



Wednesday, 13th May 2020

INFORMATION**Directorate General of Tax Circular Number SE-29 / PJ / 2020DJP and PMK Number 44 / PMK.03 / 2020 on Tax Incentives amid Covid-19**

The Indonesian Ministry of Finance has expanded the business sector that can receive tax incentives in order to reduce the economic burden of taxpayers due to the Covid-19 outbreak. The regulation has been established through Regulation of the Minister of Finance (PMK) Number 44 / PMK.03 / 2020 which came into force on April 27th 2020. In accordance with that, the Directorate General of Tax (DGT) has deployed an online application system related to the expansion of the sector that receives incentives so that it can be accessed by taxpayers to submit notifications or obtain the necessary information as a condition to get the tax incentives. This facility is valid since the tax notification period is submitted or when the certificate is issued until the September 2020 tax period.

Through the Directorate General of Tax Circular Letter Number SE-29 / PJ / 2020DJP, the DGT also said that incentives for Article 21 Income Tax Borne by the Government (DTP) and reduction of Income Tax Article 25 installments can still be utilized by taxpayers for the April 2020 tax period. This is because the tax incentive based on PMK No. 44 / PMK.03 / 2020 is provided for the April 2020 tax period to September 2020, while the issuance of the PMK is nearing the end of April 2020 and is considering the deployment process of an online application system.

However, the DGT said that there are conditions that must be met to obtain incentives and reduce installments, namely the first submission of notification utilizing Income Tax Article 21 incentives must be made no later than May 20th 2020. Second, the submission of notification utilizing Income Tax increment reduction incentives has been done no later than May 15th 2020. There will be 1,062 sectors of workers inside the PMK Number 44 / PMK.03 / 2020 that will be given incentives for PPh 21. Further, 431 business sectors that will be given incentives for PPh 22 Import and 846 business sectors that will be given incentives for PPh 25.

Please find on the link below the copy of the Directorate General of Tax Circular Letter Number SE-29 / PJ / 2020DJP and PMK Number 44 / PMK.03 / 2020 for your reference:

<http://ibai.or.id/images/publication/2020/mei/Surat-Edaran-Direktorat-Jenderal-Pajak-Nomor-SE-29PJ2020DJP.pdf> (Directorate General of Tax Circular Letter Number SE-29 / PJ / 2020DJP).

<http://ibai.or.id/images/publication/2020/mei/PMK-No.-44-Th-2020.pdf> (PMK Number 44 / PMK.03 / 2020).

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