PER-11/PJ/2025: Implications for Article 25 Income Tax Installment Provisions

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The government has issued Regulation of the Director General of Taxes (Perdirjen) No. PER-11/PJ/2025, which serves as a technical guideline for tax reporting in the context of full implementation of the Core Tax Administration System (Coretax). The goal is to provide legal certainty, simplify administration, and improve service delivery through the digitization of the entire tax reporting process.

One the aspects that undergone significant adjustment is the mechanism for reporting and calculating Article 25 Income Tax installments. The crucial change is in the form of a new obligation to submit an Article 25 Income Tax Installment Calculation Report for certain Taxpayers, the format and timeframe of which are now regulated in detail in *PER*-11/PJ/2025.

A. Reporting of Income Tax Article 25 Installment Calculation

PER-11/PJ/2025 specifically regulates the obligation for banks, state-owned enterprises (*BUMN*), regionally-owned enterprises (*BUMD*), publicly listed taxpayers, and other taxpayers to submit reports on Article 25 Income Tax installment calculations. This report must be submitted even if the installment value is zero or the taxpayer is experiencing a loss. The following table summarizes the reporting requirements.

Table: Provisions for Reporting the Calculation of Article 25 Income Tax Installments

Description	Bank Taxpayers	Other Taxpayers*/Non-Bank Publicly Listed Taxpayers	State-Owned Enterprises (*BUMN*) and Regionally-Owned Enterprises (*BUMD*)
Reporting Period	Every month based on the financial reports to the Financial Services Authority.	Every 3 (three) months based on the financial reports to the stock exchange and/or Financial Services Authority.	Each tax year is based on the work plan and revenue budget for the tax year in question.
Reporting Deadline	No later than 20 days after the monthly reporting period ends.	No later than 20 days after the quarterly reporting period ends.	No later than 20 days after the previous tax year's annual reporting period ends.
Installment Period	Applicable for the reported tax period.	Valid for the next 3 (three) tax periods.	Applicable for each tax period in the reported tax year.

**Other Taxpayers: Taxpayers in the insurance sector, pension funds, financing institutions, and other financial service institutions.*

Note:
1. In **audit condition**, Bank Taxpayers may use previous period data for reporting the final tax period in the financial year.
2. For other taxpayers or non-bank publicly-listed taxpayers which are **not required to submit fourth-quarter financial reports**, they may use data from the last quarter of the previous year for reporting the last quarter of the current year.

B. Adjustment to the Amount of Article 25 Income Tax Installments in Certain Cases

The Director General (*Dirjen*) of Taxes is authorized to determine the calculation of the amount of Article 25 Income Tax installments in certain cases, as regulated in Article 113 of *PER*-11/PJ/2025, when a Taxpayer does not calculate the installments, and/or in the following conditions:

1. entitled to compensation for losses,
2. earn irregular income,
3. submitting the Income Tax (*PPh*) Annual Return (*SPT*) past the deadline,
4. is granted an extension of submission period for the Annual Income Tax Return,
5. making self-revision to the Annual Income Tax Return which results in the monthly installments being larger than the monthly installments before the revision, or
6. experiencing changes in business conditions.

Changes to the Basic Document for Compensation of Losses

PER-11/PJ/2025 updates the documents that form the basis for fiscal loss compensation (previously regulated in *KEP*-537/PJ/2000), which now include:
1. Annual Tax Return (*SPT*)
2. Tax Assessment Letter
3. Decision Letter on: Objection, Tax Assessment Reduction, Tax Assessment Cancellation, Revision, Mutual Agreement
4. Appeal Decision, or
5. Judicial Review Decision

Changes to the Basis Document for Temporary Calculation of Article 25 Income Tax Installments

The basis for the temporary calculation of Income Tax installments for Taxpayers which receive an extension of the period for submitting Annual Income Tax Returns, according to *PER* 11/PJ/2025, is contained in the Notification of Extension of the Period for Submitting Annual Income Tax Returns (the previous provisions in *KEP*-537/PJ./2000 are contained in the Temporary Tax Return document submitted).

Special Provisions for Changes in Business Conditions

Taxpayers may submit an application for a reduction (recalculation) of Article 25 Income Tax installments if there is a decline in business/activities, with the following provisions.

Aspect	Provisions of *PER*-11/PJ/2025
Requirements for Submitting a Reduction Application	The income tax payable is **less than 75%** after **3 or more months** of the tax year, the application must be accompanied by a calculation of the amount of income tax payable and the income tax installments for the remaining months of the tax year in question (the same as the previous provisions in *KEP*-537/P3/2000). In addition, the taxpayer must have submitted the Annual Income Tax Return for the last 2 tax years and the Periodic VAT Return for the last 3 tax periods, before the tax year in which the application is submitted.

Submission Format & Mechanism	Applications shall be submitted electronically through the Taxpayer Portal or as a hardcopy form sent with proof of delivery to the registered Tax Office (*KPP*). The DGT will conduct a review and then issue a decision within 30 days of receipt of proof of receipt. If a decision has not been issued after this period, the application is considered accepted.
Business Improvement	The DGT can recalculate the *PPh* installments if the estimated *PPh* payable for the current year **exceeds 125%** (where previously it was 150%) of the *PPh* payable which serves as basis for calculating the amount of the installments.

C. Regarding the Difference between Payment and Calculation Report

The difference between the installments paid and the installment value in the Calculation Report has the following consequences.

Condition	Follow-up
Underpayment (higher amount in the Report)	Any underpayment must be paid and is subject to **administrative sanctions**.
Overpayment (lower amount in the Report)	Excess payments can be **requested for a refund** or **credited** in the Annual Tax Return.

D. Points to Note from *PER*-11/PJ/2025

1. **New Obligations**: Taxpayers are required to submit a *PPh* Article 25 Installment Calculation Report via the Taxpayer Portal at Coretax, even if the installment value is zero or in a loss condition.
2. **Calculation Adjustment**: Taxpayers need to update their *PPh* installment calculations according to certain conditions as regulated in Article 113.
3. **Consistency of Values**: Taxpayers must ensure that the amount of installments paid is in accordance with the Calculation Report to prevent differences arising.
4. **Administrative Compliance**: Taxpayers must pay attention to reporting installment calculations within a time limit of 20 days after the end of the monthly/quarterly/annual reporting period.

By understanding and implementing the provisions in PER-11/PJ/2025, *not only the Taxpayers will be able to asssure legal compliance and avoid sanctions, but it can also help to better manage cash flow for their business activities.*

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