

RURAL AND URBAN LAND AND BUILDING TAX (Regulation of the Special Capital Province of Jakarta No. 16/2011 dated December 30, 2011)

BY THE GRACE OF GOD ALMIGHTY
THE GOVERNOR OF THE SPECIAL
CAPITAL PROVINCE OF JAKARTA,

Considering :

- a. that Law No. 28/2009 on Regional Taxes and Regional Levies stipulates that Rural and Urban Land and Building Tax becomes regional tax;
- b. that land and buildings give better socio-economic benefit and/or position to persons or bodies that receive benefits from them and therefore, it is reasonable if they are required to give part of the benefit or profit they receive to the region through tax;
- c. that based on the considerations in letters a and b, it is necessary to stipulate Regional Regulation on Rural and Urban Land and Building Tax;

In view of :

1. Law No. 6/1983 on General Provisions and Taxation Procedures (Statute Book of 1983 No. 49, Supplement to Statute Book No. 3262) as already several times amended the latest by Law No. 28/2007 (Statute Book of 2007 No. 85, Supplement to Statute Book No. 4740);
2. Law No. 12/1985 on Land and Building Tax (Statute Book of 1985 No. 68, Supplement to Statute Book No. 3312) as already amended by Law No. 12/1994 (Statute Book of 1994 No. 82, Supplement to Statute Book No. 3569);
3. Law No. 19/1997 on the Collection of Taxes with Warrant (Statute Book of 1997 No. 41, Supplement to Statute Book No. 3686) as already amended by Law No. 19/2000 (Statute Book of 2000 No. 129, Supplement to Statute Book No. 3987);
4. Law No.14/2002 on Tax Court (Statute Book of 2002 No. 27, Supplement to Statute Book No. 4189);
5. Law No. 17/ 2003 on State Finance (Statute Book of 2003 No. 47, Supplement to Statute Book No. 4286);
6. Law No. 1/2004 on State Treasury (Statute Book of 2004 No. 5, Supplement to Statute Book No. 4355);
7. Law No.15/2004 on the Management and Accountability of State Finance (Statute Book of 2004 No. 66, Supplement to Statute Book No. 4400);
8. Law No.32/2004 on Regional Governments (Statute Book of 2004 No. 125, Supplement

- to Statute Book No. 4437), as already several times amended the latest by Law No. 12/2008 (Statute Book of 2008 No. 59, Supplement to Statute Book No. 4844);
9. Law No. 33/2004 on the Financial Balance between the Central Government and Regional Governments (Statute Book of 2004 No. 126, Supplement to Statute Book No. 4438);
 10. Law No. 29/2007 on the Government of the Special Capital Province of Jakarta as the Capital of the Unitary State of the Republic of Indonesia (Statute Book of 2007 No. 93, Supplement to Statute Book No. 4744);
 11. Law No. 28/2009 on Regional Taxes and Regional Levies (Statute Book of 2009 No. 130, Supplement to Statute Book No. 5049);
 12. Law No. 12/2011 on the Enactment of Legislation (Statute Book of 2011 No. 82, Supplement to Statute Book No. 5234);
 13. Government Regulation No. 135/2000 on the Procedure of Seizure within the Framework of Collecting Taxes with Warrants (Statute Book of 2000 No. 247, Supplement to Statute Book No. 4049);
 14. Government Regulation No. 136/ 2000 on the Procedure of Selling Confiscated Goods (Statute Book of 2000 No. 248, Supplement to Statute Book No. 4050);
 15. Government Regulation No.137/2000 on the Procedure of Taking Hostages, Rehabilitation of Good Name of Tax Guarantors, and Giving Compensation within the Framework of Collecting Taxes with Warrants (Statute Book of 2000 No. 249, Supplement to Statute Book No. 4051);
 16. Government Regulation No. 58/2005 on the Management of Regional Finance (Statute Book of 2005 No. 140, Supplement to Statute Book No. 4578);
 17. Government Regulation No. 41/2007 on the Organization of Regional Apparatuses (Statute Book of 2007 No. 89, Supplement to Statute Book No. 4741);
 18. Government Regulation No. 91/2010 on the Types of Regional Taxes Collected Based on the Decision of the Regional Head or Paid by Taxpayers Themselves (Statute Book of 2010 No. 153);
 19. Regulation of the Home Affairs Minister No. 13/2006 on Guidance for the Management of Regional Finance as already several times amended the latest by Regulation of the Home Affairs Minister No. 21/2011;
 20. Regulation of the Home Affairs Minister No. 45/2008 on the Organization Pattern of Regional Apparatuses of the Special Capital Province of Jakarta;
 21. Regulation of the Finance Minister No. 147/ PMK.07/2010 on the Appointment of Bodies or Representatives of International Institutes as Tax Object Exempted from Land and Building Tax;
 22. Regulation of the Finance Minister No. 148/ PMK.07/2010 on Bodies or Representatives of International Institutes Exempted from Land and

Building Tax;

23. Joint Regulation of the Finance Minister and the Home Affairs Minister No. 213/PMK.07/2010 and No. 58/2010 on the Phases of Preparations for the Change in Rural and Urban Land and Building Tax into Regional Tax;
24. Regional Regulation No. 10/2008 on the Organization of Regional Apparatuses (Regional Gazette of the Special Capital Province of Jakarta of 2008 No. 10);

With the Joint Approval of
**THE LEGISLATIVE COUNCIL OF
 THE SPECIAL CAPITAL PROVINCE OF JAKARTA**
 and
**THE GOVERNOR OF THE SPECIAL CAPITAL
 PROVINCE OF JAKARTA**

DECIDES :

To stipulate :

**REGIONAL REGULATION ON RURAL AND URBAN
 LAND AND BUILDING TAX.**

**CHAPTER I
 GENERAL PROVISIONS**

Article 1

Referred to in this Regional Regulation as :

1. Region is the Special Capital Province of Jakarta.
2. Regional Government is the Governor and Regional Apparatuses as an element implementing the

Regional Government.

3. Governor is the Regional Head of the Special Capital Province of Jakarta.
4. Regional Legislative Council is the Regional Legislative Council of the Special Capital Province of Jakarta.
5. The Leadership of the Regional Legislative Council is the Chairman and Deputy Chairmen of the Regional Legislative Council of the Special Capital Province of Jakarta.
6. Regional Financial Management Body is the Regional Financial Management Body of the Special Capital Province of Jakarta.
7. Head of Regional Financial Management Body is the Head of the Regional Financial Management Body of the Special Capital Province of Jakarta.
8. Tax Service Office is the Tax Service Office of the Special Capital Province of Jakarta.
9. Head of Tax Service Office is the Head of Tax Service Office of the Special Capital Province of Jakarta.
10. Official is an employee given certain tasks in the regional taxation field according to the legislation.
11. Regional Regulation is a regulation stipulated by the Regional Head with approval of the Regional Legislative Council.
12. Regional Tax, hereinafter called tax, is compulsory contribution to the region owed by individuals or bodies and forcibly imposed according to the law, without receiving any direct recompense and used in the interests of the region for the greatest

- benefit of the people.
13. Land and Building Tax, hereinafter abbreviated into PBB, is tax on land and/or buildings owned, controlled and/or used by individuals or bodies in the rural and urban sectors, except areas used for plantation, forestry and mining businesses.
 14. Land is earth surface covering land and inland waters and sea in the territory of the Special Capital Province of Jakarta.
 15. Building is technical construction planted or placed permanently on land and/or in inland waters, and/or at sea.
 16. Body is a group of people and/or capital serving as a unit, either those carrying out business or those not carrying out business, covering limited liability company, limited partnership, other liability companies, state-owned company (BUMN), or regional government-owned company (BUMD) under any name and in any form, firm, partnership, cooperative, pension fund, union, association, foundation, mass organization, socio-political organization, or other organizations, institute or other bodies including collective investment contract and permanent business establishment.
 17. Green belt, hereinafter called RTH, is ground surface area dominated by trees tended to protect certain habitat, and/or urban facility/environment, and/or safeguard infrastructure networks and/or agricultural farming.
 18. Protected green belt is part of green belt having natural characteristics that need to be preserved to protect local habitat as well as to protect wider areas.
 19. Nurtured green belt is part of green belt outside protected green belt for the purpose of reforestation nurtured through planting, development, maintenance or rehabilitation of vegetation whose facilities are needed and supported to function as urban ecological or social facilities according to the need and function of the reforestation.
 20. Culture preserve item is a man-made item, either movable or immovable, serving as a unit or group or its parts or remainders, aged at least 50 (fifty) years, or having typical style period or style period of at least 50 (fifty) years, and considered as having important value for history, science and culture, including natural items considered as having important value for history, science and culture.
 21. Site is a location containing or believed to contain culture preserve item including its environment needed to safeguard it.
 22. Flat is a story building built in an environment divided into functionally-structured buildings in the horizontal and vertical directions, serving as units that can be owned each, particularly homes equipped with common building and common land.
 23. Strata title apartment is a high rise building with basic roof usually inhabited by people as private homes, incorporated into common property in parts intended for use, with occupants usually

from the high income bracket, equipped with luxury and modern facilities.

24. Sale Value of Tax Object, hereinafter abbreviated into NJOP, is average price obtained from a fair sales-purchase transaction and in case of no sales-purchase transaction, NJOP is set by comparing price with other object of similar type, or new acquisition price or substitute NJOP.

25. Sale Value of Taxable Tax Object, hereinafter abbreviated into NJOPKP, is sale value of tax object reduced by Sale Value of Untaxed Tax Object (NJOPTKP) as the basis for the calculation of tax.

26. Tax Object Notification Form, hereinafter abbreviated into SPOP, is a form used by taxpayer to report data on the subject and object of rural and urban land and building tax according to the regional taxation legislation.

27. Tax Due Notification Form, hereinafter abbreviated into SPPT, is a form used to notify the amount of rural and urban land and building tax due to taxpayer.

CHAPTER II

NAME OF TAX

Article 2

With the name of Rural and Urban Land and Building Tax, tax shall be collected from the ownership, control; and/or use of land and/or buildings.

CHAPTER III

TAX OBJECT AND SUBJECT

Part One

Tax Object

Article 3

(1) The objects of Rural and Urban Land and Building Tax are land and/or buildings owned, controlled and/or used by individuals or bodies, except areas used for plantation, forestry and mining businesses.

(2) The definition of building includes :

- a. path located inside a building complex such as hotel, factory and its emplacement, serving as a part of the building complex;
- b. toll road;
- c. swimming pool;
- d. luxury fence;
- e. sport center;
- f. dockyard, pier;
- g. luxury park;
- h. oil, water and gas holding site/refinery, oil pipe; and
- i. tower.
- j. flat.
- k. strata title apartment.

(3) Further provisions on the classification of tax objects as referred to in paragraph (1) and paragraph (2) are to be provided for in a Gubernatorial Regulation.

Article 4

(1) Tax objects exempted from Rural and Urban Land and Building Tax are those :

- a. used by the Regional Government to run government;
 - b. used merely to serve public interests in religious service, social, health, educational and national cultural fields not to make profit;
 - c. used for cemetery, archeological heritage or the like;
 - d. serving as cultural preserve not used as residence/home and business activity or the like, not intended to make profit;
 - e. serving as green belt (protected and nurtured green area), protected forest, nature preserve forest, recreational forest, national park, and state land carrying no rights;
 - f. used by diplomatic mission and consulate under a reciprocal principle; and
 - g. used by body or representative of international institute stipulated by Regulation of the Finance Minister.
- (2) NJOPTKP is set at Rp15,000,000 (fifteen million rupiah) for each taxpayer.

Part Two

Tax Subject

Article 5

- (1) The subjects of Rural and Urban Land and Building Tax are individuals or bodies that really have rights to land and/or receive benefit from land, and/or own, control, and/or receive benefit from buildings.
- (2) The tax subjects as referred to in paragraph (1)

who are subject to the obligation to pay tax become taxpayers according to this Regional Regulation.

- (3) If taxpayers of tax objects are still unknown, the Head of Tax Service Office on behalf of the Governor can designate the tax subjects as referred to in paragraph (1) as taxpayers.
- (4) The tax subjects designated as referred to in paragraph (3) can clarify in writing to the Head of Tax Service Office that they are not the taxpayers of the tax objects in question.
- (5) If the clarification from the taxpayers as referred to in paragraph (4) is approved, the Head of Tax Service Office shall cancel the designation of taxpayers as referred to in paragraph (3) no later than 1 (one) month after the clarification has been accepted.
- (6) If the clarification is not approved, the Head of Tax Service Office shall issue a decision rejecting the clarification, along with the reasons for the rejection.
- (7) If after the period of one month as referred to in paragraph (5) has passed the Head of Tax Service Office does not issue a decision, the clarification shall be considered as being approved.

CHAPTER IV

TAX TARIFFS

Article 6

The tariffs of Rural and Urban Land and Building Tax are set as follows:

- a. 0.01% (zero point zero one percent) for NJOP of land and/or building of less than Rp200,000,000 (two hundred million rupiah);
- b. 0.1% (zero point one percent) for NJOP of land and/or building of Rp200,000,000 (two hundred million rupiah) up to less than Rp 2,000,000,000. (two billion rupiah);
- c. 0.2% (zero point two percent) for NJOP of land and/or building of Rp2,000,000,000 (two billion rupiah) up to less than Rp10,000,000,000 (ten billion rupiah);
- d. 0.3% (zero point three percent) for NJOP of land and/or building of Rp10,000,000,000 (ten billion rupiah) or above.

CHAPTER V

BASIS FOR IMPOSITION AND METHOD OF CALCULATION OF TAX

Part One

Basis for Imposition of Tax

Article 7

- (1) The basis for the imposition of Rural and Urban Land and Building Tax is NJOP.
- (2) The NJOP as referred to in paragraph (1) is set every 1 (one) year.
- (3) The NJOP as referred to in paragraph (2) is set by a Gubernatorial Regulation.

Part Two

Method of Calculating Tax

Article 8

- (1) The principal of Rural and Urban Land and Building Tax due is calculated by multiplying the tariffs as referred to in Article 6 by the basis for the imposition of tax as referred to in Article 7 paragraph (1) after being reduced by NJOPTKP as referred to in Article 4 paragraph (2).
- (2) Further provisions on the procedure of calculating PBB on flat and strata title apartment as referred to in Article 3 paragraph (2) letters j and k are to be provided for in a Gubernatorial Regulation.

CHAPTER VI

PERIOD, MOMENT AND PLACE OF TAX DUE

Part One

Period and Moment of Tax Due

Article 9

- (1) Tax year is a period of 1 (one) calendar year.
- (2) The moment of tax due follows the condition of tax object on January 1.

Part Two

Place of Tax Due

Article 10

The place of Rural and Urban Land and Building Tax due is the territory of the Special Capital Province of Jakarta.

CHAPTER VII

RECORDING OF DATA AND ASSESSMENT OF TAX

Part One

Recording of Data

Article 11

- (1) The recording of data is done using Tax Object Notification Form (SPOP).
- (2) The SPOP as referred to in paragraph (1) shall be filled clearly, correctly and completely and signed and delivered to the Head of Tax Service Office no later than 30 (thirty) working days after the SPOP has been received by tax subjects.
- (3) Further provisions on the procedure of recording and reporting tax objects as referred to in paragraph (1) are to be provided for in a Gubernatorial Regulation.

Part Two

Tax Assessment

Article 12

- (1) Based on the SPOP as referred to in Article 11 paragraph (1), the Governor shall issue Tax Due Notification Form (SPPT).
- (2) The Governor can issue Regional Tax Assessment Form (SKPD) if:
 - a. the SPOP as referred to in Article 11 paragraph (2) is not conveyed and after taxpayers have received written warning from the Governor as stated in the written warning;
 - b. based on the results of audit or other information the amount of tax due is higher than the amount of tax calculated based on SPOP conveyed by taxpayers.

CHAPTER VIII

COLLECTION OF TAX

Part One

Procedure of Collection

Article 13

- (1) The collection of Rural and Urban Land and Building Tax cannot entirely be contracted.
- (2) Taxpayers shall pay tax due based on SPPT or SKPD stipulated by the Governor.
- (3) Payment for tax due in SPPT or SKPD as referred to in paragraph (2) is made using SSPD.

Part Two

Procedure of Payment and Collection

Article 14

- (1) Tax due based on SPPT as referred to in Article 12 paragraph (1) shall be settled no later than 6 (six) months after taxpayers have received SPPT.
- (2) Tax due based on SKPD as referred to in Article 12 paragraph (2) that causes the amount of tax to be paid to increase shall serve as a basis for the collection of tax and be settled no later 1 (one) month after the date of issuance.
- (3) Based on applications from taxpayers that meet specified requirements, the Governor can issue approval to taxpayers to pay tax due by installments or postpone tax payments by imposing an interest of 2% (two percent) every month.
- (4) Tax due shall be paid to government banks, regional banks, regional treasury service unit BPKD, private banks or other places of payment appointed by the Governor.
- (5) Further provisions on the procedures of making

payment, paying tax due by installments, and postponing tax payment are to be provided for in a Gubernatorial Regulation.

Article 15

- (1) The Governor can issue STPD if SPPT and/or SKPD is not paid or is underpaid after the date of maturity.
- (2) STPD serves as the basis for the collection of tax.
- (3) The amount of tax due that is not paid or is underpaid in STPD as referred to in paragraph (1) shall be added by administrative sanction in the form of interest as much as 2% (two percent) per month for a maximum of 15 (fifteen) months after tax has become due.
- (4) The amount of tax due based on STPD that is not paid on time can be collected with warrants.

Article 16

Tax can be collected instantly and spontaneously without waiting for the date of maturity if :

- a. taxpayers or tax guarantors are to leave Indonesia forever or have the intention to do so;
- b. taxpayers or tax guarantors transfer goods they own or control to other parties in order to stop or slash business activities carried out in Indonesia;
- c. there are signs of taxpayers or tax guarantors intending to dissolve their business activities or merge or expand their business activities or transfer business activities to other parties or change their business activities to other form;

- d. business activities are to be dissolved or shut down by the Governor; and
- e. the goods of taxpayers or tax guarantors are confiscated by third party or there are signs of bankruptcy.

Part Three

Expired Collection of Tax

Article 17

- (1) The right to collect tax expires after it exceeds 5 (five) years after tax becomes due, except if taxpayers commit a criminal offense in the field of regional tax.
- (2) The expired collection of tax as referred to in paragraph (1) will be suspended if :
 - a. written warning and/or warrant are issued; or
 - b. taxpayers acknowledge tax due.
- (3) If written warning and/or warrant as referred to in paragraph (2) letter a are issued, the expired collection of tax starts from the date when the warrant is conveyed.
- (4) The direct acknowledgement of tax due as referred to in paragraph (2) letter b means that taxpayers with their consciousness state that they still owe tax and have not settled it to the Regional Government.
- (5) The indirect acknowledgement of tax due as referred to in paragraph (2) letter b, can be learned from the applications for the payment of tax due by installments or postponement of tax payment and objections filed by taxpayers.

Article 18

- (1) Tax receivables that can no longer be collected because the rights to collect them have expired can be scrapped.
- (2) The Governor shall issue a decision scrapping the expired tax receivables as referred to in paragraph (1).
- (3) The procedure of scrapping expired tax receivables is to be provided for in a Gubernatorial Regulation.

CHAPTER IX

OBJECTION AND APPEAL

Part One

Objection

Article 19

- (1) Taxpayers can file objections with the Head of Tax Service Office to:
 - a. Tax Due Notification Form;
 - b. Regional Tax Assessment Form.
- (2) The objections are written in Indonesian language by stating clear reasons.
- (3) The objections shall be filed no later than 3 (three) months after the taxpayers have received the forms as referred to in paragraph (1) except if they can show that the period of time cannot be met due to force majeure.
- (4) The receipt of objections from the authorized official of Tax Service Office or the evidence of delivery of objections by registered mail serve as evidence of the receipt of objections in the inter-

est of the taxpayers.

- (5) If requested by the taxpayers for the purpose of filing objections, the Head of Tax Service Office shall provide matters serving as the basis for the imposition of tax in writing.
- (6) The filing of objections does not postpone the obligation to pay tax.

Article 20

- (1) The Head of Tax Service Office shall issue a decision with regard to the objections no later than 12 (twelve) months after the objections have been received.
- (2) Before the decision is issued the taxpayers can send additional reasons or written explanations.
- (3) The decision of the Head of Tax Service Office with regard to the objections can be in the form of accepting wholly or partially, rejecting or increasing the amount of tax due.
- (4) If the objections of the taxpayers are rejected or partially approved, the taxpayers shall be subject to an administrative sanction in the form of fines amounting to 50% (fifty percent) of the amount of tax based on the decision on objections minus tax paid before the objections were filed.
- (5) If the taxpayers file objections to the assessment as referred to in Article 12 paragraph (2) letter a they shall prove that the tax assessment is not correct.
- (6) If after the period of time as referred to in paragraph (1) has passed the Head of Tax Service

Office does not issue a decision, the objections shall be considered as being accepted.

Part Two

Appeal

Article 21

- (1) Taxpayers can appeal the decision on objections set by the Head of Tax Service Office only to the Tax Court.
- (2) The appeal as referred to in paragraph (1) shall be filed in writing in Indonesian language with clear reasons within a period of 3 (three) months since the decision on objection has been received, by enclosing a copy of the decision.
- (3) The appeal postpones the obligation to pay tax for 1 (one) month after the decision on appeal has been issued.

Article 22

- (1) If objection or appeal is approved partially or wholly, the overpaid tax shall be returned by giving interest recompense as much as 2% (two percent) per month for a maximum period of 24 (twenty-four) months.
- (2) The interest recompense as referred to in paragraph (1) shall be calculated starting from the month of settlement to the issuance of Overpaid Regional Tax Assessment Form.
- (3) If taxpayers appeal the decision on objection, an administrative sanction in the form of fines amounting to 50% (fifty percent) as referred to in

Article 20 paragraph (4) shall not be imposed.

- (4) If appeal is rejected or approved partially taxpayers shall be subject to an administrative sanction in the form of fines amounting to 100% (a hundred percent) of the amount of tax based on the decision on appeal minus the amount of tax before the objection is filed.

CHAPTER X

COLLECTION INCENTIVES

Article 23

- (1) Agencies collecting Rural and Urban Land and Building Tax can be given incentives based on certain performance.
- (2) The incentives as referred to in paragraph (1) are stipulated in the Regional Budget.
- (3) Further provisions on the procedure of providing and using the incentives as referred to in paragraph (1) are to be set forth in a Gubernatorial Regulation by observing the legislation.

CHAPTER XI

PROVISIONS FOR OFFICIALS

Article 24

- (1) Officials whose posts or tasks are directly related to tax objects shall :
 - a. submit a monthly report on all changes in the condition of tax objects to the Head of Tax Service Office;
 - b. provide necessary information at the request of the Head of Tax Service Office.

- (2) The obligation to provide information as referred to in paragraph (1) letter b also applies to other officials having to do with tax objects.
- (3) If the officials as referred to in paragraph (1) and paragraph (2), related to the obligation to uphold post secrecy, the obligation shall be scrapped as long as it is related to the implementation of this Regional Regulation.
- (4) The procedure of submitting a report and filing a request for information as referred to in paragraph (1) and paragraph (2) is to be stipulated by the Governor.

Article 25

Officials who do not meet the obligation as referred to in Article 24 paragraph (1) and paragraph (2) shall be liable to sanctions according to the legislation.

Article 26

Matters that are not specifically set forth in this Regional Regulation shall be subject to provisions in Regional Regulation No. 6/2010 on General Provisions on Regional Tax.

CHAPTER XII

TRANSITIONAL PROVISIONS

Article 27

- (1) Rural and Urban Land and Building Tax for the tax year 2012 and before shall be subject to the old legislation.

- (2) Fines on Rural and Urban Land and Building Tax, before this Regional Regulation is put into force, shall be regional revenue.
- (3) When this Regional Regulation begins to take effect, the existing implementation regulation in the field of Rural and Urban Land and Building Tax based on Law No. 12/1985 on Land and Building Tax, as already amended by Law No. 12/1994, shall remain valid, provided it does not contradict and has not been provided for in a new implementation regulation based on this Regional Regulation.

CHAPTER XIII

CONCLUSION

Article 28

This Regional Regulation shall come into force as from, January 1, 2013.

For public cognizance, this Regional Regulation shall be promulgated by placing it in the Regional Gazette of the Special Capital Province of Jakarta.

Stipulated in Jakarta

On December 30, 2011

THE GOVERNOR OF THE SPECIAL CAPITAL

PROVINCE OF JAKARTA,

sgd

FAUZI BOWO

Promulgated in Jakarta

On December 30, 2011

THE REGIONAL SECRETARY OF
THE SPECIAL CAPITAL PROVINCE OF JAKARTA,

sgd

FAJAR PANJAITAN

NIP 195508261976011001

REGIONAL GAZETTE OF THE SPECIAL CAPITAL
PROVINCE OF JAKARTA OF 2011 NO. 16

ELUCIOATION

OF

REGIONAL REGULATION OF THE SPECIAL CAPITAL
PROVINCE OF JAKARTA

NO. 16/2011

ON

RURAL AND URBAN LAND AND BUILDING TAX

I. GENERAL

To carry out development and run government affairs in the Special Capital Province of Jakarta, funding sources play an important role in ensuring the success of development and government.

One of the funding sources that play a quite important role in ensuring the continuity and optimization of development and government in the Special Capital Province of Jakarta is receipts from regional taxes, considering the Region has limited natural resources and therefore, potential regional taxes serve as reliable revenues.

With the coming into force of Law No. 28/2009 on Regional Taxes and Regional Levies, the

Special Capital Province of Jakarta obtains the expansion of regional tax objects as extra income. The expansion of regional tax objects stipulated in the Law covers the expansion of the existing regional tax bases, the change of central tax objects into regional tax objects including Rural and Urban Land and Building Tax, and the addition of new tax objects.

The presence of Rural and Urban Land and Building Tax as new type of levies can hopefully meet regional financial needs which have not yet been fulfilled. Therefore, the presence of new type of tax and freedom to apply regional tax tariffs (discretion of tariffs) as mandated by Law No. 28/2009, the Government of the Special Capital Province of Jakarta can optimize regional income to finance the Regional Budget) in line with the effort to increase public services.

Rural and Urban Land and Building Tax is tax imposed on individuals or bodies that receive benefit or comfort from land and/or buildings and therefore, it is reasonable for them to hand part of them to the region through tax payments to finance development and government activities.

The enactment of this Regional Regulation can give legal certainty to the public and business world in fulfilling regional tax obligation in the hope that the public's knowledge and awareness of tax will increase and tax collecting officers will work professionally under the principle of good governance.

Hence, this Regional Regulation deals with material provisions covering Tax Objects and Subjects, Tax Tariffs, Basis for the Imposition of Tax and

the Procedure of Calculating Tax, provisions on tax period and moment of tax due and other provisions.

II. ARTICLE BY ARTICLE

Article 1 and Article 2

Sufficiently clear

Article 3

Paragraph (1)

Referred to as "areas" are all plots of land and buildings used by plantation, forestry and mining companies on land given plantation concession rights, land given forest concession rights and land used as mining concession areas.

Paragraph (2)

Letter a

Sufficiently clear

Letter b

Referred to as "toll road" is a public road which is part of road network system and a national road in which users are required to pay tolls.

Letter c

Sufficiently clear

Letter d

Referred to as "luxury fence" is a construction or building made of cement and iron or other materials constituting a border and object of Rural

and Urban Land and Building Tax, with a value of Rp250,000 (two hundred and fifty thousand rupiah) or more per square meter.

Letter e

Referred to as "sport center" is a place or location coming in the form of land and constituting a building used as a sport center by paying fees, such as soccer field, golf court, tennis court and the like, indoor or open

Letter f

Referred to as "dockyard/pier" is an onshore or offshore used for constructing ships, and pier is an offshore used to anchor ships or other activities.

Letter g

Referred to as "luxury park" is an open space planted with a variety of trees and flowers and equipped with other park facilities in the form of fountain and the like, with a value of Rp200,000 (two hundred thousand) or more per square meter.

Letter h

Referred to as "oil, water, and gas holding site/refinery and oil pipe" is a construction used to accommodate water, gas, oil and the like, while oil refinery is a factory processing crude oil into petroleum products and other products, and oil pipe is a pipe used to distribute oil materials from one holding site to another.

Letter i

Referred to as "tower" is a building which is higher than the main building, used to place feeder cable, antenna, electricity, telephone built on land or the upper part of a building.

Paragraph (3)

Referred to as classification of rural and urban land and building objects is the classification of land and buildings according to their sales value and used as reference to facilitate the calculation of tax due.

Article 4

Paragraph (1)

Letter a

Sufficiently clear

Letter b

Referred to as "not intended to make profit" is that the tax object is used to serve public interest, and is really used not to make profit. This is evident among others from the articles of incorporation of foundation/body engaged in the fields of religious service, social affairs, health, education and certain national culture. This definition includes state-owned recreational forest according to the legislation.

Letter c up to Letter g

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 5

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

These provisions give authority to the Head of Tax Service Office on behalf of the Governor to designate tax subjects as taxpayers if the taxpayers of tax objects are still unclear.

Example :

1. Tax subject named A utilizes or uses land and/or building owned by other person named B not because of right based on the law nor contract so that A that uses the land and/or building is designated as a taxpayer.
2. Tax object is still disputed at a court so that the person or body that utilizes or uses the tax object is designated as a taxpayer.
3. Tax subject stays outside the location of tax object while the authority to tend the tax object is delegated to an individual or body, so that the individual and/or body given power of attorney can be designated as taxpayer. The appointment of taxpayer by the Head of Tax Service Office does not serve as evidence of right ownership.

Paragraph (4) up to Paragraph (6)

Sufficiently clear

Paragraph (7)

Based on provisions in this paragraph, if the

Head of Tax Service Office does not issue a decision within a period of 1 (one) month after clarification has been received from the taxpayer, the decision designating taxpayer will be annulled itself and has the right to obtain a decision on the revocation of taxpayer.

Article 6

Sufficiently clear

Article 7

Paragraph (1)

NJOP can be set :

- a. by comparing prices with those of other object of the same type. This is an approach/method of setting the sale value of tax object by comparing it with other tax object of the same type which is close to the tax object and has the same function and the selling price is already known;
- b. New acquisition value. This is an approach/method of calculating the entire cost spent to acquire the tax object at the time of conducting assessment, reduced by depreciation based on the physical condition of the tax object;
- c. Substitute sale value. This is an approach/method of setting the sale value of tax object based on the production results of the tax object.

Paragraph (2)

Sufficiently clear

Paragraph (3)

The setting of NJOP for the individual appraisal of special tax object can be handed to the public appraisal office or third party.

Article 8

Paragraph (1)

The sale value of tax objects in the form of land and/or buildings, before being multiplied by tax tariffs, must first be reduced by the sale value of untaxed tax objects as much as Rp15,000,000 (fifteen million rupiah).

Example: 1

Taxpayer A has tax objects in the form of :

- Land covering 200 m² with selling price of Rp500,000/m²
- Building covering 100 m² with selling price of Rp400,000/m²

The amount of tax due is as follows:

- The sale value of land : 200 x Rp500,000 = Rp100,000,000
- The sale value of building 100 x Rp900,000 = Rp90,000,000
- The sale value of tax objects in the form of land and building = Rp190,000,000
(NJOP is less than Rp200.000.000, tariff: 0.01%)
- The sale value of untaxed tax object = Rp15,000,000
- The sale value of taxable land building = Rp 175,000,000

The amount of PBB due:

$$0.01\% \times \text{Rp}175,000,000 = \text{Rp}17,500$$

Example 2

Taxpayer B has tax objects in the form of :

- Land covering 500 m2 with selling price of Rp1,000,000/m2
- House building covering 350 m2 with selling price of Rp1,500,000/m2.
- Luxury fence covering 150x2m with selling price of Rp250,000/m2

The amount of tax due is as follows :

- The sale value of land $500 \times \text{Rp}900,000 = \text{Rp}500,000,000$
- The sale value of house building : $350 \times \text{Rp}1,500,000 = \text{Rp}525,000,000$
- The sale value of luxury fence : $150 \times 2 \times \text{Rp}250,000 = \text{Rp}75,000,000$
- The sale value of tax objects in the form of land and building
- The sale value of land and building = $\text{Rp}1,100,000,000$
(NJOP is less than Rp2,000,000,000, tariff : 0.1%)
- The sale value of untaxed tax object = $\text{Rp}15,000,000$
- The sale value of taxable land and building = $\text{Rp}1,085,000,000$
- The amount of PBB due : $0.1\% \times \text{Rp}1,085,000,000 = \text{Rp}1,085,000$

Example 3

Taxpayer C has tax objects in the form of

- Land covering 1,000 m2 with the selling price of Rp4,000,000/m2
- Building covering 700m2 with the selling price of Rp2,000,000/m2.
- Luxury fence covering 300 x 2m with the selling price of Rp350,000./m2
- Luxury park covering 200m2 with the selling price of 1 Rp250,000/m2

The amount of tax due is as follows:

- The sale value of land : $1,000 \times \text{Rp}4,000,000 = \text{Rp}4,000,000,000$
- The sale value of building: $700 \times \text{Rp}2,000,000 = \text{Rp}1,400,000,000$
- The sale value of luxury fence : $300 \times 2 \times \text{Rp}350,000 = \text{Rp}210,000,000$
- The sale value of luxury park : $200 \times \text{Rp}250,000 = \text{Rp}50,000,000$
(+)
- The sale value of tax objects in the form of land and building = $\text{Rp}5,660,000,000$
(NJOP is less than Rp10,000,000,000, tariff : 0.2%)
- The sale value of taxable tax objects = $\text{Rp}15,000,000 (-)$
- The sale value of taxable land and building = $\text{Rp}5,645,000,000$
- The amount of PBB due: $0.2\% \times \text{Rp}5,645,000,000 = \text{Rp}11,290,000$

Example : 4

Taxpayer D has tax objects in the form of :

- Land covering 1,500 m² with the selling price of Rp6,000,000/m²
- Building covering 800 m² with the selling price of Rp2,000,000/m².
- Luxury fence covering 300 x 2m with the selling price of Rp350,000/m²
- Luxury park covering 200m² with the selling price of Rp250,000/m²

The amount of tax due is as follows :

- The sale value of land 1,500 x Rp6,000,000
= Rp9,000,000,000
- The sale value of building 800 x Rp2,000,000
= Rp1,600,000,000
- The sale value of luxury fence :
300x2xRp350,000 = Rp210,000,000
- The sale value of luxury park :
200 x Rp250,000 = Rp50,000,000
- (+)
- The sale value of tax objects in the form of land and building = Rp10,860,000,000
(NJOP is Rp10,000,000,000 or more, tariff : 0.3%)
- The sale value of untaxed tax objects = Rp15,000,000 (-)
- The sale value of taxable land and buildings = Rp10.845.000.000
- The amount of PBB due :
0.3% x Rp10,845,000,000 = Rp32,535,000

Paragraph (2)

Sufficiently clear

Article 9

Paragraph (1)

The period of 1 (one) calendar year starts from January 1 to December 31

Paragraph (2)

Since the tax year begins on January 1, the condition of tax objects on that date serves as a moment to set tax due.

Example:

- a. Tax objects on January 1, 2013 are in the form of land and buildings. On January 20, 2013 the building caught fire, so the amount of tax due is constantly based on the condition of tax objects on January 1, 2013, namely before the buildings caught fire.
- b. Tax object on January 1, 2013 was in the form of land without building on it. When the recording of tax object data was conducted on July 10, 2013 there had been a building on it so the amount of tax due for 2013 remains subjected to tax based on the condition on January 1, 2013 while the new building is subject to tax starting 2014.

Article 10

Sufficiently clear

Article 11

Paragraph (1)

In recording tax object data taxpayers will be given tax object notification forms to be filled and returned to the Tax Service Office.

Paragraph (2)

Referred to as "clear, correct and complete" is that clear means that data written in the tax object notification form (SPOP) must be written in such a way so that they will not be misinterpreted and in the end harm the region and taxpayers themselves.

Correct means that data reported must accord with the actual condition such as the area of land and/or building, year and price of acquisition and so on according to columns/questions in SPOP.

Complete means that all the columns in SPOP must be filled in a complete manner.

Paragraph (3)

Sufficiently clear

Article 12

Paragraph (1)

Tax Due Notification Form (SPPT) is issued based on Tax Object Notification Form (SPOP), but to help taxpayers SPPT can be issued based on tax object data at the Tax Service Office.

Paragraph (2)

Provisions in this paragraph authorize the

Head of Tax Service Office to issue Regional Tax Assessment Form (SKPD) to taxpayers that do not meet taxation obligation as required.

Letter a

If taxpayers do not convey SPOP on time and after receiving written warnings they still do not convey SPOP according to the period of time specified in the written warnings, the Head of Tax Service Office can ex officio issue regional tax assessment form and the taxpayers are liable to an administrative sanction in the form of fines amounting to 25% (twenty-five percent) of the tax principal.

Letter b

If based on audit results or other information at the Tax Service Office the amount of tax due is higher than the amount of tax in SPPT calculated based on SPOP conveyed by taxpayers, the Head of Tax Service Office will ex officio issue regional tax assessment form and the taxpayers are liable to an administrative sanction in the form of fines amounting to 25% (twenty-five percent) of the difference of tax due.

Article 13

Paragraph (1)

Rural and Urban Land and Building Tax shall be collected by regional government apparatuses.

Referred to as "the collection of land and building tax is banned from being contracted" means

it cannot be handed to third or private party and must be done by the regional government.

Paragraph (2) and Paragraph (3)

Sufficiently clear

Article 14

Paragraph (1)

Example :

If taxpayer received SPPT on March 1, 2013, the maturity date is August 31, 2013.

Paragraph (2)

Example :

If taxpayer received SKPD on March 1, 2013, the maturity date is March 31, 2013.

Paragraph (3)

Example:

If tax due in SKPD issued on September 1, 2013 is Rp90,000,000 (ninety million rupiah), based on the decision of authorized official, there has been approval to pay tax due by installments 3 (three) times for 3 (three) consecutive months, with a fixed monthly amount of Rp30,000,000, interest on each installment is calculated as follows:

- 1st installment (October 1, 2013):
 $2\% \times \text{Rp}90,000,000 = \text{Rp}1,800,000$
- 2nd installment (November 1, 2013):
 $2\% \times \text{Rp}60,000,000 = \text{Rp}1,200,000$

- 3rd installment (December 1, 2013):

$$2\% \times \text{Rp}30,000,000 = \text{Rp}600,000$$

Paragraph (4) and Paragraph (5)

Sufficiently clear

Article 15

Paragraph (1) up to Paragraph (3)

Sufficiently clear

Paragraph (4)

If tax due is paid after the given date of maturity, the tax is collected with a warrant based on Law No. 19/1997 on the Collection of Tax with Warrants as already amended by Law No. 19/2000.

Article 16

Sufficiently clear

Article 17

Paragraph (1)

The expiry of tax collection shall be set to give legal certainty about when the tax due can no longer be collected.

Paragraph (2) and Paragraph (3)

Sufficiently clear

Paragraph (4)

The direct acknowledgement of tax due is that taxpayer with his/her own awareness state he/

she still owes tax and has not settled the tax due to the Regional Government.

Paragraph (5)

The indirect acknowledgement of tax due is that taxpayer with his/her own awareness state he/she still owes tax and has not settled the tax due to the Regional Government.

Example :

- Taxpayer applies for installment/deferred payment.
- Taxpayer files an objection.
- Taxpayer applies for the scrap or reduction of administrative sanction.

Article 18

Sufficiently clear

Article 19

Paragraph (1)

Objections to SPPT and SKPD must be filed respectively using a separate letter of objection for each tax year.

Paragraph (2)

Sufficiently clear

Paragraph (3)

These provisions are intended to give a sufficient chance to taxpayers to prepare a letter of objection along with reasons.

If taxpayers cannot meet the deadline of 3 (three) months due to force majeure, the Head of Tax Service Office can still consider the span of time to be extended.

Paragraph (4) up to Paragraph (6)

Sufficiently clear

Article 20

Paragraph (1) up to Paragraph (3)

Sufficiently clear

Paragraph (4)

If the objection from taxpayer is rejected or approved partially, and the taxpayer does not file an appeal, the amount of tax based on the decision on objection reduced by the tax paid before filing the objection must be settled no later than 1 (one) month after the decision on objection is issued, and the collection of tax with a warrant will be done if the taxpayer does not settle the tax due. In addition, the taxpayer is also liable to an administrative sanction in the form of fines amounting to 50% (fifty percent).

Example:

Tax assessment form of 2013 amounts to Rp100,000,000 of which Rp.60,000,000 has been paid. According to the decision on objection the amount of tax is set at Rp75,000,000. The difference between the tax assessment and tax paid is :

$$\text{Rp}75,000,000 - \text{Rp}60,000,000 = \text{Rp}15,000,000$$

- Administrative sanction :

$$50\% \times \text{Rp}15,000,000 = \text{Rp}7,500,000$$

- Hence, the amount of remaining tax that must be paid is:

$$\text{Rp}15,000,000 + \text{Rp}7,500,000 = \text{Rp}22,500,000$$

Paragraph (5)

Sufficiently clear

Paragraph (6)

Taxpayer filed an objection to the Head of Tax Service Office and conveyed it on March 1, 2013. If the Head of Tax Service Office does not reply the objection of the taxpayer until the end of February 2014 the amount of tax assessment requested by the taxpayer will be considered as being accepted.

Article 21

Paragraph (1)

Appeal is a legal effort made by taxpayers or tax guarantors to a decision which can be appealed based on the tax law.

Tax court is a court that implement a power of justice for taxpayers or tax guarantors seeking justice with regard to tax disputes.

Paragraph (2) and Paragraph (3)

Sufficiently clear

Article 22

Paragraph (1) up to Paragraph (3)

Sufficiently clear

Paragraph (4)

If appeal from taxpayer is rejected or approved partially, the amount of tax based on the decision on appeal reduced by tax paid before filing the objection must be settled no later than 1 (one) month after the decision on appeal is issued, and the collection of tax with a warrant will be done if the taxpayer does not settle the tax due. In addition, the taxpayer is also liable to an administrative sanction in the form of fines amounting to 100% (a hundred percent).

Example:

Tax assessment form of 2013 is Rp100,000,000 of which Rp70,000,000 has been paid. According to the decision on appeal, the amount of tax is set at Rp90,000,000. The difference between tax assessment based on the decision on appeal and tax already paid is:

$$\text{Rp}90,000,000 - \text{Rp}70,000,000 = \text{Rp}20,000,000$$

- Administrative sanction:

$$100\% \times \text{Rp}20,000,000 = \text{Rp}20,000,000$$

- Hence, the amount of remaining tax that must be paid is :

$$\text{Rp}20,000,000 + \text{Rp}20,000,000 = \text{Rp}40,000,000$$

Article 23

Paragraph (1)

Referred to as tax collecting agency is a service/body/institute whose main task and function is collecting taxes.

Paragraph (2)

The amount of incentives is based on a discussion between the Regional Government and the team of the Regional Legislative Council overseeing financial affairs.

Paragraph (3)

Sufficiently clear

Article 24

Paragraph (1)

- Officials whose jobs are directly related to tax objects are:
Land conveyancer (PPAT), notarial public and land conveyancer notarial public.
- Written report on a change in tax object including sale purchase, grant and heritage must be conveyed to the Governor through the Head of Tax Service Office whose jurisdiction covers the location of the tax objects.

Paragraph (2)

Referred to as other officials include village head, spatial layout service official, building supervision and control official, land office official, and inheritance center official.

Paragraph (3) and Paragraph (4)

Sufficiently clear

Article 25

Referred to as legislation includes Government Regulation No. 53/2010 on Discipline of Civil Servants, and Statute Book No. 3 on Regulation on Notarial Post.

Article 26 up to Article 28

Sufficiently clear

SUPPLEMENT TO REGIONAL GAZETTE OF
THE SPECIAL CAPITAL PROVINCE OF JAKARTA

NO. 29

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