

TaxFlash



New Land and Building Tax Regulations

On 30 December 2014, the Minister of Finance (MoF) issued several new regulations on Land and Building Tax (*Pajak Bumi dan Bangunan/PBB*). Unlike the previous regulations that are applicable for all PBB objects, these regulations are only applicable for forestry, plantation, and mining areas. PBB objects other than these areas are now governed under Regional Taxes and Retribution Law, and no longer under the PBB Law No. 12/1994.

The regulations issued are as follows:

1. Regulation No. 254/PMK.03/2014 (PMK-254) regarding the procedure for registration and data collection of PBB.
2. Regulation No.256/PMK.03/2014 (PMK-256) regarding the procedure for PBB audit.
3. Regulation No.255/PMK.03/2014 (PMK-255) regarding the procedure for issuing PBB assessment.
4. Regulation No.253/PMK.03/2014 (PMK-253) regarding the procedure for PBB objection.

All of these regulations will come into effect 30 days after its enactment (i.e. 29 January 2015). These regulations also stipulate that form templates and details of some procedures will be regulated under Directorate General of Tax (DGT) regulations.

In general, the procedures outlined in these regulations are consistent with the procedures that are applicable for other types of tax which are governed under the General Tax Provisions Law (*Ketentuan Umum Tatacara Perpajakan/KUP Law*) No. 16/2009. However, please note that the PBB Law has several articles which govern formal tax procedures, which are still based on the KUP Law applicable in 1994 and has not adopted some changes made in the 2009 KUP Law. Therefore, these new regulations do not cover the provisions under the 2009 KUP Law which have not been catered to in the PBB Law.

One of the distinct features of PBB as compared to other types of tax is that there is a step for registration and data collection of the tax object. We highlight below the changes in these matters under PMK-254:

- As with the previous regulation, PBB objects can be registered by way of registration by the tax subject or by way of data collection by the tax office. Both ways will require the tax subject to fill out a Tax Object Notification Form (*Surat Pemberitahuan Objek Pajak/SPOP*) within 30 days upon receiving the SPOP. Under PMK 254, this 30 days period may be extended for 14 days.
- In the case the data submitted by the tax subject is different to the data collected by the tax office, PMK-254 stipulates that the tax office can ask for a clarification from the tax subject, and the tax subject should make any necessary adjustment.
- PMK-254 introduces mapping procedures for data collection by the DGT. The mapping can be carried out using a measurement method (by way of Global Positioning System and remote data imaging assistance) and map conversion.

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