

Indonesia

Income Tax Rate	5% - 30%
Corporate Tax Rate	25%
Sales Tax / Service Rate	10%

Personal Income Tax

Individual income tax rates are progressive rate between 5% - 30% as shown below:

Taxable income (Rp)	Tax rate
Rp 1 – 50,000,000	5%
Rp 50,000,001 – 250,000,000	15%
Rp 250,000,001 – 500,000,000	25%
Rp 500,000,001 and above	30%

Corporate Tax

Indonesian firms are subject to corporate tax on all sources income regardless of where the income is derived. Foreign companies shall be considered taxable in Indonesia if they have a presence and conduct business in that country. In case of branches of foreign companies, the companies are taxed only on income derived in Indonesia. Taxable income for the companies shall be assessable income less tax deductible expenses. It is important to note that the tax payment paid to other countries is granted tax deduction in Indonesia.

Corporate tax rates in Indonesia are levied as follows:

Level of income	Tax rate
Rp 50,000,000 and below	10%
Rp 50,000,001 – 100,000,000	15%
Rp 100,000,001 and above	30%

The following is types of business subjected to special tax rates:

Types of business	Tax rate
Petroleum	30% - 45%
Mining site	30% – 45%
Construction	2%
Building Design	4%
Tax and legal consultant	
Multinational shipping company and foreign airlines	2.64%

Value Added Tax/ Sales Tax

Generally, value added tax for imported and exported good produced in Indonesia is 10%. However, some imported raw materials are granted value added tax exemption. These include raw material used in the production of banknotes and coins, fodder, marine and air vehicle weapons, science book, software medical tools and raw materials used in the production of ship and airplane.

Withholding Tax

Withholding tax shall be payable at the following rates:

Types of taxable income	Tax rate	
	For resident	For non-resident
Dividend	10%	20%
Interest	15%	20%
Royalty	15%	20%
Technical assistance and Service Fee	2%	20%

Indonesia does not levy any withholding tax on dividend and there is no Capital Gains Tax.

Tax Incentives for SMEs

SME companies with income not exceeding Rp 600 million per year are not subject to value added tax. However, Young Entrepreneurs Association (Hipmi) in Indonesia is currently enhancing yearly ceiling income from Rp 600 million to Rp 2,500 million in order to assist SME business owners. In addition, dividend derived from the business jointed with Indonesian SMEs is exempt from tax.