

Extension of COVID-19 incentives <sup>P1</sup>

Update on tax facilities related to COVID-19 <sup>P2</sup>

Update on customs incentive for goods related to handling COVID-19 pandemic <sup>P3</sup>

## Extension of COVID-19 incentives

On 1 July 2021, the Ministry of Finance (MoF) issued PMK-82<sup>1</sup> which extends the COVID-19 incentives which were previously provided under PMK-9<sup>2</sup> (please refer to [TaxFlash No. 04/2021](#) for discussion on this).

The original incentives remain the same, as follows:

1. For eligible taxpayers, Article 21 Employee Income Tax (EIT) for employees earning annual regular income not exceeding IDR 200 million will be borne by the Government.
2. Article 22 Income Tax on imports by eligible taxpayers will be exempted.
3. Article 25 monthly Income Tax instalment of eligible taxpayers will be reduced by 50%.
4. The 0.5% final tax regime under Government Regulation No.23 Year 2018 will be borne by the Government.
5. Final Income Tax on construction income received by taxpayers under an Acceleration Program to Improve the Utilisation of Irrigation Water (*Program Percepatan Peningkatan Tata Guna Air Irigasi/P3-TGAI*) will be borne by the Government.
6. Preliminary Value Added Tax (VAT) refund will be available for eligible taxpayers requesting a refund for a maximum IDR 5 billion.

## Extension of the tax incentive period

The incentive period, which was previously until June 2021, is now extended until **December 2021, but action must be taken immediately** to take advantage of the extended incentives.

## Notification or application to be eligible for the continued incentives

Taxpayers that have submitted notifications or application for the incentives under PMK-9 need to re-submit the notification or application under PMK-82 to be eligible for the Article 21, 22, and 25 Income Tax incentives.

<sup>1</sup> MoF Regulation No.82/PMK.03/2021 (PMK-82) dated and effective on 1 July 2021

<sup>2</sup> MoF Regulation No.9/PMK.03/2021 (PMK-9) dated and effective on 1 February 2021

For taxpayers who want to start applying the Article 21 and 25 Income Tax incentives from July 2021, the **notification must be submitted by 15 August 2021** at the latest.

### Realisation report

PMK-82 allows taxpayers who have submitted a realisation report (including its revision) of Article 21 and final tax incentives to submit the revised realisation report for January – June 2021 tax period at the latest by 31 October 2021.

### List of eligible taxpayers

The list of eligible taxpayers as provided in the attachment of PMK-82 for the following tax incentives have been added and reduced:

- a. Article 21 EIT – **1,189 KLUs** (no additional KLU) – see Attachment A.
- b. Article 22 Income Tax on imports – from 730 KLUs to **132 KLUs** – see Attachment J; the additions include certain transportation businesses; and the reductions include mining, food industries, textile industries, entertainment and recreational services, forestry, marine industries, etc.
- c. Article 25 Income Tax – from 1,018 KLUs to **216 KLUs** – see Attachment O; the additions include: river and lake transport, sea transport, etc.; and the reductions include agriculture, mass trading, accounting services, etc.
- d. VAT – from 725 KLUs to **132 KLUs** – see Attachment R; the additions include: river and lake transport, sea transport, etc.; and the reductions include cigarette industries, cement industries, furniture industries, etc.

Taxpayers should check their eligibility based on the specific KLU listed in each Attachment to PMK-82. Please refer to the official version of [PMK-82](#) for the complete list.

### Update on tax facilities related to COVID-19

The MoF issued Regulation No.PMK-83<sup>3</sup> regarding tax facilities in the medical field and the extension of Income Tax facilities under GR-29<sup>4</sup> which serves as an update of the previous regulations.

The tax facilities stipulated in PMK-83 remain the same, namely:

1. Tax facilities for medical fields, i.e. VAT, Article 21, 22, and 23 Income Tax; and
2. Tax facilities under GR-29, i.e. additional tax deduction for COVID-19 supplier production, deductible donations, 0% Article 21 Final Income Tax on additional income received by health workers from the Government, and 0% Final Income Tax on rental income from the Government.

Please refer to the previous TaxFlashes<sup>5</sup> for a detailed discussion on the facilities.

The key changes introduced by PMK-83 are related to the extension of the incentive period for the tax facilities in point 2 above, which is now applicable from 1 January to 31 December 2021 (previously only up to June 2021), whilst the facilities in point 1 remain applicable up to 31 December 2021.

---

<sup>3</sup> MoF Regulation No.83/PMK.03/2021 (PMK-83) dated and effective from 1 July 2021

<sup>4</sup> Government Regulation No.29 Year 2020 (GR-29) dated and effective from 10 June 2020

<sup>5</sup> [TaxFlash No.40/2020](#), [TaxFlash No.25/2020](#), and [TaxFlash No.02/2021](#)

## Update on customs incentive for goods related to handling COVID-19 pandemic

The MoF also issued Regulation No.PMK-92<sup>6</sup> which covers customs facilities for goods needed to handle the COVID-19 pandemic. PMK-92 serves as a third amendment to PMK-34<sup>7</sup> to update the detailed list of goods under this incentive by adding several goods to the list, such as certain finished medicine (e.g. oseltamivir), oxygen, oxygen-related equipment, and respiratory therapy devices. Please refer to the previous TaxFlashes<sup>8</sup> for a detailed discussion on the facilities.

---

<sup>6</sup> MoF Regulation No.92/PMK.04/2021 (PMK-92) dated and effective from 12 July 2021

<sup>7</sup> MoF Regulation No.34/PMK.04/2020 (PMK-34) dated and effective from 17 April 2020

<sup>8</sup> [TaxFlash No.15/2020](#), [TaxFlash No.28/2020](#), and [TaxFlash No.42/2020](#)

## Your PwC Indonesia Contacts:

**Abdullah Azis**  
[abdullah.azis@pwc.com](mailto:abdullah.azis@pwc.com)

**Gerardus Mahendra**  
[gerardus.mahendra@pwc.com](mailto:gerardus.mahendra@pwc.com)

**Raemon Utama**  
[raemon.utama@pwc.com](mailto:raemon.utama@pwc.com)

**Adi Poernomo**  
[adi.poernomo@pwc.com](mailto:adi.poernomo@pwc.com)

**Hasan Chandra**  
[hasan.chandra@pwc.com](mailto:hasan.chandra@pwc.com)

**Runi Tusita**  
[runi.tusita@pwc.com](mailto:runi.tusita@pwc.com)

**Adi Pratikto**  
[adi.pratikto@pwc.com](mailto:adi.pratikto@pwc.com)

**Hendra Lie**  
[hendra.lie@pwc.com](mailto:hendra.lie@pwc.com)

**Ryuji Sugawara**  
[ryuji.sugawara@pwc.com](mailto:ryuji.sugawara@pwc.com)

**Alexander Lukito**  
[alexander.lukito@pwc.com](mailto:alexander.lukito@pwc.com)

**Hisni Jesica**  
[hisni.jesica@pwc.com](mailto:hisni.jesica@pwc.com)

**Soeryo Adjie**  
[soeryo.adjie@pwc.com](mailto:soeryo.adjie@pwc.com)

**Ali Widodo**  
[ali.widodo@pwc.com](mailto:ali.widodo@pwc.com)

**Hyang Augustiana**  
[hyang.augustiana@pwc.com](mailto:hyang.augustiana@pwc.com)

**Sujadi Lee**  
[sujadi.lee@pwc.com](mailto:sujadi.lee@pwc.com)

**Amit Sharma**  
[amit.xz.sharma@pwc.com](mailto:amit.xz.sharma@pwc.com)

**Kianwei Chong**  
[kianwei.chong@pwc.com](mailto:kianwei.chong@pwc.com)

**Susetiyo Putranto**  
[susetiyo.putranto@pwc.com](mailto:susetiyo.putranto@pwc.com)

**Andrias Hendrik**  
[andrias.hendrik@pwc.com](mailto:andrias.hendrik@pwc.com)

**Lukman Budiman**  
[lukman.budiman@pwc.com](mailto:lukman.budiman@pwc.com)

**Sutrisno Ali**  
[sutrisno.ali@pwc.com](mailto:sutrisno.ali@pwc.com)

**Anton Manik**  
[anton.a.manik@pwc.com](mailto:anton.a.manik@pwc.com)

**Mardianto**  
[mardianto.mardianto@pwc.com](mailto:mardianto.mardianto@pwc.com)

**Suyanti Halim**  
[suyanti.halim@pwc.com](mailto:suyanti.halim@pwc.com)

**Antonius Sanyojaya**  
[antonius.sanyojaya@pwc.com](mailto:antonius.sanyojaya@pwc.com)

**Margie Margaret**  
[margie.margaret@pwc.com](mailto:margie.margaret@pwc.com)

**Tim Watson**  
[tim.robert.watson@pwc.com](mailto:tim.robert.watson@pwc.com)

**Ay Tjhing Phan**  
[ay.tjhing.phan@pwc.com](mailto:ay.tjhing.phan@pwc.com)

**Oki Octabiyanto**  
[oki.octabiyanto@pwc.com](mailto:oki.octabiyanto@pwc.com)

**Tjen She Siung**  
[tjen.she.siung@pwc.com](mailto:tjen.she.siung@pwc.com)

**Brian Arnold**  
[brian.arnold@pwc.com](mailto:brian.arnold@pwc.com)

**Omar Abdulkadir**  
[omar.abdulkadir@pwc.com](mailto:omar.abdulkadir@pwc.com)

**Turino Suyatman**  
[turino.suyatman@pwc.com](mailto:turino.suyatman@pwc.com)

**Dexter Pagayonan**  
[dexter.pagayonan@pwc.com](mailto:dexter.pagayonan@pwc.com)

**Otto Sumaryoto**  
[otto.sumaryoto@pwc.com](mailto:otto.sumaryoto@pwc.com)

**Yessy Anggraini**  
[yessy.anggraini@pwc.com](mailto:yessy.anggraini@pwc.com)

**Enna Budiman**  
[enna.budiman@pwc.com](mailto:enna.budiman@pwc.com)

**Parluhutan Simbolon**  
[parluhutan.simbolon@pwc.com](mailto:parluhutan.simbolon@pwc.com)

**Yuliana Kurniadjaja**  
[yuliana.kurniadjaja@pwc.com](mailto:yuliana.kurniadjaja@pwc.com)

**Gadis Nurhidayah**  
[gadis.nurhidayah@pwc.com](mailto:gadis.nurhidayah@pwc.com)

**Peter Hohtoulas**  
[peter.hohtoulas@pwc.com](mailto:peter.hohtoulas@pwc.com)

**Yunita Wahadaniah**  
[yunita.wahadaniah@pwc.com](mailto:yunita.wahadaniah@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 [id\\_contactus@pwc.com](mailto:id_contactus@pwc.com).

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

© 2021 PT Prima Wahana Caraka. All rights reserved. PwC refers to the Indonesian 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.