

Indonesia

Contacts

Jakarta

EY

Indonesia Stock Exchange Building
Tower 1, 14th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Indonesia

Bambang Suprijanto

bambang.suprijanto@id.ey.com
+62 21 5289 5060

Kartina Indriyani

kartina.indriyani@id.ey.com
+62 21 5289 5240

1. Types of tax

1.1 Inheritance tax and tax on gifts during lifetime

Indonesia does not levy inheritance or gift tax.

Regarding tax on gifts, Indonesian income tax law stipulates that grants or gifts from the parent directly to the children (or vice versa) or gifts received are not taxable as long as there is no business or employment relationship.

1.2 Gift tax

There is no gift tax in Indonesia.

1.3 Real estate transfer tax

The transfer of the real estate (i.e., land and building) is subject to final tax of 5% of the gross proceeds. The transfer of a basic house (*rumah sederhana*) and basic flat (*rumah susun sederhana*) by a taxpayer whose main business is the transfer land and/or building, is subject to final tax of 1%.

1.4 Endowment tax

There is no endowment tax in Indonesia.

1.5 Transfer duty

A land and building acquisition duty of 5% is payable when a person obtains rights to land or a building with a value greater than IDR60 million. A number of exemptions apply, including on transfers in connection with transfers to relatives.



1.6 Net wealth tax

There is no net wealth tax. However, the Indonesian income tax law states that net increment in wealth originating in income not yet subject to tax is taxable. In the Indonesian individual income tax return, the individual taxpayer is required to declare assets and liabilities. The tax office may assess additional income tax should there be any net increment of the assets, such as from income not yet reported on the tax return.

2. Who is liable?

2.1 Residency/domicile

Resident taxpayer

Based on the Indonesian tax law, an individual is qualified as an Indonesian tax resident if the individual:

- Domiciles in Indonesia
- Is present in Indonesia for more than 183 days within 12-month period
- Or
- Is present in Indonesia during a calendar year with the intention to reside in Indonesia

The resident taxpayers are taxed on their worldwide income.

Nonresident taxpayer

Nonresident taxpayers are only taxed on Indonesia sourced income only.

3. Rates

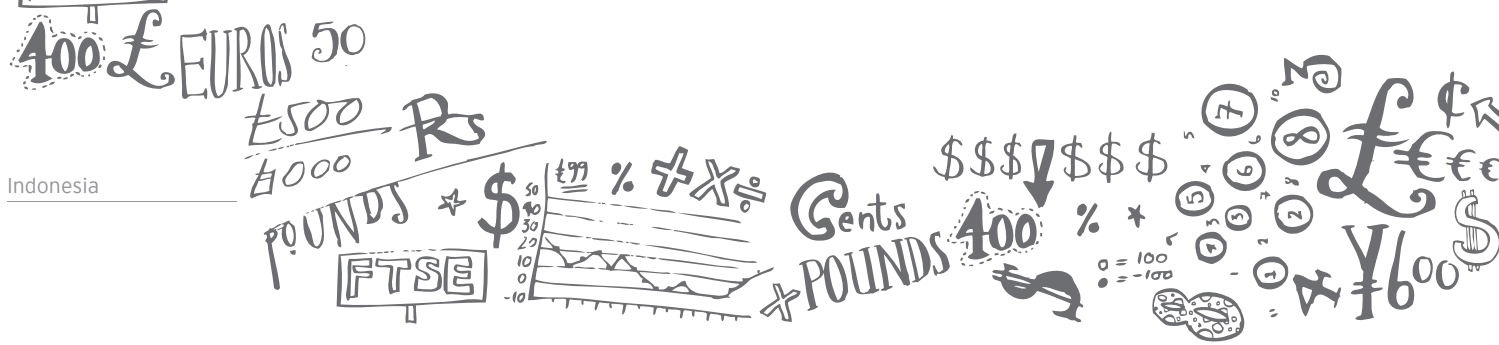
As Indonesia does not have any inheritance, gift, endowment and net wealth tax, this is not applicable.

For real estate transfer tax, the final tax rate for resident taxpayer is as follows:

- 1% for the transfer of basic house (*rumah sederhana*) and basic flat (*rumah susun sederhana*) by a taxpayer whose main business engages to transfer land or building.
- 5% for the transfer of land or building other than above.

In addition, the table below shows the income tax rate for a resident taxpayer who receives other taxable income.

Taxable income bracket (IDR)	Tax rate (%)
Up to 50 million	5%
Over 50 million-250 million	15%
Over 250 million-500 million	25%
Over 500 million	30%



The tax rate for a nonresident taxpayer who receives Indonesian-sourced income is final tax of 20%. However, the rate of real estate transfer tax for a nonresident taxpayer is not applicable.

