

**REGULATION OF THE DIRECTOR GENERAL OF TAXES**  
**NUMBER : PER – 32/PJ/2012**  
**CONCERNING**  
**THE PROCEDURES OF IMPOSING LAND AND BUILDING TAX**  
**OF THE MINING SECTOR**  
**FOR MINERAL AND COAL MINING**

**THE DIRECTOR GENERAL OF TAXES,**

Considering;

- a. that in the framework of perfecting the data base of Land and Building Tax of the mining sector for mineral and coal mining;
- b. that to give more legal certainty in imposing Land and Building Tax of the mining sector for mineral and coal mining;
- c. that based on considerations as referred to in letter a and letter b, it is necessary to establish the Regulation of the Director General of Taxes concerning the Procedures of Imposing Land and Building Tax of the Mining Sector for Mineral and Coal Mining.

In view of:

1. Law No. **6 Year 1983** concerning the General Provision and Procedures of Taxation (State Gazette of the R.I. of 1983 No.49, State Gazette Supplement of the R.I No.3262) as several times amended lastly with Law No.16 Year 2009 (State Gazette of the R.I. of 2009 No.62, State Gazette Supplement of the R.I. No.4999);
2. Law No.**12 Year 1985** concerning Land and Building Tax (State Gazette of the R.I. of 1985 No.68, State Gazette Supplement of the R.I. No.3312) as amended with Law No.12 Year 1994 (State Gazette of the R.I. of 1994 No.62, State Gazette Supplement of the R.I. No.3569);

3. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the R.I. of 2009 No.4, State Gazette Supplement of the R.I. No.4959);
4. Law No.28 Year 2009 concerning Regional Tax and Regional Repayments (State Gazette of the R.I. of 2009 No.130, State Gazette Supplement of the R.I. No.5049);
5. Government Regulation No.22 Year 2010 concerning Mining Area (State Gazette of the R.I. of 2010 No.28, State Gazette Supplement of the R.I. No.5110);
6. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (State Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5111);
7. Regulation of the Minister of Finance No.150/PMK.03/2010 concerning Classification and Determining of the Sale Value of Tax Object as the base for imposing Land and Building Tax;
8. Regulation of the Minister of Energy and Mineral Resources No.17 of 2010 concerning the Procedures of Determining the Standard Selling Price of Mineral and Coal;
9. Regulation of the Minister of Energy and Mineral Resources No.12 of 2011 concerning the Procedures of Determining Mining Business Areas and Information System of Mineral and Coal Mining Area.

### **HAS DECIDED**

To establish:

THE REGULATION OF THE DIRECTOR GENERAL OF TAXES CONCERNING  
THE PROCEDURES OF IMPOSING LAND AND BUILDING TAX OF THE MINING  
SECTOR FOR MINERAL AND COAL MINING.

### **Article 1**

In this Regulation of the Director General of Taxes:

1. Imposition refers to activities in determining Taxpayer and the amount of payable tax for Land and Building Tax of the mining sector for mineral and coal mining based on Land and Building Tax. laws and regulations.
2. Land and Building Tax of the mining sector for mineral and coal mining, hereinafter referred to as Mineral and Coal PBB, refers to Land and Building Tax on the land/or building situated in an area used for mineral and coal mining business activities.
3. The administration of tax object Mineral and Coal PBB refers to a series of activities encompassing the registration of tax object, administration of tax object, appraisal, calculation of Tax Object Sale Value, determining, dunning.
4. Mineral refers to inorganic compound naturally formed, which has a certain physical and chemical characteristic as well as regular crystalline structure or its compound which forms rocks, either in loose or compact form, encompassing metallic mineral, non-metallic mineral and rocks.
5. Coal refers to sedimentation of carbonate organic compound naturally formed from the remnants of plants.
6. Exploration refers to the stages of mining business activities to obtain detailed and thorough information concerning location, form, dimension, spread, quality and measured resources of extractive materials as well as information about the social and living environment.
7. Production Operation refers to the stages of mining business activities comprising construction, mining, processing, refining, including transportation and sale, as well as environmental impact controlling means in compliance with the result of feasibility study.
8. Mining Business License Area hereinafter referred to as WIUP, refers to an area given to the holder of a Mining Business License.

9. Special Mining Business License Area, hereinafter referred to as WIUPK, refers to an area given to the holder of a Special Mining Business License.
10. People's Mining Area, hereinafter referred to as WPR, refers to a part of a mining area where people's mining business activities are carried out.
11. Mining area refers to an area which has mineral and/or coal potentials and is not bound by the limitation of governance administration which constitutes a part of the national spatial design.
12. Mining license area refers to an area given to the holder of a mining license for the business of mining which encompass WIUP, WIUPK and WPR.
13. A mining area of a type refers to a mining area which had been given to the holder of a contract of work or coal contract of work (PKP2B) which is still valid.
14. Productive Area refers to an area used for mining activities in which extractive materials are being removed.
15. Production Reserve Area refers to an area used for mining activities but the extractive materials have yet to be removed.
16. Not Yet Used Area refers to an area which has yet to be used for mining activities or an area in which general survey, exploration and/or feasibility study are being conducted.
17. Unproductive Area refers to an area which cannot be undertaken for mining activities, or an area which had already been exploited.
18. Emplacement Area refers to an area which is used buildings and/or yard and supporting facilities.
19. Buffer Area refers to an area used to support and safeguard mining business activities.
20. Exploration Earth Body refers to the earth body which has potential extractive materials in the form of mineral or coal.

21. Production Operation Earth Body refers to the earth body which had produced extractive materials in the form of mineral and coal.
22. Capitalization Figure refers to the multiplier figure used for converting the net income from the production of extractive materials in one year prior to the tax year into the value of Production Operation Earth Body.
23. The Sale Value of Tax Object hereinafter abbreviated to NJOP, refers to the average price obtained from a normal sale and purchase transaction, and whenever no sale and purchase transaction is made, the NJOP is determined through price comparison with another object of a kind, or a newly obtained value, or a Substitute NJOP.
24. Notification of Tax Object Mineral and Coal PBB hereinafter referred to as SPOP, refers to a letter used by the tax subject or Taxpayer to report the data of tax object of the mining sector for mineral and coal mining to the Directorate General of Taxes.
25. Attachment of the Notification of Tax Object Mineral and Coal PBB, hereinafter referred to as LSPOP, refers to the form used by the tax subject or Taxpayer to report the data of tax object of the mining sector for mineral and coal mining in detail.
26. Notification of Payable Tax, hereinafter abbreviated to SPPT, refers to the letter used by the Directorate General of Taxes to inform the amount of the payable PBB to the Taxpayer.

## **Article 2**

- (1) Tax object Mineral and Coal PBB refers to land and/or building found in the area used for mineral and coal mining business activities.
- (2) Land as referred to in sub-article (1), is comprised of:
  - a. earth surface, encompassing:
    - 1) land and/or onshore ; and

- 2) offshore
  - used for exploration and/or production operation; and
  - b. earth body found under the earth surface.
- (3) Earth surface as referred to in sub-article (2) letter a figure 1) for onshore encompass:
  - a. Productive Area;
  - b. Area Not Yet Productive, comprising of :
    - 1) Production Reserves Area;
    - 2) Not Yet Utilized Area.
  - c. Unproductive Area;
  - d. Emplacement Area; and
  - e. Buffer Area.
- (4) Earth surface as referred to in sub-article (2) letter a figure 2) for offshore is in the form of Offshore Area.
- (5) Earth Body as referred to in sub-article (2) letter b is in the form of:
  - a. Exploration Earth Body; or
  - b. Production Operation Earth Body.
- (6) Building as referred to in sub-article (1) constitutes technical construction planted and permanently fixed onshore and/or offshore.
- (7) The area used for mineral and coal mining business activities as referred to in sub-article (1) encompass:
  - a. mining license area or mining area of a kind; and
  - b. area other than mining license area or mining area of a kind which constitutes one unit used for mineral and coal mining business activities.

### **Article 3**

- (1) Tax subject Mineral and Coal PBB refers to a person or body tangibly has the right to the earth, and/or obtains benefit upon the earth, and/or owns, controls, and/or obtains benefit upon the building, or the tax object Mineral and Coal PBB.
- (2) Tax subject as referred to in sub-article (1) imposed with the obligation to pay the Mineral and Coal PBB becomes the Taxpayer of Mineral and Coal PBB.

## **Article 4**

- (1) Tax subject or Taxpayer registers the tax object or updates the data of tax object Mineral and Coal PBB by way of filling in the SPOP and LSPOP, clearly, correctly and complete, and attached with map.
- (2) SPOP as referred to in sub-article (1) is used for the type of onshore sub-sector, offshore, and earth body with format as determined in Appendix I of this Regulation of the Director General of Taxes which constitutes an inseparable part of this Regulation of the Director General of Taxes.
- (3) SPOP as referred to in sub-article (1) should be signed by tax subject or Taxpayer, and in the case it is signed by non-tax subject or Taxpayer, a special power of attorney should be attached.
- (4) LSPOP as referred to in sub-article (1) is comprised of:
  - a. LSPOP for earth surface tax object, encompassing:
    - 1) LSPOP for onshore (code L01-41), with format as determined in Appendix II of this Regulation of the Director General of Taxes.
    - 2) LSPOP for offshore (code L01-42), with format as determined in Appendix III of this Regulation of the Director General of Taxes which constitutes an inseparable part of this Regulation of the Director General of Taxes.
  - b. LSPOP for building tax object, encompass:
    - 1) LSPOP for public building (code L02-41) with format as determined in Appendix IV of this Regulation of the Director General of Taxes;
    - 2) LSPOP for special building (code L02-42) with format as determined in Appendix V of this Regulation of the Director General of Taxes,

which constitutes an inseparable part of this Regulation of the Director General of Taxes.

- c. LSPOP for earth body tax object, encompass:

- 1) LSPOP for earth body (code L03-41), with format as determined in Appendix VI of this Regulation of the Director General of Taxes;
  - 2) LSPOP for details of production operation earth body (code L03-42), with format as determined in Appendix VII of this Regulation of the Director General of Taxes, which constitutes an inseparable part of this Regulation of the Director General of Taxes.
- (5) SPOP as referred to in sub-article (2) for sub-sector type:
- a. onshore, attached with LSPOP for onshore as referred to in sub-article (4) letter a figure 1) and LSPOP for building tax object as referred to in sub-article (4) letter b.
  - b. offshore, attached with LSPOP for offshore as referred to in sub-article (4) letter a figure 2) and LSPOP for building tax object as referred to in sub-article (4) letter b.
  - c. earth body, attached with LSPOP for earth body tax object as referred to in sub-article (4) letter c.
- (6) LSPOP as referred to in sub-article (5) constitutes an inseparable part of SPOP.

## **Article 5**

(1) Tax subject or Taxpayer should submit SPOP and LSPOP as referred to in Article (4) to 'Pratama' Tax Office in 30 (thirty) days as of the date of receipt of SPOP and LSPOP by tax subject or Taxpayer.

(2) The date of receipt of SPOP and LSPOP as referred to in sub-article (1) is:

- a. the date of receipt in the case the SPOP and LSPOP are delivered by 'Pratama' Tax Office directly; or



- b. the stamped postal date of delivery, in the case the SPOP and LSPOP are sent by 'Pratama' Tax Office by post.
- (3) In the case the date of receipt of SPOP and LSPOP as referred to in sub-article (2) is the date before January 1 of the tax year, the date of receipt of SPOP and LSPOP is January 1 of the tax year.
- (4) The date of submitting the SPOP and LSPOP as referred to in sub-article (1) is:
- a. the date of submitting, in the case the SPOP and LSPOP are submitted directly; or
  - b. the stamped postal date, in the case the SPOP and LSPOP are submitted by post.

#### **Article**

**(1)** In the case tax subject or Taxpayer:

- a. does not submit the SPOP and LSPOP as referred to in Article 5 sub-article (1) and after being reprimanded are not submitted as determined in the reprimand; or
- b. submits the SPOP and LSPOP as referred to in Article (4) and based on investigation or other information, appears that the amount of tax which should be payable is bigger than the tax calculated based on the submitted SPOP and LSPOP,

the Director General of Taxes can issue Tax Assessment Notice.

(2) The amount of payable tax in the Tax Assessment Notice as referred to in sub-article (1) letter a refers to basic tax plus administrative sanction in the form of administrative fine of 25% (twenty-five percent) of basic tax.

(3) The amount of payable tax in the Tax Assessment Notice as referred to in sub-article (1) letter b, refers to the difference between payable tax based on the result of investigation or other information and payable tax calculated based on SPOP and LSPOP, plus administrative sanction in the form of

administrative fine of 25% (twenty-five percent) of the difference in payable tax.

#### **Article 7**

- (1) The administration of tax object Mineral and Coal PBB for onshore and its earth body is conducted by '*Pratama*' Tax Office based on the regency/city area or Jakarta Special Capital City area, whose work area encompasses the location of tax object or the appointed '*Pratama*' Tax Office in the case the location of tax object is in more than one work area of '*Pratama*' Tax Office in one regency/city.
- (2) The administration of tax object Mineral and Coal PBB for offshore and its earth body is conducted by the appointed '*Pratama*' Tax Office.

#### **Article 8**

- (1) The Imposition Base of Mineral and Coal PBB is NJOP.
- (2) NJOP as referred to in sub-article (1) constitutes the result of addition between land NJOP and building NJOP.
- (3) Land NJOP as referred to in sub-article (2) for:
  - a. earth surface constitutes the result of multiplication between the total size of tax object area imposed with land NJOP per square meter;
  - b. exploration earth body constitutes the result of multiplication between the size of mining license area and land NJOP per square meter;
  - c. production operation earth body constitutes the result of multiplication between the size of mining license area and land NJOP per square meter.
- (4) Land NJOP per square meter as referred to in sub-article (3) constitutes the result of conversion of land value per square meter into the classification of land NJOP as referred to in the Regulation of the Finance Minister concerning

classification of Land NJOP.

- (5) Building NJOP as referred to in sub-article (2) constitutes the result of multiplication between the total size of building and building NJOP per square meter.
- (6) Building NJOP per square meter as referred to in sub-article (5) constitutes the result of conversion of the value of the building per square meter into the classification of building NJOP as referred to in the Regulation of the Minister of Finance concerning classification of Building NJOP.

### **Article 9**

- (1) Land value per square meter as referred to in Article 8 sub-article (4) for:
  - a. earth surface constitutes the result of division between the total value of earth surface and the total size of the tax object area imposed;
  - b. exploration earth body is determined with the Decree of the Director General of Taxes;
  - c. production operation earth body constitutes the result of division between the value of land for production operation earth body and the size of the mining license area.
- (2) The total value of land for earth surface as referred to in sub-article (1) letter a, constitutes the sum of multiplication of the size of each tax object area imposed and land value per square meter of each tax object area concerned, exclusive of productive area.
- (3) Land value per square meter of each tax object area as referred to in sub-article (2) in the form of:
  - a. Not Yet Utilized Area, and Emplacement Area, are determined through the comparison of the price of land of a kind;

- b. Production Reserve Area, Unproductive Area, and Buffer Area, are determined through adjustment toward the value of land per square meter for nor yet utilized area.
  - c. Offshore Area is determined by the Decree of the Director General of Taxes.
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- (4) Land value for production operation earth body as referred to in sub-article (1) letter c, is determined as much as the net yield of extractive material production in one year before the tax year multiplied by Capitalization Figure.
  - (5) The net yield of extractive material production as referred to in sub-article (4) is determined as much as the gross income minus production cost of extractive materials on the object concerned.
  - (6) Capitalization Figure as referred to in sub-article (4) is determined with the Decree of the Director General of Taxes.
  - (7) Gross Income as referred to in sub-article (5) constitutes a multiplication between the selling price of extractive material production and the yield of extractive materials production.
  - (8) The value of building per square meter as referred to in Article 8 sub-article (6) constitutes the result of division between the total value of building and the total area of building.
  - (9) The total value of building as referred to in sub-article (8) constitutes the total value of building of each building.
  - (10) The value of building of each building as referred to in sub-article (9) is determined as much as the cost of a new development after deduction of depreciation.

## **Article 10**

- (1) The selling price of extractive materials production as referred to in Article 9 sub-article (7) is in the form of:

- a. the average standard price of metallic mineral;
- b. the average standard price of non-metallic mineral;
- c. the average standard price of rocks; and
- d. the average standard price of coal,

in one year before the tax year.

- (2) The standard price of metallic mineral as referred to in sub-article (1) letter a, is determined based on the formula of determining the standard price of metallic mineral for each mine commodity determined every month by the Ministry of Energy and Mineral Resources at sale point Free on Board vessel.
- (3) The standard price of non-metallic mineral as referred to in sub-article (1) letter b and the standard price of rocks as referred to in sub-article (1) letter c, is determined based on the standard price of non-metallic mineral and/or rocks determined for each mine commodity in 1 (one) province by the governor or in 1 (one) regency/city by the regent/mayor.
- (4) The standard price of coal as referred to in sub-article (1) letter d, is determined based on the formula for determining the standard price of coal for thermal coal and coking coal determined every month by the Ministry of Energy and Mineral Resources at sale point Free on Board vessel.
- (5) In the case at sale point is outside the point of Free on Board vessel, the standard price of metallic mineral as referred to in sub-article (2) and the standard price of coal as referred to in sub-article (4) takes the amount of cost of adjustment of the standard price of metallic mineral or coal determined by the Ministry of Energy and Mineral Resources into consideration.
- (6) In the case of no standard price as referred to in sub-article (1), the selling price of extractive materials production is determined based on the price of metallic mineral, the price of non-metallic mineral, the price of rocks or the price of coal one year before the tax year.

- (7) The price of metallic mineral, the price of non-metallic mineral, the price of rocks and the price of coal, as referred to in sub-article (6), constitutes the average selling price agreed upon between the seller and the buyer of metallic mineral, non-metallic mineral, rocks or coal in one year before the tax year.
- (8) In the case the selling price of extractive materials as referred to in sub-article (1) is using the US dollar, it should be converted into rupiah based on the exchange rate on January 1 of the tax year as determined in the Decree of the Minister of Finance.

### **Article 11**

- (1) The production cost of extractive materials as referred to in Article 9 sub-article (5) is direct cost for:
  - a. overburden removal;
  - b. taking the yield of extractive materials production;
  - c. processing and/or refining the yield of extractive materials production;  
and/or
  - d. transportation of the yield of extractive materials production,  
in one year before the tax year.
- (2) The cost of removal of overburden as referred to in sub-article (1) letter a:
  - a. constitutes cost for removal of overburden during production operation activities;
  - b. comprised of cost for raking/pushing, digging/loading, and/or transporting of soil from the location of excavation to the location of piling.
- (3) Cost of taking the yield of extractive materials production as referred to in sub-article (1) letter b:

- a. constitutes cost for taking extractive materials with a method in accordance with the nature and characteristic of the extractive materials concerned;
- b. comprised of cost of digging, water spraying, using heavy duty equipment (shovel and bulldozer), dredging with dredger vessel, and/or explosion.

(4) Cost of processing and/or refining the yield of extractive materials production as referred to in sub-article (1) letter c, is :

- a. cost of cleaning and separating main extractive materials from associated extractive materials using water, chemicals (chemical process), washing equipment or filter; and/or
- b. cost for forming the size of extractive materials, comprising of cost for crushing large size extractive materials into the size in accordance with that determined by the company; and/or
- c. cost for upgrading the quality of extractive materials production.

(5) The cost for transporting the yield of extractive materials production as referred to in sub-article (1) letter d:

- a. constitutes cost connected with the activities for transporting the yield of extractive materials production from the mining location to the collecting station, special port, transport vessel, and/or end users;
- b. encompasses cost for :
  - 1) hauling using dump truck, train, barge or conveyor belt;
  - 2) sea transportation using barge or vessel;
  - 3) surveyor; and/or
  - 4) insurance.

## **Article 12**

- (1) The Head of '*Pratama*' Tax Office as referred to in Article 7 determines the amount of payable tax on Mineral and Coal PBB by issuing SPPT.
- (2) SPPT as referred to in sub-article (1) comprised of:
  - a. SPPT for onshore;
  - b. SPPT for offshore; and
  - c. SPPT for earth body.
- (3) SPPT as referred to in sub-article (1) is delivered to Taxpayer on June 15 of the tax year at the latest.

## **Article 13**

- (1) In the case the tax subject or Taxpayer has submitted the SPOP and LSPOP to '*Pratama*' Tax Office prior to this Regulation of the Director General of Taxes becomes effective, the SPOP and LSPOP concerned is declared inapplicable.
- (2) '*Pratama*' Tax Office as referred to in sub-article (1) should return the SPOP and LSPOP, in compliance with the provision in this Regulation of the Director General of Taxes, to the tax subject or Taxpayer.

## **Article 14**

At the time this Regulation of the Director General of Taxes becomes effective, the Decree of the Director General of Taxes No.KEP-16/PJ.6/1998 concerning the Imposition of Land and Building Tax which regulates the imposition of Non-Oil & Gas Mining Sector other than Mining of Geothermal Energy and C Category Extractive Materials and the imposition of Non-Oil & Gas C Category Extractive Materials Mining Sector is revoked and is declared null and void.



## **Article 15**

This Regulation of the Director General of Taxes becomes effective as of the date of its establishment.

Established in Jakarta

On December 28, 2012

THE DIRECTOR GENERAL OF TAXES

Signed

A. FUAD RAHMANY

Nip 19541111981121001