

# Comparative Analysis of Calculation of Income Tax Article 21 and Zakat

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## Abstract

*The purpose of this paper is to examine the comparison of Article 21 Income Tax calculations using the gross method, the net method, and the gross-up method to find out which method is most profitable for company profits. This study uses similar comparisons that were made for the calculation of zakat, which also used 2 (two) methods, namely the net and gross methods. Data on employee salaries used in this study are secondary data obtained from PT. Sinar Abadi Pratama Sejahtera in 2018. The analytical method used in this study is a descriptive analysis with a qualitative approach. The findings in this study are to show that of the three methods of calculating Article 21 Income Tax, the most significant profit is the gross-up method. As for the calculation of zakat, which is beneficial for zakat payers is to use the net method. Calculation of Income Tax Article 21 gross-up method, produces the smallest corporate income tax while still meeting the tax requirements. Employees enjoy the benefits of receiving income tax benefits so that they can receive a full salary. On the net zakat calculation method, the zakat calculation is smaller than if using the gross method.*

**Keywords:** *Income Tax Article 21, Gross Method, Net Method, Gross-Up Method, Company Profit, Zakat*

## Introduction

The government, as the organizer of the state, is responsible for the continuity of the implementation of the activities of the state, and to ensure the certainty of these activities, the main thing that must be considered is how to optimize the management of state revenue and expenditure. One of the sources of Indonesian state income, which provides the most significant percentage of income obtained through taxes, collected by the public, based on taxation laws, is coercive,

obligatory to be paid to the state by not getting direct achievements. The tax payment will be used to finance state expenditures in the context of government administration and equitable development implementation. Suandi, said that the government and taxpayers have different interests regarding taxes. On the government side, taxes are the primary source of income in conducting state activities. Therefore tax revenue is expected because it will be used to fund government operational activities. While on the side of taxpayers, there is a perception that paying taxes can reduce the financial ability of taxpayers, therefore many efforts are made to find the most efficient way to pay taxes. With the motivation to reduce expenses, several tax planning actions emerge. According to Pohan, 3 methods are usually used in the calculation of income tax Article 21 by companies in carrying out tax planning, namely the gross, gross-up, and net methods.

As well as what happens in the payment of *zakat*. It was stated that *zakat* is the fulfillment of the mandatory rights contained in a property (Wahbah az-Zuhaili, *al-Fiqh al-Islami wa Adillatuhu*, II/865). Hidayatullah & Priantina,<sup>1</sup> said that one of the goals of *zakat* is to purify the wealth they have when they give a portion of assets owned to those in need. In the way of calculating *zakat*, two opinions explain how to calculate *zakat* with *nishab* as the current income limit with ancient *nishab*, when the income received is measured as much as the amount of gold owned, or from how much agricultural produce has been successfully harvested and then sold. The difference in the *nishab* standard in assessing the amount of wealth of an individual raises the difference in the way of calculating *zakat*, so it is known that there is a calculation of *zakat* using the gross and net methods.

**Table 1. Targets and Realization of 2014-2017 Tax Revenue**

No	Tax Year	Tax Revenue		% Realization of The Target
		Target	Realization	
1	2014	1.072	958	91,9%
2	2015	1.294	1.055	81,5%
3	2016	1.539	1.283	83,4%
4	2017	1.283	1.147	89,4%
5	2018	1.424	1.315,9	92,4%

Source: Directorate General of Taxation Performance Report

<sup>1</sup>Arif Hidayatullah and Anita Priantina, "Zakat Management Integration Towards in Indonesia: Problem and Solution," *Ahkam-Journal of Sharia*, Vol. 18 No. 2, 2018, 1.

From the two perspectives of calculating tax and *zakat*, the current study was conducted to find out which method would provide maximum benefit for individuals paying *zakat* and tax, both when using the gross, gross-up and net methods to calculate taxes, as well as the gross and net methods used in calculating *zakat*.

The purpose of this study is to determine the differences in the calculation of Income Tax Article 21 using the gross, gross-up, and net methods, then compare and analyze the results of the three methods' calculations. Similarly, for the calculation of *zakat*, aims to determine differences in the calculation of *zakat* using the gross and net methods, comparing and analyzing the results of the calculation of the two methods. The benefit of this research is to find out the differences in the results of calculations between the several methods, and what methods provide maximum benefits for taxpayers and *zakat*.

## Literature Review

### A. The Concept of Zakat

The word *zakat* means blessing, growth and good. According to al Arabic words, the word *zaka* contains meaning holy, growing, blessing, and commendable. *Zakat*, in the term *fiqh*, is "A certain amount of wealth that must be handed over to those who are entitled according to the sharia of Allah SWT." The meaning of growth and holiness here is not only used for wealth, but also for the souls of people who give alms, according to the Quran surah al-Tawbah verse 103:

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ

"Take alms from their wealth, you cleanse and purify them with it."

There are eight groups of people who are entitled to receive *zakat* as mentioned in Surah al-Taubah verse 90, namely: the indigent, the poor, *amil zakat*, softened hearts (converts), servants of light (*riqab*), those who are in debt (*gharimin*), those who fight in the street Allah (*sabilillah*), and the person who is on his way (*ibn sabil*).

*Zakat*, according to etymology, means blessing, clean, developing and good. Named *zakat* because it can develop and keep the property that has been taken *zakat* from danger. *Zakat* according to the terminology means, a certain amount of assets required by

Allah SWT to be given to the *mustahik* mentioned in the Qur'an. Or it could also mean a certain amount of certain assets given to a specific person. Chanting *zakat* can also mean several assets taken from the property of people who do alms. *Zakat* in the Qur'an and Hadith is sometimes called alms (*shadaqah*). *Zakat* is a means of worshiping Allah, which serves to draw closer to Him. As one of the five pillars of Islam, paying *zakat* is obligatory. Moreover, if an adherent of the Islamic religion does not pay *zakat*, it means he is committing a sin and is threatened with hell punishment, surah al-Tawbah verse 34-35:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِنَّ كَثِيرًا مِّنَ الْأَحْبَارِ وَالرُّهْبَانِ لِيَأْكُلُونَ أَمْوَالَ النَّاسِ بِالْبَاطِلِ وَيَصُدُّونَ عَن سَبِيلِ اللَّهِ وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يُنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ بِعَذَابٍ أَلِيمٍ

“O you who believe most of the Jewish religious people and Christian monks eat people’s wealth by vanity and they block (people) from the path of Allah. Moreover, those who keep gold and silver and spend it not in the way of Allah, tell them (they will get) a painful punishment.”

A Muslim who has the property that meets the requirements of *zakat nishab*, if he does not fulfill it, the ruler represented by the *zakat* officers may force it. Management of *zakat* has been explained in surah al-Taubah verse 60, it can be seen that the management of *zakat* is not solely carried out individually, from *muzakki* handed over to *mustahik*, but is carried out by an authorized institution in the field. In Chapter III of the Law of the Republic of Indonesia No. 38 of 1999 concerning *zakat* management stated that *zakat* management organizations in Indonesia have two types, namely the Amil Zakat Agency (BAZ) and the Amil Zakat Institution (LAZ) while *zakat* aims to create prosperity, security and peace.

**Table 2. Comparison of Fund Raising, by Type 2016-2017**

Type of Funds	Realization 2016	%	Realization 2017	%
<i>Zakat Maal-Individual</i>	2,843,695,144,686	56.68	2,785,208,957,779	44.75
<i>Zakat Maal-Institution</i>	620,546,547,627	12,37	307,007,314,242	4,93
<i>Zakat Maal-Others</i>	0	0	0	0
Individual Charity/ <i>Shadaqah</i>	858,631,089,706	17,11	1,651,254,048,632	26,53
<i>Infaq/shadaqah/CSR/Institution</i>	142,867,215,300	2,85	113,629,148,360	1,83

Zakat Fitrah Ramadhan	273,975,100,183	5,46	1,101,926,162,357	17,70
Religious Social Funds	277,336,514,452	5,53	265,345,638,101	4,26
Others	0	0,00	0	0,00
Amount	5,017,293,126,950	100,00	6,224,371,269,491	100,00

Source: 2017 National Zakat Statistics

## B. The Concept of Tax

Several theories explain the definition of tax in Indonesia. Mardiasmo,<sup>2</sup> explains that tax is a people's contribution to the state treasury based on the act (which can be forced) by not getting direct lead services (contra performance) that can be demonstrated and used to finance public needs. As for Adriani in Waluyo,<sup>3</sup> argues that tax is a contribution to the state by force and debt, which is obligatory to be paid based on statutory regulations, by not getting direct achievement returns, and is used to finance public expenditures related to the task the state that carries out government affairs.

To collect taxes, the government established several tax collection systems. Resmi,<sup>4</sup> explains, there are 3 (three) systems in tax collection: (1) Official assessment, a system that makes tax apparatuses an active party in terms of tax calculation and collection, whereas taxpayers or taxpayers, are passive; (2) Self assessment, in this system, is given the authority to calculate, deposit and report their respective taxes and tax officers or tax authorities function as supervisors; (3) Withholding system, this system hands over the responsibility of calculating, depositing and reporting taxes to third parties, that is the party designated as a tax cut or collector. Income Tax Article 21 is a withholding tax, where companies as employers act as tax collectors and are responsible for carrying out tax obligations.

## C. Differences in Tax and Zakat

There are differences in tax and *zakat*. *First*, *zakat* is based on the Qur'an. Whereas tax is based on tax laws in force in Indonesia. *Second*, *zakat* is worship that if it violates, it will not be subject to direct punishment. While taxes are obligations which if not implemented, will receive sanctions and administrative penalties and tax penalties directly from the state. *Third*, the determination of the *nisab* on *zakat* is

<sup>2</sup>Mardiasmo, *Taxation, Revised Edition* (Yogyakarta: Andi Offset, 2011), 4.

<sup>3</sup>Waluyo, *Indonesian Taxation* (Jakarta: Selemba Empat, 2011), 2.

<sup>4</sup>S. Official, *Taxation Theory and Cases* (Jakarta: Selemba Empat, 2014).

determined by Allah SWT and His Messenger and cannot be changed. Whereas on *zakat*, the recommendations are determined based on government policy and may change. *Fourth*, *zakat* is permanent and remains with the same rules from time to time. While taxes can change regulations depending on conditions and government policies. *Fifth*, *zakat* distribution points have been determined in the Qur'an and the recipient of the post will remain at that time. While taxes, distribution can be flexible, depending on the needs and conditions of the country with a broader scope, including development and security.

### Previous Studies

Mayasari,<sup>5</sup> in her research entitled "*Analysis of the Application of Gross-Up Method in Calculation of Income Tax 21 as One of the Tax Application Strategies in SPPBE of PT.Trijaya Adymix Jombang*," suggests that the most effective method in calculating Income Tax 21 is the gross-up method, where this method produces the highest tax efficiency when compared to the use of the net method.

Burhanuddin and Lisdiana,<sup>6</sup> in their study entitled "*Comparative Analysis of Gross-Up and Net Methods as Income Tax Article 21 Tax Planning on Profit Before Tax at PT Wahana Ottomitra Multiartha Tbk (WOM Finance)*," resulted in the finding that the use of both gross and net methods makes a profit that the resulting amount is smaller than the previous profit and each of them provides tax-saving benefits. However, by paired sample t-test, it is known that the two methods did not make a difference because the results obtained were not significant.

As for the research that focuses on *zakat*, as conducted by Rahmawati, entitled "*Analysis of the Calculation of Professional Zakat in Gross and Net Units According to Islamic Law*," it is said that in calculating professional *zakat*, it would be more rational if *zakat* is calculated from salary after deduction of living needs and accounts receivable debt first, because it indicates that *muzakki* is really in a steady-state, according to *sharia* established by *syara*. Thus the conclusion of this study resulted in the method of calculating *zakat* from net income.

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<sup>5</sup>Risa Mayasari. "*Analysis of The Application of Gross Up Method in Calculation of Income Tax 21 as One of The Tax Application Strategies at SPPBE of PT.Trijaya Adymix Jombang*," 2017.

<sup>6</sup>Burhanudin and Desi Lisdiana, "*Comparative Analysis of Gross Up and Net Methods as PPh21 Tax Planning Against Pre-Tax Profit at PT Wahana Ottomitra Multiartha Tbk (WOM Finance)*," *Journal of Accounting*, Vol. 2 No. 1, 2015.

Another study entitled “Professional Zakat (Zakat of Income) According to Islamic Law,”<sup>7</sup> stated that professional *zakat* is mandatory where the threshold of wealth is equal to the *zakat* of crop yields of 5 *wasaq* (about 750 kg of rice) with *zakat* obligation of 5% or 10% and is paid when obtaining compensation or wages from the profession. If the profession that is carried out receives a fixed wage or reward such as salary, then the *nisab* is compared to the gold and silver *nisab*, i.e., 93.6 grams of gold, and the obligation of *zakat* is 2.5% issued every year after the cost of necessities.

Zailia,<sup>8</sup> in her study entitled “Zakat Determination and Calculation Method (A’rudz al-Tijara), According to Fiqh and National Amil Zakat Agency (BAZNAS)” concluded that the scholars had concluded that property intended to be traded obligatory *zakat* if the time is up to a year. BAZNAS requires income to be completed for one year, *nishab* reaches 85 grams of gold and can be paid in cash or goods using the calculation formula in the form of  $(\text{Capital} + \text{Profit} + \text{Receivable}) - (\text{Debt} + \text{Loss}) \times 2.5\%$ . This calculation formula is the same as when calculating *zakat* using the net method.

Thus it can be concluded that from several studies that have been carried out before, the calculation of Income Tax Article 21, the method considered to be the most profitable, is the gross-up method. While the *zakat* calculation method, it is concluded that the net method is the most profitable.

## Methods

Darmadi, said that the research method is a scientific way, which is carried out to obtain data, with specific purposes and uses. This research was conducted using a qualitative analysis research method, which is descriptive, with a case study approach. This research will reveal the discovery of facts that describe the correlation and comparison between the calculation of Income Tax 21 and *zakat* in the aspects studied.

This study uses a case study model in which the company under study is taken by considering the conditions experienced by the company in general, where the average employee who wants to

<sup>7</sup>Agus Marimin and Tira Nur Fitria, “Professional Zakat (Zakat of Income) According to Islamic Law,” *Scientific Journal of Islamic Economics*, Vol. 01 No. 01, 2015.

<sup>8</sup>Siti Zailia, “Zakay (A’rudz al-Tijara) Determination and Calculation Method According to Fiqh and The National Amil Zakat Agency (BAZNAS),” *Nurani*, Vol. 16 No. 1, 2016, 89-98.

get a steady income in the form of a salary can be received in full.

The data used in this study are secondary data, namely profit and loss report data, and employee salary details data from PT Sinar Abadi Pratama Sejahtera in 2018 be received in full.

**Table 3. Profit and Loss Report Data for PT. Sinar Abadi Pratama Sejahtera in 2018**

Construction Services Revenues		11.351.183.723
COGM :		
Construction expense	5.952.660.000	
Total of COGM		5.952.660.000
Gross Profit		5.398.523.723
Advertising expenses :		
Promotion	17.460.950	
Entertainment	26.028.000	
Total advertising expenses		43.488.950
Administrasi & General expenses :		
Sallary & religious holiday expenses	616.000.000	
Pantry expense	2.297.594	
Office stationary expense	10.417.700	
Office inventory maintenance	8.005.800	
Vehicle maintenance	22.012.500	
Official travel expense	8.750.000	
Electricity & Telephone exp	30.434.054	
Internet expense	8.552.500	
Office transportation	20.250.000	
Depreciation on Fixed Asset	14.625.039	
Newspaper & magazine exp	720.000	
Office operational exp	110.029.500	
Other expense	4.738.100	
Total adm & General exp		856.832.787
Net margin		4.498.201.986
Other income		
Current account Income		975.056
Other expense :		
Administration bank expense	1.587.060	
Tax expense on bank Interest	1.476.744	
Total		3.063.804
Other income - other expense		(2.088.748)
Net income		4.496.113.238



**Table 4. Employee Salary Data for PT. Sinar Abadi Pratama Sejahtera in 2018**

No	Name	Status	Salary	Transportation Allowance	Religious holiday	Occupational expense	Total amount	Non Taxable Income	Taxable Income	in rupiah	
										Tax article 21/year	Tax article 21/month
1	M. Roub	K/3	108.000.000	4.800.000	9.400.000	6.000.000	116.200.000	72.000.000	44.200.000	2.210.000	184.167
2	M. Cholikal Umam	K/2	96.000.000	4.800.000	8.400.000	4.800.000	104.400.000	67.500.000	36.900.000	1.845.000	153.750
3	M. Nuroklim	K/2	60.000.000	4.800.000	5.400.000	3.600.000	66.600.000	67.500.000			
4	Kusriyadi	K/1	60.000.000	4.800.000	5.400.000	3.600.000	66.600.000	63.000.000	3.600.000	180.000	15.000
5	Allan H	K/1	48.000.000	4.800.000	4.400.000	2.400.000	54.800.000	63.000.000			
6	A. Agus	K/2	48.000.000	4.800.000	4.400.000	2.400.000	54.800.000	67.500.000			
7	Sitii Imas Dahlia	TK/0	48.000.000	4.800.000	4.400.000	2.400.000	54.800.000	54.000.000	800.000	40.000	3.333
8	Nita Wahyuni	K/3	42.000.000	4.800.000	3.900.000	1.800.000	48.900.000	72.000.000			
9	Alyrudin	TK/0	42.000.000	4.800.000	3.900.000	1.800.000	48.900.000	54.000.000			
Total			552.000.000	43.200.000	49.600.000	28.800.000	616.000.000	580.500.000	85.500.000	4.275.000	356.250

## Income Tax Withholding Method Article 21

There are three methods for cutting Income Tax Article 21:

### A. Gross-Up Method

The use of the gross-up method in calculating Article 21 Income Tax, was first mentioned in the Regulation of the Director-General of Tax in Per-64/PJ/2009, concerning determination of the amount and time of income tax borne by the government for income in the form of early termination compensation for exclusive rights of PT Telekomunikasi Indonesia Persero (Tbk), Article 3 Paragraph (3), the gross calculates determination of the amount of income tax borne by the government as referred to in paragraph (2) up method. In this method, the company as an employer, provides additional income in the form of income tax benefits for employees, with the amount calculated as equal to Income Tax Article 21 deducted from the employee's salary. Thus, employees get additional income, which results in an increase in Income Tax article 21 higher than before being given additional benefits. Article 6 of the Income Tax Law Number 36 of 2008, Article 1, states that "The amount of taxable income for domestic taxpayers and permanent establishments is determined based on gross income less the costs of obtaining, collecting and maintaining an income." In KEP 545/PJ/2000 concerning implementation guidelines for withholding, depositing and reporting of Income Tax Article 21 and Article 26 regarding personal work, services and activities, Article 5 Paragraph (1), it is mentioned that several types of benefits, including tax allowances, are part from income that will be deducted by Article 21 Income. In the fiscal cost list, income tax benefits are in

the category of deductible, or costs that may reduce income, in line with Article 6 of the Income Tax Law Article 36 of 2008. Therefore, for employees who receive benefits, income higher, subject to Income Tax Article 21 is higher but can receive a net salary as if not deducted by the tax. Whereas the company, as the party that issues the allowance funds for its employees, expenses for the provision of these benefits can be recognized as an expense in the operating income statement.

#### B. Gross Method

Gross method is a method of tax planning in which the employee himself must bear the burden of his tax, by using this method the income received by the employee will be reduced by the cost of Income Tax Article 21 that has been deducted.

#### C. Net Method

It is a method of withholding tax in which companies bear the tax of their employees. In practice, Income Tax Article 21 is calculated usually from employee income according to the provisions, without any additional tax benefits. Payment of Income Tax Article 21, all issued from the cash of the employer. Thus, conventionally, the company will record income tax expense, while employees will receive their income in full as if there is no tax deduction. This means that employees get in-kind benefits in the form of other pleasures.

*"The granting of compensation or compensation in connection with work or services received or obtained in the form of natura or other benefits ..."* mentioned in Article 4 Paragraph (3) Letter (d) of Income Tax Law Number 36 of 2008. Furthermore, in the Decree of the Director-General of Taxes No. 31/PJ/2008 Article 5 Paragraph (2) states that, *"Income deducted by Article 21 Income Tax and Article 26 Income Tax also includes receipts in-kind and other enjoyment by name and in any form ..."* that the provision of in kind benefits in the form of Article 21 Income that is borne by the company, should be calculated as additional income for employees who receive, to be deducted from income tax.

In Article 9 Paragraph (1), Letter (h) of Income Tax Law No. 36 of 2008, it is stated that *"Income tax is a type of expenditure that cannot be deducted from business income."* Also, in the Fiscal Cost List, Operating Expenses Number 5, Income tax is included in the category of non-deductible or costs that cannot reduce income for the issuing party. Therefore, companies that have borne Article 21 Income Tax

for employees cannot recognize these expenses in the fiscal income statement.

### Zakat Calculation Method

It is stated in the Indonesian Ulema Council (MUI) Fatwa No. 3 of 2003 concerning *zakat* of income, that what is meant by “income” is any income such as salaries, honorariums, wages, services and others that are obtained by *halal*, whether routine as state officials, employees or employees or non-routine such as income received by doctors, consultants, lawyers and so on, as well as income derived from other free work.

Next, in the second decision of the MUI Fatwa No. 3 of 2003, it was stated that all forms of *halal* income, *zakat* must be issued on condition that it reaches *nishab* within one year. As the hadith of the Prophet Muhammad, among others, narrated in marfu’ hadith Ibn Umar, from the Prophet Muhammad, he said, “There is no alms on wealth until turning around one year.”

In the fourth decision in the same *fatwa*, it was stated that the level of *zakat* income to be paid was 2.5%. To this end, the next question that arises from Muslims as *zakat* payers is, from which income threshold should be paid, whether for the total income received, which is called gross income or for income after deducting expenses or living expenses referred to net income? What if someone has earned an income of *nishab* but there is still a debt to be resolved?

There are two opinions of scholars who explain the income limit that must be paid *zakat*

#### A. Zakat Calculation Using The Gross Method

The first opinion expressed by Ibn Abbas, Ibn Mas’ud, Umar bin Abdul Aziz and modern scholars such as Yusuf Qaradawi, whose book has been translated into Indonesian by Didin Hafiduddin, they denounce the income alms with agricultural *zakat* where the *zakat* of agriculture is issued *zakat* every time he gets income from the results of farming. In this way, the farmers get their income after the harvest, when selling their agricultural produce. *Zakat* on agricultural income is paid at once, without having to wait one year. The *zakat* payment was hastened because it was feared that unexpected things would

happen within a year before the *zakat* was paid. So in principle, in this gross method, scholars suggest paying *zakat* from gross income or gross income because it considers the precautionary principle. In accounting, this precautionary principle is known as “*Conservatism Accounting*.”

#### B. Net Method

The second opinion stated that the income *zakat* could be issued when receiving if it is enough *nishab*. If it does not reach *nishab*, then all income is collected for one year, then *zakat* is issued if the net income is sufficient. This was explained in the MUI Fatwa Number 3 of 2003 concerning *zakat* on income, Third Ruling, Numbers 1 and 2. This fatwa was issued taking into account the sound of surah al-Baqarah verse 219:

يَسْأَلُونَكَ عَنِ الْخَمْرِ وَالْمَيْسِرِ ۖ قُلْ فِيهِمَا إِثْمٌ كَبِيرٌ وَمَنَافِعُ لِلنَّاسِ وَإِنَّهُمَا أَكْبَرُ  
مِن نَّفْعِهِمَا ۚ وَيَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلِ الْعَفْوَ كَذَلِكَ يُبَيِّنُ اللَّهُ لَكُمُ الْآيَاتِ  
لَعَلَّكُمْ تَتَفَكَّرُونَ

They ask you about *khamar* and gambling. Say: “In both of them there is a great sin and some benefits for humans, but both sins outweigh the benefits.” Moreover, they ask you what they spend. Say: “More than necessary.” Thus Allah explains His verses to you so that you think.

Hadith Abu Hurairah RA, Rasullullah SAW said, “*There is no alms on Muslims against slaves and horses*” (HR. Muslim). Imam Nawawi said, “*This hadith is an argument that qinyah assets (assets used for use, not to be developed) are not subject to zakat*”.

In the calculation of *zakat* this time, based on MUI Fatwa No. 3 of 2013, the second decision, regarding the law, explained that all forms of income must be issued *zakat*, with the condition that if it reaches *nishab* in one year, which is worth 85 grams of gold. If the current threshold is measured using the price of precious gold,<sup>9</sup> which has reached Rp. 657,600/gram of gold, then someone fulfilling the criteria for reaching the threshold is if they have earned an income of 85 grams multiplied by Rp. 657,600, - or equal to Rp. 55,896,000. The income value of Rp. 55,896,000, first reduced by the costs incurred to

<sup>9</sup>Http://price-emas.org, accessed on November 9, 2019.

meet the needs of daily living, and excess income remaining, becomes the basis of income subject to the rate of calculation of income *zakat*.

## Calculation of Income Tax Article 21

### A. Calculation of Income Tax Article 21 Using The Gross-Up Method

With the three concepts of calculation methods and using salary data of PT Sinar Abadi Pratama Sejahtera employees, the illustration of Article 21 Income Tax calculation is as follows:

**Table 5. Illustration of Article 21 Income Tax Calculation Using Gross-Up Method**

Classification	M. Roub	M. Cholikhul Umam	M. Nurokhim	Kusriyadi	Allan H	A. Agus	Siti Inas Dahlia	Nita Wahyuni	Aliyudin
Salary	108.000.000	96.000.000	60.000.000	60.000.000	48.000.000	48.000.000	48.000.000	42.000.000	42.000.000
Transportation Allowance	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000
Religious holiday allowance	9.400.000	8.400.000	5.400.000	5.400.000	4.400.000	4.400.000	4.400.000	3.900.000	3.900.000
<b>Tax allowance</b>	<b>2.326.316</b>	<b>1.942.105</b>	<b>-</b>	<b>189.474</b>	<b>-</b>	<b>-</b>	<b>42.105</b>	<b>-</b>	<b>-</b>
Occupational expense	6.000.000	4.800.000	3.600.000	3.600.000	2.400.000	2.400.000	2.400.000	1.800.000	1.800.000
Total Net Salary	118.526.316	106.342.105	66.600.000	66.789.474	54.800.000	54.800.000	54.842.105	48.900.000	48.900.000
Non Taxable Income	72.000.000	67.500.000	67.500.000	63.000.000	63.000.000	67.500.000	54.000.000	72.000.000	54.000.000
Taxable Income	46.526.316	38.842.105		3.789.474			842.105		
Tax Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%
Income Tax peryear	2.326.316	1.942.105		189.474	-	-	42.105	-	-
Income Tax per month	193.860	161.842	-	15.789	-	-	3.509	-	-
Status Non Taxable Income	Married /3	Married /2	Married /2	Married /1	Married /1	Married /2	Single /0	Married /3	Single /0

The illustration above is the cumulative income of employees during 2018. We can see the existence of tax benefits, for employees whose total income exceeds the non-taxable income limit and will be subject to tax deductions. The value of the tax allowance provided by the company is the same as the total value of Article 21 Income Tax for each employee for one tax year. Thus, employees will get full income.

## B. Calculation of Income Tax Article 21 Using Gross Method

Table 6. Income Tax Article 21 Using Gross Method

Classification	M. Roub	M. Cholikal Umam	M. Nurokhim	Kusriyadi	Allan H	A. Agus	Siti Imas Dahlia	Nita Wahyuni	Aliyudin
Salary	108.000.000	96.000.000	60.000.000	60.000.000	48.000.000	48.000.000	48.000.000	42.000.000	42.000.000
Transportation Allowance	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000
Religious holiday allowance	9.400.000	8.400.000	5.400.000	5.400.000	4.400.000	4.400.000	4.400.000	3.900.000	3.900.000
Occupational expense	6.000.000	4.800.000	3.600.000	3.600.000	2.400.000	2.400.000	2.400.000	1.800.000	1.800.000
Total Net Salary	116.200.000	104.400.000	66.600.000	66.600.000	54.800.000	54.800.000	54.800.000	48.900.000	48.900.000
Non Taxable Income	72.000.000	67.500.000	67.500.000	63.000.000	63.000.000	67.500.000	54.000.000	72.000.000	54.000.000
Taxable Income	44.200.000	36.900.000		3.600.000			800.000		
Tax Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%
Income Tax per year	2.210.000	1.845.000		180.000	-		40.000	-	-
Income Tax per month	184.167	153.750	-	15.000	-	-	3.333	-	-
Status Non Taxable Income	Married / 3	Married / 2	Married / 2	Married / 1	Married / 1	Married / 2	Single / 0	Married / 3	Single / 0

## C. Calculation of Income Tax Article 21 Using The Net Method

Table 7. Income Tax Article 21 Using The Net Method

Classification	M. Roub	M. Cholikal Umam	M. Nurokhim	Kusriyadi	Allan H	A. Agus	Siti Imas Dahlia	Nita Wahyuni	Aliyudin
Salary	108.000.000	96.000.000	60.000.000	60.000.000	48.000.000	48.000.000	48.000.000	42.000.000	42.000.000
Transportation Allowance	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000	4.800.000
Religious holiday allowance	9.400.000	8.400.000	5.400.000	5.400.000	4.400.000	4.400.000	4.400.000	3.900.000	3.900.000
Occupational expense	6.000.000	4.800.000	3.600.000	3.600.000	2.400.000	2.400.000	2.400.000	1.800.000	1.800.000
Total Net Salary	116.200.000	104.400.000	66.600.000	66.600.000	54.800.000	54.800.000	54.800.000	48.900.000	48.900.000
Non Taxable Income	72.000.000	67.500.000	67.500.000	63.000.000	63.000.000	67.500.000	54.000.000	72.000.000	54.000.000
Taxable Income	44.200.000	36.900.000		3.600.000			800.000		
Tax Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%
Income Tax per year	2.210.000	1.845.000		180.000	-		40.000	-	-
Income Tax per month	184.167	153.750	-	15.000	-	-	3.333	-	-
Status Non Taxable Income	Married / 3	Married / 2	Married / 2	Married / 1	Married / 1	Married / 2	Single / 0	Married / 3	Single / 0

## Zakat Calculation with Gross and Net Methods

## A. Zakat Calculation with Gross Method

In this method, *zakat* is calculated from intact income, before the year, before deducting consumption and other expenses. Opinions that support the calculation by the gross method, expressed by Zailia.<sup>10</sup> The *nishab* value for the income that will be used to calculate the income *zakat* that is related to this agricultural *zakat* is 653 kg of milled dry grain, or equivalent to 522 kg of rice. Limitation of *nishab*

<sup>10</sup>Siti, Zailia, "Zakay (A'rudz Al-Tijara) Determination and Calculation Method According to Fiqh and The National Amil Zakat Agency (BAZNAS)" ...

with rice, according to the price of rice in 2019, an illustration of calculation can be presented as follows:

**Table 8. Average Rice Prices at The Wholesale/Indonesian Trade Level until October 2019**



Source: BPS-Statistics Indonesia

With the price of rice as of October 2019, amounting to Rp 12,108,- according to data from the Central Statistics Agency, the threshold of the *nishab* value in the gross method is as follows:

**Table 9. Nishab Boundary Calculation Gross Method**

Nishab of rice		522 kg	Nishab Amount calculated per month
Rice current price / kg	Rp	12.108	
Nishab in rupiahs	Rp	6.320.376	

With the threshold of *nishab* for a month's income of Rp 6,320,376,- as above, the employees of PT Sinar Abadi Pratama Sejahtera who have exceeded the *nishab* limit are those who have earned a month's income of Rp 6,320,000,- or more. For this reason, according to the salary list of PT Sinar Abadi Pratama Sejahtera employees, the gross *zakat* calculation method is as follows:

**Table 10. Zakat Calculation with Gross Method**

NO	NAME	ANNUAL GROSS INCOME	ONE MONTH GROSS INCOME	NISHAB	MONTHLY ZAKAT	ANNUAL ZAKAT
1	M. Roub	Rp 122.200.000	Rp 10.183.333	Rp 6.320.376	Rp 254.583	Rp 3.055.000
2	M. Cholikul Umam	Rp 109.200.000	Rp 9.100.000		Rp 227.500	Rp 2.730.000
3	M. Nurokhim	Rp 70.200.000	Rp 5.850.000		Rp -	Rp -
4	Kusriyadi	Rp 70.200.000	Rp 5.850.000		Rp -	Rp -
5	Allan H	Rp 57.200.000	Rp 4.766.667		Rp -	Rp -
6	A. Agus	Rp 57.200.000	Rp 4.766.667		Rp -	Rp -
7	Sitii Imas Dahlia	Rp 57.200.000	Rp 4.766.667		Rp -	Rp -
8	Nita Wahyuni	Rp 50.700.000	Rp 4.225.000		Rp -	Rp -
9	Aliyudin	Rp 50.700.000	Rp 4.225.000		Rp -	Rp -

**Notes:**

**Annual Gross Income** = Salary + Transportation Allowance + Holiday Allowance

**One Month Gross Income** = One Year Annual Zakat / 12 Months

**Gross Income Zakat** = Monthly Gross Income x 2.5% Zakat Rate

**B. Zakat Calculation with The Net Method**

By the concept of the net method, *zakat* is calculated from income that has reached one year and reduced by the expenditure of living costs, only then multiplied by the *zakat* rate. The threshold of *nishab* is calculated with a gold value of 85 grams as follows:

**Table 11. Nishab Boundary Net Method**

Nishab Of Gold	85 gr	Annualized Nishab Amount
Gold current price / gram	Rp 657.600	
Nishab in rupiahs	Rp 55.896.000	

From the net method threshold above, it can be concluded that those who are obliged to pay *zakat* are those whose income has reached Rp 55,895,000 a year, so that the value of *zakat* on the employees of PT Sinar Abadi Pratama Sejahtera is as follows:

**Table 12. Zakat Value for The Employees of PT Sinar Abadi Pratama Sejahtera**

NO	NAME	ANNUAL NET INCOME	ANNUAL NISHAB	COST OF LIVING 70%	NET INCOME	ANNUAL ZAKAT	MONTHLY ZAKAT
1	M. Roub	Rp 116.200.000	Rp 55.896.000	Rp 81.340.000	Rp 34.860.000	Rp 871.500	Rp 72.625
2	M. Cholikul Umam	Rp 104.400.000	Rp 55.896.000	Rp 73.080.000	Rp 31.320.000	Rp 783.000	Rp 65.250
3	M. Nurokhim	Rp 66.600.000	Rp 55.896.000	Rp 46.620.000	Rp 19.980.000	Rp 499.500	Rp 41.625
4	Kusriyadi	Rp 66.600.000	Rp 55.896.000	Rp 46.620.000	Rp 19.980.000	Rp 499.500	Rp 41.625
5	Allan H	Rp 54.800.000	Rp 55.896.000				
6	A. Agus	Rp 54.800.000	Rp 55.896.000				
7	Sitii Imas Dahlia	Rp 54.800.000	Rp 55.896.000				
8	Nita Wahyuni	Rp 48.900.000	Rp 55.896.000				
9	Aliyudin	Rp 48.900.000	Rp 55.896.000				



**Notes:**

- Annual Net Income** = Taken from Annual Net Salary Data  
**Cost of Living** = Assuming 70% of The Total Living Cost of a Monthly Income  
**Net Income** = Yearly Net Income - Cost of Living  
**Zakat** = Net Income x 2.5%  
 = Do Not Reach The Threshold of *Nishab*

**Analysis****A. Analysis of Income Tax Article 21 Calculations on The Gross-Up, Gross and Net Methods**

Taking into account the calculations in the previous chapter, we can analyze that for the calculation of Income Tax Article 21 the three methods, gross up, gross, and net, give results which when juxtaposed appear as follows:

**Table 13. Comparison of Income Tax Article 21 Gross Up, Gross, and Net methods**

No	Name	Initially Income Tax Article 21	Gross Up Method		Gross Method		Net Method	
			Tax allowance	Income Tax Article 21	Company Expense	Income Tax Article 21	Expense PPh 21	Income Tax Article 21
1	M. Roub	Rp 2.210.000	Rp 2.326.316	Rp 2.326.316	Rp -	Rp 2.210.000	Rp 2.210.000	Rp 2.210.000
2	M. Cholikh Umam	Rp 1.845.000	Rp 1.942.105	Rp 1.942.105	Rp -	Rp 1.845.000	Rp 1.845.000	Rp 1.845.000
3	M. Nurokhim	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -
4	Kusriyadi	Rp 180.000	Rp 189.474	Rp 189.474	Rp -	Rp 180.000	Rp 180.000	Rp 180.000
5	Allan H	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -
6	A. Agus	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -
7	Siti Imas Dahlia	Rp 40.000	Rp 42.105	Rp 42.105	Rp -	Rp 40.000	Rp 40.000	Rp 40.000
8	Nita Wahyuni	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -
9	Aliyudin	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -	Rp -
<b>TOTAL</b>		Rp 4.275.000	Rp 4.500.000	Rp 4.500.000	Rp -	Rp 4.275.000	Rp 4.275.000	Rp 4.275.000

**Table 14. Comparison of Income Tax 21. Expenses and Profit Before Tax in the Gross-Up, Gross and Net Methods**

DESCRIPTION	BEGINNING	GROSS UP	GROSS	NET
Tax allowance	Rp -	Rp 4.500.000	Rp -	Rp -
Income Tax Article 21	Rp 4.275.000	Rp 4.500.000	Rp 4.275.000	Rp 4.275.000
Expenses on Income Statement				
Administrasi & General expenses	Rp 856.832.787	Rp 861.332.787	Rp 856.832.787	Rp 856.832.787
Profit before tax	Rp 4.496.113.238	Rp 4.491.613.238	Rp 4.496.113.238	Rp 4.496.113.238

From the two tables above, it appears that in the calculation of Article 21 Income Tax, there is a similarity between the value of Article 21 Income Tax and the number of expenses that can be recognized in the income statement, namely the gross method and the net method. Income Tax Article 21 gross and net methods produce the same total amount of Rp. 4,275,000, while the gross-up method generates Article

21 Income Tax amounting to Rp 4,500,000.

The tax allowance for employees, in the gross-up method, has made the company have to spend extra funds of Rp 4,500,000, which results in: (1) Increasing the high-income tax Article 21, Rp 225,000 higher than the gross and net method; (2) Increasing income employees with a tax allowance; (3) Expenditures for this allowance are recorded as adding to the salary fee in the administrative and operational expenses component, can be recognized both commercially and fiscally; (4) Profit before tax becomes smaller Rp 4,500,000,- (5) Employees receive take-home pay income is higher than the take-home pay on the gross and net methods.

In the gross method, no changes are felt either by the company or for employees. This is because the company applies a general pattern in calculating Income Tax Article 21, whereby employees who are parties are responsible for their respective tax burdens, and receive a salary after net of tax deductions. There is no reimbursement of any kind issued by the company so that there is no change in the calculation of salary expense or profit before tax. Thus, in terms of applying the gross method, both parties, namely employees and companies, both bear their respective burdens, where employees bring home their salaries after being deducted by Income Tax Article 21, and the company also does not feel the efficiency of corporate income tax.

As for the net method, the company experiences an increase in cash expenditures, because of the total amount of Article 21 employee income tax of Rp. 4,275,000 is paid to the state using company funds. Thus the company has an increased burden due to bear income tax on employee salaries, and employees receive their salaries intact because of the tax borne by the office. However, because this method violates the taxation provisions, where *natura* and other benefits should be an additional income for the recipient who will be taxed, and PPh charges are non-deductible expenses, so that the company is not allowed to record these expenses in the income statement logically and with thus the benefits are felt maximally by the employees but the company does not experience the efficiency of corporate income at the end of the year.

#### B. Analysis of Zakat Calculations on Gross and Net Methods

It has been stated at the outset that gross's method of applying *nishab* with assets in the form of rice, and not delaying the payment of *zakat* for up to a year. Thus the payment of *zakat* is made every

time he gets income, which, if applied today, means every month by calculating *zakat* 2.5% of total gross income without deducting the cost of living. While the net method, applying the calculation method with *nishab* in the form of annualized gold assets, is reduced first by the cost of living, accounts payable and others so that a yearly net income is found. Then from the net income multiplied by the *zakat* rate of 2.5% and the *zakat* is paid a year. With these different methods, the difference in the results of the *zakat* calculation of one year and one month from both of them can be presented as follows:

**Table 15. The Difference in The Calculation of Zakat**

No	Employee names	Gross Methode		Net Methide		Difference	
		Annual Zakat	Monthly Zakat	Annual Zakat	Monthly Zakat	Annual Zakat	Monthly Zakat
		(1)	(2)	(3)	(4)	(1) - (3)	(2) - (4)
1	M. Roub	Rp 3.055.000	Rp 254.583	Rp 871.500	Rp 72.625	Rp 2.183.500	Rp 181.958
2	M. Cholikul Umam	Rp 2.730.000	Rp 227.500	Rp 783.000	Rp 65.250	Rp 1.947.000	Rp 162.250
3	M. Nurokhim			Rp 499.500	Rp 41.625	Rp (499.500)	Rp (41.625)
4	Kusriyadi			Rp 499.500	Rp 41.625	Rp (499.500)	Rp (41.625)
5	Allan H						
6	A. Agus						
7	Sitii Imas Dahlia						
8	Nita Wahyuni						
9	Aliyudin						
	Total	Rp 5.785.000	Rp 482.083	Rp 2.653.500	Rp 221.125		

It appears that the calculation of *zakat* using the gross method gives higher results when compared to the results of the net method. This result occurs both in the calculation of *zakat* a month and *zakat* a year. *Zakat*, a year on the gross method, is a total of Rp. 5,785,000, while on the net method, a total of Rp 2,653,500, so there is a more significant difference in the annual *zakat* on the gross method amounting to Rp 3,131,500. As for the *zakat* a month, there is a difference in the gross *zakat* method of Rp 260,958- (Rp. 482,083 - Rp. 221.125). For *Zakat* management institutions and the government, of course, the results of the gross method calculation are better because it will provide more significant benefits with the high payment of *zakat*. However, if you consider the interests of *zakat* payers and according to the concept stated in the MUI Fatwa Number 3 of 2013 the second decision, it is explained that all forms of income must be issued *zakat*, with the condition that if it reaches *nishab* in one year, which is worth 85 grams of gold, first deducted with the costs incurred to meet the needs of daily life, and the remaining excess income, becomes the basis of

income subject to the calculation of income *zakat*, the calculation using the net method is the most appropriate to the sound of the *fatwa*, and provides higher efficiency for *zakat* payer.

**Table 16. Combination Calculation of Gross-Up Methode Tax Article 21 and Gross Methode Zakat**

GROSS METHODE			
Account	M. RIZUB	M. CHOLIKH UMAMAH	
Total Net Salary	118.526.216	106.241.102	
Labor Payment	219.200	20.000	
Total Salary after Labor Deduction	118.307.016	106.221.102	
Final taxable income	22.000.000	47.000.000	
Zakaty Income	49.474.144	94.144.144	
Tax Rate	3%	3%	
Income tax per year	2.119.384	1.403.553	
Income tax	2.119.384	1.403.553	
Inclusive Tax per year	120.426.384	107.624.655	

  

COMBINATION CALCULATION USING TAX ARTICLE 21: GROSS UP METHOD			
GROSS METHODE			
Account	M. RIZUB	M. CHOLIKH UMAMAH	
Total Net Salary	118.526.216	106.241.102	
Labor Payment	219.200	20.000	
Total Salary after Labor Deduction	118.307.016	106.221.102	
Final taxable income	22.000.000	47.000.000	
Zakaty Income	49.474.144	94.144.144	
Tax Rate	3%	3%	
Income tax per year	2.119.384	1.403.553	

**Table 17. Combination Calculation of Gross-Up Methode Tax Article 21 and Net Methode Zakat**

GROSS METHODE			
Account	M. RIZUB	M. CHOLIKH UMAMAH	
Total Net Salary	118.526.216	106.241.102	
Labor Payment	219.200	20.000	
Total Salary after Labor Deduction	118.307.016	106.221.102	
Final taxable income	22.000.000	47.000.000	
Zakaty Income	49.474.144	94.144.144	
Tax Rate	3%	3%	
Income tax per year	2.119.384	1.403.553	
Income tax	2.119.384	1.403.553	
Inclusive Tax per year	120.426.384	107.624.655	

**Table 18. Combination Calculation of Gross/Net Methode Tax Article 21 and Gross Methode Zakat**

The screenshot shows an Excel spreadsheet and a Word document. The Excel spreadsheet is titled 'COMBINATION CALCULATION USING TAX ARTICLE 21 GROSS METHOD AND ZAKAT METODE GROSS METODE'. It compares two methods: 'GROSS' and 'NET'. The Word document contains a table with the following data:

Account	BI RIBUAN	SI CECILIAN USMAN
Total net salary	110.200.000	104.400.000
Less: Employer's share of social security for employee	3.000.000	2.700.000
Less: Salary after social deduction	110.200.000	101.670.000
Less: Taxable income	72.800.000	67.200.000
Tax Rate	0%	0%
Income tax per year	2.880.000	1.200.000
Income tax per year	110.200.000	104.400.000

The Word document also contains a table with similar data and a note: 'Gross up method on Tax 21 company choose to give more for employee. This if income can raised tax income. combination calculation excessive tax paid, but take an first combination per value than the second tax.' The website 'www.fazkha.ac.id' is visible at the bottom.

**Table 19. Combination Calculation of Gross/Net Methode Tax Article 21 and Net Methode Zakat**

The screenshot shows an Excel spreadsheet and a Word document. The Excel spreadsheet is titled 'COMBINATION CALCULATION USING TAX ARTICLE 21 GROSS METHOD AND ZAKAT METODE NET METODE'. It compares two methods: 'GROSS' and 'NET'. The Word document contains a table with the following data:

Account	BI RIBUAN	SI CECILIAN USMAN
Total net salary	110.200.000	104.400.000
Less: Employer's share of social security for employee	3.000.000	2.700.000
Less: Salary after social deduction	110.200.000	101.670.000
Less: Taxable income	72.800.000	67.200.000
Tax Rate	0%	0%
Income tax per year	2.880.000	1.200.000
Income tax per year	110.200.000	104.400.000

The Word document also contains a table with similar data and a note: 'Gross up method on Tax 21 company choose to give more for employee. This if income can raised tax income. combination calculation excessive tax paid, but take an first combination per value than the second tax.' The website 'www.fazkha.ac.id' is visible at the bottom.

From table 16-19 above, we can see that the calculation which gave better value is from the combination between gross-up method on Tax Article 21 and *zakat* using net method in Table 17. This combination gave the minimum result of an excessive tax paid. The combination method in Tax Article 21 calculation, gross up, and *zakat* calculation using net method, is the best combination because it produces the smallest tax return calculation. Therefore, the state does

not in the disadvantaged position, and on the other side, taxpayers and *zakat* payers also enjoy the benefits of paying at the lowest cost.

## Conclusion

By examining the results and analysis of the Income Tax Article 21 calculation method gross up, gross and net, as well as the *zakat* calculation using the gross and net methods, it can be concluded as follows. *First*, calculation of Income Tax Article 21 uses the gross-up, gross and net methods, resulting in the highest value of Article 21 Income in the gross method, because there is additional income for employees in the form of tax benefits that make income rise and finally Article 21 Income Tax becomes higher as well. For companies as parties that provide tax benefits, this additional expenditure would undoubtedly make the company's profits reduced. However, the tax allowance turns out to meet the 3M Cost criteria (obtain, collect, maintain), so that the company can recognize this expense in the salary expense component, thereby resulting in an efficient income tax burden for the company. From the employee's point of view as a recipient of income, the gross-up method also provides maximum benefits, whereby getting additional tax allowances, the Article 21 Income Tax deduction can be paid from the allowance fund so that employees can bring home their income like there is no tax deduction. *Second*, in the calculation of *zakat*, between the principles of calculating *zakat* in the gross and net methods, the results of the *zakat* calculation are most efficient when using the net method. *Nishab zakat* in the net method is measured from annualized income, using 85 grams of gold, as a standard to determine whether someone has entered the category of compulsory *zakat* or not. After entering the compulsory *zakat* category, the annualized income is first reduced by financing the necessities of life, if there is debt, then subtract the debt first, and the net income will be used to calculate the *zakat* to be paid. The net *zakat* calculation is by MUI Fatwa Number 3 of 2013.

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