
To : Clients of Salaki & Salaki

Re : Tax Alert – Personal Exemption (“PTKP”) for Individual Taxpayers

■ On June 22, 2016, Indonesia Ministry of Finance issued new Ministry of Finance Regulations Number PMK 101/PMK.010/2016 (“PMK 101”) regarding Changes in the Amount of Non-Taxable Income / Personal Exemption (“PTKP”) for Individual Taxpayers and PMK 102/PMK.010/2016 (“PMK 102”) regarding Non-Taxable Income of Daily and Weekly Employee and Other Non-Permanent Employee.

■ These regulations become **effective on the date of promulgation, which is June 27, 2016.**

■ **Based on Article 1 of PMK 101, the amount of PTKP for individual taxpayers is adjusted as follows:**

✚ Rp. 54.000.000,00 (fifty four million rupiahs) for single taxpayer (TK/0);

✚ Additional Rp. 4.500.000,00 (four million five hundred thousand rupiahs) for married taxpayer;

✚ Additional Rp. 54.000.000,00 (fifty four million rupiahs) for a wife whose income is calculated together as one unit with the husband’s as stipulated in Article 8 Paragraph (1) Law No. 7 Year 1983 on Income Taxes which has been amended several times, the latest by Law No. 36 Year 2008;

✚ Additional Rp. 4.500.000,00 (four million five hundred thousand rupiahs) for each family member of the same blood or by marriage in a straight descent line, including any adopted child, who is fully dependent, at a maximum of 3 (three) individuals per family.

■ The adjusted amount of PTKP comes into force in Fiscal Year 2016. (Article 3 PMK 101)

■ Based on **Article 1 of PMK 102**, there is no withholding of Income Tax Art. 21 if income that is received by daily and weekly employee and other non-

permanent employee as referred to in Article 21 Paragraph (4) Law Number 7 Year 1983 on Income Taxes which has been amended several times, the latest by Law Number 36 Year 2008 **does not exceed Rp. 450.000,00 (four hundred fifty thousand rupiahs) per day.**

- The provision referred to in Article 1 does not apply if the cumulative income received is more than Rp. 4.500.000 (four million five hundred thousand rupiahs) in a month; or the income is paid on a monthly basis. (Article 2 PMK 102)
- The provisions referred to in Article 1 and Article 2 do not apply if the income is honorarium or commission paid to hawkers and external insurance agent. (Article 3 PMK 102)

Copies of PMK No. 101/PMK.010/2016 and PMK No. 102/PMK.010/2016 are attached along with this Tax Alert.

(Please note that this TAX ALERT is by no means a summary of all the main issues covered in and concerns arising from the stated above new tax regulations.)

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