

# Writer

## A. Legal Basis

The legal sources underlying this tax guide are as follows.

- (i) Law Number 6 of 1983 concerning General Provisions and Tax Procedures as amended several times, most recently by Law no. 7 of 2021 (Law No. 7/2021);
- (ii) Law Number 7 of 1983 concerning Income Tax as amended several times, most recently by Law Number 7 of 2021 (Law No. 7/2021);
  - (iii) Regulation of the Director General of Taxes Number PER-4/PJ/2009 concerning Instructions for Implementation of Registration for Individual Taxpayers (PER-4/2009); and
- (iv) Ministry of Manpower & Central Statistics Agency. Indonesian Standard Classification. 2014.

## B. Definitions and Tasks

According to the Indonesian Standard Classification of Positions (KBJI), writers and authors are professions in charge of planning, researching and writing books, scripts, *storyboards*, plays, essays, speeches, manuals, specifications, and non-journalistic articles (other than materials for newspapers, magazines, and other bulletins) for publication or presentation. The duties include:

- (i) compose, write and edit novels, plays, scripts, poems and other materials for publication or presentation;
- (ii) conduct research to establish factual content and to obtain other necessary information; (iii) write *scripts* and serials and prepare programs for production, film, radio, and television stages;
- (iv) analyze materials, such as specifications, notes, and drawings and writing manuals, user manuals and other documents to clearly and concisely explain the installation, operation and maintenance of software, electronic, mechanical and other devices;
- (v) writing brochures, manuals and similar technical publications;
- (vi) select material for publication, check style, grammar and accuracy of content, make necessary revisions to check *proof* copies before printing.

## C. Income Tax Object

Some types of income earned by the author:

- (i) Income derived from work in an employment relationship and casual work The condition when the writer gets a salary or honorarium from work related to writing a work.
- (ii) Income from business and activities
  - The condition when the author opens a business, for example a bookstore business that sells printed books. The income received by the author from the bookstore is categorized as income from business and activities.
- (iii) Income from capital, either in the form of movable property or immovable property
  - The condition when the author earns income from capital in the form of interest, royalties, dividends, rent, and profits from the sale of property or rights that are not used for business.
- (iv) Other income
  - The condition when the author earns income in the form of gifts or debt relief.

## D. Author Rights in the Scope of Taxation

Some of the rights obtained by the Author:

- (i) The author as a taxpayer has the right to apply for book-entry;
- (ii) The author as a taxpayer has the right to file a tax overpayment;
- (iii) The author as a taxpayer has the right to file legal remedies in the form of objections, appeals, reviews, and lawsuits;
- (iv) The author as a taxpayer has the right to apply for corrections;
- (v) The author as a taxpayer has the right to apply for a reduction and/or abolition of administrative sanctions; and
- (vi) The author as a taxpayer has the right to apply for a reduction and/or cancellation of a tax assessment letter.

## E. Obligations of the Author as a Taxpayer

The following are the obligations of the author as a taxpayer:

- (i) Authors who have met the objective and subjective requirements as taxpayers are required to register at the nearest tax service office to obtain a taxpayer identification number (NPWP);
- (ii) The author as a taxpayer is required to notify the Director General of Taxes regarding the use of the norm for calculating net income (NPPN) no later than 3 months from the beginning of the tax year;
- (iii) The author as a taxpayer is required to record income;
- (iv) The author as a taxpayer is required to keep proof of withholding income tax (PPH); and (v)

The author as a taxpayer must report an annual notification letter (SPT).

## F. Basis of Tax Imposition

In terms of calculating the author's net income as a taxpayer, it is based on several conditions, namely:

### F.1 The condition of the author using the bookkeeping method

If the author uses the bookkeeping method, the method of calculating net income is as follows:

$$\text{Penghasilan Netto} = \text{Penghasilan Bruto} - \text{Biaya Usaha}$$

The business costs in question are all costs used in connection with obtaining, collecting, and maintaining income.

### F.2 The condition of the author using the recording method

If the author uses the recording method, the procedure for calculating net income is as follows:

$$\text{Penghasilan Netto} = \text{Norma} \times \text{Penghasilan Bruto}$$

As for what is meant in the norm above is the norm for calculating net income (NPPN). In the case of the author's occupation, the applicable NPPN is 50% of gross income (KLU Art Worker Activities: 90002).

Based on the calculation above, the net income from the author will be obtained. Next, enter into the stages of calculating taxable income in the following way:

**Penghasilan Kena Pajak = Penghasilan Netto – Penghasilan Tidak Kena Pajak**

For more details, non-taxable income (PTKP) can be determined based on the following table:

Keterangan	Besaran PTKP (Rp)
Atas diri sendiri wajib pajak orang pribadi	54.000.000
Tambahan untuk wajib pajak kawin	4.500.000
Tambahan untuk istri yang penghasilannya digabung dengan penghasilan suami	54.000.000
Tambahan untuk setiap tanggungan	4.500.000

After obtaining taxable income, then enter the stage of calculating the tax payable. The calculation method is by multiplying the PKP by the Article 17 income tax rate for individuals as shown in the table below:

Lapisan Penghasilan Kena Pajak	Tarif Pajak
Sampai dengan Rp50.000.000	5%
Rp50.000.000 - Rp250.000.000	15%
Rp250.000.000 - Rp500.000.000	25%
di atas Rp500.000.000	30%

### G. Case Illustration

Handayani (TK/0) is a writer. Until 2017, his books have occupied the *best seller* position in bookstores. If it is calculated that the books that have been sold until 2017 are 200,000 copies at a price of Rp. 30,000 per book. If the royalty received by Handayani is 10% of the selling price of the book. Here is the calculation:

$$\begin{aligned} \text{Turnover} &= 200.000 \times \text{Rp}30.000 \\ &= \text{Rp}6.000.000.000 \\ \text{Handayani's royalty} &= 10\% \times \text{Rp}6.000.000.000 \\ &= \text{Rp}600.000.000 \\ \text{Income Tax Article 23} &= 15\% \times \text{Rp}600.000.000 \\ &= \text{Rp}90.000.000 \end{aligned}$$

Since the royalties received by Handayani did not exceed Rp. 4.8 billion, Handayani decided to use the norm for calculating net income (NPPN) for the writing profession of 50% of gross income. The following is a detailed calculation:

Uraian	Jumlah (Rp)
Penghasilan bruto	= 600.000.000
Penghasilan neto	
50% x Rp600.000.000	= 300.000.000
Penghasilan kena pajak	
Rp300.000.000-Rp54.000.000	= 246.000.000
PPh terutang	
• 5% x Rp50.000.000	= 2.500.000
• 15% x Rp196.000.000	= 29.400.000 (+)
Jumlah PPh terutang	= 31.900.000
Kredit Pajak	= (90.000.000)
Pajak yang lebih dibayar	= 58.100.000