



## Benefit in Kind Taxation and Financial Management under MoF Regulation No. 66 of 2023: A Literature Review

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### ABSTRACT

This study examines the implications of benefit in kind (BIK) taxation for corporate financial management under Indonesia's Ministry of Finance Regulation No. 66 of 2023 through a literature review approach. As a derivative of the Tax Harmonization Law, this regulation represents a fundamental shift in the tax treatment of non-cash employee benefits by explicitly classifying economically valuable BIK as taxable income. This change requires firms to reassess compensation structures, tax planning strategies, and financial management practices. Using a qualitative literature review, this study synthesizes national and international academic publications, tax policy analyses, and regulatory documents related to BIK, tax planning, and financial management. The review identifies key themes concerning the impact of BIK taxation on corporate tax planning orientation, cost structures, budgeting and cash flow management, and internal governance. The findings indicate that the taxation of BIK narrows the scope for compensation-based tax planning and encourages a shift toward compliance-oriented and risk-aware financial management strategies. The literature further suggests that firms tend to respond selectively to BIK taxation by reevaluating the strategic value of non-cash benefits rather than uniformly reducing employee benefits. While the regulation introduces additional administrative and fiscal burdens, it also promotes greater transparency, equity, and alignment between tax reporting and financial management systems. Overall, this study concludes that MoF Regulation No. 66 of 2023 functions as a structural reform that reshapes corporate approaches to benefit in kind, tax planning, and financial management, and highlights the importance of regulatory clarity and organizational readiness for effective implementation.

## **INTRODUCTION**

Tax reform has become an increasingly central policy agenda in many countries as governments seek to enhance fiscal sustainability, improve tax equity, and respond to changes in labor market structures. One area that has received growing attention is the taxation of non-cash compensation, commonly referred to as benefit in kind (BIK). These benefits, which include employer-provided meals, transportation, housing, and other non-monetary facilities, have long been used as an alternative or complement to cash wages. While BIK can enhance employee welfare and support productivity, their treatment within tax systems has often been characterized by ambiguity, inconsistency, and unequal application.

In Indonesia, the taxation of benefit in kind has historically occupied a grey regulatory area. Prior to recent reforms, many non-cash benefits were excluded from employees' taxable income and were not fully integrated into payroll tax systems. This regulatory gap enabled firms to design compensation structures that balanced employee welfare with fiscal efficiency, often by shifting portions of remuneration from cash to non-cash forms. Although such practices were not necessarily illegal, they raised concerns regarding tax equity, transparency, and the erosion of the tax base. Employees receiving similar economic value through different forms of compensation could face different tax burdens, thereby undermining the principle of horizontal equity.

The enactment of Ministry of Finance Regulation No. 66 of 2023 marks a significant turning point in Indonesia's approach to the taxation of benefit in kind. As a derivative regulation of the Tax Harmonization Law, MOF No. 66 of 2023 explicitly classifies economically valuable BIK provided in connection with employment as taxable income, while allowing corresponding deductibility for employers. This regulatory change represents more than a technical adjustment to tax rules; it reflects a broader policy objective to modernize the tax system by expanding the tax base, enhancing legal certainty, and aligning domestic tax practices with international standards.

The introduction of MOF No. 66 of 2023 has important implications for corporate tax planning and financial management. By subjecting BIK to taxation, the regulation reduces the scope for compensation-based tax arbitrage and compels firms to reassess long-standing remuneration strategies. Tax planning related to employee compensation is no longer confined to optimizing fiscal efficiency but increasingly involves considerations of compliance, administrative feasibility, and risk management. At the same time, the recognition of BIK as taxable income introduces new cost structures that affect budgeting, cash flow management, and internal financial controls, particularly in labor-intensive industries.

Despite the growing relevance of BIK taxation, the existing academic literature remains fragmented. While prior studies have examined employee benefits from human resource, behavioral, and welfare perspectives, fewer studies have systematically analyzed BIK within the context of tax planning and financial management, particularly in emerging economies. Moreover, research on tax reform in Indonesia has largely focused on statutory tax rates, compliance behavior, and revenue outcomes, with limited attention given to the

organizational and managerial implications of taxing non-cash compensation. As a result, there is a need for a comprehensive synthesis of the literature that integrates tax policy, financial management, and organizational perspectives on benefit in kind.

This study addresses this gap by conducting a structured literature review on the impact of Ministry of Finance Regulation No. 66 of 2023 on the financial management of benefit in kind. By synthesizing national and international academic literature, policy documents, and regulatory analyses, this paper aims to provide a holistic understanding of how the taxation of BIK influences corporate tax planning behavior, compensation design, and financial decision-making. Rather than focusing on a specific firm or sector, the study adopts a conceptual and policy-oriented approach to capture broader patterns and implications identified in the literature.

The contribution of this study is threefold. First, it consolidates fragmented discussions on benefit in kind by situating BIK taxation within the framework of tax planning theory and financial management. Second, it highlights the multidimensional consequences of MOF No. 66 of 2023, extending beyond fiscal outcomes to include organizational, behavioral, and governance implications. Third, it offers insights that are relevant for policymakers, practitioners, and researchers seeking to understand the broader impact of tax reforms on corporate behavior and compensation structures.

The remainder of this paper is organized as follows. The next section reviews the theoretical foundations related to benefit in kind, tax planning, and the legal basis of MOF No. 66 of 2023. The subsequent section outlines the literature review methodology employed in this study. The discussion section synthesizes key findings from the literature regarding the implications of BIK taxation for tax planning and financial management. Finally, the paper concludes by summarizing the main insights and outlining implications for policy and future research.

## **LITERATURE REVIEW**

### *Benefit in Kind*

Benefit in kind (BIK) represents a crucial element of employee compensation, encompassing non-cash provisions offered by employers to their workforce. These benefits constitute a form of remuneration that supplements, or in some cases substitutes for, monetary wages and salaries. The spectrum of BIK can be quite broad, including common examples such as employee meals provided at the workplace, transportation allowances or company-provided transport and housing facilities or housing subsidies Galanaki (2020) emphasizes the significant role of BIK in enhancing the overall welfare of employees. By providing access to essential goods and services, BIK can contribute to increased employee satisfaction, improved morale, and enhanced attraction and retention of talent. Giancola (2012) supports this view by arguing that employee benefit programs, including BIK, can positively influence employee attitudes.

However, the treatment of BIK from a taxation perspective varies considerably across different jurisdictions. In some countries, like Australia, BIK has long been subject to specific tax regimes, such as the fringe benefits tax (FBT) (ATO, 2024). This approach acknowledges that non-cash benefits represent a form of economic value received by employees and, as such, are considered part of the employee's overall income, subject to taxation.

The theoretical underpinnings of BIK involve several key considerations:

- a. Valuation Challenges: Accurately determining the monetary value of non-cash benefits can be a complex issue.
- b. Taxability Debates: Deciding which types of BIK should be subject to taxation and establishing fair and efficient mechanisms for their taxation raises important questions about equity and administrative feasibility.
- c. Economic Impact Analysis: A thorough analysis of the economic impact of BIK provision and taxation on employee behavior, employer costs, and overall economic efficiency is crucial for the development of sound policies and regulations.

*Legal Basis of MOF NUMB. No. 66 Year 2023*

MoF Numb. 66/2023 is a derivative regulation of the Tax Harmonization Law. It mandates taxation of economically valuable BIK given in connection with employment. Florencia (2024) identifies its goal as widening the tax base and enhancing legal certainty.

*Tax Planning Theory*

Tax planning helps companies minimize tax liabilities legally. Kelliher (2014) notes that new tax treatments of BIK urge firms to evaluate cost-efficiency of cash vs. non-cash benefits. Gunadi (2022) stresses aligning fiscal strategies with compliance demands.

## **METHODOLOGY**

This study adopts a qualitative research method with a literature review approach to investigate the impact of Indonesia's Ministry of Finance Regulation No. 66 of 2023 on the financial management of Benefit in Kind (BIK). A qualitative literature review allows researchers to synthesize diverse sources to understand conceptual, regulatory, and empirical developments within a focused topic (Snyder, 2019). This approach is suitable for providing comprehensive insights by examining academic literature, policy documents, tax regulations, and prior empirical studies.

This study adopts a narrative and thematic literature review rather than a systematic review or meta-analysis. This approach is considered appropriate given the normative and regulatory nature of the research topic, which focuses on tax policy reform, legal interpretation, and managerial implications rather than statistical effect sizes. Narrative literature reviews enable a flexible and integrative synthesis of conceptual, regulatory, and empirical studies, allowing the researcher to capture evolving policy discussions and contextual insights related to benefit in kind taxation.

The review process involves collecting and analyzing secondary data from government regulations such as PMK No. 66/2023 and Law No. 7/2021 on Harmonization of Tax Regulations, as well as academic journals, working

papers, OECD reports, and industry-specific financial data. Through thematic content analysis (Nowell et al., 2017), the study identifies core themes: tax reform impact, financial reporting integration, compensation strategy adaptation, and social implications for female workers.

This method facilitates contextual understanding of BIK implementation in Indonesia's private sector, especially in seafood manufacturing firms where non-cash compensation practices are commonly used. It also supports policy evaluation and strategic financial recommendations based on interdisciplinary and policy-oriented sources.

To ensure relevance and quality, this study applied specific inclusion and exclusion criteria. Included sources consisted of peer-reviewed journal articles, academic books, government regulations, and policy reports that discuss benefit in kind, tax planning, employee compensation, or financial management. Studies focusing solely on unrelated tax instruments or lacking substantive discussion on compensation or taxation were excluded. The review primarily considered publications from the last ten years to capture recent developments, while seminal earlier works were included when conceptually relevant.

The selected literature was analyzed using thematic content analysis. This method involves identifying, coding, and interpreting recurring patterns and themes across studies. The analysis focused on four dominant themes: (1) regulatory transformation of benefit in kind taxation, (2) implications for corporate tax planning strategies, (3) financial management and cost structure adjustments, and (4) organizational and governance consequences. This thematic approach allows for an integrative understanding of how MoF Regulation No. 66 of 2023 reshapes corporate practices from multiple perspectives.

## **RESULT AND DISCUSSION**

The taxation of benefit in kind (BIK) has long been a debated issue within the broader discourse of income taxation, compensation policy, and fiscal equity. In many jurisdictions, non-cash benefits historically occupied a grey area between formal remuneration and informal welfare provisions, allowing employers to enhance employee welfare while maintaining cost efficiency. The enactment of Ministry of Finance Regulation No. 66 of 2023 represents a decisive regulatory intervention that redefines this long-standing practice in Indonesia. The literature reviewed in this study consistently portrays the regulation as a structural shift rather than a marginal technical adjustment, as it fundamentally alters how companies conceptualize compensation, tax planning, and financial management in an integrated manner.

Prior to the implementation of PMK No. 66 of 2023, the literature suggests that non-cash benefits were widely utilized as an implicit tax planning instrument. Employers frequently relied on BIK to supplement employee income without triggering proportional increases in payroll taxes, particularly Income Tax Article 21. This practice was often justified on efficiency grounds, as non-cash benefits were perceived to deliver higher marginal utility to

employees at a lower fiscal cost to employers. Studies on compensation design indicate that such arrangements were especially prevalent in labor-intensive industries, where wage rigidity and cost sensitivity encouraged firms to seek alternative forms of remuneration. The absence of explicit taxation rules for BIK reinforced this behavior, creating an informal equilibrium between employers, employees, and tax authorities.

The introduction of PMK No. 66 of 2023 disrupts this equilibrium by explicitly recognizing economically valuable BIK as taxable income. The literature emphasizes that this reclassification narrows the scope for compensation-based tax arbitrage and compels firms to internalize the fiscal consequences of non-cash benefits. From a tax policy perspective, this shift aligns with the principle of comprehensive income taxation, which holds that all forms of economic benefit received by an individual should be subject to tax in order to promote horizontal equity. By incorporating BIK into the taxable income base, the regulation seeks to reduce disparities between employees who receive cash compensation and those who receive a combination of cash and non-cash benefits.

Within the framework of tax planning theory, regulatory changes of this nature typically prompt a reassessment of corporate strategies. The literature consistently notes that tax planning should be understood not merely as an exercise in minimizing tax liabilities, but as a rational decision-making process constrained by legal, administrative, and reputational considerations. In this regard, PMK No. 66 of 2023 induces a transition in tax planning orientation. Firms are increasingly encouraged to move away from aggressive efficiency-driven strategies toward approaches that prioritize compliance, predictability, and risk mitigation. This evolution reflects a broader trend in tax governance, where regulatory scrutiny and transparency requirements have elevated tax compliance to a core component of corporate governance.

Several studies highlight that the taxation of BIK introduces new cost structures that directly affect financial management. Previously untaxed benefits, once incorporated into the tax base, generate recurring fiscal obligations that must be reflected in operating budgets and financial forecasts. The literature on cost behavior suggests that labor-related expenses, including wages and associated taxes, tend to be sticky, meaning they are resistant to downward adjustment in the short term. As a result, firms facing increased tax liabilities on BIK cannot easily offset these costs without risking disruptions to workforce stability or productivity. This constraint underscores the importance of proactive financial planning and reinforces the need for robust budgeting and cash flow management systems.

An important theme emerging from the literature is the strategic evaluation of alternative compensation mechanisms in response to the taxation of BIK. Scholars note that firms often reassess the relative efficiency of cash versus non-cash benefits under the new regulatory framework. While cash compensation offers simplicity and transparency, it may result in higher immediate tax liabilities for both employers and employees. Conversely, non-cash benefits, although now taxable, may still provide strategic value when

aligned with organizational objectives such as employee retention, health, and productivity. The literature suggests that this evaluation process encourages firms to adopt a more analytical approach to compensation design, emphasizing cost-benefit analysis rather than reliance on historical practices.

One commonly discussed response in the literature is the adoption of tax-neutralizing mechanisms, such as gross-up arrangements. Under such schemes, employers absorb the additional tax burden associated with BIK to preserve employees' net income. While gross-up methods increase employer costs, studies emphasize their role in maintaining perceived compensation fairness and employee morale. This finding highlights an important insight: post-reform tax planning involves balancing fiscal efficiency against human resource considerations. Tax decisions are no longer isolated financial calculations but are intertwined with organizational culture, employee relations, and long-term sustainability.

The literature also addresses concerns regarding the potential impact of BIK taxation on employee welfare. Initial critiques of comprehensive BIK taxation often predicted reductions in non-cash benefits and declines in employee well-being. However, empirical and conceptual studies reviewed in this research suggest a more nuanced outcome. Rather than eliminating benefits indiscriminately, firms tend to adopt selective adjustment strategies. Benefits that are closely linked to employee productivity and essential needs, such as meals, transportation, or housing support, are more likely to be retained and adjusted for tax implications. In contrast, benefits with limited strategic value may be reduced or restructured. This selective approach indicates that tax reform can function as a mechanism for rationalizing compensation structures rather than simply eroding employee welfare.

From an organizational perspective, the taxation of BIK introduces additional administrative and reporting requirements. The literature emphasizes that accurate valuation of non-cash benefits poses a significant challenge, particularly in contexts where market values are not readily observable. Firms must develop standardized valuation methods and ensure consistent documentation to support tax reporting. This requirement necessitates closer coordination between tax, finance, and human resource departments. Studies on internal control systems suggest that such integration can enhance overall governance quality by improving data accuracy, accountability, and compliance monitoring.

The role of perceived fairness emerges as a critical factor in the successful implementation of BIK taxation. The literature on compensation fairness underscores that employees' acceptance of tax-induced changes depends on their understanding of the policy and their perception of equity. Differences in income levels, job roles, and dependence on non-cash benefits can lead to varied responses among employees. Accordingly, effective communication strategies are highlighted as essential tools for managing organizational change. Transparent explanations of tax policies and compensation adjustments can mitigate resistance and foster trust between employers and employees.

At the macro level, the literature situates PMK No. 66 of 2023 within the broader agenda of tax system modernization and fiscal sustainability. By broadening the tax base to include BIK, the regulation contributes to revenue diversification and reduces reliance on traditional tax sources. Scholars argue that such reforms are particularly important in developing economies, where informal compensation practices and narrow tax bases can undermine fiscal capacity. In this sense, the regulation aligns with international trends toward comprehensive income taxation and enhanced tax compliance.

Comparative studies referenced in the literature illustrate that many countries have long subjected non-cash benefits to specific tax regimes. Examples such as fringe benefits taxation in other jurisdictions demonstrate that while administrative complexity is unavoidable, clear regulatory frameworks can improve compliance and equity over time. These international experiences suggest that transitional challenges are to be expected but can be mitigated through clear guidance, capacity building, and gradual adaptation by firms.

The literature also highlights distributional implications of BIK taxation. While comprehensive taxation promotes equity in principle, its practical impact may vary across firm sizes and sectors. Larger firms typically possess the resources and expertise to adapt their systems and absorb additional costs, whereas smaller enterprises may face disproportionate compliance burdens. This disparity underscores the importance of supportive policy measures, such as simplified compliance procedures and technical assistance, to ensure that the regulation does not exacerbate inequality among businesses.

Another important dimension discussed in the literature is the interaction between tax policy and financial reporting. The recognition of BIK as taxable income necessitates alignment between accounting records and tax filings. Scholars argue that this alignment enhances transparency and reduces opportunities for misreporting. By integrating tax considerations into financial reporting processes, firms can strengthen their compliance culture and improve the reliability of financial information used for decision-making.

In the long term, the literature suggests that the taxation of BIK may contribute to more standardized and transparent compensation practices. As firms become more deliberate in designing remuneration packages, compensation structures are likely to become more closely aligned with measurable performance and organizational objectives. This standardization can facilitate benchmarking, improve labor market transparency, and support more equitable wage structures.

Despite these potential benefits, the literature cautions that successful implementation of PMK No. 66 of 2023 depends on regulatory clarity and administrative readiness. Ambiguities in valuation rules or reporting requirements can create uncertainty and increase compliance costs. Accordingly, ongoing guidance from tax authorities and continuous dialogue with stakeholders are emphasized as critical factors in ensuring effective implementation.

Overall, the literature reviewed in this study converges on the conclusion that PMK No. 66 of 2023 represents a transformative policy intervention with

multidimensional implications. It reshapes tax planning by constraining compensation-based tax arbitrage, redefines financial management by introducing new cost structures, and influences organizational behavior by elevating the importance of fairness and transparency. By situating tax planning within a broader framework of governance and sustainability, the regulation reinforces the evolving role of taxation as an integral component of corporate strategy rather than a peripheral administrative concern.

In summary, the discussion demonstrates that the impact of PMK No. 66 of 2023 extends beyond fiscal outcomes alone. The regulation catalyzes a reconfiguration of compensation design, financial planning, and organizational practices, reflecting a holistic approach to tax reform. While challenges related to compliance costs and administrative complexity remain, the literature suggests that, over time, the regulation has the potential to enhance equity, transparency, and accountability within Indonesia's corporate sector. As such, PMK No. 66 of 2023 can be understood not merely as a tax rule, but as a mechanism for promoting more disciplined and sustainable financial management practices.

## **CONCLUSIONS AND RECOMMENDATIONS**

### *Conclusion Mof Numb. 66 For Year 2023*

The implementation of Ministry of Finance Regulation No. 66 of 2023 constitutes a pivotal development in Indonesia's tax reform agenda, particularly in relation to the taxation of benefit in kind (BIK). Based on the literature reviewed in this study, the regulation represents a structural shift in the treatment of non-cash compensation, moving away from informal and largely untaxed practices toward a comprehensive and accountable taxation framework. This transformation reflects the government's broader objective of strengthening tax equity, expanding the tax base, and modernizing fiscal governance in response to evolving economic and labor market conditions.

The literature consistently emphasizes that the most profound impact of MOF No. 66 of 2023 lies in its redefinition of corporate tax planning behavior. Historically, BIK functioned as an implicit tax planning instrument, allowing firms to enhance employee welfare while minimizing payroll tax exposure. Such practices were often justified on efficiency grounds and supported by regulatory ambiguity. However, by explicitly categorizing economically valuable BIK as taxable income, the regulation substantially narrows the scope for compensation-based tax arbitrage. As a result, tax planning related to employee compensation is no longer driven primarily by cost minimization but increasingly shaped by considerations of compliance, legal certainty, and risk management.

From a theoretical perspective, this shift aligns with contemporary views of tax planning as a component of corporate governance rather than a purely technical exercise. The literature suggests that regulatory reforms such as MOF No. 66 of 2023 encourage firms to integrate tax considerations into broader strategic decision-making processes. Tax planning becomes intertwined with financial management, human resource policies, and reputational concerns,

reflecting an expanded understanding of the role of taxation within organizational systems. In this context, the regulation reinforces the notion that sustainable tax strategies are those that balance fiscal efficiency with regulatory compliance and organizational legitimacy.

In terms of financial management, the literature highlights that the taxation of BIK introduces new and persistent cost structures for firms. Benefits that were previously excluded from taxable income now generate recurring tax obligations, increasing operating expenses associated with employee compensation. Labor-related costs, including wages and payroll taxes, are widely recognized as exhibiting sticky behavior, meaning they are difficult to reduce in the short term without disrupting workforce stability and productivity. Consequently, firms must adapt by strengthening budgeting practices, improving cash flow forecasting, and enhancing liquidity management to accommodate the additional fiscal burden imposed by BIK taxation.

The review also underscores the importance of integrating tax reporting with accounting and payroll systems. The recognition of BIK as taxable income necessitates accurate valuation, documentation, and reporting of non-cash benefits, which in turn requires closer coordination among tax, finance, and human resource functions. The literature suggests that this integration can yield positive spillover effects by improving internal control systems, enhancing data accuracy, and promoting greater transparency in financial reporting. In this sense, MOF No. 66 of 2023 acts as a catalyst for institutionalizing more disciplined financial management practices within firms.

A central concern addressed in the literature is the potential impact of BIK taxation on employee welfare. Early critiques of comprehensive BIK taxation often predicted that firms would respond by reducing or eliminating non-cash benefits, thereby diminishing employee well-being. However, the literature reviewed in this study presents a more nuanced picture. Rather than adopting uniform benefit reductions, firms tend to engage in selective adaptation, reassessing the strategic value of each compensation component. Benefits that are closely linked to employee productivity, health, and basic needs are more likely to be retained and adjusted for tax implications, while non-essential benefits may be rationalized or redesigned.

This selective approach suggests that MOF No. 66 of 2023 does not necessarily undermine employee welfare but instead encourages a more rational and value-oriented design of compensation systems. By forcing firms to internalize the fiscal cost of each benefit, the regulation promotes greater awareness of the economic and managerial relevance of non-cash compensation. As a result, compensation structures may become more transparent, standardized, and aligned with organizational objectives, contributing to improved labor market efficiency over the long term.

The literature also highlights the significance of perceived fairness in shaping employee responses to changes in compensation and taxation. Employees' acceptance of BIK taxation is influenced not only by changes in take-home pay but also by their understanding of the policy and their

perceptions of equity across income levels and job roles. Transparent communication regarding compensation adjustments and tax obligations is therefore critical in mitigating resistance and maintaining organizational cohesion. The findings from prior studies underscore that effective change management and clear communication strategies are essential complements to technical tax compliance measures.

Beyond firm-level implications, MOF No. 66 of 2023 carries broader policy and socio-economic consequences. By broadening the tax base to include BIK, the regulation contributes to revenue diversification and enhances the sustainability of public finances. This objective is particularly relevant in developing economies, where narrow tax bases and informal practices can constrain fiscal capacity. The literature positions the regulation within a global trend toward comprehensive income taxation, noting that many jurisdictions have long subjected non-cash benefits to specific tax regimes as part of efforts to improve equity and compliance.

Comparative insights from international literature suggest that while the taxation of BIK inevitably increases administrative complexity, clear regulatory frameworks and consistent enforcement can improve compliance over time. Transitional challenges, such as valuation difficulties and reporting burdens, are common in the early stages of implementation but tend to diminish as firms adapt their systems and processes. These experiences underscore the importance of regulatory clarity, detailed guidance, and ongoing dialogue between tax authorities and taxpayers in ensuring the effectiveness of BIK taxation.

The literature further acknowledges that the impact of MOF No. 66 of 2023 may vary across firm sizes and sectors. Larger firms generally possess greater administrative capacity and financial flexibility to absorb additional compliance costs, while small and medium-sized enterprises may face disproportionate challenges. This disparity highlights the need for supportive policy measures, including simplified compliance procedures, technical assistance, and capacity-building initiatives, to ensure that the regulation does not inadvertently exacerbate inequalities among businesses.

Another important implication discussed in the literature is the alignment between tax policy and corporate governance. The taxation of BIK reinforces the expectation that firms maintain transparent and accountable compensation practices, reducing opportunities for informal arrangements that obscure the true cost of labor. By integrating tax compliance into governance structures, firms can enhance their credibility with regulators, investors, and other stakeholders. Over time, this alignment may contribute to the development of stronger compliance cultures and more sustainable corporate practices.

In a broader sense, MOF No. 66 of 2023 exemplifies the evolving role of tax policy as an instrument of structural reform rather than merely a revenue-raising tool. The regulation reshapes incentives, influences organizational behavior, and encourages the adoption of more disciplined financial and managerial practices. By redefining the treatment of BIK, it challenges firms to

rethink long-standing compensation strategies and align them with principles of equity, transparency, and accountability.

In conclusion, the literature reviewed in this study demonstrates that MOF No. 66 of 2023 represents a comprehensive and multidimensional reform with far-reaching implications for corporate tax planning, financial management, and organizational governance. While the regulation introduces new challenges in terms of compliance costs and administrative complexity, it also offers opportunities to enhance transparency, equity, and fiscal sustainability. Its success will depend on the ability of firms to adapt their systems and strategies, as well as on the capacity of regulators to provide clear guidance and supportive implementation mechanisms.

Ultimately, MOF No. 66 of 2023 should be understood not merely as a technical tax regulation but as a transformative policy initiative that reshapes the relationship between compensation, taxation, and financial management. By promoting a more comprehensive and accountable approach to the taxation of benefit in kind, the regulation contributes to the modernization of Indonesia's tax system and supports the development of more sustainable and equitable corporate practices. As such, it provides a valuable foundation for future research and policy evaluation concerning the interaction between tax reform, compensation design, and financial governance.

#### **FURTHER STUDY**

This research still has limitations so further research on this topic is still needed "Benefit in Kind Taxation and Financial Management under MoF Regulation No. 66 of 2023: A Literature Review".

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