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IMPLEMENTATION OF INPUT VAT CALCULATION AND REPORTING ON DOMESTIC AND IMPORTED RAW MATERIALS IN A BONDED ZONE

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Abstract –

Input Value Added Tax (VAT) administration is particularly important for export-oriented manufacturers that procure raw materials domestically and from overseas. This study examines input VAT calculation, reporting, and differentiated tax treatment at PT. XYZ, a manufacturing company operating in a bonded zone in Tegal Regency, Indonesia, during 2025. A descriptive case-study approach was applied using interviews with tax and accounting personnel, direct observation, and review of transaction records, tax invoices, customs documents, and reporting practices. Recorded domestic purchases had a tax base of IDR 166,213,891,591 and VAT of IDR 18,283,628,075, while imports had a tax base of IDR 1,234,761,842,427 and associated VAT of IDR 135,823,602,767. Normal domestic input VAT could be credited subject to documentation requirements, whereas VAT on qualifying bonded-zone transactions was not collected and therefore was not directly creditable. The Coretax reporting process required reconciliation between tax invoices, customs records, and the applicable VAT return attachments. The study identifies delays in customs-data synchronization, incorrect invoice transaction codes, and minor rounding discrepancies. Stronger document reconciliation, supplier coordination, and routine system validation can help maintain tax compliance and protect working capital.

Keywords – input VAT; bonded zone; raw material imports; Coretax; tax compliance

I. INTRODUCTION

Value Added Tax (VAT) is a major component of Indonesia's tax system. Taxable entrepreneurs generally collect output VAT on taxable supplies and may credit qualifying input VAT paid on business purchases, subject to statutory requirements. This credit mechanism avoids cumulative taxation along the production chain. For manufacturers, particularly export-oriented companies, differences between ordinary purchases and transactions receiving customs or VAT facilities affect both compliance and liquidity (Mardiasmo, 2024; Pohan, 2020).

PT. XYZ is a furniture manufacturer located in Tegal Regency. The source report describes the company as an operator in a bonded zone, importing materials and purchasing from local suppliers to support manufacturing. Under the bonded-zone facility, qualifying imports may benefit from import-duty suspension and VAT not being collected. Qualifying domestic deliveries into the zone may also receive VAT-not-collected treatment. By contrast, ordinary domestic transactions are supported by regular tax invoices and may generate creditable input VAT (Ministry of Finance of the Republic of Indonesia, 2018, 2021).

The practical problem is not merely determining a tax rate. Staff must identify which transactions attract ordinary VAT, which receive bonded-zone facilities, which documentation is required, and how these transactions appear on the VAT return. The implementation of the Directorate General of Taxes' Coretax platform makes the matching of electronic tax invoices and customs information increasingly important. Incorrect invoice codes, delayed transmission of customs entries, and discrepancies between accounting and tax systems can undermine accurate reporting even when the underlying facility is available.

This paper contributes a company-level comparison of 2025 domestic and import procurement, associated VAT amounts, and the administrative treatment of the two transaction categories. It aims to: (1) explain the VAT calculation bases; (2) distinguish creditable tax from VAT not collected under bonded-zone arrangements; (3) describe Coretax reporting; and (4) identify operational obstacles and solutions. It is a descriptive application study rather than a causal test or a generalizable statistical survey.

II. METHOD

The study employed a descriptive case-study approach at PT. XYZ in Tegal Regency, focusing on January–December 2025. Primary information was gathered through observation of accounting and tax-administration activities and interviews with company personnel responsible for these functions. Documentary evidence included domestic purchase summaries, import transaction records, electronic tax invoices, customs documentation (including BC 2.3 and BC 4.0), and explanations of the monthly VAT reporting workflow. A literature review of VAT legislation and taxation texts supported the interpretation of the transactions.

Analysis proceeded through document classification, tabulation of monthly transaction values, comparison of the relevant tax bases and VAT calculations, and review of how ordinary and facilitated purchases were treated for input VAT purposes. The core comparison was between regular

local purchases and bonded-zone imports. Operational findings on Coretax were derived from the practices described in the underlying report rather than independently audited system logs. Figures are presented as reported, and identified inconsistencies in the source are not silently reclassified.

III. RESULTS AND DISCUSSION

A. Procurement amounts and VAT calculations

The company recorded substantial procurement in both channels. Domestic purchases used the purchase price before VAT as the taxable amount. For imports, the tax base was described as the customs import value, normally comprising cost, insurance, freight, import duty, and applicable additional customs levies. The underlying report presented calculations at an effective 11% of its stated tax bases. These figures are retained as observations from the research document rather than offered as a fresh determination of all legally applicable VAT rules in 2025.

TABLE I. REPORTED PROCUREMENT AND VAT, 2025

Purchasing channel	Tax base (IDR)	Recorded VAT (IDR)
Domestic	166,213,891,591	18,283,628,075
Imports	1,234,761,842,427	135,823,602,767

Source: PT. XYZ transaction summaries reproduced in the underlying final report. The import VAT figure represents the reported amount associated with imports, not necessarily VAT paid in cash.

Imports were approximately 7.4 times the domestic purchase tax base. For example, the company reported a domestic purchase tax base of IDR 10,796,902,291 in January, with input VAT of IDR 1,187,659,252. In the same month, imported materials were valued at IDR 59,789,436,109, with a calculated VAT amount of IDR 6,576,837,972. These examples illustrate why accurate categorization of facilitated versus ordinary transactions is material to financial reporting and cash management.

B. Differences between ordinary input VAT and bonded-zone facilities

Under the ordinary credit mechanism, VAT charged by a domestic taxable supplier and supported by an eligible tax invoice may be included as creditable input VAT in the monthly VAT return. By contrast, in a qualifying bonded-zone import transaction, the facility means import VAT is not collected at entry. Since the VAT was not actually collected, the calculated amount should not simultaneously be claimed as paid input VAT. This distinction is essential: a recorded potential VAT amount is not equivalent to a cash tax payment or a refundable tax credit.

TABLE II. COMPARATIVE ADMINISTRATIVE TREATMENT

Aspect	Ordinary domestic purchase	Qualifying bonded-zone import
Tax base	Domestic purchase value	Import value based on customs rules
Principal evidence	Supplier electronic tax invoice	BC 2.3 / import and customs records
VAT treatment	Input VAT may be creditable	Import VAT not collected under facility
Cash-flow impact	VAT may be paid to supplier	No upfront VAT cash outflow on qualifying import
Coretax review	Creditable invoice category	Facility / non-creditable category

The distinction also applies to qualifying local deliveries into a bonded zone, for which the source refers to facility invoice code 070 and BC 4.0. The report sometimes describes regular domestic purchases and facility-covered local purchases together; they must be distinguished at the transaction level. The same report contains conflicting characterizations of whether some locally acquired materials were subject to ordinary VAT or VAT-not-collected treatment. Accordingly, the domestic total should not be interpreted as a verified amount of creditable VAT across every individual transaction.

C. Liquidity and administrative implications

A bonded-zone facility improves short-term liquidity because tax is not collected at the time of qualifying imports and deliveries. Based on the import transaction summary, the recorded potential import VAT of IDR 135,823,602,767 indicates the scale of VAT that would otherwise need to be financed upfront under the report's simplified comparison. However, this number should not be described as a permanent tax saving or net annual profit: the facility changes the timing and treatment of tax, and conditions may apply if goods leave the bonded zone for domestic circulation.

The report also states a larger IDR 146,823,602,767 estimated VAT cash-flow effect for a combined facilitated procurement base of IDR 1,334,762,842,427. Its totals do not reconcile clearly with the main domestic and import schedules. Therefore, the main analysis in this article uses the separately identifiable import and domestic figures in Table I rather than treating the larger combined figure as fully verified.

D. Reporting through Coretax

The source describes a stepwise reporting process: access the Coretax taxpayer account; select the monthly VAT return; review pre-populated supplier invoices and customs data transferred through the tax and customs systems; reconcile records with the internal ledger; classify normal creditable input VAT separately from transactions receiving VAT-not-collected treatment; check the resulting VAT return; submit with electronic authorization; and retain the electronic filing receipt. In its account of the system, creditable domestic input VAT is reviewed in Attachment B2 while facilitated or non-creditable entries are handled separately in Attachment B3.

For January 2025, the document illustrates a domestic input VAT figure of IDR 1,187,659,252 appearing in the creditable category and potential import VAT of IDR 6,576,837,972 being recorded without creating a credit claim. Effective implementation depends on consistent transaction codes and agreement between invoices, the customs declaration, company purchasing records, and the electronic VAT return.

E. Implementation constraints and responses

Three operational issues were identified. First, customs import-declaration data (BC 2.3) could appear late in Coretax because of synchronization delays with the customs platform. Staff responded by checking registration numbers and dates and initiating another data retrieval where available. Second, some suppliers reportedly issued ordinary tax invoices with transaction code 010 instead of the facility code 070. The company sought cancellation or replacement so that the tax treatment matched the transaction. Third, small rounding discrepancies arose between the internal enterprise

resource planning system and official customs or tax records. The team used reconciliation worksheets to trace document-level differences and adopted official documents as the principal basis for filing.

These findings indicate that tax compliance in a digitized bonded-zone environment requires more than applying a percentage to a taxable base. Accurate documentary classification, coordination with suppliers, personnel training, and timely reconciliation are key internal controls. A practical improvement would be a monthly matching checklist linking purchase orders, tax invoices, customs entries, ledger postings, Coretax attachments, and the final filing acknowledgment.

IV. CONCLUSIONS

The study finds that PT. XYZ handled a significant volume of raw-material procurement in 2025, with reported domestic purchases of IDR 166.21 billion and imports of IDR 1.235 trillion. The related recorded VAT amounts were IDR 18.28 billion and IDR 135.82 billion, respectively. Domestic purchases and bonded-zone imports cannot be administered identically: properly charged ordinary domestic VAT may be credited when legally eligible, whereas VAT not collected under a qualifying bonded-zone facility must not be treated as tax paid and directly credited. The Coretax workflow requires dependable matching of company records, electronic invoices, and customs declarations.

The findings have practical relevance for reducing avoidable VAT-reporting errors and preserving working capital. Identified challenges include delayed integration of customs data, incorrect tax-invoice codes, and minor rounding differences. Recommended responses include regular reconciliation, supplier guidance, evidence retention, and continued personnel training on Coretax and bonded-zone procedures. As a single-company descriptive case based on secondary transaction summaries and reported staff practices, the research does not establish causation or independently verify all return submissions. Further research could examine audited returns, compare multiple bonded-zone companies, and assess administrative performance over several tax years.

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