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UNDERGRADUATE PROGRAM

ABSTRACT

Dini Amalia (0904110116), Scholarship Study For Tax Incentive In Supporting Education Development (In Supply Side Tax Policy Perspective), xv + 126 pages + 13 tables + 12 attachments + 31 bibliographies (1980-2007)

Education development has a purpose to develop the nation existence, it is based on Indonesia Constitution at 1945. To reach that aim, the government has to prepare the best educational services for all people. But, in the reality, most people still have difficulty to get a quality education which is caused by the limited fund (20% from APBN). Therefore, the government need the contribution from the other sector especially privates in order to solve the education problem. The type of that contribution like scholarship program. The government must give a facility and incentive to motivate the private sector in this program. The most incentive proposed is tax incentive which is treated to deductibility of scholarships expenses to students in calculating taxable income of the corporate (for the donor) and treated to exempt from tax (for the donee). This thinking based on Income Tax Act 1967 Malaysia so the education in Malaysia has progressed significantly. Researcher tries to observe with supply side tax policy perspective.

Researcher's aim to held this research is to analyze the output of the supply side tax policy which is related with education sector and give some alternatives of the tax incentive used to reach that output. Then researcher tries to justify set of reason that caused by giving the tax incentive with comparison Malaysia tax law and determine some of benefit received by scholarship donor, scholarship donee, and the government. This research uses the interpretive social science approach or also known as the qualitative approach which combine the deep interview data with others supporting data, is being used to analyze the data. The collecting data technique itself is done by deep interview with some informants who are related with this research, literature study, which is collecting and exploring data derived from various sources like books, tax law and regulation, mass media, internet, and also documents studies.

Scholarship which given by corporation should be settled as deductible expenses and for the donee should be treated as income which exempt from tax according to the result of this research. This tax incentives useful to create the education

development (output) and solve the education budget problem. The corporate can have the best human resources from the scholarship program by recruiting students which is get scholarship. Students can motivated to study hard and develop their capability. The government must have a tight controlling of the tax law in order to implement that policy as well.

