

MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
DIRECTORATE GENERAL OF TAXATION
(COPY)
REGULATION OF DIRECTOR GENERAL OF TAXATION
Number PER-47/PJ/2015

CONCERNING

**PROCEDURE TO IMPOSE TAX OF LAND AND BUILDING
IN THE SECTOR OF MINERAL AND COAL MINING**

DIRECTOR GENERAL OF TAXATION,

- Considering
- a. that the provision on the procedure to impose the tax of land and building in the sector of mineral and coal mining has been regulated under Regulation of Director General of Taxation Number PER-32/PJ/2012 on Procedure to Impose Tax of Land and Building in the sector of mineral and coal mining;
 - b. that in order to increase the effectiveness and efficiency of the procedure to impose the tax of land and building in the sector of mineral and coal mining, and to better create the legal certainty for Tax Payer, it shall be necessary to amend the provisions on the procedure to impose the tax of land and building in the sector of mineral and coal mining;
 - c. that based on the considerations as cited in letter a and b, it shall be necessary to enact a Regulation of Director General on procedure to impose the tax of land and building in the sector of mineral and coal mining;

- Referring to in
- 1. Law Number 12 Year 1985 on Tax of Land and Building (State Gazette of the Republic of Indonesia Year 1985 Number 68, Supplement to State Gazette of the Republic of Indonesia Number 3312) as having been amended by Law Number 12 Year 1994 (State Gazette of the Republic of Indonesia Year 1994 Number 62, Supplement to State Gazette of the Republic of Indonesia Number 3567);
 - 2. Ministerial Decree of Finance Number 139/PMK.03/2014 on Classification and Determination of Selling Price of Taxable Object or Property (NJOP) as the basis of the imposition of the tax of land and building;

DECIDES:

- To Enact
- REGULATION OF DIRECTOR GENERAL OF TAXATION ON PROCEDURE TO IMPOSE
TAX OF LAND AND BUILDING IN THE SECTOR OF MINERAL AND COAL MINING.**

Article 1

In this Regulation of Director General of Taxation, what is meant by:

- 1. Imposition shall be the action to determine a Tax Payer and the amount of tax payable of land and building in the sector of mineral and coal mining as in compliance with the prevailing laws and regulations on tax of land and building.
- 2. Tax of Land and Building in the Sector of Mineral and Coal Mining, hereinafter referring to PBB of Mineral and Coal, shall be the tax of land and building as imposed on land and/or building in an area of undertakings of mineral and coal mining.
- 3. Management of Taxable Object (Property) of PBB of Mineral and Coal shall be a series of actions or activities of collecting the data of taxable objects (properties), administration of taxable objects, assessment, calculation of the selling price of taxable objects, determination, and collection.
- 4. Mineral shall be non-organic compound that was created in the nature that has specific chemical and physical characteristics and regular crystal formation or the combination that created rock, either in free or compact nature, such as

metal mineral, non-metal mineral and rock.

5. Coal shall be the sediment of organic and carbonated compound that was naturally formed from the remains of plants or vegetations.
6. Exploration shall be a stage of activity of mining undertakings in order to obtain information in details and in accuracy of location, form, dimension, spread, quality, and measurable resource of extractive substance, and information about social condition and environment.
7. Operation-Production shall be a stage of mining activity including developing (construction), mining, processing, refining as well as transporting and selling, and also controlling the environmental impacts based on the result of feasibility study.
8. Area of Permit of Mining Undertakings hereinafter referring to WIUP shall be an area granted to the holder of the permit of mining undertakings.
9. Area of Special Permit of Mining Undertakings hereinafter referring to WIUPK shall be an area granted to the holder of the special permit of mining undertakings.
10. Area of People's Mining hereinafter referring to WPR shall be part of the area of mining for the activity of undertakings of People's mining.
11. Area of Mining shall be an area that is potential of mineral and/ or coal, of which is not bound by a territory of administration of government and is as part of the national land spatial plan.
12. Area of Mining Permit shall be an area of mining granted to the holder of mining permit for the activity of mining that includes WIUP, WIUPK, or WPR.
13. Mining Area of Similar Category shall be a mining area that has been granted to the holder of Contract of Work or the holder of Agreement on authorization of coal mining that is still valid.
14. Permit of Mining Undertakings hereinafter referring to IUP shall be a permit to conduct mining undertakings in WIUP.
15. Special Permit of Mining Undertakings hereinafter referring to IUPK shall be a permit to conduct mining undertakings in WIUPK.
16. Permit of People's Mining hereinafter referring to IPR shall be a permit to conduct mining undertakings in WPR whose area and investment are limited.
17. Productive Area shall be an area that is utilized for the activity of mining in which mining materials are to be exploited.
18. Reserve Area of Production shall be an area that is utilized for the activity of mining but in which mining materials have yet to be exploited.
19. Not-yet Utilized Area shall be an area that has yet to be utilized for mining activity or an area in which is conducting a general survey, exploration and/or feasibility study.
20. Non-productive Area shall be an area that cannot be utilized at all for mining activity, or an area that has already been completely utilized or undertaken.
21. Area of Emplacement shall be an area on which is utilized for building and/or yard and other supporting facilities.
22. Area of Buffer zone shall be an area that is used to support and safeguard the activity of mining undertakings.

23. Onshore Area of Taxable Object or Property shall be a remote area of land and/ or waters in the zone of activity for mining undertakings of mineral and coal that is subject to PBB of Mineral and Coal, of which includes Non-productive Area, Productive Area, Area of Emplacement and Area of Buffer zone.
24. Offshore Area of Taxable Object or Property shall be an offshore area of waters in the zone of activity for mining undertakings of mineral and coal that is subject to PBB of Mineral and Coal.
25. Other Area shall be a remote onshore area of land and waters or an offshore area within the Area of Mining Permit (WIP) or Area of Similar Category of Mining that is subject to PBB as cited in Article 3 paragraph (1) of Law Number 12 Year 1985 on Taxation of Land and Building, as having been amended by Law Number 12 Year 1994; and/ or an area that is obviously not equipped with rights and of which there is no benefit for the Subject of Taxation or Tax Payer in regard of the activity of mining undertakings of mineral and coal.
26. Body of Earth for Exploration shall be the body of earth within an Area of Mining Permit or an Area of Similar Category of Mining in which are carrying out the activities of mining in a stage of exploration.
27. Body of Earth for Operation-Production shall be body of earth within an Area of Mining Permit or an Area of Similar Category of Mining in which are carrying out the activities of mining in a stage of Operation-Production.
28. Reference Price of Metal Mineral hereinafter referring to HPM Metal shall be the price of metal mineral that is calculated based on a formula for the determination of reference price of metal mineral by Ministry partly in charge of governmental affairs in the sector of energy and mineral resources at a sale point of Free-on-Board (FOB) vessel for any commodity of metal minerals.
29. Reference Price of Non-metal Mineral shall be the reference price of non-metal mineral that is determined by Governor for any mining commodity in a province.
30. Reference Price of Rock shall be the reference price of rock that is determined by Regent/ Mayor for any mining commodity in regency/ municipality.
31. Reference Price of Coal hereinafter referring to HPB shall be the reference price of steam (thermal) coal and coking (metallurgical) coal that is calculated based on a formula of reference price of coal as determined by Ministry partly in charge of governmental affairs in the sector of energy and mineral resources at a sale point of Free-on-Board (FOB) vessel.
32. Number of Capitalization shall be a number for multiplication that is used for converting the net result of production of mining products in one year prior to the fiscal year, of which will become the value of Body of Earth for Operation-Production.
33. Selling Price of Taxable Object or Property hereinafter referring to NJOP shall be an average price of the taxable object or property for a normal transaction of selling and buying, and in case that there is no transaction of selling and buying the NJOP shall be determined based on the comparison of price of similar taxable object or property, or the value based on a new price to obtain such a taxable object, or called as NJOP Replacement.
34. Letter of Notice of Taxable Object of PBB Mineral and Coal hereinafter referring to SPOP shall be the letter used by the Subject of Taxation or Tax Payer to report the data of taxable object in the sector of mineral and coal mining to Directorate General of Taxation.
35. Appendix or attachment to the Letter of Notice of Taxable Object of PBB Mineral and Coal hereinafter referring to LSPOP shall be a form used by the Subject of Taxation or Tax Payer to report the data in details about taxable

object in the sector of mineral and coal mining to Directorate General of Taxation.

36. Letter of Notice of Tax Payable hereinafter referring to SPPT shall be the letter used by Directorate General of Taxation to notify about the amount of Tax Payable to Tax Payer.

Article 2

(1) Taxable Object or Property of PBB Mineral and Coal shall be earth (land area) and/or building located in an area used for the activity of mineral and coal mining.

(2) Earth as cited in paragraph (1) shall comprise as follows:

- a. surface of earth that includes:
 - 1) onshore area of land and/ or waters
 - 2) offshore area; and
- b. body of earth beneath the surface of earth.

(3) Building as sited in paragraph (1) shall be the construction that is technically implanted or attached permanently into the area of land and/ or waters.

(4) Zone or Area used for the activity of mining undertakings of mineral and coal as cited in paragraph (1) shall include:

- a. Area of Mining Permit or Area of Similar Category of Mining; and
- b. Area outside the Area of Mining Permit or Area of Similar Category of Mining Permit used for the activity of mining undertakings of mineral and coal, of which is physically connected to the location of the Area of Mining Permit or Area of Similar Category of Mining Permit that is subject to PBB of Mineral and Coal.

(5) Activity of mining undertakings of mineral and coal as cited in paragraph (1) shall include the activities of exploration and operation-production equipped with IUP, IUPK, IPR, or other similar permit.

Article 3

(1) Onshore Area of Earth Surface as cited in Article 2 paragraph (2) letter a point 1) shall comprise:

- a. Onshore area of taxable object including:
 - 1. Not-yet productive area comprising Reserve Area of Production and Not-yet Unutilized Area;
 - 2. Non-productive Area
 - 3. Area of Emplacement; and
 - 4. Area of Buffer zone
- b. Productive Area; and
- c. Other Areas

(2) Offshore Area of Earth Surface as cited in Article 2 paragraph (2) letter a point 2) shall comprise:

- a. Offshore area of taxable object; and
- b. other areas

(3) Body of Earth as cited in Article 2 paragraph (2) letter b shall be:

- a. The Body of Earth for Exploration; or

b. The Body of Earth for Operation-Production.

Article 4

- (1) Subject of Taxation of PBB Mineral and Coal shall be a person or an entity that indisputably has the right to the earth (land area) and/ or to utilizing the earth, and/ or to possessing, controlling, and/or taking advantage from the building and taxable object of PBB Mineral and Coal.
- (2) Tax Payer of PBB Mineral and Coal shall be the subject of taxation as cited in paragraph (1) who is obligatorily subject to the payment of PBB Mineral and Coal.

Article 5

- (1) Subject of Taxation shall register the taxable object of PBB Mineral and Coal, or shall obligatorily update the data of taxable object of PBB Mineral and Coal, by ways of filling in SPOP and LSPOP clearly, correctly and completely and attaching the supporting documents at least comprising a work plan and budget of expenditures (RKAB).
- (2) LSPOP as cited in paragraph (1) shall be regarded as an inseparable part of SPOP.
- (3) SPOP as cited in paragraph (1) comprises SPOP of PBB Mineral and Coal for onshore and offshore sites in the body of earth.
- (4) In regard of SPOP of PBB Mineral and Coal as cited in paragraph (3):
 - a. an onshore area shall be attached with:
 1. LSPOP of PBB Mineral and Coal of onshore area;
 2. LSPOP of PBB Mineral and Coal of ordinary building; and/ or
 3. LSPOP of PBB Mineral and Coal of special building;
 - b. an onshore area shall be attached with:
 1. LSPOP of PBB Mineral and Coal of offshore area;
 2. LSPOP of PBB Mineral and Coal of ordinary building; and/ or
 3. LSPOP of PBB Mineral and Coal of special building;
 - c. Body of Earth shall be attached with:
 1. LSPOP of PBB Mineral and Coal of body of earth;
 2. LSPOP of PBB Mineral and Coal of detailed cost of production of mining product;

Article 6

- (1) The management of Taxable Object of PBB Mineral and Coal of onshore area for taxable object and/ or of body of earth as part of onshore area of taxable object shall be under the authority of as follows:
 - a. Office of Services of Prime Taxation (Pajak Pratama) in regency/ municipality or in Special Territory of Capital City of Jakarta, of which the work area shall include the location of taxable object; or
 - b. Office of Services of Prime Taxation (Pajak Pratama) as assigned under the Regulation (Decision) of Director General of Taxation in case that the location of taxable object is in more than one work area of Office of Services of Prime Taxation (Pajak Pratama) in Regency/ Municipality.
- (2) In case that the Taxable Object of PBB Mineral and Coal is located in an onshore area of Taxable Object and in an offshore area of Taxable Object, and/ or in body of earth as part of the onshore area of Taxable Object, the management

shall be conducted by the Office of Services of Prime Taxation (Pajak Pratama) whose work area includes the onshore area of taxable object.

- (3) In case that the Taxable Object of PBB Mineral and Coal is located in an offshore area of Taxable Object and/or in body of earth as part of the offshore area of Taxable Object, the management shall be conducted by the Office of Services of Prime Taxation (Pajak Pratama) as assigned under the Decision of Director General of Taxation.

Article 7

- (1) The amount of the tax payable of PBB Mineral and Coal shall be calculated based on the multiplication of the rate (tariff) of tax and the value of the sale of taxable object or property.
- (2) The value of sale of taxable object as cited in paragraph (1) shall be the percentage of NJOP, of which the rate shall be determined based on a Government Regulation that regulates about the determination on the value of sale of taxable object or property.
- (3) NJOP as cited in paragraph (2) shall be resulted from the addition of NJOP of area of land (earth) to NJOP of building.

Article 8

- (1) NJOP of earth (land area) as cited in Article 7 paragraph (3) shall be applicable for:
 - a. the surface of earth as resulted from the multiplication of total area of taxable object and the rate of NJOP of earth per square meter;
 - b. Body of Earth for Exploration as resulted from the multiplication of the total area of mining permit and the rate of NJOP of earth per square meter;
 - c. Body of Earth for Operation-Production as resulted from the multiplication of the total area of mining permit and the rate of NJOP of earth per square meter;
- (2) NJOP of earth per square meter as cited in paragraph (1) shall be the result of conversion of the value of earth (land) per square meter in the classification of NJOP of earth as cited in Ministerial Decree of Finance on Classification of NJOP of Earth (land area).
- (3) The value of earth (land area) per square meter as cited in paragraph (2) for:
 - a. earth surface shall be the result of division of the total value of area of earth surface and the total area of taxable object;
 - b. Body of Earth for Exploration shall be determined under the Decision of Director General of Taxation;
 - c. Body of Earth for Operation-Production shall be the result of division of the value of the body of earth for Operation-Production and the total area of mining permit;
- (4) The total value of earth surface (land area) as cited in paragraph (3) letter a shall be the result of multiplication of area of taxable object and the value of area of earth per square meter in the area of taxable object.
- (5) The value of earth (land area) per square meter in every area of taxable object as cited in paragraph (4) shall be as follows:
 - a. Not-yet Utilized Area and Area of Emplacement shall be determined

based on the comparison of prices of land areas of the same category;

- b. Reserve Area of Production, Non-productive Area, and Area of Buffer zone shall be determined based on the adjustment to the value of earth per square meter for a not-yet utilized area;
- c. Offshore Area of Taxable Object shall be determined under a Decision of Director General of Taxation.

- (6) The value of area of the Body of Earth for Operation-Production as cited in paragraph (3) letter c shall be determined based on the result of net production of mining products in a year prior to the fiscal year and multiplied by the Number of Capitalization.
- (7) Result of Net-production of mining products as cited in paragraph (6) shall be determined based on the gross revenue and it is deducted by production cost of mining product of taxable object.
- (8) Number of Capitalization as cited in paragraph (6) shall be determined under a Decision of Director General of Taxation.
- (9) Gross revenue as cited in paragraph (7) shall be the result of multiplication of the selling price of mining product and the result of mineable output (production) in a year prior to the fiscal year.

Article 9

- (1) NJOP of building as cited in Article 7 paragraph (3) shall be resulted from the multiplication of the total area of building and the rate of NJOP of building per square meter.
- (2) NJOP of building per square meter as cited in paragraph (1) shall be resulted from the conversion of the value of building per square meter in the classification of NJOP of building as cited in Ministerial Decree of Finance on Classification of NJOP of Building.
- (3) The value of building per square meter as cited in paragraph (3) shall be the result of division of the total value of building and the total area of building.
- (4) The total value of building as cited in paragraph (2) shall be the total value of every part of the construction of building.
- (5) The value of every part of the construction of building as cited in paragraph (4) shall be determined based on the cost of new building and it is deducted by the value of depreciation.

Article 10

- (1) The selling price of mining product as cited in Article 8 paragraph (9) shall be the average selling price of:
 - a. metal mineral;
 - b. non-metal mineral;
 - c. rock; or
 - d. coalin a year prior to fiscal year.
- (2) Average selling price of metal mineral, non-metal mineral, rock, and coal as cited in paragraph (1) shall be the average price of sales as agreed by the seller and buyer in a year prior to fiscal year.
- (3) In case that the selling price as cited in paragraph (2) is determined based on a special relationship, the selling price shall be calculated based on a normal market price.

- (4) In case that the average selling price as cited in paragraph (1) letter a is lower than the average HPM of metal in a year prior to the fiscal year, the average selling price of metal mineral shall be the average HPM of metal in a year prior to the fiscal year.
- (5) In case that the average selling price of non-metal mineral as cited in paragraph (1) letter b is lower than the average HPM of non-metal mineral in a year prior to the fiscal year, the average selling price of non-metal mineral shall be the average HPM of non-metal mineral in a year prior to the fiscal year.
- (6) In case that the average selling price of rock as cited in paragraph (1) letter c is lower than the average HPM of rock in a year prior to the fiscal year, the average selling price of rock shall be the average HPM of rock in a year prior to the fiscal year.
- (7) In case that the average selling price of coal as cited in paragraph (1) letter d is lower than the average HPM of coal in a year prior to the fiscal year, the average selling price of coal shall be the average HPM of coal in a year prior to the fiscal year.
- (8) In regard that the mining product is a certain type of coal, coal for certain purpose, or coal for mine-mouth power plant, the HPB shall refer to the formula for the determination of reference price or the price of coal shall be regulated by the Ministry partly in charge of governmental affairs in the sector of energy and mineral resources.
- (9). In case that the sale point is outside the point of Free-on-Board vessel, the HPM of metal as cited in paragraph (4) and the HPB as cited in paragraph (7) shall consider the cost for adjustment to HPM of metal and HPB as regulated or determined by Ministry partly in charge of governmental affairs in the sector of energy and mineral resources.
- (10) In case that the selling price of mining product as cited in paragraph (1) is in denomination of US dollar (USD), it shall be converted into Rupiah (Rp) based on an exchange rate as per January 1 of the fiscal year as regulated under a Ministerial Decree of Finance.
- (11) Type of metal mineral, non-metal mineral or rock as cited in paragraph (1) shall refer to the policies and regulations of Ministry partly in charge of governmental affairs in the sector of energy and mineral resources.

Article 11

- (1) Production cost of mining product as cited in Article 8 paragraph (7) shall be a direct cost of:
 - a. stripping of area, or land stripping;
 - b. exploitation of mining product or mining commodity;
 - c. processing and/ or refining of production of mining commodity; and/ or
 - d. delivery or transportation of mining product,in a year prior to the fiscal year.
- (2) the cost of land stripping as cited in paragraph (1) letter a shall be:
 - a. the cost of land stripping during the activity of operation-production;
 - b. the cost for the activity of hauling up/ pulling up, digging/ loading, and/ or delivering of soil from the site of extraction to the site of stockpiling.
- (3) Cost of extraction for the production of mining commodity as cited in paragraph (1) letter b shall be:
 - a. the cost for the activity of extracting mining commodity with a method

- based on the nature and characteristics of mining product;
- b. the cost of digging, water spreading, using heavy equipment like shovel and bulldozer, dredging by vessel, and/ or blasting.
- (4) Cost of processing and/ or refining of production of mining product as cited in paragraph (1) letter c, shall be:
- a. the cost of cleansing and separating the main product from the associate product by a means of water spreading, chemical processing, washing tools, or filtering; and/ or
- b. the cost of measuring/sizing the mine that includes the cost of crushing the large size of mining substance into a size as expected by the company by using a crusher; and/ or
- c. the cost of improving the quality of production of mining product.
- (5) The cost of delivering or transporting the production of mining product as cited in paragraph (1) letter d shall be:
- a. the cost for the activity of delivering or transporting the production of mining product from a location of mining to a terminal of pooling or stockpiling, special port, delivery vessel, and/ or end user.
- b. covering the cost of:
- 1) hauling by using dump truck, lorry, barge, or conveyor belt;
 - 2) sea transport by using barge, or vessel;
 - 3) surveyor, and/ or
 - 4) insurance.
- (6) In regard that the cost in the financial statement is denominated in foreign currency, it shall be converted into Rupiah (Rp) based on an exchange rate as per January 1 of the fiscal year as regulated under a Ministerial Decree of Finance.

Article 12

- (1) Head of Office of Services of Prime Taxation (Pajak Pratama) as cited in Article 6 shall determine the amount of Tax Payable of PBB Mineral and Coal with the issuance of SPPT.
- (2) SPPT as cited in paragraph (1) shall consist of:
- a. SPPT of onshore area;
- b. SPPT of offshore area; or
- c. SPPT of body of earth
- (3) SPPT as cited in paragraph (1) shall be submitted to Tax Payer no later than the second week of June in the fiscal year.

Article 13

- (1) In case that the subject of taxation or Tax Payer has submitted SPOP and LSPOP to the Office of Services of Prime Taxation (Pajak Pratama) prior to the effectiveness of this Regulation of Director General of Taxation, the SPOP and LSPOP shall be declared no longer effective.
- (2) The Office of Services of Prime Taxation (Pajak Pratama) as cited in paragraph (1) shall return the submission of SPOP and LSPOP to the subject of taxation or

Tax Payer as in compliance with the provisions of this Regulation of Director General of Taxation.

Article 14

The format of Form shall be as follows:

1. SPOP of PBB Mineral and Coal is as stated in Appendix I of this Regulation of Director General of Taxation;
2. LSPOP of PBB Mineral and Coal of onshore area (code L01-41) is as stated in Appendix II of Regulation of Director General of Taxation;
3. LSPOP of PBB Mineral and Coal of offshore area (code L01-42) is as stated in Appendix III of Regulation of Director General of Taxation;
4. LSPOP of PBB Mineral and Coal of ordinary building (code L02-41) is as stated in Appendix IV of Regulation of Director General of Taxation;
5. LSPOP of PBB Mineral and Coal of special building (code L02-42) is as stated in Appendix V of Regulation of Director General of Taxation;
6. LSPOP of PBB Mineral and Coal of the body of earth (code L03-41) is as stated in Appendix VI of Regulation of Director General of Taxation;
7. LSPOP of PBB Mineral and Coal of detailed cost of production (code L03-42) is as stated in Appendix VII of Regulation of Director General of Taxation;

of which shall be regarded as inseparable parts of this Regulation of Director General of Taxation.

Article 15

At the time of the effectiveness of this Regulation of Director General of Taxation, Regulation of Director General of Taxation Number PER-32/PJ/2012 on Procedure for the Imposition of Taxation of Land and Building in the Sector of Mineral and Coal Mining, shall be revoked and declared no longer effective.

Article 16

At the time of the effectiveness of this Regulation of Director General of Taxation, all the implementing rules (guidelines) that refer to in Regulation of Director General of Taxation Number PER-32/PJ/2012 on Procedure for the Imposition of Taxation of Land and Building in the Sector of Mineral and Coal Mining, shall remain effective as long as they are not contradictory to this Regulation of Director General of Taxation, or have yet to be replaced by new implementing rules (guidelines) based on this Regulation of Director General of Taxation.

Article 17

This Regulation of Director General of Taxation shall be effective as of January 1, 2016.

Enacted in Jakarta
Dated December 22, 2015
Acting DIRECTOR GENERAL OF TAXATION

signed

KEN DWIJUGIASTEADI

DIVISION HEAD OF ORGANIZATION AND GOVERNANCE

signed

ODING RIFALDI
NIP 197003111995031002