

SPECIFIC-CASE

WORKSHEET 7 OF 9

# Sales Cross the PPh Final 0.5% Threshold Mid-Year

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*Scenario: the business is a CV in its second year under PPh Final. By August, cumulative gross revenue has reached Rp 4.6 billion — Rp 200 million below the Rp 4.8 billion annual threshold. Two large contracts are pending that together would add Rp 600 million if both close before December. The owner needs to calculate the tax and compliance consequences before signing either contract.*



*Tax Optimization for SMEs*  
by Ibrahim Anwar

## What This Is For

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The revenue threshold has two consequences that arrive simultaneously: PPh Final no longer applies to revenue above the threshold, and the business must register as a VAT-taxable entrepreneur (PKP) by the end of the month following the breach month. Most operators know the first consequence vaguely and do not know the second at all. This specific-case worksheet is for the moment when crossing the threshold is foreseeable — when there is still a window to calculate, plan, and act rather than react.

The worksheet is designed for one scenario: a business approaching the threshold with one or more large contracts pending. It forces the operator to model two outcomes (both contracts, one contract) and calculate the compliance obligations for each before signing. The goal is not to avoid the threshold — growth is the goal — it is to cross it with eyes open.

## Benefits

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What you get when you actually run this worksheet on a real situation:

- Calculates the exact month the threshold will be breached under each contract scenario, so the PKP registration deadline becomes a calendar date rather than an abstract concept.
- Shows the PPh Final calculation up to the breach point and the separate treatment that applies above it, so the operator knows the total tax position for the year.
- Forces the question of whether cost records exist for PPh Badan — the answer needed on day one of the regime change, not on day one of the next tax year.
- Identifies whether deferring a contract's delivery date into the next tax year changes the compliance timeline materially enough to be worth considering.
- Creates a documented decision record for each contract decision that can be shared with the tax consultant.

## Framework To Use

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### — Two-Threshold Scenario Map

*Each contract scenario produces a different breach month, a different PKP registration deadline, and a different PPh Badan readiness requirement.*

# How To Use

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Follow these steps in order. Each one builds on the previous.

- 1** Step 1: Record cumulative gross revenue to date from the monthly tracking table. Use invoiced sales, not cash received.
- 2** Step 2: Enter the revenue amount on each pending contract. If the contract would be delivered before year-end, it counts in this year's cumulative total.
- 3** Step 3: Project year-end revenue under Scenario 1 (all pending contracts signed) and Scenario 2 (reduced set).
- 4** Step 4: Identify the month when cumulative revenue crosses the threshold under each scenario. The PKP registration deadline is the end of the following calendar month.
- 5** Step 5: Calculate PPh Final due on revenue up to the threshold. Identify the revenue above the threshold — it cannot use the PPh Final rate and requires separate tax treatment.
- 6** Step 6: Check whether cost records are current enough to calculate taxable income under the standard corporate income tax regime. If cost records do not exist for any month this year, mark 'No' and identify what needs to be rebuilt.
- 7** Step 7: Write the calendar date for the PKP registration deadline under each scenario. If the deadline falls within eight weeks, begin the registration process now rather than waiting for the actual breach.
- 8** Step 8: Consider deferral: if Contract B's delivery can be pushed into the next tax year, does it change which scenario applies? Calculate the tax difference and note the reasoning.

## Example Use

*A CV trading business in its second year of PPh Final has \$253,000 in cumulative gross revenue by end of August. Monthly revenue runs about \$28,000. Two wholesale contracts are pending: Contract A (\$38,000, delivery September) and Contract B (\$42,000, delivery October). The owner fills in the worksheet before signing either contract.*

Cumulative revenue to August: \$253,000. Annual threshold: \$300,000 (local currency equivalent — operators adapt to their jurisdiction's threshold).

Scenario 1 (both contracts): September + Contract A adds \$28,000 + \$38,000 = \$66,000. September cumulative: \$319,000. Threshold crossed in September. PKP registration deadline: end of October.

Scenario 2 (Contract A only): September cumulative: \$253,000 + \$28,000 + \$38,000 = \$319,000. Still crosses in September with Contract A alone, because normal monthly revenue of \$28,000 plus Contract A's \$38,000 pushes past \$300,000 even without Contract B.

Both scenarios produce a September breach. The difference is the year-end total: Scenario 1 is \$28,000 higher.

PPh Final on the first \$300,000:  $\$300,000 \times 0.5\% = \$1,500$ .

Revenue above threshold:  $\$319,000 - \$300,000 = \$19,000$  (Scenario 1 breach month), subject to separate treatment.

PKP registration deadline: end of October. The owner marks October 31 in the calendar today and calls the tax consultant to begin the process.

Cost records check: the CV has maintained a weekly cost log since January. Records exist for all eight months. Cost data is sufficient to calculate taxable income if needed. Mark: Yes.

The owner now has a complete picture before signing either contract. Both contracts can be signed. The compliance obligations are manageable if the PKP registration is started immediately.

# The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

## Sales Cross the PPh Final 0.5% Threshold Mid-Year

*Scenario: the business is a CV in its second year under PPh Final. By August, cumulative gross revenue has reached Rp 4.6 billion — Rp 200 million below the Rp 4.8 billion annual threshold. Two large contracts are pending that together would add Rp 600 million if both close before December. The owner needs to calculate the tax and compliance consequences before signing either contract.*

ITEM	VALUE	NOTES
Cumulative revenue to date (\$)		From monthly sales records
Revenue on pending Contract A (\$)		If signed and delivered before year-end
Revenue on pending Contract B (\$)		If signed and delivered before year-end
Projected year-end revenue — Scenario 1 (both contracts)		
Projected year-end revenue — Scenario 2 (Contract A only)		
Threshold breach month — Scenario 1		Month when cumulative crosses annual threshold
Threshold breach month — Scenario 2		Month when cumulative crosses annual threshold
PPh Final due on revenue up to threshold (0.5%)	\$	
Revenue above threshold (if any) — separate tax treatment	\$	Not eligible for the flat PPh Final rate
PKP registration deadline (if threshold crossed)		End of month following the breach month
Cost records current enough for regime change?	Y / N	If N, start immediately
Years of PPh Final remaining for this entity (of applicable limit)		

## Reflection Prompts

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*After filling in the worksheet on the previous page, work through these.*

1. If both contracts close and revenue crosses the annual threshold before December, what is the latest date by which PKP registration must be completed? Write the specific calendar date, not just the month.
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2. Does the business currently have cost records sufficient to calculate taxable income under the standard corporate income tax regime for any month this year? If not, what is the minimum data needed and where does it currently exist?
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3. Would deferring Contract B's delivery date to the next tax year change the compliance obligations this year? Calculate the tax difference and document the decision rationale.
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# Tips and Traps

## TIPS

- Calculate the breach month before the contract is signed, not after. Signing creates the obligation — the moment to plan is the moment before commitment.
- Use invoiced revenue, not cash received, when projecting the breach month. A contract signed in September with payment due in November counts in September's cumulative total.
- Start the PKP registration process when the breach month is identified as certain, not when the actual breach date arrives. The registration process itself takes administrative time.
- If the breach will happen regardless of which contract is chosen, focus on the regime change readiness — cost records, bookkeeping setup — rather than on trying to avoid the threshold.

## TRAPS

- Calculating the threshold separately for different business lines. All revenue from all activities under the same taxpayer identity is combined for threshold assessment — splitting to stay below the limit is not a defensible position.
- Assuming the PKP registration deadline is year-end. It is the end of the month after the breach month. In some business cycles this is two or three months before year-end.
- Treating contract deferral as a reliable avoidance strategy. If the business is growing, the threshold will be crossed next year or the year after. Deferral is a timing tool for compliance preparation, not a long-term plan.

# Appendixes

## Appendix A – Threshold Breach Timeline Calculator

Step 1: Cumulative revenue to current month : \$ \_\_\_\_\_  
 Step 2: Average monthly revenue (last 3 months) : \$ \_\_\_\_\_  
 Step 3: Remaining revenue to threshold : threshold - Step 1 = \$ \_\_\_\_\_  
 Step 4: Months to breach at average rate : Step 3 ÷ Step 2 = \_\_\_\_\_ months  
 Step 5: Projected breach month : current month + Step 4

If large contracts are pending:

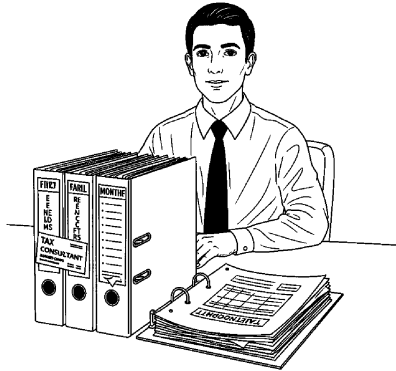
Step 6: Add contract value to next month's projection  
 Step 7: Recalculate breach month with contract included

PKP registration deadline:

Breach month + 1 month → last day of that following month

Example:

Current month : August  
 Cumulative : \$253,000  
 Threshold : \$300,000  
 Average monthly : \$28,000  
 Remaining to threshold : \$47,000  
 Months to breach : 1.7 → breach in October without large contracts  
 With Contract A (\$38K) : breach in September  
 PKP deadline : end of October



WHERE THIS WORKSHEET COMES FROM

## Tax Optimization for SMEs

*Paying Tax Correctly Is the Kind of Business That Sleeps at Night*

by Ibrahim Anwar

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This worksheet is one of nine in the *Tax Optimization for SMEs* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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