

ABSTRACT

This study gave an overview about ingredient of relevant and reliability primary qualities of accounting information decision-usefulness that contain in income tax burden methods. Samples of research were 143 public companies that consistently applied income tax based-on PSAK No. 46. Total observations were 1001. The annual financial statements then restated into 5 income tax burden methods (i.e. deferred, net-of-tax, intra period allocation, partial allocation, and non-allocation).

Three hyphoteses that included 6 tax burden methods and 48 indicators were tested using regression statistics validity of SmartPLS 2.0 M3. Structural hierarchy based on accounting qualities of SFAC No. 2 about Qualitative Characteristics of Accounting Information. Outputs of testing stated that due to model fit and significance, the deferral method of income tax burden has the highest compliment toward ingridient of relevance and reliability dimensions of decision-usefulness accounting information.

Outcomes of this research recommended deferred comprehensive inter periods allocation as the highest ingredient of relevant and reliability dimensions of decision-usefulness accounting information to be applied as income tax accounting best approach method of accounting standard. The method was income statements approach has ever used as approach of APB Opinion 11 about Accounting for Income Tax in 1967.

Keywords: relevant, reliability, decision-usefulness, financial statements, income tax burden method.