

# FINAL INCOME TAX FOR CERTAIN TAX PAYER

Jul 16, 2013

Government Regulation No. 46 of 2013 on Income Tax for Taxpayers with Certain Gross Income was promulgated on 13 June 2013 and came into force on 1 July 2013. Under the Regulation a final income tax of 1% will be imposed on any taxpayer who:

- is an Individual or Entity (Legal or Business), excluding permanent business entities; and
- earns gross income from his/her/its business, excluding any freelance services, of up to Rp.4.8 billion within one fiscal year.

The Regulation exempts Individual Tax Payers that (i) use facilities which can be dismantled, whether permanent or not; and (ii) use a public space which is not intended for business activities, as well as Entity Tax Payers which are not operating commercially. This will be regulated further in a Minister of Finance Regulation. This Regulation does not apply to any income that is specifically regulated under a different tax tariff regulation.