

# TaxFlash



## Higher non-taxable income in 2016!

The Minister of Finance (MoF) has recently released an increase in non-taxable income (*Penghasilan Tidak Kena Pajak/PTKP*) for calculating individual income tax through the issue of Regulation No.101/PMK.010/2016 (PMK-101). PMK-101 is dated 27 June 2016 and sets out new PTKP that is effective starting 1 January 2016 (i.e. retroactively).

Below is the comparison between the old and new PTKP per annum (in Rupiah):

No.	Type	PTKP	
		Old	New
1	Individual taxpayers	36,000,000	54,000,000
2	Additional for a married taxpayers	3,000,000	4,500,000
3	Additional for a working wife whose income is combined with her husband's income	36,000,000	54,000,000
4	Additional for each dependent of blood relatives and relatives by marriage in straight lineage, and adopted children (maximum 3)	3,000,000	4,500,000

The increase of the PTKP may reduce government's tax revenue however, parliament supported this adjustment as it is aiming to increase the purchasing power of mid-level taxpayers and so encouraging businesses to grow and economic conditions to improve.

Following this new PTKP, the MoF has also issued Regulation No.102/PMK.010/2016 (PMK-102) that adjusts the threshold of non-taxable wages received by temporary workers. PMK-102 stipulates that gross daily or weekly wages of up to Rp 450 thousand/day will not be subject to tax (from previously Rp 300 thousand/day). This threshold will not apply if the gross wages is exceeding Rp 4.5 million/month or the wages are paid monthly. PMK-102 is not applicable on honorariums or commissions received by individual retailers and insurance salespersons.

These two MoF regulations will be followed by Director General of Tax (DGT) regulations which will provide further guidance on the use of the new PTKP and the new threshold of non-taxable daily wages.

## Your PwC Indonesia contacts

**Abdullah Azis**

abdullah.azis@id.pwc.com

**Adi Poernomo**

adi.poernomo@id.pwc.com

**Adi Pratikto**

adi.pratikto@id.pwc.com

**Alexander Lukito**

alexander.lukito@id.pwc.com

**Ali Widodo**

ali.widodo@id.pwc.com

**Andrias Hendrik**

andrias.hendrik@id.pwc.com

**Anthony J. Anderson**

anthony.j.anderson@id.pwc.com

**Anton Manik**

anton.a.manik@id.pwc.com

**Antonius Sanyojaya**

antonius.sanyojaya@id.pwc.com

**Ay Tjhing Phan**

ay.tjhing.phan@id.pwc.com

**Brian Arnold**

brian.arnold@id.pwc.com

**Dany Karim**

dany.karim@id.pwc.com

**Deny Unardi**

deny.unardi@id.pwc.com

**Engeline Siagian**

engeline.siagian@id.pwc.com

**Enna Budiman**

enna.budiman@id.pwc.com

**Felix MacDonogh**

felix.macdonogh@id.pwc.com

**Gadis Nurhidayah**

gadis.nurhidayah@id.pwc.com

**Gerardus Mahendra**

gerardus.mahendra@id.pwc.com

**Hanna Nggelan**

hanna.nggelan@id.pwc.com

**Hasan Chandra**

hasan.chandra@id.pwc.com

**Hendra Lie**

hendra.lie@id.pwc.com

**Hyang Augustiana**

hyang.augustiana@id.pwc.com

**Ivan Budiarnawan**

ivan.budiarnawan@id.pwc.com

**Kexin Lim**

lim.kexin@id.pwc.com

**Laksmi Djuwita**

laksmi.djuwita@id.pwc.com

**Lukman Budiman**

lukman.budiman@id.pwc.com

**Mardianto**

mardianto.mardianto@id.pwc.com

**Margie Margaret**

margie.margaret@id.pwc.com

**Otto Sumaryoto**

otto.sumaryoto@id.pwc.com

**Parluhutan Simbolon**

parluhutan.simbolon@id.pwc.com

**Peter Hohtoulas**

peter.hohtoulas@id.pwc.com

**Runi Tusita**

runi.tusita@id.pwc.com

**Ryosuke R Seto**

ryosuke.r.seto@id.pwc.com

**Ryuji Sugawara**

ryuji.sugawara@id.pwc.com

**Soeryo Adjie**

soeryo.adjie@id.pwc.com

**Sutrisno Ali**

sutrisno.ali@id.pwc.com

**Suyanti Halim**

suyanti.halim@id.pwc.com

**Tim Watson**

tim.robert.watson@id.pwc.com

**Tjen She Siung**

tjen.she.siung@id.pwc.com

**Turino Suyatman**

turino.suyatman@id.pwc.com

**Yessy Anggraini**

yessy.anggraini@id.pwc.com

**Yuliana Kurniadjaja**

yuliana.kurniadjaja@id.pwc.com

**Yunita Wahadaniah**

yunita.wahadaniah@id.pwc.com

[www.pwc.com/id](http://www.pwc.com/id)

 [PwC Indonesia](#)

 [@PwC\\_Indonesia](#)

If you would like to be removed from this mailing list, please reply and write UNSUBSCRIBE in the subject line, or send an email to [contact.us@id.pwc.com](mailto:contact.us@id.pwc.com)

**DISCLAIMER:** This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2016 PT Prima Wahana Caraka. All rights reserved. PwC refers to the Indonesia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.