



INFORMATION

Updates on the extension and update of tax incentives according to the regulation of the Minister of Finance No. 82/PMK.03/2021

On July 1st, 2021, the Minister of Finance, Sri Mulyani has released Regulation No. 82/PMK.03/2021 regarding the Amendment to the regulation of the Minister of Finance No. 9/PMK.03/2021 concerning Tax Incentives for Taxpayers Affected by the 2019 Corona Virus Disease Pandemic.

Based on this regulation, the government has finally officially extended the period of providing tax incentives for taxpayers affected by Covid-19 and this regulation has revised the previous regulation No. 9/PMK.03/2021. The incentive extension was given because tax incentives were still needed to deal with the impact of the Covid-19 pandemic. In the regulation, there is an extension of time until **December 31st, 2021** for granting exemptions from the collection of Article 22 Import Income Tax.

In addition, there are five incentives that get an extension of the grant period until the tax period of December 2021 including:

- Income tax (PPh) Article 21 Borne by the Government (DTP)
- Final PPh DTP for Micro, Small and Medium Enterprises (MSMEs)
- Final PPh DTP for construction services of the Program for the Acceleration of Improvement of Irrigation Water Use (P3-TGAI),
- Reduced installments of PPh Article 25,
- And accelerated Value Added Tax (VAT) refunds.

The extension of time is granted only for employers and/or taxpayers:

- First, having a business field classification code as listed in the Appendix.
- Second, taxpayers who have a certain gross turnover in accordance with the provisions referred to in PP No. 23/2018 (for the use of MSMEs final income tax incentives).
- Third, taxpayers who receive P3-TGAI (for the use of final PPh construction services for DTP on P3-TGAI).

Therefore, there are **three points changed** from the previous regulation:

1. The **Income Tax Article 22** from previous 730 Business Field Classification (Klasifikasi Lapangan Usaha/KLU) has changed to 132 KLU which is written on pages 55.
2. Incentive to Reduce **PPh Article 25** Installments from previous 1018 KLU has changed to 216 KLU which written on pages 66.
3. The **Accelerated VAT Refund** Incentives changed from 725 KLU to 132 KLU which was written on pages 79.

Thus, the extension of the use of incentives from July to the end of this year can no longer be utilized by corporate taxpayers of Ease of Import for Export Destination (Kemudahan Impor Tujuan Ekspor/KITE) and taxpayers who have obtained a bonded zone operator permit, or Bonded Zone Entrepreneur Permit (Pengusaha Di Kawasan Berikat/PDKB) permit.

Reference:

- The Minister of Finance Regulation No. 82/PMK.03/2021

If you require a copy of the reference document above, please do not hesitate to contact research@ibai.or.id. Thank you for your attention and hope this information would be valuable for you.

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