



Indonesia Tax Info

Exemption of Administrative Sanction for late reporting of Certain Tax Returns

The Director General of Taxation ("DGT") has issued Decision Letter Number 440/PJ/2019 dated 6 May 2019 to stipulate exemption of penalty due to late submission of certain tax returns, i.e.,:

1. FY2018 Corporate Income Tax Return (for year ended December 2018); and
2. March 2018 VAT Return

via e-filing, for which the deadline of reporting for both tax obligations is 30 April 2019.

Specifically, the DGT will exempt the administrative sanction if Taxpayer submit any or both of the above returns via e-filing by no later than 2 May 2019. However, if there are any underpayment of Corporate Income Tax or VAT, administrative sanction for the late payment will still be imposed.

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Update on List of Authorized Recipient of Alms (*Zakat*) or Religious Contribution for Tax Deduction Purpose

As an update to the previous DGT Regulation Number PER-11/PJ/2018 ("PER-11"), the DGT has issued Regulation Number PER-05/PJ/2019 ("PER-05") to update the list of institutions who are formed and authorized by the Government to receive Alms (*Zakat*) or Religious Contribution.

The update includes significant number (approximately thirty institutions) added to the list and removal of LAZ Yayasan Dompot Amanah Umat Sedati Sidoarjo.

Taxpayers who pay Alms (*Zakat*) or Religious Contribution to these institutions can treat these payments as tax deduction in the calculation of corporate income tax.

PER-05 revokes PER-11 and is effective as of 26 March 2019.

Exemption of Tax on Land and Building in DKI Jakarta with Tax Object Value up to IDR 1 Billion

The Governor of DKI Jakarta has updated its previous regulation number PERGUB-259/2015 ("PERGUB-259") as amended by PERGUB-25/2018 ("PERGUB-25") with PERGUB-38/2019 ("PERGUB-38"), regarding exemption of tax on land and building ("*PBB-P2*") for House, Rental Flats, and Owned Flats in DKI Jakarta ("Tax Object") for individual Taxpayer who owns the aforesaid Tax Object with value up to IDR 1 billion (one billion rupiah),

The salient points of updates in the PERGUB-38 are as follows:

- The exemption of PBB-P2 is not applicable for tax object for which the Taxpayer's profile has changed. Such change is due to transfer of ownership right or controlling or utilization from the individual Taxpayer (who has obtained the PBB-P2 exemption) to a Corporate Taxpayer.
- The exemption is only valid until 31 December 2019.
- Individual Taxpayer who has obtained exemption under PERGUB-259 and PERGUB-25 until 31 December 2018 before the PERGUB-38 becomes effective, is still entitled for such exemption.

PERGUB-38 revokes PERGUB-259 and PERGUB-25, and applies retroactively as of 1 January 2019.

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