



Indonesian Tax Info April 2015 edition

In this issue:

1. [Electronic Tax Return Service Provider](#)
 2. [Land and Building Tax Calculation for Upstream Oil and Gas, Mining and Geothermal for 2015 Fiscal Year](#)
 3. [Further Clarification on Hotel Services Not Subject to VAT](#)
-

Electronic Tax Return Service Provider

In anticipation of more types of Electronic Tax Return being introduced in the future to facilitate taxpayers in easier submission of their tax returns, the Directorate General of Taxation (“DGT”) issued Regulation number PER 05/PJ/2015 (“PER-05”) on 13 February 2015. PER-05 governs procedures for companies that wish to become Electronic Tax Return service providers (“Provider”) for taxpayers and the DGT.

To become a Provider, the candidate company must submit an application to the DGT and meet all the following requirements:

- a. is a legal entity;
- b. is domiciled in Indonesia;
- c. has a Tax Identification Number (NPWP);
- d. has submitted its annual income tax returns for the past three years and does not have tax payable for any types of taxes, unless it has permission to pay in installments/ to defer the payment;

- e. has never been convicted of a criminal act in the field of taxation or criminal offenses in the field of information technology;
- f. one of the company's management should be an Indonesian citizen.

PER-05 is effective from 13 February 2015.

Land and Building Tax Calculation for Upstream Oil and Gas, Mining and Geothermal for 2015 Fiscal Year

The DGT has issued Decision number KEP-17/PJ/2015 ("KEP-17") to determine the following:

1. Land value per square meter for Offshore earth surface used to calculate assessed property value ("NJOP") for the upstream oil and gas and coal and mineral mining sectors;
2. Land value per square meter for Subsurface earth and capitalization figures used to calculate the NJOP for exploration upstream oil and gas, geothermal and mining sector;
3. Steam and electricity prices used to calculate the NJOP for the geothermal sector.

Also stipulated in KEP-17:

- Land value per square meter for Offshore earth surface for oil and gas, and mining sector is IDR 11.458.
- Land value per square meter for Subsurface earth for exploration phase upstream oil and gas, geothermal, and mining sector is IDR 140.
- Capitalization Figure for:
 - a. Oil & gas and geothermal sector is set at 10.04;
 - b. Mineral mining sector is set at 8.2;
 - c. Coal mining sector is set at 10.25.
- Steam and electricity prices for the geothermal sector are determined based on the following:

- a. Average steam price at IDR 568 per kWh; and
- b. Average electricity price at IDR 862 per kWh.

KEP-17, which is effective for fiscal year 2015, serves as the implementing regulation of DGT Regulation number PER-32/PJ/2012 and PER-45/PJ/2013, the land and building tax calculation guidelines for coal and mineral mining; and geothermal, oil and gas mining sector, respectively.

Further Clarification on Hotel Services Not Subject to VAT

The Minister of Finance recently issued a new Regulation number 43/PMK.010/2015 ("PMK-43") stipulating the types of hotel services that are not subject to VAT. PMK-43 is part of the implementation of Government Regulation No.1 of 2012, which serves as an implementing regulation of the VAT Law. One of the objectives is to make a clear distinction between the imposition of VAT versus the Hotel and Restaurant Tax which is payable to the Local Government.

The hotel services that are not subject to VAT under PMK-43 are:

- a. Room rental, including all "additional services" provided in hotels, lodgings, motels, inns, and hostels, as well as "facilities" associated with hotel activities for staying guests.
- b. Room rental for meetings or other activities at hotels, lodgings, motels, inns, and hostels.

The "additional services" referred to in point a are those directly related to room rental services, such as room service, air conditioning, laundry and dry cleaning, extra bed, furniture and fixtures,

telephone, safety box, internet, satellite/cable television, and minibar.

The “facilities” referred to in point a are hotel activities for staying guests that are directly related to the room rental services and solely reserved for staying guests, such as sports and entertainment, photocopying, telex, fax, and hotel transportation (shuttle vehicles).

The types of hotel services that are subject to VAT are as follows:

- a. Room rental services other than for meetings or other events, such as space rental for

automated teller machines (ATMs), offices, banking, restaurants, places of entertainment, karaoke, pharmacies, retail stores, and clinics;

- b. Rental services for units and/or space, including enhancements, in apartments, condominiums, and the like, as well as other related support facilities;
- c. Tour and travel services organized by hotel services management.

PMK-43 is effective from 9 March 2015.



Questions concerning any of the subjects or issues contained in this newsletter should be directed to your usual contact in our firm, or any of the following individuals:

Melisa Himawan	<u>mehimawan@deloitte.com</u>	Tax Managing Partner
Firdaus Asikin	<u>firdausasikin@deloitte.com</u>	Senior Tax Partner
Carlo Llanes Navarro	<u>canavarro@deloitte.com</u>	National Transfer Pricing Leader
Connie Chu	<u>cchu@deloitte.com</u>	National GES Leader
Roy David Kiantiong	<u>rkiantiong@deloitte.com</u>	Tax Partner
Cindy Sukiman	<u>csukiman@deloitte.com</u>	Tax Partner
Dionisius Damijanto	<u>ddamijanto@deloitte.com</u>	Tax Partner
Heru Supriyanto	<u>hsupriyanto@deloitte.com</u>	Tax Partner
Irene Atmawijaya	<u>iatmawijaya@deloitte.com</u>	Tax Partner
John Lauwrenz	<u>jlauwrenz@deloitte.com</u>	Tax Partner
Nazly Siregar	<u>nsiregar@deloitte.com</u>	Tax Partner
Turmanto	<u>tturmanto@deloitte.com</u>	Tax Partner
Dany Hamdan Karim	<u>dkarim@deloitte.com</u>	Tax Director
Heru Widayanto	<u>hwidayanto@deloitte.com</u>	Tax Director
Reinhard Daniel Aritonang	<u>redaniel@deloitte.com</u>	Tax Director
Soenari Chasan	<u>csoenari@deloitte.com</u>	Tax Director
Yan Hardyana	<u>yhardyana@deloitte.com</u>	Tax Director
Koji Sugimoto	<u>kojisugimoto@deloitte.com</u>	Technical Advisor

Deloitte Tax Solutions

The Plaza Office Tower, 32nd Floor

Jl. M.H. Thamrin Kav 28-30

Jakarta 10350, Indonesia

Tel: +62 21 2992 3100

Fax: +62 21 2992 8303

email: iddttl@deloitte.com

www.deloitte.com/id

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/id/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 210,000 professionals are committed to becoming the standard of excellence.

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising over 270 partners and 6,300 professionals in 24 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Indonesia

In Indonesia, services are provided by Deloitte Tax Solutions.

This newsletter is prepared based on the prevailing Laws, regulations and publications available as at 24 April 2015. These materials and the information contained herein are provided by Deloitte Tax Solutions and are intended to provide general information on a particular subject or subjects and are not an exhaustive treatment of such subject(s).

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, any of its member firms, or any of the foregoing’s affiliates (collectively the “Deloitte Network”) are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2015 Deloitte Tax Solutions