



INFORMATION

Update the Income Tax Tariffs (PPh21) effective from 1 January 2023

The Government officially regulated and announced the income tax tariff (PPh 21) effective from 1 January 2023. That income tax tariff is based on two (2) government regulations, namely, Government Regulation (PP) No. 55 Year 2022 concerning the Adjustment of Income Tax Tariff that were signed by the President of Indonesia, Joko Widodo on 20 December 2022, and Law No. 7 Year 2021 concerning Harmonization of Tax Regulations.

After the individual/employee's income is deducted with Non-Taxable Income (Penghasilan Tidak Kena Pajak/PTKP) IDR 54 million, then the remaining amount should be counted with the updated income tax tariff by the cumulative system. Below are the updated income tax tariffs should follow:

1. Income up to IDR 60 million is subject to a 5% of income tax tariff.
This is regulated by the Government Regulation (PP) No. 55 Year 2022.
2. Income above IDR 60 million - IDR 250 is subject to a 15% of income tax tariff.
This is regulated by Law No. 7 Year 2021.
3. Income above IDR 250 million - IDR 500 million is subject to a 25% of income tax tariff.
This is regulated by Law No. 7 Year 2021.
4. Income above IDR 500 million - IDR 5 billion is subject to a 30% of income tax tariff.
This is regulated by Law No. 7 Year 2021.
5. Income above IDR 5 billion is subject to a 35% of income tax tariff.
This is regulated on the Government Regulation (PP) No. 55 Year 2022.

References:

- Government Regulation (PP) No. 55 Year 2022
- Law No. 7 Year 2021

If you require a copy of the reference documents 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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