ABSTRACT

COMPARATIVE STUDY ON THE IMPACT OF EXPLORATION COST METHODS TO TAXABLE INCOME AND INCOME TAX BASED ON ACT. NUMBER 36/2008 (CASE STUDY ON PT. MEDCO ENERGI INTERNASIONAL. Tbk)

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This study aimed to compare the exploration cost methods to taxable income and income tax based on Act. Number 36/2008 which applied by PT. Medco Energi Internasional, Tbk. Data used in this study were from the official site www.idx.co.id and associated company site www.medcoenergi.com. The analysis in this study was done by comparing *successful effort* method and *full cost* method, exploration costs were capitalized or not. These results indicate that the successful effort method bring greater direct costs and lower profits so that the income tax paid was smaller. While in the full cost method, direct costs reported in the income statement, such as earnings and income tax incurred would be greater. Taxable Income with successful efforts method was $50,550,356 and income tax was $11,626,581.88. Meanwhile, Taxable Income with the full cost method was $74,740,510 and income tax was $17,190,317.3.

**Key word**: exploration costs method, taxable income, and income tax based on Act. Number 36/2008.