

NEW LUXURY TAX TARIFFS

Jun 10, 2014

On 19 March 2014, the government issued Regulation No.22 of 2014 on Amendments to Government Regulation No.41 of 2014 on Tax on Motor Vehicles which are subject to Luxury Tax. The new regulation came into force 30 days after the date of its issuance. The amendments affect luxury goods sales tax (Pajak Penjualan Barang Mewah or PPnBM) for vehicles with certain specifications. Before the issuance of Regulation No. 22, the tariffs ranged from 10% to 75%. Under Regulation No.22, the highest PPnBM tariff is now 125%. The PPnBM tariffs are calculated based on the motor vehicle tax base (Dasar Pengenaan Pajak), which varies depending on the specifications of the vehicle.