TAX · NPWP AND RESIDENCY

NPWP and tax residency in Indonesia: what a foreign owner needs and when

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Owning a Bali villa doesn't make you an Indonesian taxpayer. Earning rent from it does, and spending more than 183 days a year on the island changes which rules apply to everything you earn.

Read online: https://riserealbali.com/guides/npwp-tax-residency-indonesia/

IN SHORT

An NPWP is Indonesia's 16-digit tax number. Foreigners with a KITAS or KITAP register free through the Coretax portal, usually within one to five working days. Spend more than 183 days here in any 12 months and you're a tax resident, which means you're taxed on worldwide income at 5–35%.

183 days
in any 12 months makes you a tax resident

Rp 0
to register an NPWP through Coretax

5–35%
resident rates, on worldwide income

20%
flat rate on Indonesian income for a non-resident

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Who needs an NPWP

Holding a lease on a villa doesn't require a tax number. You need one once Indonesia has a reason to tax you: you earn rent here, you become a tax resident, you let out a home you hold on Hak Pakai, or you sit on the board of an Indonesian company, including your own PT PMA.

Since the 2024 reform, the number has 16 digits. Indonesians use their national ID number, while foreigners get a separate one. Beyond tax returns, you'll be asked for it by banks, by a management company paying out your rent, and by a developer if you claim the 2026 VAT relief on a new home.

- You receive rent from Indonesian property
- You spend more than 183 days in Indonesia in any 12 months
- You hold Hak Pakai and let the property
- You're a director or commissioner of an Indonesian company

Source: Income Tax Law, Article 2; PMK 81/2024; PMK 90/2025

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How to register through Coretax

Registration moved to the Coretax portal on January 1, 2025, and the old e-registration site no longer takes applications. If a guide still sends you to it, it was written before the switch. It costs nothing, and no official channel charges for the card either.

You'll need a passport, a KITAS or KITAP, a photo, a photo of you holding the passport, an Indonesian address, and an email and phone number that receive one-time codes. A clean application gets its number within a working day. The tax office often runs extra checks on foreigners, which stretches that to three to five days.

01 **Gather the documents**
Passport, KITAS or KITAP, photos, proof of address.

02 **Apply on Coretax**
Confirm by code.

03 **Receive the number**

One to five working days, depending on checks.

04 **Hand it out**

Give it to your bank, your management company, your notary and anyone else who pays you in Indonesia.

> Without a KITAS the route is less clear. PMK 81/2024 lets the tax office issue a number to someone who doesn't meet the residency tests, but there's no simple self-service path on a passport alone. Ask at a local tax office (KPP).

Source: PER-7/PJ/2025; PMK 81/2024; Pajakku and OnlinePajak guides to Coretax registration, 2025

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Where tax residency starts

Article 2 of the Income Tax Law makes you a resident in two ways. You're physically here for more than 183 days out of any rolling 12 months, and the days needn't run in a row. Or you're here during a tax year intending to live here, which a long-stay permit, a work contract or a long house lease can show.

The tax office's current guidance on the tests is PER-23/PJ/2025, which took effect on December 9, 2025, according to the tax office and Kontan. It's presence that counts, not the kind of visa. Someone who stays 200 days on any permit is a resident for tax.

Source: Income Tax Law, Article 2(3), as amended by Law 7/2021; PER-23/PJ/2025; DJP, December 2025; Kontan, December 2025

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Residency changes more than your rent tax

Owners often chase residency to cut the tax on rent from 20% to 10%. That works for a long lease. The catch is that a resident reports worldwide income. Your salary, dividends and gains from home come into the Indonesian return at progressive rates up to 35%, less whatever your home country taxed and a treaty lets you credit.

Non-residents pay a flat 20% on gross Indonesian income, with no allowances. For an owner with one villa and a large income elsewhere, staying non-resident is often cheaper overall. The exception is a foreign expert with proven skills in science, technology or math who meets the conditions of PMK 81/2024. They can be taxed on Indonesian income only for their first four tax years.

Resident income tax rates, yearly taxable income

TAXABLE INCOME	RATE
Up to Rp 60 million	5%
Rp 60 million – Rp 250 million	15%
Rp 250 million – Rp 500 million	25%
Rp 500 million – Rp 5 bn	30%
Above Rp 5 bn	35%

Source: Income Tax Law as amended by Law 7/2021 (HPP), Article 17; PMK 81/2024; DJP, key points of the HPP law; Ortax

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Allowances, deadlines and fines

A resident deducts a personal allowance of Rp 54,000,000 a year, plus Rp 4,500,000 for a spouse and Rp 4,500,000 for each dependent, up to three. Individual returns are due by March 31. A late return costs Rp 100,000. Unpaid tax also runs up monthly interest, set by the Finance Ministry's reference rate.

Without an NPWP, some withholding costs more. Wage tax runs 20% higher, and PPh 22 and PPh 23 double. The final 10% on rent under PP 34/2017 stays the same with or without a number, but a management company will still ask for it before the first payout.

Source: Income Tax Law, Articles 7 and 21–23; KUP Law, Articles 7 and 9; DDTC; Klikpajak

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Treaties and your home tax return

Indonesia has tax treaties with the United States (signed 1988), Australia (1992), Singapore (a new treaty in 2020), the United Kingdom, Canada, Malaysia, Germany, France and the Netherlands, among others. For rent, Article 6 lets Indonesia tax first, and your home country credits the tax you paid here.

A lower treaty rate on dividends or interest needs paperwork. You file a DGT form or a certificate of residence, under a procedure that PMK 112/2025 rewrote from December 31, 2025, cutting the form to six parts. Rent doesn't need it, since the treaty doesn't lower that rate.

Source: DDTC treaty database; IRS; PwC Worldwide Tax Summaries, 2026; PMK 112/2025; ASEAN Briefing, 2026

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Closing the number when you leave

An NPWP left open keeps generating obligations: annual returns and fines for missing them. If you leave Indonesia for good, apply to delete it. The tax office decides within six months and may audit you first, and it won't close a number while an audit, objection or appeal is still open.

Sell or wind up the rental before you apply. Then the final return shows no Indonesian income and the file closes cleanly.

- ✓ Count your days in Indonesia, not your visa type
- ✓ Give the number to your management company before it sends the first payout of rent
- ✓ File by March 31 each year you hold it
- ✓ Keep withholding slips for your home return
- ✓ Apply to delete the number when you leave for good

Source: PMK 81/2024; DDTC; DJP

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Where this fits in your purchase

Your residency sets the tax on rent, and the tax on rent sets your net yield. The rental income tax guide covers who withholds and when. Purchase and yearly property taxes are in the property tax guide, and Hak Pakai explains the title that needs a residence permit.

Tell us whether you'll live here or rent out from abroad. We'll model villas from the catalog on your actual tax status.

What this means for buyers

01 An NPWP is free and takes one to five working days through Coretax with a KITAS or KITAP.

02 Over 183 days here in any 12 months makes you a resident.

03 A resident is taxed on worldwide income at up to 35%, so residency isn't automatically cheaper.

04 A non-resident pays a flat 20% on gross Indonesian income.

05 Delete the number when you leave for good, or the filing duty stays.

FAQ

Can a foreigner get an NPWP in Indonesia?

Yes. A foreigner with a KITAS or KITAP registers online through Coretax for free, with a passport, the permit, photos and an Indonesian address. It usually takes one to five working days.

Do I need an NPWP to own a villa in Bali?

Not to hold a lease. You need one once you earn rent from the property, become a tax resident, let a Hak Pakai property or serve as a director of an Indonesian company.

How many days make you a tax resident in Indonesia?

More than 183 days in any 12-month period, counted in total rather than in a row. You can also be a resident with fewer days if you're here intending to live in Indonesia.

Is it better to be a tax resident in Indonesia as a property owner?

It cuts tax on a long lease from 20% to 10%, but a resident reports worldwide income at up to 35%. For owners with large income elsewhere, staying non-resident is often cheaper.

What happens to my NPWP if I leave Indonesia?

It stays open, and so does your duty to file a return every year. Apply to delete it once you've left for good. The tax office decides within six months and may audit first.

How we know this

Registration steps and documents follow the tax office's Coretax rules (PER-7/PJ/2025, PMK 81/2024) as summarized by two Indonesian tax publishers. Residency tests come from Article 2 of the Income Tax Law and PER-23/PJ/2025, confirmed by the tax office and Kontan. Rates, allowances and fines follow the HPP law and the KUP law, checked against DDTC and Ortax. We give treaty signing years only where two sources agree. This isn't tax advice, and your home country's rules on foreign income sit outside this guide.

— Income Tax Law No. 7 of 1983 as last amended by Law No. 7 of 2021 (HPP), Articles 2, 17 and 26

— PER-23/PJ/2025 on determining tax residency, effective December 9, 2025

— PMK 81/2024 on tax administration; PER-7/PJ/2025 on Coretax registration

— Law on General Tax Provisions and Procedures (KUP), Articles 7 and 9

— PMK 112/2025 on applying tax treaties, effective December 31, 2025

— DDTC News and Ortax, 2024–2026; Kontan, December 2025

— PwC Worldwide Tax Summaries, Indonesia, 2026; ASEAN Briefing, Indonesia tax guide, 2026

By Dmitrii Rogov, Rise Real Bali.

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