

REGULATION OF THE MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA
NUMBER 82/PMK.03/2017
ON
GRANTING OF LAND AND BUILDING TAX DEDUCTION

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the provisions concerning granting of Land and Building Tax deduction have been stipulated in Regulation of the Minister of Finance Number 110/PMK.03/2009 on Granting of Land and Building Tax Deduction as amended by Regulation of the Minister of Finance Number 82/PMK.03/2013 on Amendment to Regulation of the Minister of Finance Number 110/PMK.03/2009 on Granting of Land and Building Tax Deduction;
 - b. that the Land and Building Tax of the Rural and Urban Sector has been transferred as the local tax collected by the regency/municipal government under Law Number 28 of 2009 on Local Taxes and Retributions;
 - c. that to provide legal certainty, it is necessary to make adjustments towards the provisions concerning granting of Land and Building Tax deduction as referred to in point a;
 - d. that according to the considerations as referred to in point a, point b, and point c, as well as to implement the provisions of Article 19 of Law Number 12 of 1985 on Land and Building Tax as amended by Law Number 12 of 1994 on

Amendment to Law Number 12 of 1985 on Land and Building Tax, it is necessary to issue Regulation of the Minister of Finance on Granting of Land and Building Tax Deduction;

- Observing :
1. Law Number 6 of 1983 on General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times, and last by Law Number 16 of 2009 on Enactment of Government Regulation in Lieu of Law Number 5 of 2008 on Fourth Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures Into the Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
 2. Law Number 12 of 1985 on Land and Building Tax (State Gazette of the Republic of Indonesia of 1985 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 3312) as amended by Law Number 12 of 1994 on Amendment to Law Number 12 of 1985 on Land and Building Tax (State Gazette of the Republic of Indonesia of 1994 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 3569);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF FINANCE ON GRANTING OF LAND AND BUILDING TAX DEDUCTION.

Article 1

In this Ministerial Regulation:

1. Law on General Provisions and Tax Procedures (*Ketentuan Umum dan Tata Cara Perpajakan*) hereinafter referred to as Law on KUP, means Law Number 6 of 1983 on General Provisions And Tax Procedures, as amended several times, and last by Law Number 16 of 2009.
2. Law on Land and Building Tax (*Pajak Bumi dan Bangunan*) hereinafter referred to as Law on PBB, means Law Number

12 of 1985 on Land and Building Tax as amended by Law Number 12 of 1994.

3. Land and Building Tax, *Pajak Bumi dan Bangunan* hereinafter referred to as PBB, means tax as referred to in the Law on PBB.
4. Tax Object of PBB, hereinafter referred to as Tax Object, means tax object of plantation, forestry, mining and other sector.
5. Land and Building Tax Deduction means deduction of payable PBB as referred to in Article 19 of the Law on PBB.
6. Notification of Payable Tax, *Surat Pemberitahuan Pajak Terutang* hereinafter referred to as SPPT, means a notification letter used by the Directorate General of Taxes to notify the amount of payable PBB to Taxpayers.
7. Notice of Tax Assessment of PBB, *Surat Ketetapan Pajak PBB* hereinafter referred to as SKP PBB, means a notice letter determining the amount of principle PBB or the difference of principle PBB, the amount of administrative penalty, and the total amount of payable PBB.
8. Notice of Tax Collection of PBB, *Surat Tagihan Pajak PBB* hereinafter referred to as STP PBB, means Notice of Tax Collection as referred to in Article 11 section (4) of the Law on PBB.
9. Tax Office, *Kantor Pelayanan Pajak* hereinafter referred to as KPP, means Tax Office where Tax Object is registered.
10. Regional Tax Office of Directorate General of Taxes, *Kantor Wilayah Direktorat Jenderal Pajak* hereinafter referred to as Kanwil DJP, means Regional Tax Office of Directorate General of Taxes coordinating KPP.

Article 2

- (1) PBB Deduction may be given to Taxpayer:
 - a. due to certain circumstances of Tax Object in relation to the tax subject; or
 - b. in the event that Tax Object is affected by natural disasters or other extraordinary causes.

- (2) Certain circumstances as referred to in section (1) point a mean losses and liquidity difficulties at:
 - a. the end of the accounting year prior to the year of submission of PBB Deduction request, in the event that Taxpayer makes bookkeeping; or
 - b. the end of calendar year prior to the year of submission of PBB Deduction request, in the event that Taxpayer makes recording.
- (3) The losses as referred to in section (2) mean commercial losses indicated by:
 - a. financial report as attached on Annual Income Tax Return; or
 - b. recording as attached on Annual Income Tax Return, in the event that Taxpayer does not make bookkeeping.
- (4) The liquidity difficulties as referred to in section (2) means inability condition of Taxpayer to pay the short-term liability with cash obtained from business activities.
- (5) The Natural disasters as referred to in section (1) point b mean disasters caused by event or a series of events caused by nature, such as earthquake, tsunami, eruption, flood, drought, hurricane, or landslide.
- (6) Other extraordinary causes as referred to in section (1) point b, are such as fires, epidemics, pest outbreaks, turmoil, riots, or anarchy acts.

Article 3

- (1) PBB Deduction as referred to in Article 2 section (1) point a is granted to the Taxpayer on payable PBB as stated in:
 - a. SPPT;
 - b. SKP PBB; and/or
 - c. STP PBB, which has been issued according to the decision of PBB Objection.
- (2) PBB Deduction as referred to in Article 2 section (1) point b is granted to the Taxpayer on payable PBB as stated in:
 - a. SPPT;
 - b. SKP PBB; and/or
 - c. STP PBB.

Article 4

- (1) PBB Deduction as referred to in Article 2 section (1) may be granted:
 - a. at a maximum of 75% (seventy five per cent) of payable PBB in the event of certain circumstances of Tax Object in relation to the tax subject as referred to in Article 2 section (1) point a; or
 - b. at a maximum of 100% (a hundred per cent) of payable PBB in the event that Tax Object is affected by natural disasters or other extraordinary causes as referred to in Article 2 section (1) point b.
- (2) Payable PBB as referred to in section (1), means:
 - a. the amount of principle PBB as stated in SPPT;
 - b. the amount of principle PBB plus administrative penalty as stated in SKP PBB; or
 - c. the amount of principle PBB plus administrative penalty as stated in STP PBB.

Article 5

- (1) PBB Deduction as referred to in Article 2 is granted according to the taxpayer request to the Minister of Finance and has been submitted through the Head of KPP.
- (2) PBB Deduction request due to certain circumstances of Tax Object in relation to the tax subject as referred to in Article 2 section (1) point a must meet provisions as follows:
 - a. Taxpayer is not submitting PBB Objection on SPPT or SKP PBB requested for PBB Deduction;
 - b. Taxpayer is not submitting Tax Appeal on decision of PBB Objection;
 - c. Taxpayer is not submitting deduction request for administrative penalty on SKP PBB or STP PBB issued according to decision of PBB Objection, or taxpayer is filing deduction request for administrative penalty of SKP PBB or STP PBB according to decision of PBB Objection, but it is not considered as a request since it does not meet the requirements;
 - d. Taxpayer is not submitting deduction request for

incorrect SPPT or SKP PBB, or taxpayer is filing deduction request for incorrect SPPT or SKP PBB, but it is not considered as a request;

- e. Taxpayer is not submitting cancellation request on SPPT, SKP PBB, or STP PBB, that has been issued according to the incorrect decision of PBB Objection or Taxpayer is filing cancellation request on SPPT, SKP PBB, or STP PBB that has been issued according to the incorrect decision of PBB Objection, but it is not considered as a request;
 - f. Taxpayer is not submitting the correction on SPPT, SKP PBB, or STP PBB, that has been issued according to the incorrect decision of PBB Objection; and
 - g. the request has been submitted within:
 - 1. 3 (three) months since SPPT has been received;
 - 2. 1 (one) month since SKP PBB has been received;
 - 3. 1 (one) month since STP PBB that has been issued according to decision of PBB Objection, is received; or
 - 4. 1 (one) month since the notification of correction on SPPT, SKP PBB, or STP PBB, that has been issued according to the decision of PBB Objection, is received, in the event that:
 - a) correction request on SPPT has been submitted within 3 (three) months since SPPT is received; or
 - b) correction request on SKP PBB or STP PBB that has been issued according to the decision of PBB Objection, is submitted within 1 (one) month since SKP PBB or STP PBB that has been issued according to the decision of PBB Objection, is received.
- (3) The provision of period as referred to in section (2) point g, is not applicable in the event that taxpayers can prove that the period cannot be fulfilled due to certain circumstances beyond their control.
- (4) In the event that Tax Object is affected by natural disasters or other extraordinary causes as referred to in Article 2

section (1) point b, PBB Deduction request must be as follows:

- a. submitted at a maximum of 6 (six) months since the natural disasters or other extraordinary causes happened; and
- b. in the event that the objection decision or appeal verdict upon submission or request has not been issued, Taxpayer revokes the PBB Objection request, Tax Appeal, Judicial Review, and the request for correction, cancellation, deduction of incorrect PBB assessment, or deduction/omission of PBB administrative penalty.

Article 6

- (1) Request as referred to in Article 5 section (1), must be as follows:
 - a. 1 (one) request for 1 (one) SPPT, SKP PBB, or STP PBB;
 - b. submitted in writing in Bahasa Indonesia, by explaining the percentage of PBB Deduction requested and supported with clear reasons;
 - c. signed by the Taxpayer or Taxpayer's representative, and in the event that the request is signed by a non-taxpayer or taxpayer's proxy, the request must be accompanied by a special power of attorney as referred to in the provisions of legislation in the field of taxation; and
 - d. no PBB arrears for the tax object requested for deduction, except in the event that the tax object is affected by natural disasters or other extraordinary causes.
- (2) The request as referred to in section (1) is made by using the format as contained in Annex point A as an integral part of this Ministerial Regulation.

Article 7

- (1) The request as referred to in Article 5 section (1) must be accompanied by a copy of SPPT, SKP PBB or STP PBB, that is requested to PBB Deduction.

- (2) In the event that PBB Deduction is caused by certain circumstances of tax object in relation to the tax subject as referred to in Article 2 section (1) point a, the request must be accompanied by:
 - a. copy of financial report attached to the Annual Income Tax Return prior to the year of submission of the PBB Deduction request, for taxpayer who makes bookkeeping; or
 - b. copy of recording documents attached to the Annual Income Tax Return prior to the year of submission of the PBB Deduction request, for taxpayer who makes recording; and
 - c. copy of supporting documents stating that the taxpayer experienced liquidity difficulties in the year prior to the year of submission of the PBB Deduction request.
- (3) In the event of PBB Deduction granted to Tax Object affected by natural disasters or other extraordinary causes as referred to in Article 2 section (1) point b, the request must be accompanied by:
 - a. statement from the Taxpayer stating that the Tax Object was affected by natural disasters or other extraordinary causes; and
 - b. statement from the related agency as supporting evidence stating that Tax Object was affected by natural disasters or other extraordinary causes.
- (4) Taxpayer's statement stating that the Tax Object is affected by natural disasters or other extraordinary causes as referred to in section (3) point a is made by using the sample format as contained in Annex point B as an integral part of this Ministerial Regulation.

Article 8

- (1) The request as referred to in Article 5 section (1) is submitted:
 - a. directly;
 - b. through post office with receipt of registered mailing; or
 - c. through an expedition service company or courier service with receipt of delivery.

- (2) A direct request submission as referred to in section (1) point a is given receipt by appointed employee at KPP.
- (3) The receipt as referred to in section (1) point b and point c is receipt of the request letter.
- (4) The date stated on the receipt of request letter as referred to in section (2) and section (3) is the date of the request letter received.

Article 9

Head of Kanwil DJP on behalf of the Minister of Finance has an authority to carry out examination, research, and make a decision on PBB Deduction request.

Article 10

- (1) Head of Kanwil DJP follow-ups the PBB Deduction request as referred to in Article 5 section (1) by examining the PBB Deduction request towards the compliance with the provision of Article 5 section (2), Article 5 section (3), Article 5 section (4), Article 6 section (1), and Article 7 section (1).
- (2) In the event that PBB Deduction request has met the provision as referred to in section (1), the request is followed-up.
- (3) In the event that PBB Deduction request does not meet the provisions as referred to in section (1), Head of Kanwil DJP return the request by delivering letter containing the reason of returning the PBB Deduction request.
- (4) In the event of Taxpayer's request does not meet the criteria as referred to in Article 6 section (1) and/or Article 7 section (1), Taxpayer may re-submit.
- (5) In the event that Taxpayer's request does not meet the provisions as referred to in Article 5 section (2), Article 5 section (3) and/or Article 5 section (4), Taxpayer cannot re-submit the request.
- (6) The letter of returning request as referred to in section (3) is made by using the sample format as contained in Annex point C as an integral part of this Ministerial Regulation.

Article 11

- (1) Towards PBB Deduction request that meets the provisions as referred to in Article 10 section (1), Head of Kanwil DJP follows-ups the request by examining the Taxpayer's request.
- (2) In conducting research as referred to in section (1), Head of Kanwil DJP may request document, data, information and/or explanation to Taxpayer through:
 - a. the letter submission of document, data, information, and/or explanation request; and/or
 - b. the observation at Tax Object location, Taxpayer's place of domicile, and/or other necessary places including identification, measurement, mapping, and/or collecting data, information, and/or evidence, concerning the Tax Object requested for the deduction of PBB's administrative penalty.
- (3) Taxpayers must fulfill the request as referred to in section (2) point a no more than 15 (fifteen) work days since the date of the request letter delivered.
- (4) In conducting further research, the Head of Kanwil DJP may request document, data, information, and/or additional explanation to Taxpayers by submitting a letter of document, data, information, and/or additional explanation request.
- (5) Taxpayers must provide requested document, data, information, and/or additional explanation within the time at maximum as stated in the request letter of document, data, information, and/or additional explanation.
- (6) In requesting document, data, information, and/or explanation through observation of Tax Object location, Taxpayer's place of domicile, and/or other necessary places as referred to in section (2) point b, Director General of Taxes firstly submit a notification letter to Taxpayers.
- (7) In the event that Taxpayer does not fulfill partially or fully the request as referred to in section (2) and/or section (4), the Head of Kanwil DJP processes Taxpayer's request as referred to in section (1) according to document, data, information, and/or explanation received and/or owned by the Directorate General of Taxes.

- (8) The request letter of document, data, information and/or explanation, as referred to in section (2), is made by using the sample format as contained in Annex point D as an integral part of this Ministerial Regulation.
- (9) The request letter of additional document, data, information and/or explanation as referred to in section (4) is made by using the sample format as contained in Annex point E as an integral part of this Ministerial Regulation.
- (10) The notification letter as referred to in section (6) is made by using the sample format contained in Attachment point F as an integral part of this Ministerial Regulation.

Article 12

- (1) The Head of Kanwil DJP within at a maximum of 4 (four) months since the PBB Deduction request received, must make a decision on PBB Deduction request as referred to in Article 9.
- (2) The decision of Head of Kanwil DJP as referred to in section (1) may grant fully, grant partially or reject Taxpayer's request.
- (3) If the period as referred to in section (1) has been exceeded and the Head of Kanwil DJP does not issue decision of PBB Deduction, the PBB Deduction request is considered granted and the Head of Kanwil DJP must issue decision of PBB Deduction according to the Taxpayer's request within a maximum of 1 (one) month since the period as referred to in section (1) ends.
- (4) In the event that:
 - a. Taxpayer requests PBB Deduction by expressing the percentage that exceeds the provisions as referred to in Article 4; and
 - b. the Head of Kanwil DJP issues decision of PBB Deduction that exceeds the period as referred to in section (1),the amount of PBB Deduction as issued in the decision of PBB Deduction is at maximum as the percentage according to the provisions as referred to in Article 4.

- (5) In the event that:
 - a. the Head of Kanwil DJP on behalf of the Minister of Finance has issued the decision of PBB Deduction; and
 - b. Taxpayer submits a written explanation request concerning the decision as referred to in point a, the Head of Kanwil DJP gives a written explanation concerning basis for rejecting or partly granting Taxpayer's request as referred to in section (2).
- (6) The decision as referred to in section (1) is made by using the sample format as contained in Annex point G as an integral part of this Ministerial Regulation.

Article 13

In the event that the decision of PBB Deduction as referred to in Article 12 section (1) has been issued, Taxpayer can no longer submit another PBB Deduction request for the similar Tax Object at the same Taxable Year.

Article 14

With the issuance of this Ministerial Regulation, all PBB Deduction requests that have been accepted prior to the issuance of this Ministerial Regulation and have not yet been granted a decision, are finished according to the provisions as issued in Regulation of the Minister of Finance Number 110/PMK.03/2009 on Granting of PBB Deduction (State Bulletin of 2009 Number 146) as amended by Regulation of the Minister of Finance Number 82/PMK.03/2013 on Amendment to the Regulation of the Minister of Finance Number 110/PMK.03/2009 on Granting of PBB Deduction (State Bulletin of 2013 Number 602).

Article 15

At the time this Ministerial Regulation comes into force:

1. Regulation of the Minister of Finance Number 110/PMK.03/2009 on Granting of PBB Deduction (State Bulletin of 2009 Number 146); and
2. Regulation of the Minister of Finance Number 82/PMK.03/2013 on Amendment to Regulation of the

Minister of Finance Number 110/PMK.03/2009 on Granting of PBB Deduction (State Bulletin of 2013 Number 602), are revoked and declared ineffective.

Article 16

This Ministerial Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 20 June 2017

MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA,

signed

SRI MULYANI INDRAWATI

Promulgated in Jakarta
on 21 June 2017

DIRECTOR GENERAL OF LEGISLATION
MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

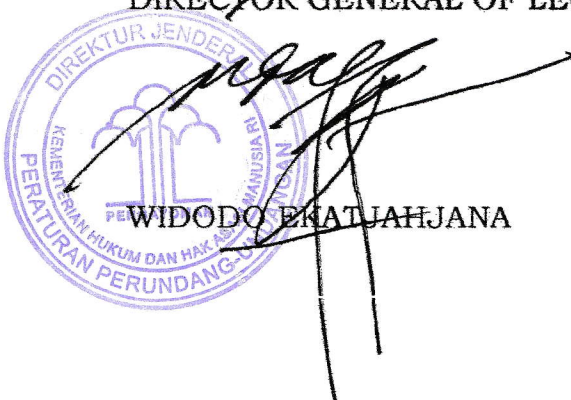
WIDODO EKATJAHJANA

STATE BULLETIN OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 875

Jakarta, 21 May 2019

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA