in its tax reporting for the depreciation of fixed assets

(Saragih, 2024). This will impact financial reporting, which must be adjusted to the fiscal policy. In addition, some activities that fall into the category of representative costs and the burden of eating/drinking banquet meetings are still unsuitable for their allocation. Therefore, companies must comply with tax rules, using financial data to calculate taxes according to government rules and rates, to maintain tax compliance and avoid legal sanctions.

Various journal articles have reviewed research related to the fiscal reconciliation process in calculating corporate income tax. However, the results of the research are still different. The research of Watuseke et al. (2019) shows that PT. Air Manado has corrected revenue and expenses in the 2016 fiscal financial statements following tax regulations. Because the company suffered a loss, the income tax must be paid of Rp 0.

Furthermore, in the research, Hermawan & Widjaja (2021) conducted a study entitled "Analysis of Fiscal Reconciliation on Commercial Financial Statements at PT. XXX Year 2019" that shows there are expense and income accounts that have not experienced fiscal corrections. However, research from Latifah (2023) with the title "Fiscal Correction Mechanism for Corporate Income Tax on CV. XYZ Madiun City". The study results conclude that by comparing the calculation of commercial and fiscal reports carried out by CV. XYZ is not entirely following the taxation provisions. The difference between this study and the previous research lies in the object used; in the previous research, the object was often a private company on a local and national scale. Meanwhile, the research uses Regionally Owned Enterprises, especially in Ngawi Regency. In addition, this study will also emphasize the fiscal reconciliation from the results of previous research, where there are research results between Watuseke et al. (2019) and Hermawan & Widjaja (2021), mainly related to the studied tax object.

2. Literature Review

2.1. Corporate Income Tax

Taxes are a contribution that people must make to the state treasury following the law (Mardiasmo, 2018). Taxes can be imposed forcefully without getting a clear reciprocal reward or service. In addition, taxes can be used to finance general expenses. Based on Law Number 36 of 2008 concerning income tax is a tax imposed on tax subjects on money received or generated during the tax year, in addition, the obligation to invite can also be taxed on income in that part of the tax year if the subjective tax obligation begins or ends in that tax year (Mardiasmo, 2018). Therefore, income tax is an obligation or contribution that must be paid to the state, and it is imposed on income received or earned by an individual or entity during a specific tax period.

2.2. Corporate Income Tax Credit

The tax amount paid or calculated by the taxpayer at the beginning of the tax period is known as a tax credit. It means that a tax credit is the amount of tax deducted or collected by someone else, and then deducted from the amount of tax that still has to be paid. According to Law Number 36 of 2008 concerning the Income Tax Law, there are several types of tax credits, which include: 1) Tax withholding on income from work, services, and activities as stipulated in Article 21 of the Income Tax Law; 2) The collection of taxes on income obtained from import business activities or other business activities is mentioned in Article 22 of the Income Tax Law; 3) Dividends, interest, royalties, rents, gifts, awards, and service rewards are examples of withholding taxes on income, as described in Article 23 of the Income Tax Act; 4) Following Article 24 of the Income Tax Law, taxes paid or payable on income earned from abroad can be credited; 5) Tax payments made by the taxpayer are following the provisions contained in Article 25 of the Income Tax Law; 6) Withholding tax on income as stated in paragraph (5) of Article 26 of the Income Tax Law.

2.3. Corporate Income Tax Rate

Government Regulation instead of Law of the Republic of Indonesia number 1 of 2020 concerning State Financial Policy and Financial System Stability

for the Handling of the Corona Virus Disease 2019 (Covid-19) Pandemic and/or in the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability Article 5 paragraph (1) reveals that the income tax rate set on taxable income for domestic entities and permanent business forms of 22% (twenty-two percent) which will take effect in the 2020 and 2021 tax years. According to Article 31 E of Law Number 36 of 2008 concerning Income Tax, domestic corporate taxpayers with a gross turnover of up to Rp 50.000.000.000,- (fifty billion rupiah) are given a facility to reduce the rate by 50% (fifty percent) from the rate of 22% (twenty-two percent) of the gross turnover to Rp 4.800.000.000,- (four billion eight hundred million rupiah).

2.4. Financial Report

PSAK 1 (Pernyataan Standar Akuntansi Keuangan) states that financial statements are a structured summary of an entity's financial and nonfinancial situation. Meanwhile, the financial statements are also made neutrally and impartially or by a method (Donkaw et al., 2025). Therefore, commercial financial statements are financial statements that are prepared following generally applicable financial accounting standards and are intended to provide financial information that is useful for decision-making.

According to Sari (2022), financial statements are produced, compiled, and used to calculate taxes. Financial statements are created due to the reconciliation process between commercial financial statements and fiscal adjustments. Therefore, financial statements are financial statements made following tax provisions to calculate tax payments.

2.5. Fiscal reconciliation

Fiscal reconciliation is adjusting a business's financial statements to align with tax regulations (Resmi, 2016). Two types of differences distinguish commercial financial statements and fiscal financial statements: timing difference, or time difference, and permanent difference (Meilandri, 2025). A time/temporary difference is revenue and expenses

recorded in different periods when calculating profits, which causes a time difference (Andini & Haryanto, 2025). This difference is temporary, but will be corrected in the next period. Furthermore, the difference is fixed that income and expenses are recognized according to commercial accounting principles but not recognized according to tax principles, which results in a difference between net income (loss) according to accounting and taxable income (profit) according to tax regulations. Time differences and fixed differences require adjustments to the commercial financial statements, known as fiscal corrections. Fiscal correction is divided into 2 types, namely, positive fiscal correction and negative fiscal correction.

3. Methodology

In this study, a type of descriptive research is used, which limits the analysis to only the descriptive level and involves a systematic process to analyze and present data (Sari, 2022). The location of this research is Perusahaan Daerah Air Minum (PDAM) Ngawi Regency. Furthermore, the data source used is secondary data, namely financial statements made by the company, consisting of financial position reports, profit and loss, changes in equity, cash flows, and notes on financial statements. Data collection is carried out through two methods, namely the interview and documentation methods. In the interview method, data will be explored to obtain information that has not been explained in the financial statements of PDAM Ngawi Regency in 2021. Next is documentation, which collects data by reading literature, books, journals, and references related to current and previous research topics (Naibaho & Sudjiman, 2022). This study used documentation data from the financial statements of PDAM Ngawi Regency in 2021.

The data analysis technique used is descriptive, which from the financial statement data that has been adjusted to tax regulations, the disclosure will then be explained. The stages of the data analysis technique in this study are as follows: (1) Make fiscal corrections on the income statement and categorize them into positive fiscal corrections (which increase

profits) or negative corrections (which reduce profits). (2) Calculate fiscal net income with the formula presented in the table below:

Table 1. Net Income Formula

Description	Total
Commercial net income	Rp xxxx
Positive fiscal correction	Rp xxxx
Negative fiscal correction	(Rp xxxx)
Fiscal net income	Rp xxxx

Source : (Mardiasmo, 2018)

(3) Calculate the income tax payable (if it is necessary to round, then it is rounded down in rupiah) with the following formula:

1. Fiscal Net Income = PhKP Corporate
2. Income Tax Payable = PhKP x Corporate Income Tax rate

The following process (4) compares the results of calculating corporate income tax payable between commercial and fiscal. Finally (5) calculate and conclude the tax payable by overpaid/underage entities based on Law Number 36 of 2008.

4. Results and Discussion

4.1. Commercial Income Statement

Financial statements play a role in a company by providing information on the company's state that will be used to make decisions.

Table 2. Income Statement
Regional Public Company for Drinking Water "Tirta Dharma"
Income Statement
For the period ending on December 31, 2021
(Expressed in rupiah, unless otherwise stated)

Operating Income	
Water revenue	26.636.322.305
Non-water revenue	
New connections	1.131.581.000
Punishment	436.625.000
Other	42.445.500
Other income	
Deposit interest	10.696.534
Variousness of income	43.317.296
Operating Income Total	28.300.987.635
Expense Administrative and General	
Operating	20.812.412.487
Office	447.232.272
Client	140.847.725
R n D	103.008.000
Maintenance	1.999.918.704
Accounts Receivable	1.740.201
Allowance Depreciation	2.731.268.052
Raw Water Cost	561.543.222
Other	1.082.536.255
Other Expense	
Bank Administrative	1.841.398
Expense Total	27.882.348.316
Profit Before Tax	418.639.319

Source: PDAM Ngawi, 2024

Furthermore, there is some additional information related to the use of fees in the financial statements of PDAM Ngawi Regency. The following is additional information on other general expense accounts, which are as follows:

Table 3. Other Expenses

Cost type	Sum (Rp)
Representative Fees	100.000.000
Social Funds and Donations	126.316.350
Official Clothing expense	84.507.000
Sports expense	18.813.000
Tax expense	107.945.547
Drinking water for employees	49.037.025
Debt Forgiveness Fee	1.740.201

Source : PDAM Ngawi, 2021

Based on Law Number 36 of 2008 concerning Income Tax, the cost of these fees must be changed

or adjusted following tax regulations. The adjustment must be made to know the fiscal profit before tax.

4.2. Fiscal Correction to Income Statement

Fiscal reconciliation is a series of processes to adjust commercial financial statements with fiscal financial statements, which will later be used to calculate year-end income tax. Fiscal corrections on commercial income statements are part of the fiscal reconciliation process. Fiscal corrections that are part of the fiscal reconciliation process are categorized into positive and negative. The fiscal correction of the commercial profit and loss statement of PDAM Ngawi Regency is presented in Tables 4 and 5 as follows:

Table 4. Fiscal Correction to Income Statement
Regional Public Company for Drinking Water "Tirta Dharma"
Fiscal Correction
For the period ending on December 31, 2021
(Expressed in rupiah, unless otherwise stated)

Operating Income	
Water revenue	0
Non-water revenue	
New connections	0
Punishment	0
Other	0
Other income	
Deposit interest	(10.696.534)
Variousness of income	0
Business Expense	
Administrative and General	
Operating	0
Office	0
Client	0
R n D	0
Maintenance	0
Accounts Receivable	(1.740.201)
Allowance Depreciation	1.110.505.137
Raw Water Cost	0
Other	0
Other Expense	(505.453.522)
Bank Administrative	0

Source: Processed by the Author, 2024

Table 5. Income Statement by Fiscal
Regional Public Company for Drinking Water "Tirta Dharma"
Income Statement by Fiscal

For the period ending on December 31, 2021
(Expressed in rupiah, unless otherwise stated)

Operating Income	
Water revenue	26.636.322.305
Non-water revenue	
New connections	1.131.581.000
Punishment	436.625.000
Other	42.445.500
Other income	
Deposit interest	0
Variousness of income	43.317.296
Operating Income Total	28.290.291.101
Business Expense	
Administrative and General	20.812.412.487
Operating	447.232.272
Office	140.847.725
Client	103.008.000
R n D	1.999.918.704
Maintenance	0
Accounts Receivable	0
Allowance Depreciation	3.841.773.189
Raw Water Cost	561.543.222
Other	577.082.733
Other Expense	0
Bank Administrative	1.841.398
Expense Total	28.485.659.730
Profit Before Tax	(295.368.629)

Source: Processed by the Author, 2024

The results of the fiscal correction on the income statement of PDAM Ngawi Regency are as follows. Deposit Interest Income Law Number 36 of 2008 article 4 paragraph (2) letter (a) explains that income from deposit interest, other savings, bond interest, government bonds, and deposit interest paid by cooperatives to cooperative members or individuals is subject to final tax, which is more clearly regulated in Government Regulation Number 131 of 2000 concerning Deposit and Savings Interest and Bank Indonesia Certificate Discounts. The deposit interest income obtained by PDAM Ngawi Regency is Rp 10,696,534, so the deposit interest income must be corrected negatively because it cannot be used as a deduction for gross income.

In the financial statements of PDAM Ngawi Regency, seven accounts have experienced depreciation: water source installations, pumping installations, water treatment plants, transmission and distribution installations, buildings or buildings, equipment and equipment, vehicles or means of transportation, and inventory or office furniture. The acquisition price of the seven accounts in 2021 is IDR 93.063.719.624, with details of the acquisition price until 2020 of IDR 83.154.527.119 and an additional amount in 2021 of IDR 9.909.192.505. The depreciation fee from the seven accounts listed and charged in the financial statements of PDAM Ngawi Regency amounted to Rp 2.731.268.052. Meanwhile, in the calculation presented in the

attachment of depreciation costs according to tax provisions of IDR 3.841.773.189, with details of fiscal depreciation until 2020 of IDR 3.768.306.610, and an additional amount in 2021 of IDR 73.466.579. The difference in depreciation costs between commercial and fiscal, amounting to Rp 1.110.505.137, occurred because the company's rates did not follow tax provisions. Therefore, a negative correction must be made because commercial depreciation is smaller than fiscal depreciation.

Meanwhile, Representative Fees and Expenses for Eating/Drinking Banquet Meetings Circular Letter of the Director General of Taxes No. SE-27/PJ.22/1986 concerning Expenses for "Entertainment", Representation, Banquet, and the Like, if used to obtain, collect, and maintain profits, can be deducted from gross income according to Article 6 paragraph (1) letter (a) of the Income Tax Law No. 36 of 2008. The taxpayer must prove that the expense has been incurred formally and is related to the company's efforts to obtain, collect, and maintain material income. Taxpayers who deduct these expenses from their gross income must attach them to the nominative list. The cost of social funds and donations issued by PDAM Ngawi Regency amounted to Rp 126.316.350. The cost of social funds and donations can be used as expenses that are allowed to be charged.

Furthermore, the company incurred the cost of official clothing for the purchase, maintenance, and replacement of employees' official clothing. In the financial statements of PDAM Ngawi Regency, the cost of official clothes charged is Rp 84.507.000. This differs from tax regulations that recognize the burden of official clothing as in-kind or enjoyment. Law Number 36 of 2008 Article 9 paragraph (1) letter (e) explains that the burden of official clothing cannot be charged as a deduction for gross income, which is more clearly regulated in the Minister of Finance Number 167/PMK.03/2018 Regulation. Moreover, Law Number 36 of 2008 Article 9 paragraph (1) letter (h) explains that income tax

should not be charged as a deduction of gross income.

PDAM Ngawi Regency recorded a receivables allowance expense of IDR 1.740.201. The Allowance Burden of PDAM Receivables of Ngawi Regency does not meet the conditions that the tax provisions have set because the value of the allowance for receivables has not been recognized as non-collectible, so it cannot be considered as a deductible expense in the calculation of Taxable Income. Therefore, a positive correction of Rp 1.740.201 is needed.

4.3. Comparison of Corporate Income Tax Payable between Commercial and Fiscal

The results of the income tax payable after fiscal correction show a difference from the year-end income tax payable calculated by PDAM Ngawi Regency. The final income tax for commercial payable calculated by PDAM Ngawi Regency amounted to Rp 190,882,415, while the fiscal income tax payable was not calculated (nil) by the author because it suffered a fiscal loss of Rp 195,368,629. The difference in Income Tax Payable between commercial and fiscal is IDR 195,368,629. The difference is caused by the difference in Penghasilan Kena Pajak (PhKP) and the difference in gross business turnover, which is used as the basis for calculating Income Tax Payable.

4.4. Fiscal Loss Compensation Treatment

At the end of the year, Wajib Pajak Dalam Negeri (WPDN) and Bentuk Usaha Tetap (BUT) must calculate the amount of tax that must be paid based on the income obtained. The amount of tax that should be paid at the end of the year will be deducted from all available tax credits, including tax credits for the current year (ITA 25) and tax credits that have been deducted by third parties (ITA 21, Article 22, Article 23, Article 24, and Article 26 which are not final). However, in this study, after a fiscal correction analysis by the author, PDAM Ngawi Regency experienced fiscal losses. A positive correction of IDR 507.193.723 and a negative correction of IDR 1.121.201.671 with a commercial

profit of IDR 418.639.319, resulting in a loss of IDR 195.368.629. The fiscal loss of Rp 195.368.629 was caused by adjustments in revenue and expenses adjusted to tax provisions.

These losses will later be compensated in the following year. Article 6 paragraph 2 of Law Number 36 of 2008 concerning Income Tax explains that if the gross income after deduction as stipulated in paragraph (1), namely the cost of obtaining, collecting, and maintaining income, generating losses, then the loss can be compensated with income in the next tax year consecutively with a maximum limit of 5 years. In this study, the commercial profit obtained by PDAM Ngawi Regency in the following year, namely in 2022, amounted to IDR 453.895.181. The profit can be used to cover losses of IDR 195.368.629. So, the commercial profit obtained by PDAM Ngawi Regency in 2022 will be IDR 258.526.552. However, if the company does not have commercial profits exceeding losses, these losses can be compensated consecutively for 5 years.

4.5. Difference in Tax Calculation between Commercial and Fiscal

The results of the fiscal correction in the PDAM of Ngawi Regency caused a difference in Taxable Income (PhKP) between the income statement presented commercially and the income statement presented fiscally. The difference is that commercial financial statements follow financial accounting standards, while fiscal financial statements follow tax provisions. Accounts in commercial financial statements that do not follow tax provisions will be corrected; otherwise, the profit before tax will have more effect in calculating taxes payable. The profit obtained after the fiscal correction is used to calculate the income tax payable that the PDAM of Ngawi Regency must pay. The causes of the difference in tax calculation between commercial and fiscal in PDAM Ngawi Regency are: (1) Differences in revenue recognition. Any income the company receives is recognized according to commercial standards, but not all of these revenues are recognized as fiscal income. Income that is not

recognized according to tax provisions in PDAM Ngawi Regency is deposit interest income. One of the final incomes is deposit interest income. (2) Commercial fees can be charged entirely, but not all can be charged according to fiscal. Expenses that should not be charged according to tax provisions in PDAM Ngawi Regency are representative fees and expenses for eating/drinking banquet meetings, which are expenses in the form of in-kind or enjoyment given to non-employees who are not in a working relationship, and these costs do not have a nominative list. Furthermore, social funds and employee contributions should not be charged because both costs are given to other parties and are not written in the law.

Furthermore, official clothing should not be charged because uniforms for employees are not included in the in-kind that supports work security and safety. Furthermore, sports expenses should not be charged because the cost is only incurred for the head office. Furthermore, the cost of drinking water procurement for employees should not be charged because it is only incurred for the head office and not for all employees. Furthermore, tax costs should not be charged because they are included in the previous year's income tax payable by underpaid entities. Finally, the burden of allowance for receivables should not be charged because the value of the allowance for receivables has not been determined as uncollectible. (3) In PDAM Ngawi Regency, the depreciation rate is applied using the decreasing balance method, while in fiscal, the depreciation follows the straight-line method, so adjustments related to the rate used are needed. Therefore, companies must follow and adjust their financial statements to comply with tax regulations.

5. Conclusion

The Ngawi Regency Regional Drinking Water Company is a regionally owned agency providing drinking water for the community's needs. Based on the results of the fiscal correction of the financial statements in 2021, it was found that deposit interest income was negatively corrected by IDR 10,696,534 following Article 4 paragraph 2 letter (a)

of Law Number 36 of 2008. The depreciation expense was negatively corrected by Rp 1.110.505.137 following Law Number 36 of 2008, Article 11. The representative fee of Rp 100.000.000 and the cost of eating/drinking for the banquet meeting of Rp 18.834.600 were corrected positively following Article 6 paragraph 1 letter (a) of the Income (Tax Law Number 36 of 2008, as explained in the Circular Letter of the Director General of Taxes Number SE – 27/PJ.22/1986.

Furthermore, the cost of social funds and employee donations was positively corrected by Rp 126.316.350 following Article 9 paragraph 1 letter (g) of Law Number 36 of 2008. The cost of official and sports clothing was corrected positively by Rp 84.507.000 and Rp 296.643 following Article 9 paragraph 1 letter (e) of Law Number 36 of 2008, as explained in the Regulation of the Minister of Finance Number 167/PMK.03/2018. For the procurement of drinking water, employees were corrected positively by Rp 49.037.025 following the explanation given in the Regulation of the Minister of Finance Number 167/PMK.03/2018 for Article 9 paragraph 1 letter (e) of Law Number 36 of 2008. Then the tax fee was positively corrected by Rp 107.945.547 following Article 9 paragraph 1 letter (h) of Law Number 36 of 2008, and the receivables allowance fee was positively corrected by Rp 1,740,201 following the provisions described in the Regulation of the Minister of Finance number 57/PMK.03/2010 10.

The fiscal correction made for PDAM Ngawi Regency generally suffered a fiscal loss of Rp 195.368.629, which can be compensated in the following year for the next five years per Article 6 paragraph 2 of Law Number 36 of 2008. However, the commercial profit of PDAM Ngawi Regency in 2022, IDR 453.895.181, can cover the loss. This is because there is a difference in tax calculation between commercial and fiscal in PDAM Ngawi Regency, namely the difference in revenue recognition, cost recognition, and depreciation rates.

This study has limitations because the research year conducted in 2021 is not yet the latest, as the data is available and can be accessed only in that year. Therefore, for further research, the latest data can be used to compare the charges carried out, which must follow the regulations, and can add the latest tax regulations to be relevant to the tax year.

References

- Andini, D. F., & Haryanto, H. (2025). PENGARUH TAX AVOIDANCE, BEBAN PAJAK TANGGUHAN, DAN LIABILITAS PAJAK TANGGUHAN TERHADAP MANAJEMEN. *DIPONEGORO JOURNAL OF ACCOUNTING*, 14(2018), 1–15.
- Dasuki, M. (2021). *Rekonsiliasi Fiskal atas Laporan Keuangan Komersial untuk Menghitung PPh Badan pada PT. Unilever Indonesia Tbk. (Studi Kasus Laporan Keuangan Tahun 2019)*. Skripsi. Fakultas Ekonomi dan Bisnis. Pakuan University.
- Donkaw, A., Sawetnarakul, N., & Silpchal, T. (2025). Guidelines for tax planning and management in the industrial sector for benefit to the organization. *International Journal of Accounting and Economics Studies*, 12(2), 10–17. <https://doi.org/10.14419/bh2yfy75>
- Hermawan, A., & Widjaja, P. H. (2021). Analisis Rekonsiliasi Fiskal Terhadap Laporan Keuangan Komersial Pada PT. XXX Tahun 2019. *Jurnal Paradigma Akuntansi*, 3(2), 784. <https://doi.org/10.24912/jpa.v3i2.11800>
- Hery. (2014). *Praktis Menyusun Laporan Keuangan*. PT Grasindo.
- Undang-undang (UU) Nomor 36 Tahun 2008 tentang Perubahan Keempat Atas Undang-Undang Nomor 7 Tahun 1983 tentang Pajak Penghasilan, (2008).
- Peraturan Menteri Keuangan Nomor 167/PMK.03/2018 Tahun 2018 tentang Penyediaan Makanan Dan Minuman Bagi Seluruh Pegawai Serta Penggantian Atau Imbalan Dalam Bentuk Natura Dan Kenikmatan Di Daerah Tertentu Dan Yang Berkaitan Dengan Pelaksanaan Pekerjaan Ya, (2018).
- Juniawaty, R. (2018). Tax Planning PPh Pasal 21 sebagai Upaya Efisiensi Pajak Perusahaan. *Sosio E-Kons*, 10(3), 234.

- <https://doi.org/10.30998/sosioekons.v10i3.2843>
- Peraturan Menteri Keuangan Nomor 57/PMK.03/2010 Tahun 2010 tentang Perubahan Atas Peraturan Menteri Keuangan Nomor 105/PMK.03/2009 Tentang Piutang yang Nyata-Nyata Tidak Dapat Ditagih Yang Dapat Dikurangkan Dari Penghasilan Bruto, (2010).
- Kurniawan, B., & Adrison, V. (2025). The Impact of Ownership Structure and Corporate Governance on Tax Aggressiveness of Indonesian Public Companies: Implications of the 2008 Tax Reform. *Journal of Tax Reform*, 11(1), 221–242. <https://doi.org/10.15826/jtr.2025.11.1.199>
- Latifah, A. . (2023). Mekanisme Koreksi Fiskal Atas Pajak Penghasilan Badan Pada CV.XYZ Kota Madiun. *Seminar Inovasi Majemen Bisnis Dan Akuntansi*, July, 1–23.
- Li, H., Wu, Y., Gu, Y., Yang, H., Bian, Z., Song, H., Zhou, G., & Yuan, Q. (2025). Sustainability assessment of multi-life cycle recycling of copper based on the economic, resource and carbon criteria. *Sustainable Production and Consumption*, 54, 476–486. <https://doi.org/10.1016/j.spc.2025.01.016>
- Mardiasmo. (2018). *Perpajakan Edisi Revisi*. Andi.
- McMillan, J. (2023). TAX AUDIT EFFECTIVENESS AND REVENUE COLLECTION OUTCOMES IN INDONESIA. *Journal of Australian Taxation*, 25(1), 34–48.
- Meilandri, D. (2025). Penerapan PSAK No. 46 pada PT. Telkom Indonesia (Persero) Tbk. *JURNAL ILMIAH RAFLESIA AKUNTANSI*, 11(46), 1038–1056. <https://doi.org/10.53494/jira.v11i1.778>
- Naibaho, Y. R., & Sudjiman, P. E. (2022). PENGARUH LIKUIDITAS DAN UKURAN PERUSAHAAN TERHADAP AGRESIVITAS PAJAK. *Intelektiva : Jurnal Ekonomi, Sosial Dan Humaniora*, 3(10), 55–64.
- Oktafiani, P., Sumarno, S., & Kartikasari, M. D. (2020). PENERAPAN PPh PASAL 21 SEBAGAI UPAYA PENGHEMATAN BEBAN PAJAK PENGHASILAN BADAN. (STUDI KASUS PADA PDAM KOTA TEGAL). *Sebatik*, 24(2), 321–326. <https://doi.org/10.46984/sebatik.v24i2.1052>
- Pandiangan, L. (2014). *Administrasi Perpajakan*. Erlangga.
- Resmi, S. (2016). *Perpajakan Teori dan Kasus Edisi 10 Buku 1* (1st ed.). Salemba Empat.
- Saputro, M., Susilo, D. D., & Dariansyah, D. (2025). ANALISIS ATAS PENGHITUNGAN PENGHASILAN KENA PAJAK SEBAGAI DASAR PENENTUAN BESARNYA PAJAK PENGHASILAN TERUTANG OLEH PT SAM. *JURNAL EKONOMI BISNIS*, 24(1), 37–47. <https://doi.org/10.32722/eb.v24i1.7411>
- Saragih, A. H. (2024). Corporate tax performance and the COVID-19 pandemic: empirical evidence from Indonesia. *Pacific Accounting Review*, 36(3–4), 402–432. <https://doi.org/10.1108/PAR-01-2024-0001>
- Saragih, A. H., Reyhani, Q., Setyowati, M. S., & Hendrawan, A. (2023). The potential of an artificial intelligence (AI) application for the tax administration system's modernization: the case of Indonesia. *Artificial Intelligence and Law*, 31(3), 491–514. <https://doi.org/10.1007/s10506-022-09321-y>
- Sari, R. (2022). *Analisis Rekonsiliasi Fiskal atas Laporan Keuangan Komersial terhadap Perhitungan Pajak Penghasilan Badan pada PT. Mayora Tbk. Periode 2016-2020*. Pakuan University.
- Suwardi, E., Sholihin, M., Arifa, C., & Saragih, A. H. (2024). The moderating role of corporate tax risks on the market valuation of tax savings: a new empirical evidence in the Indonesian context. *Cogent Business and Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2389254>
- Tilaar, D. M., Kambey, J. P., & Moroki, F. O. (2025). Analisis Koreksi Fiskal CV Berlian Jaya dalam Penentuan Pajak Penghasilan Badan Berdasarkan UU Nomor 7 Tahun 2021. *Balance : Jurnal Akuntansi Dan Manajemen*, 2(2), 735–747. <https://doi.org/10.59086/jam.v4i2.743>
- Watuseke, R. H., Sabijono, H., & Wangkar, A. (2019). Analisis Koreksi Fiskal Atas Laporan Keuangan Komersial Dalam Penentuan Pph Pada PT . Air Manado. *Jurnal EMBA*, 7(3), 4183–4192.