

## Property Value Free from STLG Increase

The government sets the limit on selling price of property in the form of house, apartment, condominium, townhouse, etc., which is subject to Sales Tax on Luxury Goods (STLG) to IDR30 billion and above.

The limit on asset value that is taxed with 20% STLG rises from IDR20 billion and above for types of luxury house and non-strata title townhouse and IDR10 billion and above for apartment, condominium, and strata title townhouse.

This regulation is effective per 10 June 2019, along with the issuance of Minister of Finance (MoF) Regulation Number 86/PMK.010/2019 on Types of Taxable Goods Categorized as Luxurious other than Motor Vehicles Subject to Sales Tax on Luxury Goods. The policy is the amendment to MoF Number 35/PMK.010/2017 concerning the same issue.

The government's objective in escalating the limit of selling price of luxury property that are subject to STLG is to boost the growth of national property industry. The government expects that the higher limit on selling price of assets that are not taxed with STLG can encourage the competitiveness and investment in property sector.

In MoF Number 35/PMK.010/2017, taxable goods whose selling price limit increase are only the property assets in the form of house, apartment, condominium, townhouse, etc. Meanwhile, the limit for types of taxable goods categorized as other luxury goods does not change.

No	Types of Luxury Goods	Rate of STLG
1	Group of air balloons and ridden air balloons, other airplanes without motor	40%
2	Group of bullets and other guns, except for state purpose: bullet and its parts, not including pellets of air rifles	40%
3	Group of airplanes (other than point number 1), except for the state purpose or commercial air transport: a. Helicopters b. Other planes other than helicopters	50%
4	Group of guns and other guns, except for the state purpose: a. Artillery guns b. Revolvers and pistols c. Guns (other than artillery guns, revolvers and pistols) and the similar tools that are not operated with discharge of explosive	50%
5	Group of luxury cruise ships, except for the state purpose or public transportation: a. Cruise ships, excursion ships, and similar water vehicles. Especially for those are designed for people transportation, all types of ferry, except for the state purpose or public transportation b. Yachts, except for the state purpose or public transportation	75%

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