

Dated: April 5, 2021

PPnBM on the Delivery of Taxable Goods Classified as Luxury in the Form of Certain Motor Vehicles Borne according the Ministry of Finance Regulation (PMK) No. 31/PMK.010/2021

The Ministry of Finance stipulated the Minister of Finance Regulation (PMK) No. 31/PMK.010/2021 concerning the Sales Tax on Luxury Goods (PPnBM) on the Delivery of Taxable Goods Classified as Luxury in the Form of Certain Motor Vehicles Borne by the Government in Fiscal Year 2021. The stipulation of this regulation is to repeal the Minister of Finance Regulation No. 20/PMK.010/2021. In addition, this stimulus policy is believed to be able to stimulate public consumption, especially for domestic flagship motorized vehicle industry products.

The discount scheme for motorized vehicles category 4x2 and 4x4 with a capacity of 1500 cc - 2500 cc as well as discounts tax for vehicles under 1,500 cc and category 4x2 that has a local purchase of at least 70 percent. Based on Regulation, the *Tax for Luxury Goods (PPnBM)* payable for the delivery of certain motor vehicles borne by the government as referred to in Article 2 letter a and letter b, on motor vehicles that meet the requirements as referred to Article 4, shall be given in the amount of:

- 100% (one hundred percent) of PPnBM payable for the Tax Period of April 2021 to May 2021 Tax Period;
- 50% (fifty percent) of PPnBM payable for the Tax Period of June 2021 to August 2021 Tax Period;
- 25% (twenty-five percent) of PPnBM owed for the Tax Period of September 2021 to December 2021 Tax Period.

In addition, the Indonesian government targets the production of battery-based electric motorized vehicles in 2030 of 600,000 units for four or more wheels and 2.45 million units for two wheels.

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