



Indonesia Tax Alert January 2024

Effective tax rate to calculate employee income tax introduced

To simplify the calculation of Article 21 employee income tax, on 27 December 2023, the Indonesian government issued Regulation Number 58 of 2023 (PP-58) introducing the use of an effective tax rate (ETR) to calculate the income tax required to be withheld from employee's remuneration for the fiscal period of January up to November. PP-58 comes into effect as from 1 January 2024.

The ETR has considered allowable deductions, such as occupational expenses, pension costs, employee contributions to an approved pension fund, and nontaxable income (*penghasilan tidak kena pajak* (PTKP)). The ETR comprises:

- Monthly ETR—applicable to employees receiving income on a monthly basis; and
- Daily ETR—applicable to nonpermanent employees receiving income other than on a monthly basis (e.g., daily, weekly, individually, or in a lump sum).

The monthly ETR is divided into three categories based on the taxpayer's PTKP status (i.e., marital status and number of dependents) at the beginning of a fiscal year, as presented in the table below:

Category	PTKP status
A	<ul style="list-style-type: none"> • Single with no dependent • Single with one dependent • Married with no dependent
B	<ul style="list-style-type: none"> • Single with two dependents • Single with three dependents • Married with one dependent • Married with two dependents
C	Married with three dependents

For ease of reference, we have summarized the ETRs applicable under the above categories in the appendix to this Tax Alert.

Notwithstanding the use of the ETR in calculating the monthly employee income tax, the employer is still required to calculate Article 21 employee income tax for the entire year (covering the fiscal period of January up to December) by using the progressive income tax rate(s) applicable to an individual taxpayer (as defined in Article 17(1)(a) of the Income Tax Law) in calculating the Article 21 withholding tax for the December period.

Since PP-58 is a new regulation and does not address a number of issues (such as bonus payment and religious holiday allowance (*tunjangan hari raya*)), further implementing regulations are expected.

As the regulation applies as from 1 January 2024, employers would be advised to revisit the Article 21 employee income tax calculation formula in their payroll system to reflect these amendments and communicate the changes to their employees.

Appendix – Summary of the applicable ETRs under PP-58.

Monthly ETR–Category A

Monthly gross income	ETR
≤ IDR 5,400,000	0%
IDR 5,400,001 - IDR 5,650,000	0.25%
IDR 5,650,001 - IDR 5,950,000	0.50%
IDR 5,950,001 - IDR 6,300,000	0.75%
IDR 6,300,001 - IDR 6,750,000	1%
IDR 6,750,001 - IDR 7,500,000	1.25%
IDR 7,500,001 - IDR 8,550,000	1.50%
IDR 8,550,001 - IDR 9,650,000	1.75%
IDR 9,650,001 - IDR 10,050,000	2%
IDR 10,050,001 - IDR 10,350,000	2.25%
IDR 10,350,001 - IDR 10,700,000	2.50%
IDR 10,700,001 - IDR 11,050,000	3%
IDR 11,050,001 - IDR 11,600,000	3.50%
IDR 11,600,001 - IDR 12,500,000	4%
IDR 12,500,001 - IDR 13,750,000	5%
IDR 13,750,001 - IDR 15,100,000	6%
IDR 15,100,001 - IDR 16,950,000	7%
IDR 16,950,001 - IDR 19,750,000	8%
IDR 19,750,001 - IDR 24,150,000	9%
IDR 24,150,001 - IDR 26,450,000	10%
IDR 26,450,001 - IDR 28,000,000	11%
IDR 28,000,001 - IDR 30,050,000	12%

Monthly gross income	ETR
IDR 30,050,001 - IDR 32,400,000	13%
IDR 32,400,001 - IDR 35,400,000	14%
IDR 35,400,001 - IDR 39,100,000	15%
IDR 39,100,001 - IDR 43,850,000	16%
IDR 43,850,001 - IDR 47,800,000	17%
IDR 47,800,001 - IDR 51,400,000	18%
IDR 51,400,001 - IDR 56,300,000	19%
IDR 56,300,001 - IDR 62,200,000	20%
IDR 62,200,001 - IDR 68,600,000	21%
IDR 68,600,001 - IDR 77,500,000	22%
IDR 77,500,001 - IDR 89,000,000	23%
IDR 89,000,001 - IDR 103,000,000	24%
IDR 103,000,001 - IDR 125,000,000	25%
IDR 125,000,001 - IDR 157,000,000	26%
IDR 157,000,001 - IDR 206,000,000	27%
IDR 206,000,001 - IDR 337,000,000	28%
IDR 337,000,001 - IDR 454,000,000	29%
IDR 454,000,001 - IDR 550,000,000	30%
IDR 550,000,001 - IDR 695,000,000	31%
IDR 695,000,001 - IDR 910,000,000	32%
IDR 910,000,001 - IDR 1,400,000,000	33%
> IDR 1,400,000,000	34%

Monthly ETR–Category B

Monthly gross income	ETR
≤ IDR 6,200,000	0%
IDR 6,200,001 - IDR 6,500,000	0.25%
IDR 6,500,001 - IDR 6,850,000	0.50%
IDR 6,850,001 - IDR 7,300,000	0.75%
IDR 7,300,001 - IDR 9,200,000	1%
IDR 9,200,001 - IDR 10,750,000	1.50%

Monthly gross income	ETR
IDR 10,750,001 - IDR 11,250,000	2%
IDR 11,250,001 - IDR 11,600,000	2.50%
IDR 11,600,001 - IDR 12,600,000	3%
IDR 12,600,001 - IDR 13,600,000	4%
IDR 13,600,001 - IDR 14,950,000	5%
IDR 14,950,001 - IDR 16,400,000	6%

Monthly gross income	ETR
IDR 16,400,001 - IDR 18,450,000	7%
IDR 18,450,001 - IDR 21,850,000	8%
IDR 21,850,001 - IDR 26,000,000	9%
IDR 26,000,001 - IDR 27,700,000	10%
IDR 27,700,001 - IDR 29,350,000	11%
IDR 29,350,001 - IDR 31,450,000	12%
IDR 31,450,001 - IDR 33,950,000	13%
IDR 33,950,001 - IDR 37,100,000	14%
IDR 37,100,001 - IDR 41,100,000	15%
IDR 41,100,001 - IDR 45,800,000	16%
IDR 45,800,001 - IDR 49,500,000	17%
IDR 49,500,001 - IDR 53,800,000	18%
IDR 53,800,001 - IDR 58,500,000	19%
IDR 58,500,001 - IDR 64,000,000	20%

Monthly gross income	ETR
IDR 64,000,001 - IDR 71,000,000	21%
IDR 71,000,001 - IDR 80,000,000	22%
IDR 80,000,001 - IDR 93,000,000	23%
IDR 93,000,001 - IDR 109,000,000	24%
IDR 109,000,001 - IDR 129,000,000	25%
IDR 129,000,001 - IDR 163,000,000	26%
IDR 163,000,001 - IDR 211,000,000	27%
IDR 211,000,001 - IDR 374,000,000	28%
IDR 374,000,001 - IDR 459,000,000	29%
IDR 459,000,001 - IDR 555,000,000	30%
IDR 555,000,001 - IDR 704,000,000	31%
IDR 704,000,001 - IDR 957,000,000	32%
IDR 957,000,001 - IDR 1,405,000,000	33%
> IDR 1,405,000,000	34%

Monthly ETR–Category C

Monthly gross income	ETR
≤ IDR 6,600,000	0%
IDR 6,600,001 - IDR 6,950,000	0.25%
IDR 6,950,001 - IDR 7,350,000	0.50%
IDR 7,350,001 - IDR 7,800,000	0.75%
IDR 7,800,001 - IDR 8,850,000	1%
IDR 8,850,001 - IDR 9,800,000	1.25%
IDR 9,800,001 - IDR 10,950,000	1.50%
IDR 10,950,001 - IDR 11,200,000	1.75%
IDR 11,200,001 - IDR 12,050,000	2%
IDR 12,050,001 - IDR 12,950,000	3%
IDR 12,950,001 - IDR 14,150,000	4%
IDR 14,150,001 - IDR 15,550,000	5%
IDR 15,550,001 - IDR 17,050,000	6%
IDR 17,050,001 - IDR 19,500,000	7%
IDR 19,500,001 - IDR 22,700,000	8%
IDR 22,700,001 - IDR 26,600,000	9%

Monthly gross income	ETR
IDR 26,600,001 - IDR 28,100,000	10%
IDR 28,100,001 - IDR 30,100,000	11%
IDR 30,100,001 - IDR 32,600,000	12%
IDR 32,600,001 - IDR 35,400,000	13%
IDR 35,400,001 - IDR 38,900,000	14%
IDR 38,900,001 - IDR 43,000,000	15%
IDR 43,000,001 - IDR 47,400,000	16%
IDR 47,400,001 - IDR 51,200,000	17%
IDR 51,200,001 - IDR 55,800,000	18%
IDR 55,800,001 - IDR 60,400,000	19%
IDR 60,400,001 - IDR 66,700,000	20%
IDR 66,700,001 - IDR 74,500,000	21%
IDR 74,500,001 - IDR 83,200,000	22%
IDR 83,200,001 - IDR 95,600,000	23%
IDR 95,600,001 - IDR 110,000,000	24%
IDR 110,000,001 - IDR 134,000,000	25%

Monthly gross income	ETR
IDR 134,000,001 - IDR 169,000,000	26%
IDR 169,000,001 - IDR 221,000,000	27%
IDR 221,000,001 - IDR 390,000,000	28%
IDR 390,000,001 - IDR 463,000,000	29%
IDR 463,000,001 - IDR 561,000,000	30%

Monthly gross income	ETR
IDR 561,000,001 - IDR 709,000,000	31%
IDR 709,000,001 - IDR 965,000,000	32%
IDR 965,000,001 - IDR 1,419,000,000	33%
> IDR 1,419,000,000	34%

Daily ETR

Daily gross income	ETR
≤ IDR 450,000	0%
IDR 450,001 - IDR 2,500,000	0.5%

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