

## Covid 19 outbreak and tax

# Certain submission deadlines shifted to end of April and May 2020

The outbreak of Covid 19 has led the Indonesian Government to declare the period of 28 January up to 29 May 2020 as a State of Certain Emergency Disaster. Concerned especially with its impact to taxpayers' occupations and activities, the Director General of Taxation (DGT) issued decision letter No. KEP-156/PJ/2020 on 20 March 2020 setting out its policy pertaining to the performance of taxpayer rights and obligations supposed to take place during the period:

- **Individual tax return filing.** 2019 individual income tax returns (Forms 1770, 1770S and 1770SS) supposed to be filed by 30 March 2020 can be submitted up to 30 April 2020 without facing any late filing penalty. Tax underpayments can also be settled up to 30 April 2020 without any late payment penalty.
- **Tax amnesty reporting for individual taxpayers.** The third and the last tax amnesty reports supposed to be filed by individual taxpayers by 30 March 2020, can be filed up to 30 April 2020.
- **WHT return filing for February 2020.** WHT returns for February 2020 supposed to be filed by 20 March 2020 can be submitted up to 30 April 2020 without facing any late filing penalty. However, any underpayments should be settled by the respective due dates.
- **Objection and other Request filing.** With regard to the filing of tax objections, second requests for reduction or cancellation of administrative penalty, and second requests for reduction or cancellation of a tax assessment letter or a tax collection letter supposed to have the deadlines in 15 March-30 April 2020, the deadline is moved to 31 May 2020.

The DGT will carry out the tax penalty waiver by not issuing any tax collection letter. If a tax collection letter has nevertheless been issued, to the extent it pertains to the above situations, the Regional Tax Office head shall cancel the tax collection letter.

## e-Filing

# Administrative penalties waived during downtime

The DGT acknowledged through decision letters No. KEP-157/PJ/2020 (KEP 157) and KEP-158/PJ/2020 (KEP 158) issued on 20 March 2020 that downtime has engulfed some parts of its IT system during 29 January-3 February 2020 and on 20 February 2020 causing failure in certain on-line tax services. As a result, taxpayers subject to mandatory e-filing have failed to fulfill certain tax obligations during that period.

Referring the downtime during 29 January-3 February 2020, KEP 157 addressed the mandatory e-filing of VAT return for December 2019 and the DGT's failure to issue Electronic Certificate approvals during the period. In this regard, for taxable companies subject to this obligation whose electronic certificate has expired by 31 January 2020 and which applied for a new electronic certificate in 29 January-7 February 2020, the DGT decided as follows:

- The late filing penalty shall be waived provided that the VAT return for December 2019 has been filed in 1-7 February 2020;
- Late issuance of tax invoices supposed to be issued during 29 January-3 February 2020 (in accordance with the date of delivery of taxable services or taxable goods) shall not cause any penalty provided that the relevant tax invoices have been issued in 3-7 February 2020.

KEP 158 addressed downtime on 20 February which affected the e-filing of WHT21/26 returns and WHT4.2 returns for January 2020. The DGT waived the late filing penalty provided that the relevant WTH returns have been filed in 21-28 February 2020. The filing can be carried out either electronically (e-filing), by hand, or by registered mail.

The DGT will carry out the tax penalty waiver by not issuing any tax collection letter. If a tax collection letter has nevertheless been issued, to the extent it pertains to the above situations, the Regional Tax Office Head shall cancel the tax collection letter.

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