

Tax Incentives for Taxpayers Affected by the COVID-19 Pandemic Extended

The Corona Virus Disease 2019 pandemic, which has had an impact on various aspects including economic aspects, has not yet ended. Considering the situation, the Government of Indonesia views it is necessary to extend the period for granting tax incentives.

The tax incentives period extension is regulated by the Ministry of Finance Regulation No. 114/PMK.03/2022 (“PMK 114/PMK.03/2022”) as the amendment of the Ministry of Finance Regulation No. 3/PMK.03/2022 (“PMK 3/PMK.03/2022”).

The comparison of Principal Regulations of PMK 3/PMK.03/2022 and PMK 114/PMK.03/2022 as below table:

No	Description	PMK 3/PMK.03/2022	PMK 114/PMK.03/2022
1	Incentive Types and Recipients	3 Types of Incentives: <ul style="list-style-type: none"> Exemption from collecting Article 22 Income Tax on Imports → 72 KLU Instalment reduction of Article 25 Income Tax → 156 KLU 	3 Types of Incentives: <ul style="list-style-type: none"> Exemption from collecting Article 22 Income Tax on Imports → 72 KLU Instalment reduction of Article 25 Income Tax → 156 KLU

		<ul style="list-style-type: none"> Final tax on construction services borne by Government → The Acceleration Program of Improved Irrigation Water Use (P3TGAI) Taxpayer Recipient 	<ul style="list-style-type: none"> Final tax on construction service borne by Government → The Acceleration Program of Improved Irrigation Water Use (P3TGAI) Taxpayer Recipient
2	Incentive Term	January to June 2022	Extended to December 2022
3	Utilization Mechanism	Must re-submit application and/or notification	Must re-submit application and/or notification

4	Relaxation of Incentive Utilization	Submission of notification to be able to take advantage of Income Tax Article 25 incentives from the January 2022 tax period is no later than 30 days from the promulgation of PMK 3/PMK.03/2022.	Submission of notification to be able to take advantage of the Income Tax Article 25 incentives from the July 2022 tax period is no later than 30 days from the promulgation of PMK 114/PMK.03/2022
5	Relaxation of The Realization Report and/or The 2021 Correction Realization Report	Reporting on realization and/or reporting on the realization of correction of Income Tax Borne by Government for the use of incentives for the period January to December 2021 can be done no later than 31 March 2022.	Reporting on the realization and/or reporting on the realization of correction of Income Tax Borne by Government for the use of incentives for the period January to December 2021 can be done no later than 31 December 2022.

-000-

The article above was prepared by [Wisaksono Soegandhi](#) (COO) and **Donny Rahman Geasill** (Tax Specialist).

This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions or matters. For more information, please contact us at dentons.hprp@dentons.com or Partners listed above.

No part of this publication may be reproduced by any process whatsoever without prior written permission from Hanafiah Pongawa & Partners.