

## Indonesia

### Indonesia to Increase Individual Income Tax and VAT Rates under Tax Codes Harmonization Bill

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Following the recent approval by parliament of the Budget for 2022, the government and parliament's Finance Commission have agreed to push forward the tax reform bill (see [Indonesia-1, News 30 June 2021](#)), which is expected to be ratified into law soon.

The key measures proposed in the bill include:

- maintaining the standard corporate tax rate at 22% from tax year 2022;
- individual tax rate to be increased with a top rate of 35% for individuals with income above IDR 5 billion from tax year 2022;
- an increase in VAT rate from 10% to 11% from April 2022, thereafter, 12% from the year 2025;
- a new carbon tax to be introduced from April 2022; and
- a tax amnesty to be introduced from 1 January 2022 until 30 June 2022.

Further details will be reported when they become available.

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#### See also

[Indonesia-1, News 30 June 2021](#)

[Indonesia - Corporate Taxation - Country Surveys section 1.6.1.](#)

[Indonesia - Individual Taxation - Country Surveys section 1.9.1.](#)

[Indonesia - Country Analyses - Corporate Taxation sections 1.10.1. 1.11.5. 13.7.](#)

[Indonesia - Country Analyses - Individual Taxation sections 1.10.1. 1.11.5.](#)