

Legal Analysis of the Status of Distribution of Joint Inheritance Rights in the Collection of Income Tax (PPh)



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ABSTRACT: Inheritance is not an object of Income Tax, however, in certain circumstances inheritance, especially the distribution of joint inheritance rights, can be subject to Income Tax. This research aims to analyze the position of distribution of joint inheritance rights in the collection of PPh according to applicable laws and regulations, as well as to examine the reasons for the distribution of joint inheritance rights being subject to PPh. The research method is normative juridical. The type of data used is secondary data. The data collection method is literature study. The results of this research are: first, Article 4 paragraph (3) letter b of the Income Tax Law regulates that transfers due to inheritance are not objects of Income Tax. The PPh exemption must be based on the SKB PPh issued by the KPP Pratama where the object of inheritance is located. The application for issuing an Income Tax SKB can be accepted or rejected by KPP Pratama. When KPP Pratama refuses to issue an PPh SKB, the heirs must pay PPh of 2.5% on NPOP. PPh payments are made to obtain a Tax Payment Letter (SSP PPh), and will be used as the basis for fulfilling taxation when registering the transfer of land rights. Second, the reason the distribution of joint inheritance rights may be subject to Income Tax (PPh) is because the inherited assets have never been reported in the heir's Annual SPT. However, if the heir can prove that the heir has income below Non-Taxable Income even though the heir did not report the inherited assets in the heir's SPT, then the heir cannot be charged PPh, and KPP Pratama must grant the request for an Income Tax SKB submitted by the heir. Because there is no tax owed that must be paid off by the heirs.

Keywords: Division of Joint Rights, Heirs, Income Tax, Inheritance, KPP Pratama.

I. INTRODUCTION

According to the Preamble to the 1945 Constitution, the goals of the Indonesian state are to safeguard the entire country and its people, as well as to advance general welfare, educate the populace, and take part in the implementation of a global order centered on social justice, independence, and perpetual peace. Sustainable development is done to promote wealth. Since taxes account for nearly all income sources in the State income and Expenditure Budget (APBN), they currently serve as the primary source of funding for development. The main component of a now-dominant development driver is taxes. There is no denying that taxpayers now contribute to national progress and its continued survival.

The object of income tax is any additional economic capability received or obtained by a taxpayer, whether from Indonesia or outside Indonesia, which can be used for consumption or to increase the wealth of the taxpayer concerned, in whatever name and in whatever form. According to Article 4 paragraph (1) of Law Number 7 of 1983 concerning Income Tax as amended several times, most recently by Law Number 7 of 2021 concerning Harmonization of Tax Regulations (hereinafter referred to as the Income Tax Law), the object of PPh is income, especially every increasing a person's economic capacity that can be consumed or increasing the taxpayer's wealth.

The UUPA states that land rights can be transferred and transferred from the right holder to another party. One form of transfer of land rights is through inheritance. Inheritance of rights to land occurs by law, meaning that with the death of the right holder, his heirs obtain rights to the land (Audina, 2018). Based on Article 830 of the Civil Code which is related to Article 833 of the Civil Code, with the death of a person, all goods, all rights and all receivables (also called inherited assets or legacy assets) by law pass through (openly) to the heirs. The death of an heir gives rise to the legal consequences of joint ownership by his heirs of his inheritance. According to Herlien Budiono, inherited assets include joint ownership of property that is tied (gebonden mede eigendom) (Budiono, 2008). According to A. Pitlo, joint ownership of property occurs when two people share ownership of something after another legal event, such as the death of an heir, the dissolution of a marriage, the dissolution of a civil partnership

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or an unincorporated association. The joint ownership of the inherited assets ends after the separation and distribution of the inherited assets is carried out (Ikrar, Mirwati, & Andora, 2023).

According to Article 38 paragraph (2) PP Number 24 of 1997 in conjunction with Article 111 paragraph 4 and paragraph 5 of the Regulation of the Minister of State for Agrarian Affairs/Head of the National Land Agency Number 3 of 1997 concerning Provisions for Implementing Government Regulation Number 24 of 1997 concerning Land Registration (hereinafter referred to as PMNA/ KaBPN No. 3 of 1997) as amended several times, most recently by Regulation of the Minister of State for Agrarian Affairs/Head of the National Land Agency No. 16 of 2021 (hereinafter referred to as PMNA/KBPN 16/2021), if the heirs agree to transfer inheritance rights to the land. 1 (one) person at the time of registration of the transfer of rights, this can be proven by a deed of inheritance distribution in the form of a notarial deed or in the form of a private deed. Meanwhile, the distribution of inheritance is based on the deed of sharing joint rights made by PPAT as intended in Article 51 PP Number 24 of 1997, if there has been no division of inheritance then the inheritance becomes joint ownership at the time of registration of the transfer of rights and then when the right holders agree to divide their rights into rights. each rights holder (Fairuzabadi & Khisni, 2018).

Provisions regarding registration of transfer of rights to land and/buildings require or require taxes on the land to be paid, such as BPHTB (Land and Building Rights Acquisition Fee) and PPh (Income Tax). Regarding heirs who will transfer rights to land and/buildings due to inheritance, the heirs are required to pay BPHTB tax (Land and Building Rights Acquisition Fee) due to an event, namely the heirs received the land and buildings through inheritance, and in It is stated in the Law that the transfer of rights due to inheritance is included in the BPHTB tax object (H & Irianto, 2012). Receipt of inherited assets is additional assets obtained by the heirs in the inheritance process. However, inherited income is exempt from income tax (PPh) based on the provisions of Article 4 paragraph (3) letter b of the Income Tax Law. Apart from that, in Government Regulation Number 34 of 2016 concerning Income Tax on Income from the Transfer of Rights to Land and/or Buildings and Sale and Purchase Agreements for land and its amendments (hereinafter referred to as PP Number 34 of 2016) Article 6 letter d is regulated in the case of land being inheritance object, then the transfer of land rights due to inheritance is excluded from the obligation to pay PPh. Based on this, inheritance is not subject to income tax.

Despite the fact that inheritance is exempt from income tax under statutory requirements, many people nonetheless complain to the tax office when they get tax invoices for unpaid taxes because their inherited assets have increased in value. Since assets that have not been inherited have never been reported to the tax office and even the taxpayer who inherited them was not registered with the tax office, this has become a very intriguing topic, according to tax officials. In such circumstances, the heirs must first pay the tax debt on assets that have not been previously reported. If the heirs are charged PPh, it means that the heirs are charged 2 (two) payments at once for the transfer of land rights by sharing joint rights, namely paying PPh and Land Rights Acquisition Fee (hereinafter abbreviated as BPHTB). Apart from the fact that heirs do not benefit from income tax, this also creates legal uncertainty regarding income tax exemptions for heirs. Basically, taxes have a big role as a source of state revenue, this encourages the government to explore further the potential taxes that can be received from the public. So, on this basis, the state has an obligation to protect and guarantee consequential legal certainty for the community in collecting taxes from the public. However, in practice this is not reflected in the imposition of income tax (PPh) on the transfer of land rights through the distribution of joint inheritance rights.

Based on the description above, according to the author, it is necessary to carry out a more in-depth study regarding the position of the distribution of joint inheritance rights in the collection of Income Tax (PPh) according to the applicable laws and regulations, and examine the reasons why the distribution of joint inheritance rights can be subject to Income Tax (PPh).). Therefore, the author is interested in conducting research with the title "Legal Analysis of the Position of the Distribution of Joint Inheritance Rights in the Imposition of Income Tax (PPh)".

II. RESEARCH METHOD

The process of finding laws, legal doctrines, and legal principles to address legal questions is known as legal research. The ability to recognize legal issues, apply legal reasoning, assess the difficulties encountered, and offer workable solutions to these difficulties are all necessary for resolving legal issues (Marzuki, 2008). The author employs a normative juridical legal method in this study. Legal research using secondary data or library resources is known as normative legal research. According to Soekanto and Mamudji (2003), normative legal study is also known as doctrinal legal research. Normative legal research, in the words of Peter Mahmud Marzuki, is the process of identifying legal doctrines, rules, and principles to address the legal questions that arise. This kind of legal research does not recognize field research because what is researched are legal materials so it can be said to be library based, focusing on reading and analysis of the primary and secondary materials. The approaches used are the statutory approach and the conceptual approach Examining all laws and regulations pertaining to the legal matter under consideration is how the statutory approach is implemented. A legal approach that diverges from the theories and viewpoints that emerge in legal science is known as the Legal Concept Approach. In situations where researchers adhere to current legal regulations, they employ a conceptual approach. This action was taken due to the absence of any legal laws pertaining to the issues at hand. Primary, secondary, and tertiary legal materials are among the secondary data types that are used. The data gathering approach makes use of literature

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study, with reference books and other literature serving as supplementary sources in addition to the primary sources—legal rules and implementing regulations. In order to interpret and explain the research material gathered based on legal understanding, legal laws, legal theories, and doctrines connected to the subject under study, this study use data analysis methodologies with deductive reasoning. The study of a problem requires the application of legal regulations as a major premise, followed by a syllogism procedure that yields a conclusion based on pertinent legal facts (legal facts) as a minor premise (Marzuki, 2010).

III. RESEARCH RESULTS

Position of Distribution of Joint Inheritance Rights in Collecting Income Tax (PPh) According to Applicable Legislation

A legal event that happens after someone passes away is inheritance. As a result of this occurrence, the heir's possessions were divided among heirs according to blood, marriage, and will (Ali, 2010). Accordingly, the existence of a deceased person, the existence of heirs who inherit, and the existence of inherited assets—which comprise all of the heir's assets and liabilities—are the components of inheritance. At the time of the testator's death, inheritance is open, which has legal ramifications. The transfer of inherited assets to all heirs creates legally enforceable joint ownership (Sofyan, 2011). When heirs inherit land, which has a high economic value, joint ownership in a binding manner frequently leads to disputes between them (Arjiati & Hanim, 2017). Therefore, it is preferable to handle inheritance distribution over these objects right once in order to prevent disagreements down the road. To ensure legal certainty about land ownership, the transfer of inherited assets in the form of land must be recorded with the land office (Benni, Kurniawarman, & Rahman, 2019).

The Minister of State for Agrarian Affairs/Head of the National Land Agency Number 16 of 2021 (henceforth referred to as PMNA/KBPN 16/2021) Regulation, Article 111, paragraph 5, states that the implementation of land registration must be registered with all heirs together. This regulation serves as the basis for the registration of the transfer of land rights in the distribution of inheritance. The Deed of Sharing of Joint Rights (APHB) created by PPAT, which acts as evidence of the consent of all heirs regarding the distribution of the land object of inheritance, is then used to transfer the distribution of joint rights in order to carry out the division of inheritance (Prawira, 2016).

Tax is always due at the moment of any transfer of land rights, for both the party making the transfer and the person receiving it. The person who transfers the rights will be liable for PPh, and the person who receives the rights will be liable for BPHTB. Income is transferred from the people to the State Treasury through taxes, with the surplus going toward public savings, which serves as the primary source of funding for public investment. Since taxes provide the state with revenue to fund all of its expenses, including development expenses, they play a critical role for the state, particularly in the implementation of development (Mustaqiem, 2014) Every tax that the state collects needs to be supported by legislation. If the State's method of collecting taxes lacks a valid foundation, it is an unlawful levy. A number of laws and regulations governed by the Tax Law provide the legal foundation for the state's ability to collect taxes from the general public. The body of regulations known as tax law governs the legal interactions between the tax authorities and the individuals who are liable to taxes. For the purpose of giving tax subjects legal certainty, tax collection by the tax authorities must be founded on the law. Justice and strong legal protections must be provided by tax legislation for the benefit of the state and society. The 1945 Constitution's Article 23 paragraph (2), which states that taxes may only be imposed and collected for state purposes on the basis of the law, serves as the foundation for state tax collection. The primary goal of tax law is to ensure that the public, as taxpayers, receive fair treatment when the state collects taxes. To do this, the tax laws must meet the requirement of legal certainty, meaning that there should be no room for question regarding the tax law's contents. (Bohari, 2019).

A tax levied on tax subjects based on money earned or received during a tax year is known as income tax. Any extra financial capacity that is acquired and adds to the taxpayer's wealth is referred to as income. As a result, revenue can come from donations, business earnings, honoraria, salaries, and other sources. According to the Income Tax Law's Article 4 Paragraph 1, PPh is levied on income receipts, or any increment that the taxpayer receives that can be used for consumption or to boost their wealth, regardless of whether it comes from Indonesia or another country. The goal and purpose of PPh is based on the state's budgeting system, which is the government's attempt to deposit as much money as possible into the public treasury. The regulatory or regularend function follows, when taxation is used as a tool to accomplish aims outside the financial sector and to regulate and implement social and economic policies of the government. Everything with the potential to produce income is subject to income tax. The Tax Subject is referred to as a Taxpayer if he has satisfied both his objective and subjective tax duties. The Income Tax Law's Article 2 paragraph (1) lists the following categories of people as tax subjects: individuals, inheritances that haven't been split up into separate units, and entities. Income is the goal of income tax, in the meantime. According to the definition of income given above, income is regarded broadly as any economic capability that can be used to raise or decrease a taxpayer's wealth in any way. whose income is the subject of PPh and has been qualified in Article 4 Paragraphs (1) and (2). In the meanwhile, Article 4 paragraph (3) of the Income Tax Law regulates income that is not considered a tax object.

PPh is imposed on the basis of income received from the transfer of land rights. In a transfer due to inheritance, receiving an inheritance object is an additional asset for the heir, but Article 4 paragraph (3) letter b of Law Number 36 of 2008 concerning Income Tax (hereinafter referred to as the Income Tax Law) explains that a transfer due to inheritance is not an object. PPh, so that

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income tax is exempt from receiving inheritance tax. According to Article 3 paragraph (1) letter an of Directorate General of Taxation Regulation Number 30/PJ/2009 (henceforth referred to as PDJP 30/PJ/2009), the existence of an Income Tax Exemption Certificate (SKB PPh) issued by KPP Pratama, where the inheritance object is located, is a prerequisite for the PPh exemption. The heirs have written to KPP Pratama requesting the issuing of this SKB PPh. KPP Pratama has the authority to approve or disapprove the application for the issuance of an Income Tax SKB. There won't be any issues if it is approved, but if KPP Pratama declines to provide the PPh SKB, the heirs will be required to pay PPh. In order to receive a Tax Payment Letter (SSP PPh), PPh payments must be made. This letter is then validated and serves as the foundation for paying taxes when registering a land transfer in compliance with the guidelines set forth in Article 103 PMNA/KBPN 16/2021. The result of the refusal is that the heirs have to pay 2 (two) taxes at once in one transfer of land rights, namely paying PPh and BPHTB, this is of course a double tax borne by the heirs.

The inheritance law that governs the heir governs how inherited assets are distributed to heirs. Because inheritance law in Indonesia is not regulated by a single body of legislation, it is necessary to determine which system of inheritance law applies to heirs. overnment Regulation Number 34 of 2016 regulates the application of PPh on income while passing land rights, and it applies further if the goal of inheritance is land. Any gain from the transfer of land rights will undoubtedly be subject to a final payment of 2.5% of the NPOP, as stated in PP Number 34 of 2016. Depending on the money earned from the transfer, this income tax is levied against the party transferring the rights. Article 6 letter d of PP Number 34 of 2016, which refers to Article 4 paragraph (3) letter b of the Income Tax Law, which states that inheritance receipts are not a tax object, states that if the land rights transferred are an inheritance, then this transfer is exempt from income tax collection. However, a PPh SKB issued by KPP Pratama must be included in order for the heirs to be exempt from PPh on the transfer of land rights resulting from the inheritance. The heirs must ask KPP Pratama to issue the Income Tax SKB in order to get it. KPP Pratama investigates the completeness of the files and the application's suitability with the type of transfer exempt from PPh in accordance with Article 6 PP Number 34 of 2016 based on this request. KPP Pratama has the authority to approve or disapprove the request for the issuing of an Income Tax SKB in light of this research. A PPh SKB will be issued by the Head of KPP Pratama if the application is approved. The heirs won't have a PPh SKB to use as justification for a PPh exemption upon transferring ownership of the land, though, if the application is denied. The land office offers three (3) different registration processes for the transfer of land rights resulting from inheritance. These are as follows:

1. Transfer to joint heirs (Article 111 paragraph (4) PMNA/KBPN 16/2021);
2. Sharing of collective rights (Article 111 paragraph (5) PMNA/KBPN 16/2021); as well as
3. Grant of will (Article 112 PMNA/KBPN 16/2021).

The inclusion of each heir's name on the title certificate is affected by the requirement that the registration of the land rights transfer to all heirs be completed simultaneously in cases of inheritance. Then, legal action pertaining to the object of inheritance must be taken in a sequential manner. Collectively by each heir. As a result of the inheritance distribution transition, in accordance with PMNA/KBPN 16/2021 Jo. Art. 111, paragraph 3. According to PP 24/1997's Article 42, Paragraph 5, following the transfer to all heirs, the joint rights distribution is based on the PPAT deed, which includes an agreement amongst all heirs regarding the distribution of joint rights (APHB). Consequently, two (two) transfers of land rights must be completed following the opening of the inheritance and the distribution of joint rights over the objects of inheritance. The first is the rights being transferred from the heir's name to the names of all the heirs combined. Subsequently, the transfer is executed by allocating joint rights to specific specified heirs. Nevertheless, the norm in Article 4 paragraph (3) of the PPh Law jo. Article 6 letter d of PP 34/2016 and its explanation only governs the transfer of income that is exempt from PPh collection because of "inheritance," without going into further detail about the requirements for such a transfer. This resulted in the Head of KPP Pratama interpreting the meaning of inheritance in this article differently, which had the implication of rejecting the PPh SKB application for the transfer of land rights by sharing joint rights. If the application for the issuance of an Income Tax SKB is denied, the heirs will need to pay 2.5% of NPOP in PPh in order to obtain an Income Tax SSP, which will be validated by KPP Pratama and used as a basis for fulfilling the tax requirements in order to fulfill the requirements for registering the transfer of land rights. Based on this, the law's implementer may tax heirs' income in relation to the transfer and allocation of joint inheritance rights.

Reasons for Sharing Joint Inheritance Rights Can Be Subject to Income Tax (PPh)

As explained in the previous discussion, in accordance with Article 4 paragraph (3) letter b of the Income Tax Law, inheritance is one of the tax objects that is excluded. However, the heirs must submit an Income Tax SKB to KPP Pratama to obtain PPh Exemption, as regulated in Circular Letter number SE-20/PJ/2015 concerning the granting of income tax exemption certificates for income from the transfer of rights to land and/or buildings due to a designated inheritance. by the Director General of Taxes on March 18 2015. The inheritance referred to in this provision includes all types of assets, both movable and immovable assets. However, this provision does not explain further regarding the qualifications for transfer due to inheritance, it only explains the reasons for inheritance being free from income tax because the subjective obligations of the inheriting party as the party making the transfer have been completed since he died. In fact, as is known in PMNA/KBPN 16/2021 it is regulated that there are 3 (three) types of transfer of land rights due to inheritance, namely: 1. Transfer to heirs, either individually or jointly (Article 111 paragraph (4)); 2. Distribution of collective rights (Article 111 paragraph (5)); and 3. Grant of will (Article 112). As a result, the Head of KPP Pratama may interpret inheritance differently due to the PPh and PP Law Number 34 of 2016 which does not explain further

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regarding transition qualifications due to inheritance. This has implications for the possibility of rejection of the PPh SKB application for the transfer of land rights by sharing joint rights, so that the heirs will then be subject to PPh (Permana, 2023).

As an example, the author illustrates as follows: Heir A requested the issuance of an Income Tax SKB for the transfer of land rights by sharing joint inheritance rights at KPP Pratama in city A, the request for the issuance of an Income Tax SKB was accepted by KPP Pratama because all administrative requirements had been fulfilled, and the Head KPP Pratama as the provider of the decision to issue or reject the PPh SKB interprets the PPh Exception in Article 4 paragraph (3) letter b to include the distribution of collective rights as well. However, heir B's request for the issuance of an PPh SKB for the transfer of rights to the same land to the city KPP Pratama was rejected even though all administrative requirements had been fulfilled. The rejection was because the Head of KPP Pratama city B interpreted the norm in Article 4 paragraph (3) letter b as only a transfer due to inheritance, not including the distribution of joint rights (Hadi & Permana, 2022).

Basically, even though inheritance is included in the category of non-taxable goods, there are several things you need to pay attention to, including the following:

a) Undistributed inheritance

Heirs are still responsible for paying inheritance tax because the inheritance is still in their name. In addition, heirs must first disclose their ownership on their annual tax return. (Income Tax Law Article 2 paragraph (3) letter c)

b) Inheritance that has been distributed

Heirs are freed from the obligation to pay tax on inherited assets if the inheritance has been distributed and is no longer an object of tax. (Income Tax Law Article 4 paragraph (3) letter b)

Based on PER-30/PJ/2009, in order for land and/or buildings to qualify as inheritance even though they are not tax objects, the following conditions must be met:

a) Heirs and heirs must have a blood relationship of one degree in a straight line.

b) The heir's Annual Tax Return (SPT) has disclosed the inherited movable and immovable assets, and all taxes owed (if any) must be paid first.

So, in order for the inheritance object to be divided into joint rights to not be subject to PPh, it must fulfill the conditions mentioned above. In addition, as explained above, in order for the heirs to be exempt from PPh, they must submit an application for SKB PPh to KPP Pratama. There are provisions regarding tax exemption certificates (SKB), written in circular number SE-20/PJ/2015 concerning the granting of income tax exemption certificates for income from the transfer of rights to land and/or buildings due to inheritance as determined by the Director General of Taxes in March 18 2015. There are two possibilities that taxpayers will get after the SKB PPh application has been processed, namely (Subagjo, 2020):

1) Tax Exemption Certificate.

2) Letter of Rejection of Application for Tax Exemption Certificate.

If the SKB PPh application is rejected by KPP Pratama, the heirs will receive a Letter of Rejection of the Application for Tax Exemption Certificate which also includes the reasons for the rejection. The imposition of PPh imposed on heirs in the distribution of joint inheritance rights by rejecting the SKB PPh can occur on the grounds that the inherited assets have never been registered in the heir's SPT during his lifetime. The imposition of tax on heirs, especially for land and/or buildings, is based on Circular Letter number SE-20/PJ/2013, in the material part number 2 letter c, it is stated that "SKB PPh on income from the transfer of rights to land and/or "buildings are only given if the land and/or building which is the object of inheritance has been reported in the heir's annual PPh income tax return, unless the heir has income below Non-Taxable Income." Based on these provisions, basically the tax officer collects tax, because from the state side there has never been any tax paid on the land and/building because the heir has never reported the inheritance on the heir's SPT during his lifetime, so there is no element of double tax session, the state even provides tax exemptions for taxpayers whose income is actually below Non-Taxable Income (PTKP).

In this case, the lack of awareness of taxpayers (inheritors) to report their assets to the state through the existing tax system, in fact there are still many taxpayers who do not yet have a NPWP, creates problems for their heirs in the future when their inherited assets change hands to their heirs (Hendarto, 2019). Heirs have the right to inherit and are free from the obligation to pay tax, if the inherited inheritance has already been reported on tax by the heir. If it has not been registered, the heirs are obliged to pay tax on the inheritance they receive, unless the heirs have income below Non-Taxable Income (PTKP) as stated in PP No.71 of 2008 article 5.

Because there are still a number of differing interpretations of the law, particularly with relation to income tax, the legal requirements pertaining to inheritance tax are essentially regarded as not meeting the requirement of legal clarity. Regarding its implementation, tax officials continue to lack clarification regarding the inheritance tax. In Law number 36 of 2008 concerning income tax in article 4 paragraph 3 letter b it is said that inheritance is not an object of tax, however there is an exception in PP No.71 of 2008 article 5, and its implementation is also regulated in circular letter number SE- 20/PJ/2015 that any inherited assets in the form of land and/or buildings given to heirs, if they have never been registered in the heir's SPT, are subject to tax. In the legal principle, *lex superior derogat legi inferiori* means that the law of a higher status will defeat the law of a lower status, but in the implementation of tax on inheritance this is very contrary to this principle, because in the Income Tax Law there are no

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requirements or exceptions whereas in the existing rules lower there are exceptions (PP Number 48 of 1994 and PER-30/PJ/2009). Apart from that, the Director General of Taxes also issued a circular that in order for an inheritance to be free from PPh, the heirs must submit an application for an Income Tax SKB. This is deemed not to be in accordance with legal norms, because in Article 7 of Law Number 12 of 2011 concerning the formation of statutory regulations, the letter circulars are not included in legal sources in Indonesia. However, this circular applies to all Indonesian people who inherit land and/or buildings. Circular letters should not be used as a basis for implementing taxes on inheritance because they are already regulated in law, whereas in article 23 letter a of the 1945 Constitution it is clearly written that it is not permissible to make provisions for levying/collecting taxes from the people with lower regulations. rather than the law. In this tax on inheritance, one of the legal objectives of certainty is not fulfilled because one regulation and another is contradictory (Hendarto, 2019).

The author claims that taxes on inheritance become a burden that must be carried by the heirs rather than offering benefits to them. The Income Tax Law's Article 4 Paragraph 3 Letter B is subject to numerous interpretations since inheritance-related assets are exempt from taxation. Since the state did not or had not collected the assets when they became the property of the heir, taxes resulting from inheritance assets cannot be considered a liability to the state. In fact, the imposition of Income Tax on inheritance, including the distribution of joint inheritance rights, occurs if the heir has not reported the inherited assets in the heir's Annual Tax Return while the heir is still alive, and has income above non-taxable income. So the ownership of the heir's NPWP influences the issuance of a PPh SKB on inheritance if the taxpayer dies, this is because the tax system adopted by Indonesia is the Self Assessment System, meaning a tax collection system that gives full trust to taxpayers to calculate, calculate and pay themselves. The tax owed is in accordance with tax laws and regulations, so that determining the amount of tax owed depends on the taxpayer himself, while the tax authorities or tax officers are tasked with controlling, coaching, researching, supervising and determining sanctions.

If the land and/buildings that are inherited have not been reported in the Heir's annual SPT, then the request for an PPh SKB for the transfer of rights to the land and/buildings cannot be granted, however the SKB can be submitted again and will be granted if the PPh tax payable has been paid. In the event that the Heir during his lifetime is a taxpayer who is not registered/does not have a NPWP, so that the Heir during his life never reported his assets in the annual SPT, then the KPP will grant an Income Tax SKB on the inheritance submitted by the heir and the heir will not be obliged to pay tax payable even though the testator does not have a NPWP and never reported his assets in the annual SPT. This is done because the KPP considers that there is no tax owed that must be paid off by the heirs, because the heirs have income below non-taxable income (Kusumawati, 2023).

Based on the description above, in principle, undivided inheritance is a tax subject that needs to be reported on the SPT starting from the fulfillment of the objective and subjective conditions stated in the initial year of ownership until the taxpayer dies. After the taxpayer (heir) dies, the inheritance is still identified as a tax subject starting at the death of the testator whose rights and obligations are transferred to the heirs even though the assets have not been divided and will end when the inheritance is completely divided. If the inherited assets are still routinely reported on the Heir's SPT by the representative and/or proxy, then the nature of the inherited assets is not a tax object in accordance with Article 4 paragraph (3) of the Income Tax Law. If the inherited assets have been divided and meet the requirements for reporting them on the heir's SPT, then the tax obligations automatically shift to the heirs who are not tax objects.

IV. CONCLUSION

The inclusion of each heir's name on the title certificate is affected by the requirement that the registration of the land rights transfer to all heirs be completed simultaneously in cases of inheritance. Then, legal action pertaining to the object of inheritance must be taken in a sequential manner. Collectively by each heir. Two (two) land rights transfers must be completed following the opening of the inheritance and the distribution of joint rights over the inheritance object. The first is the rights being transferred from the heir's name to the names of all the heirs combined. Subsequently, the transfer is executed by allocating joint rights to specific specified heirs. Article 4 paragraph (3) letter b of the Income Tax Law explains that transfer due to inheritance is not an object of Income Tax, so income tax is exempt from receiving income tax. The availability of an Income Tax Exemption Certificate (SKB PPh), issued by the KPP Pratama where the object of inheritance is located, is a prerequisite for the PPh exemption. The heirs have written to KPP Pratama requesting the issuing of this SKB PPh. KPP Pratama has the authority to approve or disapprove the application for the issuance of an Income Tax SKB. The heirs do not pay PPh if the proposal is approved; but, if KPP Pratama declines to issue the PPh SKB, the heirs will be required to pay 2.5% of the NPOP in PPh. PPh payments are made to obtain a Tax Payment Letter (SSP PPh) which is then validated, and will be used as the basis for tax compliance when registering the transfer of land rights.

The reason the distribution of joint inheritance rights can be subject to Income Tax (PPh) is because the heir during his lifetime has never reported the inherited assets in the heir's Annual SPT, whereas the statutory regulations regulate that undivided inheritance is a tax subject that needs to be reported on the SPT. Based on this, the distribution of joint inheritance rights may be subject to Income Tax (PPh) which is charged to the heirs, because the inherited assets have never been reported in the heir's Annual Tax Return. In addition, if the heir can prove that the heir has income below Non-Taxable Income even though the heir did not report the inherited assets in the heir's SPT, then the heir cannot be charged PPh, and KPP Pratama must grant the request for SKB PPh

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submitted by the heir, because there is no tax owed that must be paid off by the heirs. So if the inherited assets have been divided and have met the requirements, namely they have been reported on the heir's SPT, then automatically the inherited assets that are transferred to the heirs are not tax objects in accordance with Article 4 paragraph (3) of the Income Tax Law.

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