
ANALYSIS OF THE APPLICATION OF INCOME TAX ON IN-KIND REWARDS AND THE ENJOYMENT OF RELATIONSHIPS WITH WORK SEEN FROM THE ASPECT OF JUSTICE



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Abstract

This research aims to examine how the concept of fairness in good taxation, as well as whether the implementation of the Minister of Finance Regulation Number 66 in the year 2023 is following the aspect of fairness. This research was conducted using primary data. This primary data was collected by the researcher directly from the first source or the location where the research object was carried out. The primary data in this study includes observation results, as well as interviews with workers directly involved in the tax deduction on nature. This research was conducted from October 2024 to November 2024. Fairness is not arbitrary, biased, or one-sided. Tax is a mandatory payment to the state, which is obligatory according to the Law, without direct reciprocal benefits, and is used for the benefit of the state for the greatest prosperity of the people. Natura and/or benefits are rewards received not in the form of money. From the results of the research, it can be concluded that taxes currently adhere to the principle of vertical equity and that the average individual or worker has the ability to pay taxes, in general, the implementation of PMK 66/2023 is in accordance with the principles of justice in a good taxation system. However, there are several recommendations for this research, namely, the government must create a tax system that is easy for the public to understand. An easily understandable tax system will encourage the public to learn and understand how the tax system works in Indonesia.

Keywords: Fairness, Tax, PMK Number 66 in the Year 2023, Fringe Benefit

INTRODUCTION

On July 1, 2023, the Government of Indonesia implemented Minister of Finance Regulation Number 66 Year 2023 (PMK-66/2023) regarding the provisions on the income tax treatment of reimbursement or compensation in connection with work or services in the form of fringe and/or enjoyment. One of the main factors for the issuance of PMK 66/2023 is due to the tax avoidance practices carried out by several companies as well as strong reactions from various segments of society who argue that the government is micromanaging in regulating tax aspects Click or tap here to enter text.

In addition, some argue that this policy is an excessive attempt by the government to maximize state revenue through the taxation sector Click or tap here to enter text.. While tax opinions are important for economic progress, an overly aggressive approach must also be evaluated to ensure the right balance between tax obligations and economic growth. This is the main criticism of the implementation of PMK-66/2023.

However, several clauses in PMK 66/2023 give rise to differences in interpretation. The complexity of in-kind tax calculation needs to be mitigated by taxpayers. This MoF Regulation generally creates fairness and clarity in determining the tax object related to natura and/or enjoyment.

Regarding taxation, (previously) natura and/or enjoyment was considered not an object of PPh 21 because natura and/or enjoyment is a non-monetary reward that cannot be classified as part of income. However, the government then issued a new regulation with an omnibus law scheme that significantly changed the taxation provisions on natura and/or PPh 21 objects. The change in the tax imposition rules on natura and/or enjoyment is marked by the enactment of the Harmonization of Tax Regulations Law (HPP Law) which was officially promulgated on October 19, 2021; where Article 4 Paragraph (1) Letter (a) becomes explicitly the legal basis for adding natura and/or enjoyment as an object of PPh 21.

Although the rules regarding the imposition of natura and/or enjoyment as tax objects have been accommodated in the HPP Law as explained above. Government Regulation Number 55 Year 2022 on Adjustment of Regulations in the Income Tax Sector ("PP 55/2022") as a derivative rule of the HPP Law, the dynamics that occur in connection with the changes in these rules raise several questions, where there are several things that still

require more precise rules. As mentioned above, the HPP Law and PP 55/2022 have not further regulated the limitations in excluding tax objects of natura and/or enjoyment.

For this reason, in order to provide more specific rules related to the imposition of tax on natura and/or enjoyment, the government has just passed a Minister of Finance Regulation Number 66 Year 2023 concerning Income Tax Treatment on Reimbursement or Reward in Connection with Work or Services Received or Obtained in the Form of Natura and/or Enjoyment ("PMK 66/2023") on June 27, 2023. PMK 66/2023 is a form of implementation of the provisions of Article 31(a) and Article 31(b) of GR 55/2022, where GR 55/2022 has not been able to provide legal certainty in several respects, among others: prerequisites for determining the location of "certain areas" in the exemption rules (Article 9, MoF Regulation No. 66/2023), comprehensive calculation procedures regarding the process of reporting natura and/or enjoyment through the self-assessment system, especially when the receipt of natura and/or enjoyment has not been deducted directly by the employer (Articles 22-24, MoF Regulation No. 66/2023); classification concerning objects included in natura and/or enjoyment and exempted objects (Articles 3-8, MoF Regulation No. 66/2023); as well as rules related to the "certain limit" exemption. With the enactment of this PMK 66/2023, imposing Income Tax 21 on compensation in connection with work or services in the form of natura and/or enjoyment is expected to be regulated by the government fairly and can provide more legal certainty

In PMK 66 Year 2023, reimbursement or compensation in connection with work or services in the form of natura and/or enjoyment can now be paid by the employer. PMK Number 66 Year 2023 has clearly regulated the types and limitations on the value of natura and/or enjoyment that are exempt from the object of income tax, such as food/beverages provided to all employees at the workplace without a value limit, communal living facilities, and facilities/ infrastructure for employees working in certain areas.

Taxes in kind are taxes imposed on receipts in the form of goods or services provided by companies to employees as facilities or work allowances. Social justice is an integral part of our constitution as it is part of the body of Pancasila and the mandate of the Law.

In Hans Kelsen's view, we must view the law as it is without the influence of ideals outside of public law (Zalewska, 2018). Therefore, the focus of this research is to understand how PMK-66/2023 is viewed based on the Constitution, especially social justice.

Benefit in Cash (compensation in the form of money) becomes the object of Income Tax (PPh) because it is an additional economic capacity received by employees or employees. However, fringe benefits (rewards in the form of fringe and/or enjoyment) were previously not included in the object of Income Tax. Benefits in Cash relates to work or services received in the form of money, such as salaries, wages, allowances, commissions, bonuses, and others. This is included in the object of Income Tax Article 21. The reason is because Income Tax is imposed on cash income to ensure fairness and ease of taxation. How to improve fairness in this case, the employer must ensure that income tax deductions are in accordance with applicable regulations. Meanwhile, Benefit in Kind (fringe and/or enjoyment) was previously not an object of Income Tax, based on Article 4 Paragraph (3) of the 1984 Income Tax Law. However, in the amendment of PMK 66/2023, most of the Benefit in Kind becomes the object of income tax that can be deducted by the employer and taxed on employees. The purpose of this is to create fairness and provide legal certainty regarding taxes on natura and/or enjoyment.

However, as we know, social justice has not been fully realized in Indonesia. Founding fathers such as Soekarno and Hatta have mentioned that the economy in Indonesia must be owned and for the people, especially those from agrarian circles (Arifqi, 2020; Kurniawan & Putrawan, 2023; Raeinady & Dewantara, 2021). The existence of this Natura Tax at least brings us closer to social justice in the context of income equalization and tax justice so that everyone's contribution in achieving common prosperity can run in balance.

Based on these thoughts, this research will be directed to conduct an in-depth analysis from a juridical perspective related to PMK-66/2023. Through this approach, it is hoped that the legal basis and potential impact of the policy implementation can be found, especially the harmony between PMK-66/2023 and the law based on justice.

Based on the above background, we can formulate the problem 1) How is the concept of fairness in a good taxation system? 2) Has the implementation of PMK 66/2023 been in accordance with the aspects of fairness in a good tax system?

This research focuses on analyzing the application of income tax on compensation for natura and enjoyment based on PMK Number 66 Year 2023 (PMK-66/2023). The purpose of the research in this case is to find out and analyze the fairness of natura and enjoyment in connection with work in the implementation of PMK Number 66 of 2023 (PMK-66/2023). This research is useful for companies as a basis for evaluation and efforts to minimize taxes in accordance with the law, for academics to add insight into PMK-66/2023 and the application of taxation theory, and for the government to increase compliance, state revenue, and a fairer and more transparent tax policy.

RESEARCH METHOD

Researchers use qualitative research methods. According to [Click or tap here to enter text.](#), there are five methods of qualitative research: Narrative, Ethnography, Phenomenology, Grounded Theory, and Case Study.

Method	Focus	Sample Size	Data Collection
Ethnography	Context or culture	— 25 to 50	Observation & interviews
Narrative	Individual experience & sequence	1 to 2	Stories from individuals & documents
Phenomenological	People who have experienced a phenomenon	5 to 25	Interviews
Grounded Theory	Develop a theory from grounded in field data	20 to 60	Interviews, then open and axial coding
Case Study	Organization, entity, individual, or event	—	Interviews, documents, reports, observations

Figure 1.
Research Method

Based on the 5 research methods above, researchers use the Case Study method. (Rashid et al., 2019) explain that a case study in qualitative research is a study that helps to explore a phenomenon in a particular context through various data sources, and explores through various lenses to reveal various aspects of the phenomenon.

Data Collection Method

Data Type and Data Source

The data used in this research is primary data. Primary data in this study includes the results of observations, as well as interviewing employees involved in tax withholding on

natura. The next stage after the researcher collects data is to summarize and process all the data results that have been obtained into a strong research result and become new knowledge (Shilton et al., 2021)

Data Collection Technique

To help solve the problem of the study case above, the authors conducted several data collection methods that made it easier to analyze the problem (Taherdoost, 2021):

a. Interview

In this research, interviews were conducted with various parties responsible for the in-kind tax withholding process.

b. Observation

When making observations, the researcher selects what to observe and records what is relevant to the research.

c. Documentation

Researchers conducted documentation in the form of recordings and photos as evidence.

Data Analysis Method

After all the data components have been collected, data analysis will be carried out by summarizing and processing all the data results that have been obtained into new research results and knowledge. The results of interviews and observations conducted by researchers will be the process of the research results.

Subjects and Objects of Research

The subject of the research conducted by the researcher will involve 5 (five) sources or informants who are directly related to tax deductions for natura and/or enjoyment. The 5 (five) informants will provide the data needed in the research conducted by the researcher.

The object of research researched by the researcher is in Jakarta, where the researcher researches which these 5 (five) informants understand income tax withholding on natura and/or enjoyment. The 5 (five) informants have activities in studying, managing, and organizing transactions on income tax withholding on fringe and/or enjoyment in the company. This research object will also answer the research objectives conducted by the researcher.

Data Collection Procedures and Instruments

At this stage, researchers will use an instrument in the form of a smartphone equipped with a recording application to record interviews with sources/informants as proof that researchers are actually conducting this research. Researchers will make a framework of questions so that the questions asked to informants can be understood and the questions become clear. Researchers will include a chart in the form of research procedures with the aim that readers find it easier to understand and understand the topic being discussed, and the final step is to make a conclusion from the findings of the interview. (Anufia & Alhamid, 2019)

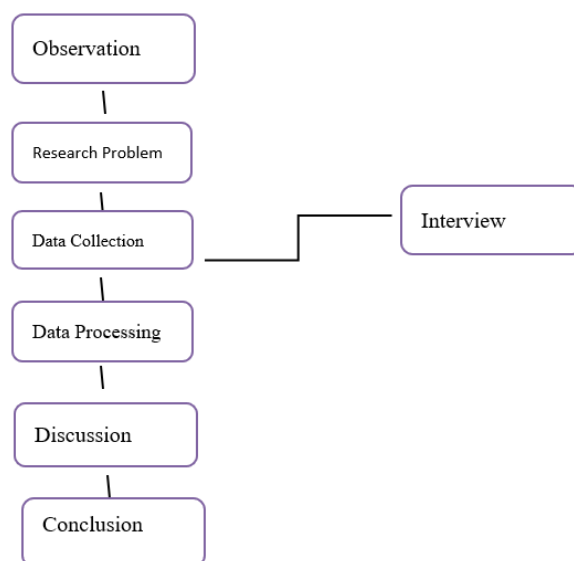


Figure 2.
Research Procedure (Source: Kong et al, 2019)

RESULTS AND DISCUSSION

The research conducted by researchers started from October 2024 to November 2024. Researchers conducted this research by conducting observations, and interviews with sources. The results of the research conducted by researchers will be described using open coding, axial coding, and selective coding. The tool used to assist researchers in conducting the coding process from the interview results is NVIVO 14.

Coding Results with Open Coding

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<input type="radio"/>	Tantangan	1	4
<input type="radio"/>	Transparansi	1	14
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<input type="radio"/>	Ancaman	1	1
<input type="radio"/>	Dampak	1	1
<input type="radio"/>	Fungsi pajak	1	1
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<input type="radio"/>	Keadilan vertikal	1	4
<input type="radio"/>	Kebaikan dan keadilan pajak	1	22
<input type="radio"/>	Kebutuhan manusia	1	3
<input type="radio"/>	Kemampuan wajib pajak	1	2
<input type="radio"/>	Kesulitan	1	1
<input type="radio"/>	Ketersediaan anggaran	1	1
<input type="radio"/>	Ketidakadilan	1	14
<input type="radio"/>	Konsep keadilan perpajakan	1	19
<input type="radio"/>	Manfaat	1	1
<input type="radio"/>	Natura	1	12
<input type="radio"/>	Objek PPh	1	2
<input type="radio"/>	Pajak progresif	1	1
<input type="radio"/>	Pelaporan pajak	1	1
<input type="radio"/>	Pembangunan	1	5
<input type="radio"/>	Pembayaran pajak	1	3
<input type="radio"/>	Pendidikan pajak	1	3
<input type="radio"/>	Perubahan PTKP	1	2
<input type="radio"/>	PMK 66 Tahun 2023	1	15
<input type="radio"/>	Potongan pajak	1	1
<input type="radio"/>	PPh 21	1	4
<input type="radio"/>	PPN 12%	1	1
<input type="radio"/>	Prinsip keadilan vertikal	1	1
<input type="radio"/>	Realisasi	1	1
<input type="radio"/>	Sisi perpajakan	1	3
<input type="radio"/>	Sistem pajak	1	1

Figure 3.

Open Coding (Source: NVIVO 14 - personally processed, 2024)

Based on the results of the data above, it can be concluded that there are 36 codes from the results of the researcher's interview with the source. The 36 codes are keywords that researchers make from grouping each sentence contained in the results of interviews with sources. The number on the file indicates the entire interview transcript file. In this study, the researcher only used 1 file because the transcript of the interview with the interviewee was carried out in 1 file. The number in reference shows the total sentences included in the coding.

Coding Results with Axial Coding

Table 1.
Axial Coding (Source: Personal Preparation, 2024)

Cluster 1: Tax Justice Concept	Cluster 2: Taxation Concept for Natura
1. Threat	1. Impact
2. Tax Function	2. Natura
3. Hope	3. Income Tax Object
4. Horizontal Justice	4. Development
5. Social Justice	5. Tax Payment
6. Vertical Justice	6. PTKP changes
7. Tax Goodness and Fairness	7. PMK 66 Year 2023
8. Human Needs	8. Tax Deductions
9. Taxpayer Capability	9. Income Tax 21
10. Difficulty	10. Individual Taxpayer (WPOP)
11. Budget Availability	
12. Injustice	
13. The Concept of Tax Justice	
14. Benefits	
15. Progressive Tax	
16. Tax Reporting	
17. Tax Education	
18. 12% VAT	
19. Vertical Justice Principle	
20. Realization	
21. Taxation Side	
22. Tax System	
23. Social Status	
24. Challenge	
25. Transparency	
26. Government Objectives	

Name	Files	References
(TEMA) KONSEP KEADILAN PAJAK	1	113
Ancaman	1	1
Fungsi pajak	1	1
Harapan	1	6
Keadilan horizontal	1	2
Keadilan sosial	1	2
Keadilan vertikal	1	4
Kebaikan dan keadilan pajak	1	22
Kebutuhan manusia	1	3
Kemampuan wajib pajak	1	2
Kesulitan	1	1
Ketersediaan anggaran	1	1
Ketidakadilan	1	15
Konsep keadilan perpajakan	1	19
Manfaat	1	1
Pajak progresif	1	1
Pelaporan pajak	1	1
Pendidikan pajak	1	3
PPN 12%	1	1
Prinsip keadilan vertikal	1	1
Realisasi	1	1
Sisi perpajakan	1	3
Sistem pajak	1	1
Status sosial	1	1
Tantangan	1	4
Transparansi	1	14
Tujuan Pemerintah	1	2
(TEMA) KONSEP PERPAJAKAN UNTUK NATURA	1	47
Dampak	1	1
Natura	1	12
Objek PPh	1	2
Pembangunan	1	5
Pembayaran pajak	1	3
Perubahan PTKP	1	2
PMK 66 Tahun 2023	1	15
Potongan pajak	1	1
PPh 21	1	4
Wajib Pajak Orang Pribadi (WPOP)	1	2

Figure 4.
Axial Coding (Source: NVIVO 14 - personally processed, 2024)

Based on the axial coding data that has been conducted by researchers, there are 2 clusters that have been found in the results of interviews conducted by researchers. These two clusters consist of the concept of tax justice and the concept of taxation for in-kind. From these two clusters, supporting things are obtained in each cluster. From the manual clustering carried out by researchers, then researchers conducted coding using NVIVO tools, and the final results of NVIVO coding can be seen as shown above.

Coding Results with Selective Coding

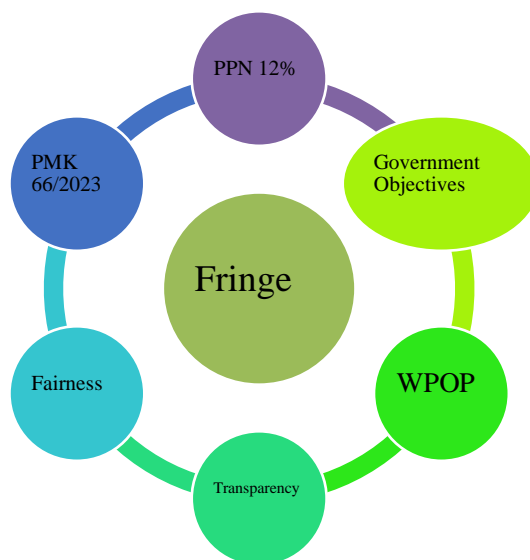


Figure 5.

Selective Coding (Source: NVIVO 14 - Personally Processed 2024)

From the results of selective coding data processing, researchers formulated 6 things. These six things are obtained from previous coding, namely open coding and axial coding. The 6 things that researchers found from the results of selective coding include 12% VAT, government goals, WPOP, transparency, fairness, and PMK 66 Year 2023.

Discussion

In this discussion section, researchers discuss the results of research that has been coded using the NVIVO 14 application. The results of this coding consist of open coding, axial coding, and selective coding. The results of open coding research show 36 coding results obtained from interviews with 5 sources. The open coding technique is carried out by sorting out conversations with sources, and grouped into codes that have been adjusted to the results of interviews that have been conducted. The more the interview process, the more codes will appear. The results of the most codes are goodness and tax justice, the concept of tax justice, injustice, and PMK 66 Year 2023.

What is the Concept of Fairness in a Good Taxation System?

According to the government, fairness in reasonable taxation is a fundamental principle in a country's tax system. In general, tax justice includes 2 (two) main aspects, namely, horizontal justice and vertical justice. This justice is related to the proportional

distribution of the tax burden and the purpose of using the tax funds received to benefit society. According to the Indonesian government, good tax justice is a system in which every taxpayer feels treated relatively and in accordance with his/her abilities and benefits from his/her contribution to the state.

According to the researcher, fairness in a good tax system means that the tax must reflect the principles of justice, legal certainty, efficiency, and transparency. The government must ensure that taxes are used to finance public needs and reduce social inequality while maintaining economic sustainability.

According to researchers, the current tax is based on vertical justice, and the average individual or worker can already pay taxes. This is supported by the principle of vertical justice, which means that taxpayers with a more considerable income will pay a more significant tax and can pay taxes according to the ability or income earned and every individual or worker is obliged to pay taxes. The researcher's informant, Sudirman, also emphasized that a fair tax is the tax paid by each taxpayer and must be in accordance with the income they earn. According to Juliyani, for PPH 21, TER currently upholds justice; if the income is received by a person in large amounts, then the deduction will be more significant.

According to the researcher, the principle of certainty means that taxpayers must know clearly how much tax they must pay, when it must be paid, and how the tax payment is made. This certainty can be achieved by having tax regulations that are transparent and easily understood by the public. This certainty is important to prevent potential manipulation or injustice in tax imposition for taxpayers. The principle of legal certainty in applying taxation must be in accordance with or based on the law. Tax collection can be carried out firmly and clearly through this principle of legal certainty because legal certainty or guarantee oversees it. This theory is also supported by (Nurmantu, 2003), namely that legal certainty is a condition in which there is no doubt in fulfilling tax obligations and exercising taxation rights for taxpayers and tax authorities. Tax legal certainty is contained in the tax law as the primary reference, and its implementing regulations are the following reference. According to Juliyani, good tax justice must be transparent and open. The process of learning and practice must be easy for the public to understand to find out where the money from taxes

goes and what it is used for. In addition, government transparency is also expected to take part in this issue of tax goodness and justice; by the way, the government must take responsibility for managing tax money. In other words, the community and the state must be able to feel fair, not disadvantaged, and the system in this taxation can be understood and run well. According to Cindy Febriani, the government must continue to emphasize transparency and accountability so that the tax system can function as an effective instrument to create a more prosperous and equitable society. According to Keddric, if we want the tax system in Indonesia to be fair, then transparency and accountability need to be implemented. The use of tax money must be clear for what purposes, precise, and easily understood by the public.

According to researchers, the principle of efficiency is a principle that emphasizes that the costs in fulfilling tax obligations are expected to be reduced to a minimum. This is necessary so as not to burden taxpayers in carrying out their tax obligations. Tax efficiency in emphasizing the cost of tax obligations is not only how to reduce the amount of tax to be paid, but also about careful management of various costs associated with tax administration and compliance. Through good tax planning, utilization of technology, and simplification of the tax administration system, both individuals or workers as well as entities or employers, can significantly reduce the burden of tax costs. According to Cindy Febriani, a comprehensive tax reform and education policy on taxes is essential to improve compliance and public understanding of taxes. The concept of good and fair tax justice is not only based on numbers or tax rates. However, it is based on how the system reflects fair social and economic values.

According to the researcher, transparency is a very important principle in realizing good tax justice, and for the principle of transparency is not only related to how the tax is collected, but also to how the tax collection process is carried out fairly and without discrimination. This principle of transparency plays a very important role in creating a fair tax system. Transparency is inseparable from good tax justice because transparency can create taxpayer compliance. By understanding taxpayer obligations, taxpayers will clearly understand their obligations, so that taxpayers will be inclined to comply with existing regulations. With transparency, taxpayers do not feel burdened by unclear or hidden rules because taxpayers know exactly the applicable tax rates, available deductions or incentives,

and how to report and pay taxes. Then, transparency can create prevention of abuse of power and corruption. If taxation is not transparent, the problem that will occur is the abuse of power, and has the potential to cause corruption. With transparency, every decision made by the government related to taxes can be monitored and accounted for, thus reducing the possibility of corruption in taxes. Then, transparency can reduce tax injustice. This can happen if the regulations are clear and made evenly. In a transparent tax system, every taxpayer must be treated equally and the information needed to fulfill tax obligations is available to all parties. When the government discloses information about public or state expenditures and how the taxes are used to finance these projects, the public can see and believe that the taxes paid have been used effectively for the common good. According to Juliyani, government transparency is also expected to take part in this issue of tax goodness and fairness, in a way that the government must take responsibility for managing tax money. And in other words, the community and the state must be able to feel fair, not disadvantaged, and the system in this taxation can be understood and run well. According to Cindy Febriani, tax justice will be achieved if corruption, awareness of paying taxes, and a good tax system are addressed by the government. According to Keddric, the things that must be applied in the concept of tax justice are transparent and accountable. The use of this tax money must be clearly used for what purposes, must be clear, and also easily understood by the public. Then, the public can assess whether the money from this tax is used effectively and efficiently in the development of the country, and used in any sector. In addition, the publication of the state budget should also be monitored together by the public in order to further achieve social justice.

Is the Implementation of PMK 66/2023 in Accordance with the Fairness Aspect of a Good Tax System?

In consideration of PMK 66/2023, to provide legal certainty and fairness in the treatment of income tax on reimbursement or compensation in connection with work or services in the form of money or fringe and/or enjoyment, it is necessary to regulate the provisions regarding the treatment of income tax on reimbursement or compensation in connection with work or services in the form of fringe and/or enjoyment. The purpose of the government in this PMK 66/2023 is to help achieve social justice for all parties.

Article 4 of PMK 66/2023 excludes several things. Income tax objects that are exempted from reimbursement or compensation in the form of natura and/or enjoyment as stipulated in Article 3 Paragraph (1) include several categories, namely: a) food, food ingredients, beverage ingredients, and/or beverages for all employees; b) natura and/or enjoyment provided in specific areas; c) natura and/or enjoyment that the employer must provide in the performance of work; d) natura and/or enjoyment funded by the state revenue and expenditure budget, regional revenue and expenditure budget, and/or village revenue and expenditure budget; or e) natura and/or enjoyment with certain types and/or limits. With this definition, the concern that all natura and/or enjoyment will become tax objects is unwarranted. On the contrary, this helps achieve social justice. PMK 66/2023 itself is quite detailed in regulating and identifying what tax objects need to be calculated in income tax. For example, as follows:

Article 5 Paragraph 4, food coupons that exceed a value of more than Rp 2,000,000, - (Two Million Rupiah) must be reported as part of income tax.

Article 8 Paragraph 1, natura and/or enjoyment in the form of facilities as follows: Natura and/or enjoyment referring to Article 4 letter b stipulates that in a certain area, the natura and/or enjoyment provided includes various facilities and services intended for employees and their families working in that location. This includes housing, adequate housing, health services, educational facilities, places of worship, transportation facilities, and various sports activities except gold, motorboat racing, horse racing, flying, or automotive sports. The designation of these specific areas is subject to the decision of the Directorate General of Taxes.

The provision of PMK 66/2023 must be seen from the perspective of taxes not levied by the state on its people. Taxes are a system in which the state tries to distribute prosperity equally Click or tap here to enter text.. Taxes ensure that all parties contribute fairly to the standard of progress and prosperity. The fairness this tax establishes does not mean everyone pays the same price; instead, each citizen can contribute according to his ability. The existence of this in-kind tax is to ensure social justice.

This in-kind tax has several positive impacts that the community can feel directly. This tax on in-kind and/or enjoyment closes the gap on tax crimes in the form of money laundering

(Kemsley et al., 2024; Nieto-Montero, 2021). Money laundering is one of the crimes that has a negative impact on Indonesia. Therefore, this tax on natura and/or enjoyment will resolve the possibility of various money laundering modes that aim to hide or disguise the origin of money or assets obtained from illegal activities to make it look like it comes from legal and legal sources.

According to the researchers, in general, the implementation of PMK 66/2023 is in accordance with the principles of fairness in a good tax system. This regulation introduces a fairer treatment of gifts in kind, and it ensures that the tax burden is shared proportionally according to the economic capabilities of the beneficiaries and that those who receive non-monetary facilities are taxed in a manner equivalent to recipients of income in the form of money. The justice in PMK 66/2023 is vertical justice and horizontal justice. The vertical justice in question balances the tax burden based on economic ability. One of the main objectives of this regulation is to ensure that the provision of in-kind and/or enjoyment is taxed fairly and proportionally. Prior to this PMK 66/2023, many gifts of natura and/or enjoyment were not reported or not taxed directly by the employer, and this could create inequity between employees who receive a monetary salary and those who receive non-monetary facilities. With the existence of PMK 66/2023, gifts of natura and/or enjoyment that have economic value will be taxed, and make the tax more proportional according to the economy of the recipient. Then, the justice in PMK 66/2023 is horizontal justice, by treating every individual equally towards receiving natura and/or enjoyment. When viewed from the perspective of horizontal justice, PMK 66/2023 provides more equal treatment between workers who receive income in the form of money and those who receive natura and/or enjoyment. Previously, workers who received non-monetary facilities, such as vehicles or official houses, were not taxed directly, and their treatment was not equal to those who received money. However, with PMK 66/2023, tax is levied more transparently and systematically on all types of income, including natura and/or enjoyment. This ensures that individuals with equivalent income, albeit in different forms, will be taxed fairly for the value received. However, this regulation invites criticism regarding the extent to which it objectively calculates the value of natura and/or enjoyment. Determining the value of goods or facilities provided often involves estimates that may vary. If done cautiously, this can

create inequity among taxpayers with similar conditions. Therefore, the success of PMK 66/2023 in creating horizontal justice also depends on the accuracy and clarity in determining the value of in-kind and/or enjoyment received by workers. Then, one of the important aspects of PMK 66/2023 is the increase in transparency and legal certainty in the tax treatment of natura and/or enjoyment. Previously, many companies provided natura and/or enjoyment without calculating the tax implications because there were no clear and systematic rules. With the existence of PMK 66/2023, this facilitation's provision is taxable and provides legal certainty for both employers and beneficiaries. This transparency also supports the principle of accountability in tax management. However, this regulation still needs to be reviewed to achieve the principle of justice properly and effectively. This was supported by Cindy Febriani, a resource person, who said that PMK 66/2023 is a regulation that regulates various aspects of taxation in Indonesia. In this case, it is important to analyze whether this policy has fulfilled horizontal and vertical justice principles. PMK 66/2023 has the potential to support horizontal justice. And supported by Keddric, PMK 66/2023 on natura and/or enjoyment provides quite clear limitations and implementation on the space of natura and/or enjoyment for both taxpayers and employers. This represents legal certainty for the parties involved. This transparent procedure can also prevent and potentially reduce tax avoidance practices due to unclear tax rules. PMK 66/2023 sufficiently emphasizes what is necessary and what is not. PMK 66/2023 provides the principle of non-discrimination so that tax treatment is more equitable for taxpayers and increases effectiveness and efficiency in administration from the taxpayer side. Some good things are also attempted in this PMK to achieve equality and fairness, such as the exemption of in-kind provided in certain areas, facilities related to work safety, food and beverages provided to all employees in the workplace, health services, and basic needs of employees that are not subject to tax. Implementing the new PMK in general, will indeed provide a little *cost* in terms of adjustment and undergo a learning process so that the potential for differences in interpretation between tax authorities and taxpayers can still occur. Tax information systems that are not yet integrated and adequate can hinder the achievement of justice sought in PMK 66/2023. And for PMK 66/2023 to be fair, it would be better to be done transparently. And according to Sabar Donal, PMK 66/2023 is already fair for employees in the company, but it

can be considered unfair if the employee has power within the company. Why is that? According to employees who have power within the company, they would rather choose money than the facilities that the company has provided. The government made PMK 66/2023 not merely to make everything a tax object. However, to avoid parties who take advantage of the mechanism of giving rewards in the form of in-kind and/or enjoyment. It can be said that it would be fairer if all employees in the company had the same facilities. Then, PMK 66/2023 will be more targeted. And the issue of fairness is a difficult one to discuss because not everyone feels that this regulation is fair. As a government, they also cannot satisfy all Indonesians. However, the government has taken the policy for the good and fairness of employees.

CONCLUSION

The concept of fairness in a healthy tax system includes key elements such as vertical and horizontal equity, transparency, administrative efficiency, and fair redistribution, which aim to motivate responsible contributions, support sustainable development, and reduce inequality. A fair tax system fosters a stronger sense of community and encourages transparency in the allocation and management of funds for social and economic development. In line with these principles, PMK 66/2023 reflects tax fairness by increasing transparency, administrative efficiency, and measures to prevent tax evasion, thus aligning with the broader goal of creating a more just and prosperous society.

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