

## Analysis of the fiscal policy regarding income tax article 21 on employee's earnings born by the government - an overview from the equality and certainty principles

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### Abstrak

*The fiscal policy regarding Income Tax Article 21 born by the government is a tax facility given for certain employees which is expected to be able to stimulate the real sector, be applied and be enjoyed directly by the business party or society; and to regain the purchasing power of the society as well as to reduce the high cost of the economy.*

Furnishing facility only for the employees that have fulfilled certain requirements can create inequality on the tax subject, the tax object and the tax burden itself. In addition, the certainty of the implementation of the regulation decreases since the policies regarding this matter have been changed frequently.

This thesis analyzes the government policies pertaining to Income Tax Article 21 on employee's earnings born by the government based on theories as well as equality and certainty principles that should be applied on good fiscal policy. The research is performed analytically by using data methods such as survey, interview, and literature study.

The incentive is the second-best choice that has to be taken by the government in order to satisfy the demand from employees. This condition indicates that the fiscal policy attempts to be in favor of the society but on the other hand overlooks the equality and certainty principles. It also renders the government loss by decreasing tax revenue from Income Tax Article 21.

The equality and certainty should have been acquired if there was a policy regarding the precise tax-deduction which is implemented on all taxpayers and based on assured law. This thesis suggests that the non-taxable income be adjusted since it is inappropriate with the current economic situation.