

## **POSITIVE SIGNALS OF TAX INCENTIVES FOR MICRO SMALL MEDIUM COMPANIES (MSEMs)**

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**Abstract:** This research was conducted to test whether tax incentives provide a positive signal for medium-level companies. The research method used is descriptive qualitative by analyzing data as supporting data adapted to field case studies. The results obtained from this study: First, the results of the analysis show that from several tax incentive policies issued by the government, the most effective type of tax incentive for PT X is insentif PPh final PP No. 23 in 2018. because for small and medium companies this tax incentive can increase the company's cash inflow. Second, PPh 21 are not effective for small and medium companies because most of the employees at PT X have income below the PTKP, so it does not affect the purchasing power of employees. third, the withdrawal facility has an impact on the greater PPh 29 that must be paid, so it can be concluded that the PPh 25 withdrawal facility is only a delay. The cash inflow received during the use of this facility is only temporary. Fourth, the exemption from tax on dividends is a good signal for company managers and shareholders to immediately distribute dividends. This has been proven that PT X in 2021 distributed dividends of 1.8 billion Rupiah and 760 million Rupiah in 2022.

**Keywords:** Tax incentives; MSEMs; Covid-19 pandemic

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