

ABSTRACT

THE ANALYSIS OF ACCOUNTING AND TAXATION TREATMENT OF MERGER AND ACQUISITION

Novia Niki Pertiwi

This research is a descriptive qualitative study to obtain an elaboration of the accounting treatment and the taxation impact in merger and acquisition transactions. The research object in this study was the acquisition of PT Indosiar Karya Media Tbk (IDKM) by PT Elang Mahkota Teknologi Tbk (EMTK) in 2011 and the merger of PT Surya Citra Media Tbk (SCMA) and PT Indosiar Karya Media Tbk (IDKM) in 2013. This research used documentation techniques in collecting the data and content analysis method in the process of data analysis. The data were obtained through the Notes to Financial Statements and Disclosure Statement submitted by the companies to the Indonesia Stock Exchange.

The acquisition of IDKM by EMTK used the purchase method, thus subject to income tax and goodwill arising on the transaction. However, there are no tax provisions that explain how to determine the classification and the useful life of goodwill arising from the acquisition of the company. Merger of SCMA and IDKM used pooling of interest method, so that the company can minimize their tax expense.

This study only analyzed the acquisition transaction of IDKM by EMTK and merger transactions of IDKM and SCMA. Merger and acquisition transactions in other companies can have different tax implications. The government is expected to develop the tax treatment of goodwill, so that there are certain criteria for determining the classification and the useful life of goodwill arising from the merger.

Keywords: Accounting, taxation, merger, and acquisition.