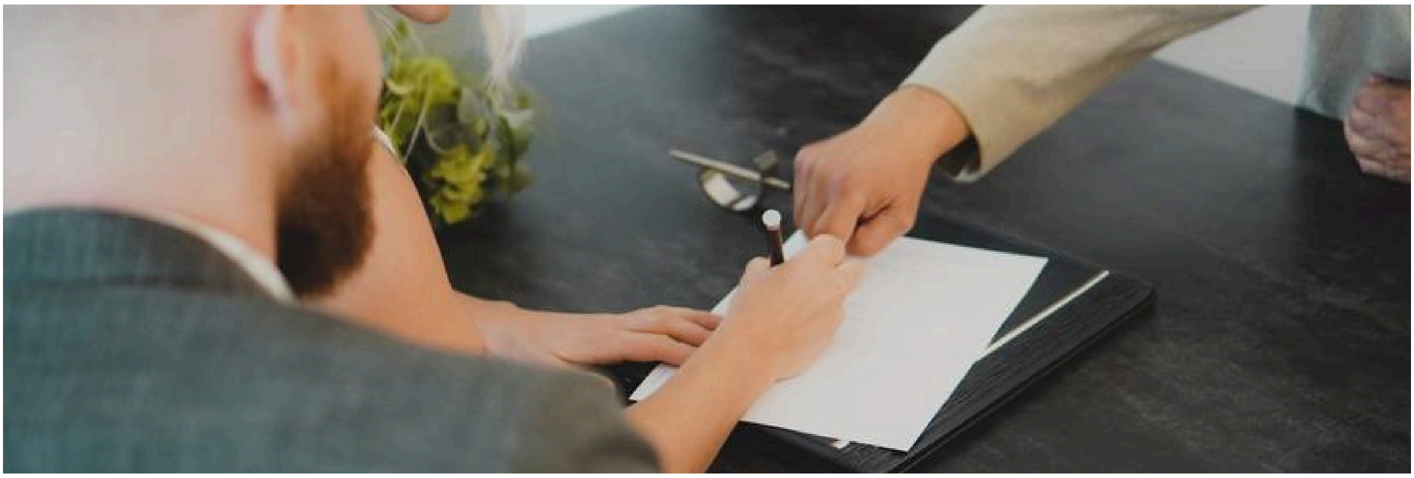

TAX · BUYING, OWNING, SELLING

Bali property taxes for foreigners: what you pay to buy, own and sell

September 25, 2026 · 9 min read · Ownership and tax

Indonesia doesn't tax a foreign buyer at a higher rate than a local one. What changes your bill is the structure you buy through, the regency the villa sits in and whether you live here more than 183 days a year.

Read online: https://riserealbali.com/guides/bali-property-taxes-for-foreigners/

IN SHORT

A foreigner who takes a title in Bali pays BPHTB transfer duty of 5% on the price above a Rp 80 million allowance. The seller pays 2.5% final income tax. The yearly land and building tax (PBB-P2) in Badung is 0.2–0.3% of the official valuation. A typical leasehold carries no BPHTB at all.

5%
BPHTB on a title transfer, above a Rp 80 million allowance

2.5%
seller's final income tax on the gross price

0.2–0.3%
yearly PBB-P2 in Badung, on the official valuation

20% / 10%
tax on rent, non-resident / resident landlord

IN THIS REPORT

01 / 08

The one-off taxes when you buy

What you owe at purchase depends on what actually changes hands. If a title moves into your name, as with Hak Pakai (a right-to-use title) or HGB held by your company, you owe BPHTB. Law 1/2022 caps it at 5%, and both Badung and Denpasar charge the full 5% under their 2023 regional regulations.

The duty is charged on the price minus an allowance of Rp 80,000,000. In Badung that allowance applies only to your first acquisition in the regency, so a second villa there gets none. The seller, meanwhile, pays a final 2.5% income tax on the gross price under PP 34/2016.

A leasehold works differently. You sign a lease with the landowner at a notary, nothing enters the land register, and so there's no BPHTB. The landowner pays a final 10% income tax on the lease payment (PP 34/2017). Your contract should say which side carries it.

One-off taxes on a Bali purchase

TAX	WHO PAYS	RATE	APPLIES TO
BPHTB (transfer duty)	Buyer	5% of the price above Rp 80 million	Hak Pakai, HGB, Hak Milik transfers
PPh final on the sale	Seller	2.5% of the gross price	Any title transfer
PPh final on the lease payment	Landowner	10% of the lease price	A new leasehold
VAT on a developer sale	In the price	11% effective	New builds from a VAT-registered developer
PPnBM (luxury sales tax)	In the price	20%	Homes priced at Rp 30 bn and above

Source: Law 1/2022 (HKPD), Articles 46–47; Perda Badung 7/2023; Perda Denpasar 5/2023; PP 34/2016; PP 34/2017; PMK 131/2024; PMK 15/2023

02 / 08

A worked example on a Rp 6 bn villa

Take a house on Hak Pakai in Badung priced at Rp 6,000,000,000, your first purchase in the regency. BPHTB is 5% of Rp 5,920,000,000, which comes to Rp 296,000,000. The seller's 2.5% is Rp 150,000,000 and comes out of their proceeds, not yours.

Add notary and PPAT fees, which the law caps at 1% of the deed value and which run lower on larger deals. Our notary and PPAT guide has the fee scale. On this deal your closing costs come to roughly 5–6% on top of the price.

Buy the same villa as a 25-year leasehold and the picture flips. No BPHTB, no land registration fee, only the notary. Closing costs typically land at 1–2% of the price, which is one reason most foreign buyers on the island choose a lease.

Rp 296 mn	Rp 150 mn	1–2%
BPHTB on a Rp 6 bn Hak Pakai house	the seller's 2.5%, paid from the proceeds	typical closing costs on a leasehold, notary included

Source: Our calculation under Law 1/2022 and Perda Badung 7/2023; entry-cost range from Rise Real Bali deals, 2023–2026

03 / 08

VAT on a new villa from a developer

A developer registered for VAT charges it on the sale. The headline rate became 12% in 2025, but PMK 131/2024 applies it to 11/12 of the price for anything that isn't a luxury good, so the effective rate stays at 11%. Most Bali price lists quote VAT inclusive, but get that in writing before you compare two projects.

For 2026 the government pays the VAT on the first Rp 2,000,000,000 of a new, ready-to-occupy home priced up to Rp 5,000,000,000 (PMK 90/2025). Handover has to happen by December 31, 2026. The tax office and CNBC Indonesia both report that foreigners with an NPWP can qualify where they can legally own the home, which in practice means Hak Pakai. Off-plan leasehold villas don't fit these conditions.

> Homes priced at Rp 30 bn or more carry a 20% luxury sales tax (PPnBM) on first delivery and VAT at the full 12%. It's a narrow band in Bali, but it exists at the top of Uluwatu and Canggu.

Source: PMK 131/2024; PMK 90/2025; PMK 15/2023; DJP, February 27, 2026; CNBC Indonesia, January 4, 2026; DDTC, January 5, 2026

04 / 08

The yearly tax: PBB-P2 and the NJOP trap

Once you hold a title, you pay the land and building tax, PBB-P2, every year. It isn't charged on your purchase price. The regency sets an official valuation called NJOP, deducts a tax-free Rp 15,000,000, and applies its rate. In Badung that's 0.2% where NJOP is below Rp 1 bn and 0.3% above it. Denpasar charges 0.1% and 0.2%.

For years NJOP sat far below market value, and the bill was small change. Not anymore. NusaBali reported on August 20, 2025 that one plot in Batubelig saw its NJOP jump from Rp 6,195,000 to Rp 23,295,000 per square meter. The tax on it went from Rp 2,051,896 to Rp 40,165,823 in a year.

Denpasar lifted NJOP by up to 300% for 2026. It then cut the resulting bills on homes by 7.5% to 37.5% under Mayor's Regulation 3/2026 and waived penalties on arrears up to November 30, 2026 (DDTC, March 11, 2026; Bali Post, March 10, 2026).

BEFORE 2025

NJOP well below market

PBB-P2 barely registers in an owner's budget.

2025

Badung revalues

Kuta Utara plots last revalued in 2020 jump several times over.

2026

Denpasar up to +300%

Offset by bill cuts of up to 37.5% on homes.

NOVEMBER 30, 2026

Penalty waiver ends

Denpasar arrears from 2025 and earlier.

Source: Perda Badung 7/2023, Articles 6–7; Perda Denpasar 5/2023; NusaBali, August 20, 2025; DDTC, August 22, 2025 and March 11, 2026; Bali Post, March 10, 2026

05 / 08

Arrears travel with the property

Unpaid PBB-P2 attaches to the land, not to the person who failed to pay. Under PP 35/2023 late tax accrues a penalty of 1% a month for up to 24 months, and a PPAT normally asks for proof of payment before a transfer deed.

So ask the seller for the last three years of SPPT notices and payment receipts before you pay a deposit. On a leasehold, the landowner pays PBB-P2, but check your lease says so. Some agreements quietly pass it to the tenant.

- ✓ The current NJOP for the plot and the year it was last revised
- ✓ SPPT notices and receipts for the last three years
- ✓ Who pays PBB-P2 under the lease, named in the contract
- ✓ Whether the developer's price includes VAT
- ✓ Your first acquisition in the regency, or not, for the Rp 80 million allowance

Source: PP 35/2023; Rise Real Bali due diligence practice, 2023–2026

06 / 08

Tax on the rent you earn

Rent is where your residency starts to matter. A landlord who isn't an Indonesian tax resident pays 20% of the gross amount under PPh 26, and your home country's tax treaty doesn't lower it. A resident who lets the villa on a long lease owes a final 10%. Nightly villa lets follow their own rules, plus a 10% regional tax (PBJT) that guests pay on top.

Our rental income tax guide walks through who withholds, when to pay and how nightly lets differ. The 183-day test and getting a tax number are in the NPWP and residency guide.

Source: PP 34/2017; Income Tax Law, Article 26; Ortax, June 19, 2026; Perda Badung 7/2023

07 / 08

When you sell, inherit or hold through a company

Indonesia has no separate capital gains tax. When you sell a title, you pay the final 2.5% on the gross price and nothing on the gain itself. Ortax's worked example confirms the same 2.5% applies when a PT PMA sells, rather than its 22% corporate rate. Selling the remaining years of a lease is taxed as rental income, 10% for a resident. No rule addresses a non-resident assigning a lease, and advisers apply the 20% withholding by analogy. Get a tax adviser's written position before you list.

There's no inheritance or gift tax. An heir still pays BPHTB on a title, but with a larger allowance: Rp 300,000,000 in Badung. Denpasar sets Rp 700,000,000 and a 0% rate for first-degree heirs. A company pays 22% on its rental profit, and dividends sent abroad carry 20% withholding unless a treaty lowers it. Selling a villa in Bali covers the exit in full.

Source: PP 34/2016; Ortax, March 2, 2025; Income Tax Law, Article 4(3); Perda Badung 7/2023; Perda Denpasar 5/2023; PwC Worldwide Tax Summaries, June 11, 2026

08 / 08

Get the tax lines into the model before the deposit

Most of what a buyer overpays on tax comes from one missing line: the non-resident rate on rent, or a stale NJOP. We put both into the numbers for every villa we show, alongside management and running costs.

Browse the catalog or start with the areas. Send us a villa and we'll return the full tax picture for your structure and residency, before you pay anything.

What this means for buyers

01 Foreigners pay the same tax rates as Indonesians. Structure and residency change the bill.

02 BPHTB is 5% above a Rp 80 million allowance, and only on a title. A leasehold carries none.

03 PBB-P2 in Badung is 0.2–0.3% of NJOP, and NJOP can jump several times in one revaluation.

04 Unpaid property tax follows the land. Check three years of receipts before the deposit.

05 There's no capital gains or inheritance tax, but the seller's 2.5% applies to every title sale.

FAQ

Do foreigners pay more property tax in Bali than Indonesians?

No. BPHTB, PBB-P2 and the seller's 2.5% are the same for everyone. The gap shows up on rent: a non-resident landlord pays 20% withholding on gross rent, while a resident pays a final 10% on a long-term lease.

Is there a property tax on a leasehold villa?

A lease creates no BPHTB because nothing enters the land register. The landowner pays a final 10% on the lease payment and normally the yearly PBB-P2. Check your contract, since some leases pass PBB-P2 to the tenant.

How much is the annual property tax in Bali?

PBB-P2 in Badung is 0.2% of the official valuation (NJOP) below Rp 1 bn and 0.3% above it, after a Rp 15 million deduction. The valuation is usually below market, but recent revaluations have raised some bills more than tenfold.

Is there capital gains tax on selling a villa in Bali?

There's no separate capital gains tax. The seller of a title pays a final 2.5% on the gross price, whatever the gain. Selling the remaining years of a lease is taxed as rental income instead.

Does Indonesia have inheritance tax?

No. Inherited property isn't taxed as income. The heir pays BPHTB on a title, with a larger allowance of Rp 300 million in Badung, and Denpasar charges 0% to first-degree heirs.

How we know this

Rates come from the texts of Law 1/2022 (Articles 46–47), Perda Badung 7/2023 and Perda Denpasar 5/2023, read on the BPK regulations database and the Denpasar revenue office site, and from PP 34/2016, PP 34/2017, PMK 131/2024, PMK 90/2025 and PMK 15/2023. Each rate was checked against at least one Indonesian tax publication (DDTC, Ortax) or PwC's tax summaries. The Batubelig case has one published source, NusaBali, and it isn't typical of the island. The late-payment penalty follows PP 35/2023; older regional rules used 2% a month. The Rp 6 bn example is our calculation. This isn't tax advice.

— Law No. 1 of 2022 on central and regional fiscal relations (HKPD), Articles 46–47

— Perda Badung No. 7 of 2023 on regional taxes and levies, as amended by Perda Badung No. 8 of 2025

— Perda Denpasar No. 5 of 2023 on regional taxes and levies; Mayor's Regulation No. 3 of 2026

— Government Regulations No. 34 of 2016, No. 34 of 2017 and No. 35 of 2023

— PMK 131/2024 on VAT; PMK 90/2025 on government-borne VAT for housing; PMK 15/2023 on luxury sales tax

— NusaBali, August 20, 2025; DDTC News, August 22, 2025 and March 11, 2026; Bali Post, March 10, 2026

— Ortax, March 2, 2025 and June 19, 2026; PwC Worldwide Tax Summaries, Indonesia, June 11, 2026

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Questions about this guide?

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