Bali leasehold property taxes made easy for international buyers

Buying a leasehold villa in Bali? Rest assured – Bali's tax system is straightforward, fair, and works in your favour. This one-page guide explains all the tax components for leasehold property in Bali, using clear terms and real examples. You'll see who pays what, approximate costs in IDR and AUD, and why there's no need to worry – taxes are affordable, predictable, and handled by professionals.

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Taxes When Buying a Leasehold Property

• No Stamp Duty or BPHTB for Leasehold: Leasehold buyers do not pay the 5% property acquisition tax (BPHTB) that freehold buyers pay. This is a direct saving for you.

• Final Income Tax (PPh Final) – Paid by the Seller: The seller (lessor) pays a flat 10% income tax on the lease price. You, as the buyer, pay nothing.

• Value Added Tax (PPN) – Only if Buying from a Developer: VAT is 11% (12% in 2025) on sales by developers. This does not apply to private resales and is usually included in the quoted price. Your notary will handle all VAT paperwork if applicable. Never the less, this TAX rates only applicable towards the purchasing of the apartment type of property and not applicable to villa property category

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Annual Property Tax
(PBB – Pajak Bumi dan Bangunan)

• Small Annual Fee: PBB is typically under IDR 5 million per year (≈ AUD 500) for luxury villas and often less. It's around 0.1% of the property's official value (NJOP). For example, a villa valued at IDR 500 million might incur only IDR 500,000 per year (≈ AUD 50).

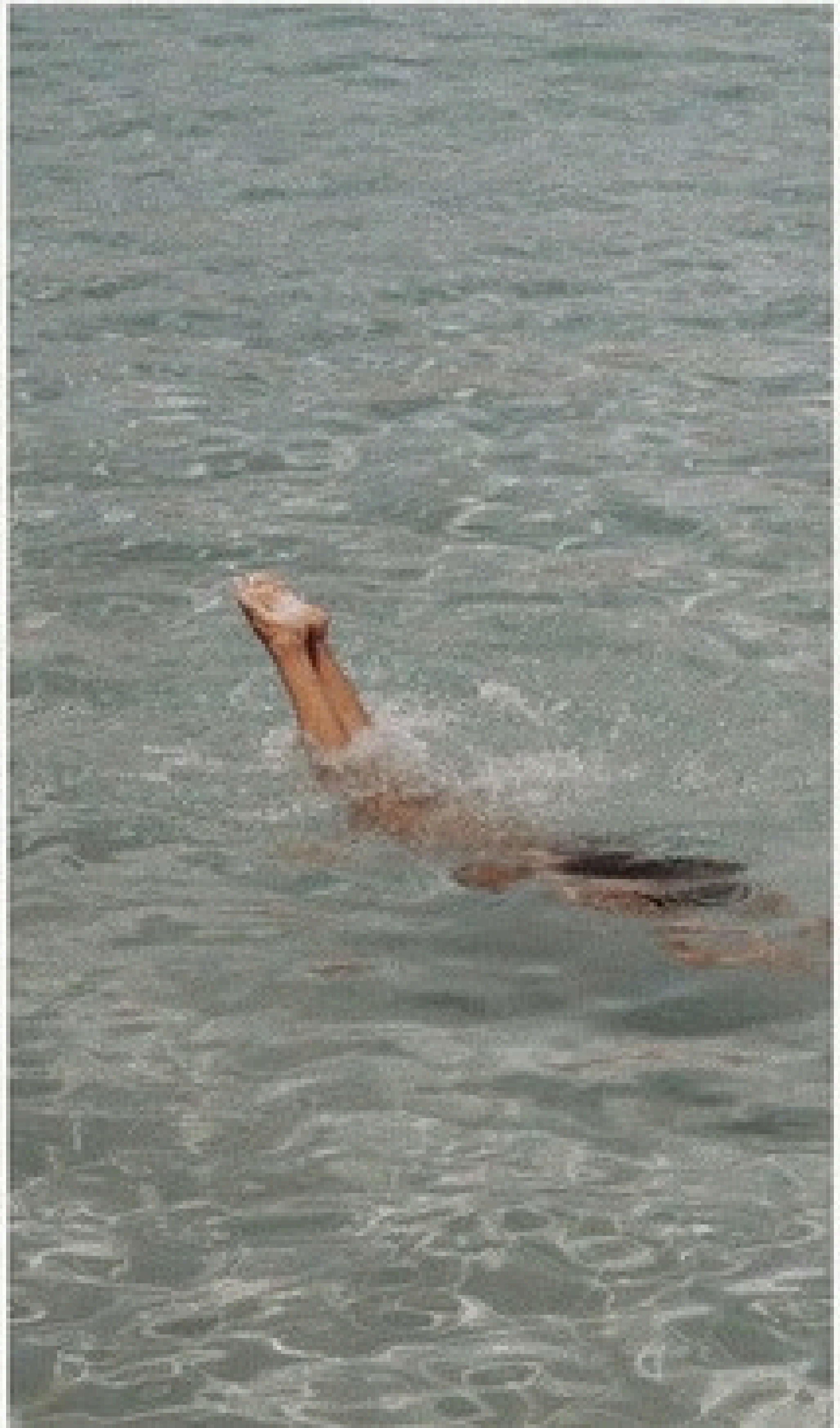
• Simple to Pay: PBB is paid once a year and can be settled online or through local banks. Your property manager or agent can assist, making it effortless.

Taxes When Selling Your Leasehold (Exit Tax)

• Flat Final Tax: When you sell your leasehold rights, you pay a 10% final income tax (PPh Final) on the sale price if you have a local tax number (NPWP). Without an NPWP, the rate is 20%, but obtaining one is easy and ensures you get the lower rate. By the way In Elysium our management company will take care of your sales on reduced tax rate of 10% and will deposit the final amount directly to your account that you don't need to be worried about setting up the company yourself.

• No Capital Gains Tax: This flat percentage is the only tax due on sale. For example, selling for IDR 1.5 billion (~AUD 140,000) would result in IDR 150 million (~AUD 14,000) as tax.

• Australia–Indonesia Tax Treaty: Taxes paid in Indonesia can usually be credited against Australian capital gains tax, avoiding double taxation.



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Professional Handling & Transparency

• Notaries Handle It All: Licensed notaries (PPAT) calculate, collect, and remit all required taxes during transactions. This ensures every tax obligation is met without you having to manage the details.

• Affordable & Predictable: Rates are fixed by law, and all costs are clear from the start. Compared to buying property in Australia, Bali's tax system is simpler and cheaper.

• Foreigner-Friendly: Leasehold ownership is designed to keep taxes low and straightforward for foreign buyers.

Why Buyers Can Invest With Confidence

Leasehold purchases in Bali have minimal tax burdens: no big acquisition taxes, only modest annual fees, and a flat, predictable exit tax. With everything handled by notaries and agents, the system is transparent, reliable, and easy to navigate.
Bottom line: Taxes are never a barrier – they are clear, affordable, and streamlined, leaving you free to focus on enjoying and profiting from your Bali property.

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