

# 2021 Fiscal Incentive for DKI Jakarta



On 9 August 2021, the Governor of DKI Jakarta issued Governor Regulation No 60/2021 ("GR DKI - 60") on 2021 fiscal incentive for DKI Jakarta area to provide relief to those impacted by COVID-19. GR DKI-60 is effective on 16 August 2021. Key aspects of GR DKI-60 are:

- a) Discount/reduction in the amount of tax payable; and
- b) Waiver of administrative sanction.



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Type of tax	Covered fiscal years	Period of tax payment	Amount of discount/reduction of tax principal amount	Waiver of late payment interest penalty sanction
Land & Building Tax ("PBB")	2013-2020	August 2021 to September 2021	10%	Yes
		August 2021	20%	
	2021	September 2021	15%	
Motor vehicle tax ("PKB")	Prior to 2021	August 2021 to September 2021	5%	Yes
		August 2021	10%	
	2021	September 2021	5%	
Motor vehicle transfer duty ("BBN KB")	Transfer of second and subsequent vehicles	August 2021 to December 2021	50%	Yes
Land & building rights acquisition duty ("BPHTB")	First purchase of house or apartment with tax object acquisition value ("NPOP") of more than IDR 2 billion up to IDR 3 billion	August 2021	50%	N/A
		September 2021 to October 2021	25%	
		November 2021 to December 2021	10%	
Advertising tax	2021 and prior years	August 2021	10%	Yes
		September 2021	5%	

#### A. Discount/reduction of the tax principal amount

##### 1. Land and building tax ("Pajak Bumi dan Bangunan - PBB")

The discount/reduction of PBB is as follows:

- For 2013 up to 2020 fiscal years, the reduction is 10% of the tax principal amount for each fiscal year. This is given to a taxpayer who pays the PBB in August up to September 2021.
- For 2021 fiscal year, the reduction is 20% of the tax principal amount, which is given to a taxpayer who pays the PBB in August 2021. For those who pay the PBB in September 2021, the reduction is 15%. The reduction of PBB is given provided there is no outstanding PBB from the prior years.

## **2. Automotive tax ("Pajak Kendaraan Bermotor - PKB")**

The reduction for PKB is as follows:

- a. For fiscal years prior to 2021 fiscal year, the reduction is 5%. This is given to a taxpayer who pays the PKB in August and September 2021.
- b. For 2021 fiscal year, the reduction is 10% of the tax principal, which is given to a taxpayer who pays the PKB in August 2021. For those who pay the PKB in September 2021, the reduction is 5%. The reduction of PKB is given to taxpayers who do not have any outstanding PKB from the prior years.

## **3. Motor vehicle transfer duty ("Bea Balik Nama Kendaraan Bermotor - BBN KB")**

A reduction of 50% on the tax principal for the transfer of motor vehicle ownership for the second vehicle and subsequent vehicles. The reduction is given to a taxpayer who pays the BBN KB in August up to December 2021.

## **4. Land and/ or building acquisition duty ("Bea Perolehan Hak Atas Tanah dan Bangunan - BPHTB")**

The reduction on BPHTB is given to an individual taxpayer on the first purchase of a house or an apartment with the tax object acquisition value ("Nilai Perolehan Objek Pajak - NPOP") of more than IDR 2 billion up to IDR 3 billion. The 50% reduction is given to a taxpayer who pays the BPHTB in August 2021. For those who pay the BPHTB in September up to October 2021, the reduction is 25% and for those who pay in November up to December 2021, the reduction is 10%.

## **5. Advertising tax ("Pajak Reklame")**

For advertising conducted in 2021 fiscal year and fiscal years prior to 2021, a 10% reduction is given to a taxpayer who pays the tax principal in August 2021 and for those who pay in September 2021, the reduction is 5%.

## **B. Waiver of administrative sanctions**

1. Waiver of administrative sanction in the form of interest due to late payment of tax is given to:
  - a. Taxpayers who pay the PBB for fiscal years 2013 up to 2020;
  - b. Taxpayers who pay the PKB for both 2021 fiscal year and fiscal years prior to 2021; and
  - c. Taxpayers who pay the BBN-KB for the transfer of motor vehicle ownership on the second vehicle and subsequent vehicles.
2. Waiver of administrative sanction in the form of interest due to late payment of advertising tax and / or administrative sanction in the form of penalty due to late registration of the advertising campaign is given to taxpayers who pay the advertising tax in August and September 2021.
3. Waiver of administrative sanction in the form of interest due to late payment of monthly tax and/ or tax assessment letter for hotel tax, entertainment tax, restaurant tax and parking tax can be given if the tax is paid in August and September 2021.

### C. Procedures

The discount/reduction on the tax principal amount and the waiver of administrative sanction are carried out ex-officio by way of adjustment in the tax management information system, except for BPHTB which shall be done through an application. The adjustment in the tax management information system is carried out by the Regional Revenue Agency ("Badan Pendapatan Daerah - BAPENDA") together with the Communication, Informatics and Statistic Agency.

### D. Transitional provisions

1. For tax assessment that has already received a decision on the reduction of tax principal according to the provisions under the Regional Law and regulations, whether or not it has been paid before the enactment of GR DKI-60, cannot be given a reduction on the tax principal under GR DKI-60.
2. For PBB taxpayers in the form of private hospitals or private education facility that have been given a reduction under the Regional Law and regulations before the enactment of GR DKI-60, can choose to obtain the reduction under GR DKI-60 or apply for the reduction in accordance to the prevailing Regional Laws and regulations.
3. A taxpayer who has received a decision for installment of tax payment and is yet to be issued with a distress letter before the enactment of GR DKI-60, can obtain a reduction based on GR DKI-60, provided it files an application to cancel the installment of tax payment decision.
4. Taxpayers who have paid PBB for 2021 fiscal year before the enactment of GR DKI-60 can be given 20% compensation for the same tax object by making an application in accordance with the regulations within 60 days after the enactment of GR DKI-60. The compensation shall be given for 2022 fiscal year.



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