ABSTRACT

Associated with the general purpose of financial reporting that provides information that is useful for financial report users, financial report should meet qualitative characteristics. Revaluation of Property, Plant, and Equipment is one way to present the fair value of company’s assets and makes financial report became faithful and useful for decision making.

This research analyzes the property, plant, and equipment revaluation process and impacts. The methods used in the revaluation are cost approach and market data approach. And the revaluation has a significant impact to the income tax and company’s performance. Due to the surplus revaluation of Rp. 212,588,769,449, the company needs to pay final income tax of 10% amounted to Rp. 21,258,876,944,9. Company’s performance shown by profitability and solvency ratios is also affected by the revaluation. The profitability ratios deteriorate while the solvency ratios improve and provide a better debt position for the company.

Keywords: Revaluation of Property, Plant, and Equipment, Final Income Tax, Profitability Ratio, and Solvency Ratio.