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**Zero Percent Sales Tax Incentive on Luxury Goods (PPnBM) for New Cars
According According to the Minister of Finance Regulation (PMK) No.
20/PMK.010/2021, Article 2**

The Ministry of Finance has officially issued a new regulation regarding the provision of a sales tax incentive on luxury goods (PPnBM) of 0% for new cars. The regulation is contained in the Minister of Finance Regulation (PMK) No. 20/PMK.010/2021 concerning PPnBM for the delivery of taxable luxury goods in the form of certain motorized vehicles that are borne by the government in the 2021 budget. Thus, the government cuts PPnBM on new cars until the end of 2021 this at a tiered rate for three months.

Based on Article 2 of PMK No. 20/PMK.010/2021, PPnBM incentive applies to types of sedans or station wagons with ignition or compression ignition engines (diesel or semi-diesel) with a cylinder capacity of up to 1,500 cc. Moreover, the PPnBm relaxation also applies to motorized vehicles carrying less than 10 people including drivers except sedans or station wagons with ignition or compression ignition engines with a 4x2 single axle drive system with a cylinder capacity of up to 1,500 cc. This relaxation applies if the total use of components originating from domestic production which is used in motorized vehicle production activities is at least 70%.

Mulyaningsih Prawirowiryo (Lia)