

**GOVERNMENT REGULATION
NO. 66/2001 DATED SEPTEMBER 13, 2001
REGIONAL LEVIES**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering :

that to implement Article 18 paragraph (3), Article 22, and Article 33 of Law No. 18/1997 on regional tax and regional levies as has been amended by Law No. 34/2000, it is deemed necessary to stipulate a government regulation on regional levies;

In view of :

1. Article 5 paragraph (2) of the 1945 Constitution as has been amended by the second amendment of the 1945 Constitutions;
2. Law No. 18/1997 on regional tax and regional levies (Statute Book of 1997 No. 41, Supplement to Statute Book No. 3685) as has been amended by Law No. 34/2000 (Statute Book of 2000 No. 246, Supplement to Statute Book No. 4048);
3. Law No. 22/1999 on regional government (Statute Book of 1999 No. 60, Supplement to Statute Book No. 3839);
4. Law No. 25/1999 on the financial sharing between the central and regional governments (Statute Book of 1999 No. 72, Supplement to Statute Book No. 3848);

DECIDES :

To stipulate :

THE GOVERNMENT REGULATION ON REGIONAL LEVIES.

CHAPTER I
GENERAL PROVISIONS

Article 1

Hereinafter referred to as :

1. Regional levies, hereinafter referred to as levies, shall be regional levies as payment for certain services or permits specifically provided and/or granted by the regional government in the interests of individuals or bodies;
2. Group of levies shall be the classification of levies including public service levies, business service levies, and certain licensing levies;
3. Public service levies shall be levies on services provided or granted by the regional government in the interest and for the benefit of the public and enjoyed by individuals or bodies;
4. Business service levies shall be levies on services provided by the regional government on a commercial basis because in principle, the services can also be provided by the private sectors;
5. Certain licensing levies shall be levies on certain activities carried out by the regional government in granting licenses to individuals or bodies with the aim of developing, regulating, controlling and supervising the use of space, the utilization of natural resources, goods, infrastructures, physical facilities or certain facilities to protect the public interests and conserve the environment.

CHAPTER II

PUBLIC SERVICE LEVIES

Article 2

- (1) The object of public service levies shall be the services provided or given by the regional government in the interests and for the benefit of the public as well as individuals or bodies.
- (2) The types of public service levies shall be :
 - a. Health service levies;
 - b. Garbage disposal/sanitation service levies;
 - c. Resident's identity card and vital statistics printing levies;
 - d. Funeral and cremation service levies;
 - e. Public roadside parking service levies;
 - f. Market service levies;
 - g. Motor vehicle test levies;
 - h. Fire extinguisher test levies;
 - i. Map printing levies;
 - j. Fishing boat test levies.
- (3) The subject of public service levies shall be individuals or bodies using/enjoying the relevant public services.

CHAPTER III BUSINESS SERVICE LEVIES

Article 3

- (1) The object of business service levies shall be the services provided by the regional government on a commercial basis
- (2) The types of business service levies shall be :
 - a. Regional property usage levies;
 - b. Wholesale market and/or shopping complex levies;
 - c. Auction place levies;
 - d. Bus terminal levies;
 - e. Special parking lot levies;
 - f. Lodging/hostel/villa levies;
 - g. Lavatory cleaning levies;
 - h. Slaughterhouse levies;
 - i. Seaport service levies;
 - j. Recreation and sport ground levies;
 - k. Ferry service levies;
 - l. Liquid waste treatment levies;
 - m. Regional production sale levies.
- (3) The subject of business service levies shall be individuals or bodies using/enjoying the relevant public services.

CHAPTER IV CERTAIN LICENSING LEVIES

Article 4

- (1) The object of certain licensing levies shall be the certain activities of the regional government to grant licenses to individuals or bodies with the aim of guiding, regulating, controlling and supervising the use of

space, natural resources, goods, infrastructures, physical facilities, or certain facilities in order to protect the public interest and conserve the environment.

- (2) The types of certain licensing levies shall be :
 - a. Building construction permit levies;
 - b. Alcoholic drink sale permit levies;
 - c. Nuisance permit levies;
 - d. Transportation line permit levies.
- (3) The subject of certain licensing levies shall be individuals or bodies securing certain permits from the regional government.

CHAPTER V TYPES AND DETAILS OF LEVIES

Article 5

- (1) The types of public service levies and certain licensing levies as referred to in Article 2 paragraph (2) and Article 4 paragraph (2) for provinces and regencies/municipalities shall be stipulated in accordance with the authority of each of the provinces and regencies/municipalities within the framework of the existing law.
- (2) The types of business service levies as referred to in Article 3 paragraph (2) for provinces and regencies/municipalities shall be stipulated in accordance with the services provided by each of the provinces and regencies/municipalities
- (3) Details of each type of levies shall be provided for in the relevant regional regulation.

CHAPTER VI OTHER LEVIES

Article 6

In addition to the types of levies provided for in this government regulation, by virtue of regional regulation other types of levies can be stipulated in accordance with the criteria laid down in the law.

CHAPTER VII CALCULATION AND COLLECTION OF LEVIES

Article 7

The amount of levies owed by individuals or bodies using services or securing permits shall be calculated by multiplying the tariff of levies and the level of services used.

Article 8

The principle and target of setting the tariff of public services levies shall be based on the regional policy by taking into account the cost of providing the services, the public capacity and aspects of justice.

Article 9

The principle and target of setting the tariff of business services levies shall be based on the aim of making fair profit as received by similar private company which operates efficiently and is oriented toward market prices.

Article 10

The principle and target of setting the tariff of certain licensing levies shall be based on the aim of covering partially or wholly the cost of granting the relevant permits.

Article 11

The tariff of levies shall be subject to a review once every 5 (five) years at the latest.

Article 12

The procedures for collecting levies shall be stipulated by the head of the region.

Article 13

- (1) Part of the levies received shall be used to finance the activities related to the levies carried out by the relevant agencies.
- (2) Further provisions needed to use the receipt of levies as referred to in paragraph (1) shall be laid down in a regional regulation.

CHAPTER VIII PROCEDURES FOR WRITING OFF EXPIRED LEVY CLAIMS

Article 14

- (1) The levy claims that can no longer be collected due to the expire of rights to collect them shall be written off.
- (2) The governor shall issue a decision on writing off the expire levy claims of the province as referred to in paragraph (1).
- (3) The regent/mayor shall issue a decision on writing off the expired levy claims of the regency/municipality as referred to in paragraph (1).
- (4) The procedures for writing off expired levy claims shall be laid down in a regional regulation.

CHAPTER IX THE SHARING OF LEVIES BETWEEN REGENCY AND VILLAGE

Article 15

- (1) Part of certain levies received by the regency shall be allocated to villages.
- (2) The portion of certain levies received by villages as referred to in paragraph (1) shall be further laid down in a regulation of the regency by observing the villages participation in providing the services.
- (3) The use of the portion of certain levies received by villages as referred to in paragraph (1) shall be fully stipulated by the villages.

CHAPTER X REGIONAL REGULATION ON REGIONAL LEVIES

Part One

The Promulgation of Regional Regulation

Article 16

Regional regulation on levies shall be promulgated in the gazette of the relevant region.

Part Two

The Supervision of Regional Regulation

Article 17

- (1) Any regional regulation on regional levies shall be conveyed to the Minister of Home Affairs and the Minister of Finance no later than 15 (fifteen) days after the date of stipulation as a part of efforts to supervise such regional regulations.
- (2) In the event that the regional regulation as referred to in paragraph (1) contradicts the public interests and/or the regulation of higher level, the Minister of Home Affairs shall cancel the said regional regulation after consulting the Minister of Finance.
- (3) The cancellation as referred to in paragraph (2) shall be effective no later than 1 (one) month after the receipt date of the said regional regulation.
- (4) The provisions as referred to in paragraphs (1) and (2) shall be implemented within the framework of the existing law.

CHAPTER XI TRANSITIONAL PROVISIONS

Article 18

At the time when this government regulation begins to take effect :

1. All regional regulations on regional levies already submitted to the Minister of Home Affairs for approval based on Government Regulation No. 20/1997 on regional levies as has been amended by Government Regulation No. 45/1998, shall become effective without approval, provided that they do not contradicts this government regulation.
2. Other regional regulations than those referred to in point 1 that contradict this government regulation, shall be subject to adjustments no later than 1 (one) year.

CHAPTER XII CLOSING PROVISIONS

Article 19

At the time when this government regulation begins to take effect, Government Regulation No. 20/1997 on regional levies (Statute Book of 1997 No. 55, Supplement to Statute Book No. 3692) as has been amended by Government Regulation No. 45/1998 (Statute Book of 1998 No. 73, Supplement to Statute Book No. 7355), shall be declared null and void.

Article 20

This government regulation shall begin to take effect on the date of promulgation.

For public cognizance, this government regulation shall be promulgated by placing it in the Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

On September 13, 2001

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

sgd.

MEGAWATI SOEKARNOPUTRI

Promulgated in Jakarta
On September 13, 2001
THE STATE SECRETARY,
sgd.
BAMBANG KESOWO

STATUTE BOOK OF THE REPUBLIC OF INDONESIA OF 2001 NUMBER 119

**ELUCIDATION
OF
GOVERNMENT REGULATION NO. 66/2001
ON
REGIONAL LEVIES**

GENERAL

With the enforcement of Law No. 34/2000 on the amendment of Law No. 18/1997 on regional tax and regional levies as part of efforts to create wide-ranging, real, and responsible regional autonomy, there is need to intensify the local source of income particularly those from regional levies to finance the running of the regional government and the implementation of regional development program, so that the regional governments can become self-reliant in financing the running of regional administration.

To increase development activities, improve public services, and promote regional economic growth, adequate local sources of income are needed. Efforts to increase the local source of income can be made by, among other things, improving performance in collecting regional levies, improving and increasing the types of regional levies, and giving a chance to the region to tap sources of revenue particularly in the regional levy sector through Law No. 18/1997 on regional tax and regional levies as has been amended by Law No. 34/2000.

With the enforcement of Law No. 34/2000, Government Regulation No. 20/1997 on regional levies as has been amended by Government Regulation No. 45/1998 is no longer relevant and that a substitute government regulation needs to be stipulated to implement the law. As a consequence, Government Regulation No. 20/1997 on regional levies as has been amended by Government Regulation No. 45/1998 is declared null and void.

ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a

Health services are those provided in Puskesmas (public health service centers), medical clinics, and regional general hospitals.

The health service levies referred to therein do not include registration services.

Letter b

Garbage disposal/sanitation service includes the transport and disposal of household, industrial and commercial garbage as well as the provision of places for discharging/destroying such garbage, excluding public road and park sanitation services.

Letter c

Vital statistics include certificate of birth, certificate of marriage, certificate of divorce, certificate of clarification of children, certificate of change of name for foreign nationals, and certificate of death

Letter d

Funeral and cremation service includes funeral service including digging and filling of graves, the cremation of dead bodies, and the leasing of places owned or managed by the regional government for the funeral or cremation of dead bodies.

Letter e

Public roadside parking service is the provision of parking services in the side of public roads determined by the regional government. Since roads involve public interests, the appropriation of public roadside as parking lots is based on the existing regulation.

Letter f

Market service is traditional market facilities in the form of yard and stalls managed by the regional government and specifically made available to traders, excluding those managed by state-owned company, regional government-owned company and private-run a company.

Letter g

Motor vehicle test service is motor vehicle test service provided by the regional government in accordance with the existing regulation.

Letter h

Fire extinguisher test service is the service provide by the regional government to examine and/or test fire extinguishers owned and/or used by the public.

Letter i

Maps are those made by the regional government, such as basic (line) map, photograph map, digital map, thematic map, and technical (structural) map.

Letter j

Fishing boat test service is the test of fishing boats that become the authority of the region.

Paragraph (3)

The subject of public service levies may constitute the payer of public service levies.

Article 3

Paragraph (1)

The services provided by the regional government on a commercial basis include :

- a. services provided by using/utilizing the property of the regional government that has not been used optimally; and
- b. services provided by the regional government, provided that such services have not been sufficiently provided by the private sector.

Paragraph (2)

Letter a

Regional property usage service includes the use of land and buildings, the use of rooms for parties, and the use of vehicles/heavy equipment/large equipment owned by the regional government.

Excluded from the definition of regional property usage service are the use of land without changing its function, such as the putting up of electricity/phone poles and the planting of electricity/telephone cables on the side of public roads.

Letter b

Wholesale and/or shopping complex is the wholesale market selling varieties of goods and rented market/shopping facilities provided/operated by the regional government, excluding those provided by regional government-owned companies and privately-run companies.

Letter c

Auction place is the place specifically designed by the regional government to sell fish, cattle, agricultural produce and forestry produce by auction, including auction services and other facilities made available in the auction place.

The definition of auction place includes is the place leased by the regional government from other party for an auction place.

Letter d

Bus terminal service is the provision of parking lots for passenger cars and public buses, the provision of business sites, and the provision of other facilities on the premises of bus terminals, owned and/or managed by the regional government. As such, platform service is exempted from levies.

Letter e

Specific parking lot service is the provision of specific parking lots owned and/or managed by the regional government, excluding those provided and managed by regional government-owned companies and privately-run companies.

Letter f

Lodging/hostel/villa service is the provision of lodging/hostels/villas owned and/or managed by the regional government, excluding those owned and/or managed by regional government-owned companies and privately-run companies.

Letter h

Slaughterhouse service is the provision of slaughterhouse owned and or managed by the regional government, including the medical check up of cattle before and after being slaughtered.

Letter i

Seaport service is the provision of service in the port of fishing ships and/or non fishing ships, including other facilities in the seaport owned and/or managed by the regional government, excluding those managed by state-owned companies, regional government-owned companies and privately-run companies.

Letter j

Recreation and sport ground service is the provision of places owned and/or managed by the regional government, for recreation, tourism and sports.

Letter k

Ferry service is the provision of passenger or cargo ferry service using vehicles traveling on water owned and/or managed by the regional government, excluding the service provided by state-owned companies, regional government-owned companies and privately-run companies.

Letter l

Liquid waste treatment service is the treatment of household, office and industrial liquid waste using facilities owned and/or managed by the regional government, excluding the service provided by regional government-owned companies and privately-run companies.

Letter m

Regional production sales is the sales of regional production including plant seeds/seedlings, calves and fry, excluding those sold by the state-owned companies, regional government-owned companies and privately-run companies.

Paragraph (3)

The subject of business service levies may constitute the payer of business service levies.

Article 4

Paragraph (1)

Since the licensing service is chiefly designed to conduct guidance, control and supervision, the granting of permits by the regional government is basically intended to protect public interests and uphold law and order and must not be subject to levies. However, since to carry out the function the regional government needs funds which cannot always be covered by the local sources of income, the provision of licensing service is subject to levies to cover the cost of issuing the permits partially or wholly.

Paragraph (2)

Letter a

Building construction permit is a license issued to set up a building. The granting of this permit includes the inspection of design and the monitoring of construction to see it that the building agrees with the technical plan and the spatial layout by constantly observing the basic coefficient of building (KDB), the coefficient of building width (KLB), the coefficient of building height (KKB), and supervising the use of building including the inspection of safety requirements.

Letter b

Alcoholic drink sale permit is the permit to sell alcoholic drinks is a certain place.

Letter c

Nuisance permit is the business site/activity permit to an individual or body to in a certain location, which may cause danger, loss and disturbance, excluding business/activity sites already stipulated by the central government and the regional government.

Paragraph (3)

The subject of certain licensing service may constitute the payer of certain licensing service levies.

Article 5

Sufficiently clear

Article 6

The other types of services include non-tax state revenue already distributed to regions.

Article 7

Sufficiently clear

Article 8

Based on these provisions, each region is authorized to determined principle and target to be achieved in setting the tariff of public service levies, for instance, to cover the cost of the relevant service partially or wholly as well as to help the economically weal people according to the type of service provided.

As such, the principle and target for setting the tariff of public service levies can be distinguished according to the types of services and the group of service users. For instance :

- a. The tariff of garbage disposal levies for the affluent society can be set in such a way that it can over the cost of collecting, transporting and discharging garbage, while the tariff for the economically weak society is relatively low.
- b. The tariff of high class medical treatment for the service levies of regional general hospital may be higher than the service cost to allow cross subsidy for the tariff of low class medical treatment.
- c. The tariff of parking levies for the side of congestion prone public roads is higher than for the side of less congestion-prone public roads with the aim of controlling the use of parking service, thereby ensuring smooth traffic.

Article 9

Sufficiently clear

Article 10

The cost of the relevant permit includes the cost arising from the issuance of permit document, on-the-spot inspection, law enforcement, administration and the negative impact of the permit issued.

Article 11 up to Article 14

Sufficiently clear

Article 15

Paragraph (1)

These provisions stipulate that only certain types of levies received by the regency can partially distributed to the villages directly involved in the provision of service, such as resident's identity card and vital statistics printing levies.

Paragraphs (2) and (3)

Sufficiently clear

Article 16

Sufficiently clear

Article 17

Paragraph (1)

The establishment of the period of 15 (fifteen) days in this paragraphs has already taken into account the submission of regional regulation from the farthest region.

Paragraph (2)

The cancellation of regional regulation begins to take effect on the date of stipulation. In this connection, the payer of levies account apply to the relevant regional government for refunds on levies.

Paragraph (3)

The establishment of the period of 1 (one) month in this paragraph is done with the aim of reducing the negative impact of the cancellation of the regional regulation.

Paragraph (4)

Sufficiently clear

Article 18 up to Article 20

Sufficiently clear