

GR NO. 58 YEAR 2023

The regulations update on Calculation of Income Tax Article 21 for Individuals Taxpayers.

Effective from January 01, 2024

BACKGROUND

The government has issued a new regulation, Government Regulation (PP) No 58 Year 2023, GR No. 58 concerning the renewal of Calculating Income Tax Article 21 for Individual Taxpayers. This regulation replaces Government Regulation (PP) No. 80/2010 Article 2 paragraph (3) concerning Withholding and Imposition of Income Tax Article 21. This Rule also updates the provisions of Withholding Income Tax Article 21 on Individual Taxpayers Article 17 paragraph (1) letter a of Income Tax Law (UU PPh).

WHAT'S NEW

1. Rate Changes

Income Tax Article 21 withholding rates consist of:

- A. Rate based on Article 17 paragraph (1) of the Income Tax Law
- B. Effective rate of income tax withholding Article 21 consisting of:
 - Monthly Effective Rate
 - Daily Effective Rate Principle of Justice

2. Rate Category

The monthly effective rate as referred to is categorized based on the amount of Non-Taxable Income according to the marital status and number of dependents of the Taxpayer at the beginning of the Tax Year.

3. Taxpayers required to use the latest rate

The tariff as intended is used for withholding Income Tax Article 21 for Individual Taxpayers who receive income in connection with work, services, or activities, including state officials, civil servants, members of the Indonesian national army, members of the Indonesian national police, and pensioners.

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1. Category of rates of Income Tax Art. 21 based on PP 58 Year 2023

Table of categories and calculation rates of Income Tax Article 21

1. Category A

Category A	
PTKP	TK/0
	TK/1
	K/0

No	Gross income level (IDR)		Tax Rate (%)
1	Less than	5,400,000	0.00%
2	5,400,001 Up to	5,650,000	0.25%
3	5,650,001 Up to	5,950,000	0.50%
4	5,950,001 Up to	6,300,000	0.75%
5	6,300,001 Up to	6,750,000	1.00%
6	6,750,001 Up to	7,500,000	1.25%
7	7,500,001 Up to	8,550,000	1.50%
8	8,550,001 Up to	9,650,000	1.75%
9	9,650,001 Up to	10,050,000	2.00%
10	10,050,001 Up to	10,350,000	2.25%
11	10,350,001 Up to	10,700,000	2.50%
12	10,700,001 Up to	11,050,000	3.00%
13	11,050,001 Up to	11,600,000	3.50%
14	11,600,001 Up to	12,500,000	4.00%
15	12,500,001 Up to	13,750,000	5.00%
16	13,750,001 Up to	15,100,000	6.00%
17	15,100,001 Up to	16,950,000	7.00%
18	16,950,001 Up to	19,750,000	8.00%
19	19,750,001 Up to	24,150,000	9.00%
20	24,150,001 Up to	26,450,000	10.00%
21	26,450,001 Up to	28,000,000	11.00%
22	28,000,001 Up to	30,050,000	12.00%
23	30,050,001 Up to	32,400,000	13.00%
24	32,400,001 Up to	35,400,000	14.00%
25	35,400,001 Up to	39,100,000	15.00%
26	39,100,001 Up to	43,850,000	16.00%
27	43,850,001 Up to	47,800,000	17.00%
28	47,800,001 Up to	51,400,000	18.00%
29	51,400,001 Up to	56,300,000	19.00%
30	56,300,001 Up to	62,200,000	20.00%
31	62,200,001 Up to	68,600,000	21.00%
32	68,600,001 Up to	77,500,000	22.00%
33	77,500,001 Up to	89,000,000	23.00%
34	89,000,001 Up to	103,000,000	24.00%
35	103,000,001 Up to	125,000,000	25.00%
36	125,000,001 Up to	157,000,000	26.00%
37	157,000,001 Up to	206,000,000	27.00%
38	206,000,001 Up to	337,000,000	28.00%
39	337,000,001 Up to	454,000,000	29.00%
40	454,000,001 Up to	550,000,000	30.00%
41	550,000,001 Up to	695,000,000	31.00%
42	695,000,001 Up to	910,000,000	32.00%
42	910,000,001 Up to	1,400,000,000	33.00%
43	More than	1,400,000,000	34.00%

2. Category B

Category B	
PTKP	TK/2
	K/1
	TK/3
	K/2

No	Gross income level (IDR)		Tax Rate (%)
1	Less than	6,200,000	0.00%
2	6,200,001	Up to 6,500,000	0.25%
3	6,500,001	Up to 6,850,000	0.50%
4	6,850,001	Up to 7,300,000	0.75%
5	7,300,001	Up to 9,200,000	1.00%
6	9,200,001	Up to 10,750,000	1.50%
7	10,750,001	Up to 11,250,000	2.00%
8	11,250,001	Up to 11,600,000	2.50%
9	11,600,001	Up to 12,600,000	3.00%
10	12,600,001	Up to 13,600,000	4.00%
11	13,600,001	Up to 14,950,000	5.00%
12	14,950,001	Up to 16,400,000	6.00%
13	16,400,001	Up to 18,450,000	7.00%
14	18,450,001	Up to 21,850,000	8.00%
15	21,850,001	Up to 26,000,000	9.00%
16	26,000,001	Up to 27,700,000	10.00%
17	27,700,001	Up to 29,350,000	11.00%
18	29,350,001	Up to 31,450,000	12.00%
19	31,450,001	Up to 33,950,000	13.00%
20	33,950,001	Up to 37,100,000	14.00%
21	37,100,001	Up to 41,100,000	15.00%
22	41,100,001	Up to 45,800,000	16.00%
23	45,800,001	Up to 49,500,000	17.00%
24	49,500,001	Up to 53,800,000	18.00%
25	53,800,001	Up to 58,500,000	19.00%
26	58,500,001	Up to 64,000,000	20.00%
27	64,000,001	Up to 71,000,000	21.00%
28	71,000,001	Up to 80,000,000	22.00%
29	80,000,001	Up to 93,000,000	23.00%
30	93,000,001	Up to 109,000,000	24.00%
31	109,000,001	Up to 129,000,000	25.00%
32	129,000,001	Up to 163,000,000	26.00%
33	163,000,001	Up to 211,000,000	27.00%
34	211,000,001	Up to 374,000,000	28.00%
35	374,000,001	Up to 459,000,000	29.00%
36	459,000,001	Up to 555,000,000	30.00%
37	555,000,001	Up to 704,000,000	31.00%
38	704,000,001	Up to 957,000,000	32.00%
39	957,000,001	Up to 1,405,000,000	33.00%
40	More than	1,405,000,000	34.00%

3. Category C

Category C	
PTKP	K/3

No	Gross income level (IDR)		Tax Rate (%)
1	Less than	6,600,000	0.00%
2	6,600,001	Up to 6,950,000	0.25%
3	6,950,001	Up to 7,350,000	0.50%
4	7,350,001	Up to 7,800,000	0.75%
5	7,800,001	Up to 8,850,000	1.00%
6	8,850,001	Up to 9,800,000	1.25%
7	9,800,001	Up to 10,950,000	1.50%
8	10,950,001	Up to 11,200,000	1.75%
9	11,200,001	Up to 12,050,000	2.00%
10	12,050,001	Up to 12,950,000	3.00%
11	12,950,001	Up to 14,150,000	4.00%
12	14,150,001	Up to 15,550,000	5.00%
13	15,550,001	Up to 17,050,000	6.00%
14	17,050,001	Up to 19,500,000	7.00%
15	19,500,001	Up to 22,700,000	8.00%
16	22,700,001	Up to 26,600,000	9.00%
17	26,600,001	Up to 28,100,000	10.00%
18	28,100,001	Up to 30,100,000	11.00%
19	30,100,001	Up to 32,600,000	12.00%
20	32,600,001	Up to 35,400,000	13.00%
21	35,400,001	Up to 38,900,000	14.00%
22	38,900,001	Up to 43,000,000	15.00%
23	43,000,001	Up to 47,400,000	16.00%
24	47,400,001	Up to 51,200,000	17.00%
25	51,200,001	Up to 55,800,000	18.00%
26	55,800,001	Up to 60,400,000	19.00%
27	60,400,001	Up to 66,700,000	20.00%
28	66,700,001	Up to 74,500,000	21.00%
29	74,500,001	Up to 83,200,000	22.00%
30	83,200,001	Up to 95,600,000	23.00%
31	95,600,001	Up to 110,000,000	24.00%
32	110,000,001	Up to 134,000,000	25.00%
33	134,000,001	Up to 169,000,000	26.00%
34	169,000,001	Up to 221,000,000	27.00%
35	221,000,001	Up to 390,000,000	28.00%
36	390,000,001	Up to 463,000,000	29.00%
37	463,000,001	Up to 561,000,000	30.00%
38	561,000,001	Up to 709,000,000	31.00%
39	709,000,001	Up to 965,000,000	32.00%
40	965,000,001	Up to 1,419,000,000	33.00%
41	More than	1,419,000,000	34.00%

Keypoint Page 5

1. Example of Calculation of Income Tax Art. 21

Example of calculation of Income Tax Article 21 on employees

Mr. R works as a permanent employee at the company PT ABC, During 2024, Mr. R earns a salary of IDR10,000,000 (ten million rupiah) per month and pays a pension contribution of IDR 100,000 (one hundred thousand rupiah) per month. Mr. R is Married and has no dependents (PTKP K/0). The calculation of Income Tax Article 21 is as follows:

1. Withholding Income Tax Article 21 on the salary received by Mr. R for the period January to November 2024 using category A rates in accordance with the PTKP status, which is K/0.
2. For the calculation of Income Tax Article 21 for the period of December 2024, it is still carried out using the tariff of Article 17 paragraph (1) letter a of the Income Tax Law (UU PPh).

TK	54,000,000
K0	58,500,000
K1	63,000,000
K2	67,500,000
K3	72,000,000

- The amount of Income Tax Article 21 per month withheld by PT ABC on Mr. R's income for the tax period **January to November 2024** is :
 $\text{Rp } 10,000,000 \times 2\% = \text{Rp } 200,000$
- The amount of Article 21 Tax withheld by PT ABC on Mr. R's income for the December 2024 tax period is as follows:

Salary

$\text{Rp } 10,000,000 \times 12 = \text{Rp } 120,000,000$

Deduction

- Position Cost
 $5\% \times \text{Rp } 120,000,000 = \text{Rp } 6,000,000$
(Max Rp 6.000.000/year)

- Retirement Contribution
 $\text{Rp } 100,000 \times 12 = \text{Rp } 1,200,000$

Total Deduction = Rp 7,200,000

Yearly Net Income = Rp 112,800,000

Yearly Non Taxable Income (K/0) = Rp 58,500,000

Yearly Taxable Income = Rp 54,300,000

Income Tax Article 21 for the year

= Tariff of Article 17 paragraph (1) UU PPh x Taxable Income for the year

Taxable Income Tier			Rate
Less Than		60,000,000	5%
60,000,001	Up to	250,000,000	15%
250,000,001	Up to	500,000,000	25%
500,000,001	Up to	5,000,000,000	30%
More Than		5,000,000,000	35%

= $5\% \times \text{Rp } 54,300,000$

= Rp 2,715,000

Income Tax Article 21 month as of December Period 2024

= Yearly Income Tax Article 21 - Income Tax deducted for the period January up to November 2024
= Rp 2,715,000 – (Rp, 200,000 x 11)
= Rp 2,715,000 – 2,200,000
= **Rp 515,000**

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1. Important Dates of Implementation
2. Further Action Plan
 - a. Review for 2024
 - b. Object Salary & BIK for Calculating Income tax Art. 21
 - c. Income Tax Art. 21 Gross-up Method
 - d. Income Tax Art. 21 Gross Method

Important Dates of Implementation

PP No. 58 Year 2023 comes into effect and is implemented starting from the **January 2024** Tax Period.

Further Action Plans

1. Employers need to pay attention to Income Tax Article 21 withholding on employees, because Income Tax Article 21 is deducted on :
 - Basic Salary
 - Basic Salary + Natura (BIK)
2. Regarding the calculation of salaries for employees whose Income Tax Article 21 is **withheld** by the employer, this needs to be considered considering that the applicable rate in accordance with PP 58 of 2023 is the rate on the entire amount of Salary and BIK. Therefore, this results in a change or shift in the rate to be greater.
3. Then related to Income Tax 21 that is **Gross up**, the Employer needs to pay attention to the amount of Tax Allowance which will be a component of the Salary and BIK.

Example of Calculation of Income Tax 21 on employees with Gross-up and Gross-up method

1. Gross-up Method

Mr. R earns a salary of IDR 10,000,000 (ten million rupiah) per month and He receives an Apartment Allowance of IDR 5,000,000 per month and pays a pension contribution of IDR 100,000 (one hundred thousand rupiah) per month, Mr. R is Married and has no dependents (PTKP K/0). The calculation of Income Tax Article 21 with Gross-up Method as follows:

- **January to November 2024**

Gross Salary + BIK
= Salary + BIK
= Rp 10,000,000 + Rp 5,000,000
= Rp 15,000,000

Tax Allowance

= (Salary + BIK) / (100%-Effective Rate 1 Level Up)
= Rp 15,000,000 / (100%-6%)
= Rp 1,129,032

Income Tax Article 21 Jan – Nov 2024

= (Salary + BIK + Tax Allowance) x Effective Rate
= (Rp 15,000,000 + Rp 5,000,000 + 1,129,032) x Effective Rate
= Rp 16,129,032 x 7% (Category A Level 17)
= Rp 1,129,032

Take Home Pay Salary for Mr. R January to November 2024
 = (Salary + BIK+Tax Allowance) – Income Tax Art. 21 with Effective Rate
 = Rp 16,129,032 – Rp 1,129,032
 = Rp 15,000,000

Total Income Tax Article 21 Jan – Nov 2024 (Tax Credit)
 = Rp 1,129,032 x 11 Months
 = Rp 12,419,354

• **December 2024**

Gross Salary

Salary = Rp 10,000,000
 BIK = Rp 5,000,000
 Tax Allowance = **Rp 1,592,943** (Use Goal Seek on Excel)

Deduction

- Position Cost
 5% x Gross Salary
 (Max Rp 6.00.000) = Rp 500,000

- Retirement Contribution
 Rp. 100,000 / Month = Rp 100,000

Total Deduction = Rp 600,000
 Net Salary = Rp 15,992,943
 Yearly Net Salary = Rp 191,915,322
 Yearly Non Taxable Income (K/O) = Rp 58,500,000
 Yearly Taxable Income = Rp 133,415,322

Income Tax Article 21 for the year

Tariff of Article 17 paragraph (1) UU PPh x Taxable Income for the year

Taxable Income Tier			Tax Rate (%)
Less Than		60,000,000	5%
60,000,001	Up to	250,000,000	15%
250,000,001	Up to	500,000,000	25%
500,000,001	Up to	5,000,000,000	30%
More Than		5,000,000,000	35%

= **5%** x Rp 60,000,000 = Rp 3,000,000
 = **15%** x Rp 73,415,322 = Rp 11,012,298
 Total Income Tax Article 21 yearly = **Rp 14,012,298**

Income Tax Article 21 month as of December Period 2024

= Yearly Income Tax Article 21 – Tax Art. 21 Credit (Jan – Nov)
 = Rp 14,012,298 – (Rp 1,129,032 x 11 Months)
 = Rp 14,012,298 – Rp 12,419,354
 = **Rp 1,592,943**

Take Home Pay Salary for Mr. R on December 2024
 = (Salary + BIK+Tax Allowance on Dec 2024) – Income Tax Art. 21 on Dec 2024
 = Rp 16,592,943 – **Rp 1,592,943** (Set Goal Seek to Rp 15,000,000 on Excel)
 = **Rp 15,000,000**

2. Gross Method

Mr. R earns a salary of IDR 10,000,000 (ten million rupiah) per month and He receives an Apartment Allowance of IDR 5.000.000 per month and pays a pension contribution of IDR 100,000 (one hundred thousand rupiah) per month. Mr. R is Married and has no dependents (PTKP K/0). The calculation of Income Tax Article 21 with Gross-up Method as follows:

- **January to November 2024**

Income Tax Article 21 from Salary & BIK (Apartment)

Rp 15,000,000 x 6% = Rp 900,000

(Rate 6% Category A effective rate)

Total Income Tax Article 21 Jan – Nov 2024

= Rp 900.000 x 11 Months

= Rp 9.900.000

Take Home Pay Salary for Mr. R January to November 2024

= (Salary + BIK) – Income Tax Art. 21 with Effective Rate

= Rp 15.000.000 – Rp 900.000

= Rp 14.100.000

- **December 2024**

Salary

= Rp 10,000,000 x 12

= Rp. 120.000.000

BIK & Allowance (Apartment)

= Rp 5.000.000 x 12

= Rp. 60.000.000

Deduction

- Position Cost

5% x Rp 180,000,000

= Rp. 6,000,000

(Max Rp 6.00.000)

- Retirement Contribution

Rp. 100,000 x 12

= Rp. 1,200,000

Total Deduction

= Rp. 7,200,000

Yearly Net Income

= Rp. 172.800.000

Yearly Non Taxable Income (K/0)

= Rp. 58,500,000

Yearly Taxable Income

= Rp. 114,300,000

Income Tax Article 21 for the year

Tariff of Article 17 paragraph (1) UU PPh x Taxable Income for the year

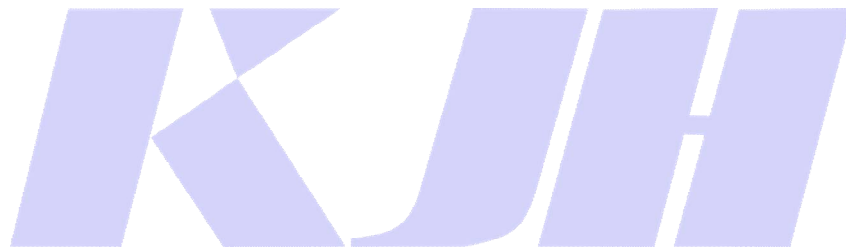
Taxable Income Tier			Tax Rate (%)
Less Than		60,000,000	5%
60,000,001	Up to	250,000,000	15%
250,000,001	Up to	500,000,000	25%
500,000,001	Up to	5,000,000,000	30%
More Than		5,000,000,000	35%

= **5%** x Rp. 60,000,000 = Rp. 3,000,000
= **15%** x Rp. 54,300,000 = Rp. 8,145,000
Total Income Tax Article 21 yearly = **Rp. 11,145,000**

Income Tax Article 21 month as of December Period 2024

= Yearly Income Tax Article 21 - Income Tax deducted for the period January up to November 2024
= Rp. 11,145,000 – (Rp. 900,000 x 11)
= Rp. 11,145,000 – Rp. 9,900,000
= **Rp. 1,245,000**

Take Home Pay Salary for Mr. R on December 2024
= (Salary + BIK) – Income Tax Art. 21 on December 2024
= Rp 15.000.000 – Rp 1,245,000
= **Rp 13,755,000**



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