

## TAX UPDATE PER-11/PJ/2025: IMPLICATIONS FOR THE PROVISIONS OF INCOME TAX ARTICLE 25 INSTALLMENT



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## 1 Background

One of the backgrounds for the issuance of PER-11/PJ/2025 regarding Provisions for Reporting Income Tax, Value Added Tax, Sales Tax on Luxury Goods, and Stamp Duty in the Framework of Core Tax Administration System Implementation is the alignment of tax regulations with the principles of digitalization, transparency, and risk-based classification. Thus, the main focus of this regulation is to regulate technical provisions regarding a more integrated and digital-based tax reporting process that provides legal certainty, administrative convenience and improves services for Taxpayer.

With the digitalization of tax reporting, one aspect that is directly affected is related to the mechanism of reporting and calculating Income Tax Article 25 installment where there are crucial changes with the emergence of the obligation to report Income Tax Article 25 installment that previously did not need to be reported. This reporting obligation has started since the issuance of PMK 81/2024<sup>1</sup>, but related to the format and reporting period of the Income Tax Article 25 Installment Calculation Report is regulated in PER 11/PJ/2025.

## 2 Income Tax Article 25 Installment Calculation Report

Description	Bank Taxpayer	Other Taxpayer*/ Taxpayer Listed on Stock Exchange Other than Banks	State-Owned Enterprises (BUMN) & Local-Owned Enterprises (BUMD) Taxpayer
<b>Reporting Period</b>	On a <b>monthly basis</b> , in accordance with the financial statements submitted to the Financial Services Authority (OJK).	To be Reported every <b>3 (three) months</b> , based on the financial statements submitted to the Stock Exchange and/or OJK.	To be reported <b>once every fiscal year</b> , based on the work plan and revenue budget applicable for the relevant fiscal year.
<b>Reporting Deadline</b>	The reporting shall be submitted within a maximum <b>period of 20 (twenty) days</b> after following the end of each monthly reporting period.	The reporting shall be submitted within a maximum <b>period of 20 (twenty) days</b> after following the end of quarterly reporting period.	The reporting shall be submitted within a maximum <b>period of 20 (twenty) days</b> after following the end of the annual reporting period of the previous fiscal year.
<b>Installment Period of Validity</b>	Applicable for the reported tax period.	Applicable <b>for the next 3 (three) tax periods</b> .	Applicable <b>for each tax period in the reported fiscal year</b> .

\* "Other Taxpayer" are Taxpayer engaged in insurance, pension funds, financing institutions, and other financial service institutions as stipulated in the provisions of laws and regulations.

### Notes:

1. Within audit conditions, Bank Taxpayer may use prior period data for reporting in the last tax period of the financial year.
2. In the case of not having the obligation to submit the fourth quarter financial report, Other Taxpayer or Taxpayer Listed on Stock Exchange Other than Banks may use the data of the previous quarter period for the reporting of the last quarter of the current year.

<sup>1</sup> Minister of Finance Regulation Number 81 Year 2024 Regarding Tax Provisions in the Framework of the Implementation of Core Tax Administration System



## Calculation of the Amount of Income Tax Article 25 Installment for the Current Year in Certain Cases

In Article 113 PER 11/PJ/2025, there is the authority of the Director General of Taxes (DGT) to determine the calculation of the amount of Income Tax Article 25 installment if the Taxpayer do not perform Income Tax Article 25 installment calculation and/or under the following condition:

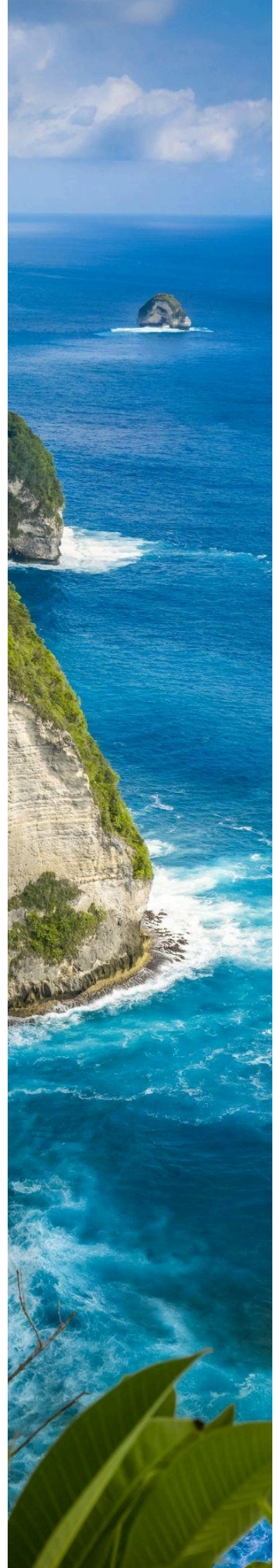
- Taxpayer entitled to compensation for losses;
- Taxpayer earn irregular income;
- Taxpayer submitting Annual Income Tax Return (SPT Tahunan) beyond the deadline;
- Taxpayer granted an extension of the period for submitting Annual Income Tax Return;
- Taxpayer making self-correction of Annual Income Tax Return which resulting monthly installments greater than installments before the correction;
- Taxpayer facing changes in business circumstances.

### A. Changes in Documents that are the Basis for Fiscal Loss Compensation

PER 11/PJ/2025 includes additional documents that serve as the basis for fiscal loss compensation, previously regulated in KEP-537/PJ./2000<sup>2</sup>, so that the entire document is as follows:

- Annual Tax Return (SPT),
- Tax Assessment Letters,
- Objection Decision Letter,
- Decision Letter on Reduction of Tax Assessment Letter (new addition),
- Decision Letter on Cancellation of Tax Assessment Letter (new addition),
- Correction Decision Letter (new addition),
- Mutual Agreement Procedures Decision Letter (new addition),
- Appeal Verdict, or
- Judicial Review Verdict (new addition)

<sup>2</sup> Director General of Taxes Decree Number KEP-537/PJ./2000 Regarding Calculation of the Amount of Tax Installment in the Current Tax Year in Certain Cases



## B. Changes in Documents that are the Basis for Temporary Calculation of Income Tax Article 25 Installment

For Taxpayer who are granted an extension of the period for submitting the Annual Income Tax Return, the basis for the temporary calculation of Income Tax Article 25 installment in accordance with PER 11/PJ/2025 is contained in **Document of Extension Notification for The Annual Income Tax Return Submission Period**, while in the previous provision (KEP-537/PJ./2000<sup>3</sup>) it is contained in the **Temporary Notification Letter Document Submitted by the Taxpayer**.

## C. Taxpayer Facing Changes in Business Circumstances

Taxpayer may apply for a reduction in Income Tax Article 25 installment if there is a condition of Taxpayer business/activities decline with the following provisions:

	KEP-537/PJ/2000	PER 11/PJ/2025
<i>Requirements for Application to Reduce Article 25 Income Tax Installment</i>	≥ 3 months of the current fiscal year, income tax payable < 75%	Unchanged
	The application is accompanied by a calculation of the amount of income tax that will be payable and the amount of Income Tax Article 25 for the remaining months of the relevant fiscal year	Unchanged
	Not Regulated	Taxpayer has submitted: <ul style="list-style-type: none"> <li>• Annual Income Tax Return for the last 2 (two) fiscal years prior to the fiscal year for which the application is submitted; and</li> <li>• Periodic Tax Return of Value Added Tax for the last 3 (three) tax periods</li> </ul>
<i>Submission Procedure and Format for Application to Reduce Article 25 Income Tax Installment</i>	Not Regulated	<ul style="list-style-type: none"> <li>• Application for Reduction of Income Tax Article 25 Installment in the form of: <ul style="list-style-type: none"> <li>○ Electronic Document submitted through the Taxpayer Portal; or</li> <li>○ Paper form (hardcopy) submitted directly or by post or Expedition Service Company or Courier Service with proof of mailing, to the Tax Office where the Taxpayer is registered.</li> </ul> </li> <li>• The application submission is issued a receipt and conducted research by DGT then issued a decision of approval or notification of rejection, within a <b>maximum period of 30 days after the receipt is issued.</b></li> </ul>
<i>Decision by DGT</i>	If no decision is issued within <b>&gt; 1 month from the date of receipt of the Taxpayer application letter</b> , the application shall be deemed accepted.	If no decision is issued within <b>&gt; 30 days after the receipt is issued</b> , the Taxpayer request is deemed accepted.

<sup>3</sup> Ibid.



For Taxpayer who face the condition of increase business/activity of Taxpayer there are changes to the provisions related to the estimated threshold of Income Tax Payable for the fiscal year as follows:

	KEP-537/PJ/2000	PER 11/PJ/2025
<i>Estimated Threshold of Income Tax Payable</i>	It is estimated that the Income Tax that will be payable for the fiscal year is <b>&gt; 150%</b> of the Income Tax payable which is the basis for calculating the amount of Income Tax Article 25 installment.	It is estimated that the Income Tax that will be payable for the fiscal year is <b>&gt; 125%</b> of the Income Tax payable which is the basis for calculating the amount of Income Tax Article 25 Installment.

The implication of the increase in business is that the recalculation of Income Tax Article 25 installment must be carried out by the Taxpayer or DGT for the remaining months of the relevant fiscal year.

## 4 Implications of Discrepancies Between Income Tax Article 25 Installment Payments and the Report on the Calculation of Income Tax Article 25 Installment

	Underpayment Condition	Overpayment Condition
<i>Installment Comparison</i>	If the Income Tax Article 25 installment paid is <b>less than</b> the Income Tax Article 25 Installment Calculation Report	If the Income Tax Article 25 installment paid is <b>greater than</b> the amount of Income Tax Article 25 installment in the Income Tax Article 25 Installment Calculation Report
<i>Follow-up Action</i>	The difference in underpayment <b>must be paid</b> and subject to <b>administrative sanctions</b>	The difference in overpayment <b>can be requested back</b> or <b>credited</b> in the Annual Tax Return





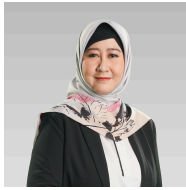
## 5 Important Considerations

With the issuance of PER-11/PJ/2025:

1. Taxpayer have a new obligation in the form of submitting the Income Tax Article 25 Installment Calculation Report through the Taxpayer Portal.
2. Taxpayer must submit the Income Tax Article 25 Installment Calculation Report even if the Income Tax Article 25 installment is zero (“NIHIL”) or the Taxpayer is at a loss.
3. Taxpayer should update the calculation of Income Tax Article 25 installment adjusted to certain conditions based on Article 113 PER 11/PJ/2025.
4. Taxpayer should adjust the amount of Income Tax Article 25 installment paid with those contained in the Income Tax Article 25 Installment Calculation Report to avoid differences in value that can cause administrative sanctions.



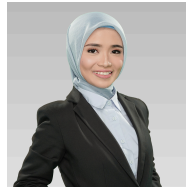
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