

## Reconstruction of the Amount of Certain Goods and Services Tax Rates for Traditional Health Services

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### Abstract

The purpose of this study is to examine and analyze the authority of the Regency/City Regional Government in collecting and/or not collecting PBJT tax on entertainment services in the form of steam baths/spas and the reconstruction of the amount of PBJT rates for entertainment services in the form of steam baths/spas after the Constitutional Court Decision. The mention of steam baths/spas in this article must be interpreted as traditional health services as per the Constitutional Court Decision No. 19/PUU-XXII/2024. Therefore, this study is a legal study using three approaches, namely the statutory, conceptual, and case approaches. The results of this study indicate that the Regency/City Regional Government must collect PBJT on arts and entertainment services in the form of steam baths/spas as long as it is stated in the Regional Regulation. However, the Regency/City Government may not collect PBJT on arts and entertainment services in the form of steam baths/spas if there are or are met the requirements as stipulated in Article 6 paragraph (2) of Law No. 1 of 2022. Because the mention of steam baths/spas is stated to provide no guarantee of legal certainty and creates a negative stigma in society by the Constitutional Court, the logical consequence of this is to remove steam baths/spas from the category of discotheques, karaoke, nightclubs and bars and put them in the category of massage parlors and reflexology. So, the PBJT tariff for arts and entertainment services in the form of steam baths/spas is adjusted to Article 58 paragraph (1) of Law no. 1 of 2022 which levies the highest PBJT of 10%.

**Keywords:** Reconstruction; Tax; PBJT; Steam Bath/Spa; Constitutional Court Decision.

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### Introduction

Indonesia is a unitary state that implements a decentralized system, not a centralized one.<sup>1</sup> The characteristic of this system is the granting of autonomy to regions, both provinces and districts/cities.<sup>2</sup> This has been constitutionally guaranteed in Article 18 paragraph (1) and paragraph (2) of the 1945 Constitution of the Republic of Indonesia

<sup>1</sup> Sinta Devi Ambarwati, Sudarsono dan Shinta Hadiyantina, 'Policies to Control and Evaluate Regional Regulations on Taxes and Levies in Indonesia: Re-centralisation?' (2023) 30 Jurnal Media Hukum.

<sup>2</sup> Ilyas Ilyas dan Sahra Roba, 'Prospect The Study Of Local Legal Autonomy In Regional Autonomy Legal Politics' (2023) 4 International Journal of Business, Law, and Education.

(UUD NRI 1945).<sup>3</sup> The autonomy granted to regions includes the broadest possible autonomy, except for government affairs stipulated by law as the authority of the Central Government.<sup>4</sup> This shows the existence of a relationship of authority between the Central Government and autonomous regions, as regulated in Article 18A paragraph (1) of the UUD NRI 1945.<sup>5</sup> Therefore, in Law Number 23 of 2014 concerning Regional Government (UU No. 23 of 2014) there is a division of concurrent affairs which is the basis for the implementation of regional autonomy.

In addition to the existence of authority relations, granting autonomy to regions also creates financial relations.<sup>6</sup> This is regulated in Article 18A paragraph (1) of the 1945 Constitution of the Republic of Indonesia, which states that its regulation and implementation must be carried out fairly and harmoniously. Article 279 paragraph (1) of Law No. 23 of 2014 states that "The Central Government has financial relations with the Regions to finance the implementation of Government Affairs that are transferred and/or assigned to the Regions." From these provisions, it can be understood that the financial relations between the Central Government and the Regional Governments are aimed at funding the implementation of government affairs that have been transferred (decentralized) to the regions.<sup>7</sup>

One form of such financial relationship, according to Article 279 paragraph (2) letter a of Law No. 23 of 2014, is "the provision of regional revenue sources in the form of regional taxes and regional levies." This provision is in line with Article 2 letter a of Law Number 1 of 2022 concerning Financial Relations Between the Central Government and Regional Governments (Law No. 1 of 2022). This means that regions are authorized

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<sup>3</sup> Mansyur Achmad, Ratna Wati dan Wahyu Tri Putranto, 'The Dynamics of Regional Autonomy in Indonesia' (2022) 7 Saudi Journal of Humanities and Social Sciences.

<sup>4</sup> Rodiyah, Ridwan Arifin dan Steven, 'Local Autonomy and Federalism: How Indonesia Deal With Democracy in The Global Governance?' (2020) 15 Pandecta Research Law Journal.

<sup>5</sup> Sukardi dan Dodi Jaya Wardana, 'Does the Government have the Authority to Annul Regional Regulations?' (2024) 32 Legality: Jurnal Ilmiah Hukum.

<sup>6</sup> Rio Jenerio and others, 'Financial Relations Between Central Government and Regional Government in Regional Autonomy' (2023) 1 Journal of Political And Legal Sovereignty.

<sup>7</sup> Hendra Akbar Nugraha and others, 'The Authority Concerning the Collection of Groundwater Taxes After the Law No. 23 Year 2014 in the City of Surabaya' (2020) 35 Yuridika; Dolot Alhasni Bakung, 'Unraveling Authority of Coal Mining Management by the Regional Government and Its Implications for Regional Autonomy' (2020) 1 Indonesian Journal of Advocacy and Legal Services.

by law to collect regional taxes and regional levies as one of the sources of regional original income, as regulated in Article 285 paragraph (1) of Law No. 23 of 2014, which functions as a source of financing for the implementation of government affairs that are the authority of the region. The authority of the region to collect regional taxes is explained in Article 4 paragraph (1) of Law No. 1 of 2014 which states, "Taxes collected by the provincial government consist of: ..." and paragraph (2) which states, "Taxes collected by the district/city government consist of: ..." In addition, to carry out regional tax collection, regions are required to prepare Regional Regulations in accordance with the provisions in Article 94 of Law No. 1 of 2022.

Based on these provisions, the Regency/City Government must form a Regional Regulation on Local Taxes and local retribution.<sup>8</sup> One type of regional tax collected by the Local Government is Certain Goods and Services Tax (PBJT).<sup>9</sup> PBJT covers various types of services, one of which is Arts and Entertainment Services. In the category of Arts and Entertainment Services, steam baths/spas are included in this category.

Since steam baths/spas fall into the category of Arts and Entertainment Services, then based on Article 58 paragraph (2) of Law No. 1 of 2022, the Local Government imposes a minimum rate of 40% and a maximum rate of 75%. This is further emphasized in Article 27 paragraph (3) of Surabaya Local Regulation No. 7 of 2023 regarding Regional Taxes and Regional Levies which states that the amount of tax on entertainment services in the form of steam baths/spas is imposed at 50%. If you look at this simply, there is no problem. However, it became a problem when the Constitutional Court through Constitutional Court Decision No. 19/PUU-XXII/2024 emphasized that categorizing steam baths/spas as the same as discotheques, karaoke, nightclubs, and bars does not provide legal certainty, therefore the Constitutional Court emphasized that steam baths/spas are traditional health services. What is meant by traditional health services is a type of business service that focuses on medical practices based on knowledge and cultural

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<sup>8</sup> Sinta Devi Ambarwati, Sudarsono Sudarsono dan Shinta Hadiyantina, 'Dualism of Authority to Review Regional Regulations for Regional Taxes and Levies in Indonesia' (2022) 5 *International Journal of Social Science Research and Review*.

<sup>9</sup> Josep Irvan Gilang Hutagalung, Dewi Kania Sugiharti dan Zainal Muttaqin, 'Tax Law Certainty on The Sale of Food and Beverages after The Enactment of Law Number 1 of 2022' (2022) 3 *Journal of Social Science*.

heritage, which includes the use of herbal remedies, physical therapy, and other healing methods. After confirming this, the Constitutional Court did not consider the amount of tax on steam baths/spas, because it was considered an open legal policy.<sup>10</sup>

Seeing the problems as above, this study aims to examine and analyze the authority of the Regency/City Regional Government in collecting and/or not collecting PBJT tax on entertainment services in the form of steam baths/spas, and the reconstruction of the amount of PBJT rates for entertainment services in the form of steam baths/spas after the Constitutional Court Decision. Through this study, it is expected to be able to provide a wealth of knowledge, especially in the field of local tax law, as well as a policy option in reconstructing the authority of the amount of PBJT tax rates for entertainment services in the form of steam baths/spas after the Constitutional Court Decision No. 19/PUU-XXII/2024 in the future.

### Research Method

This research is a legal research using three approaches, namely the legislative, conceptual, and case approaches.<sup>11</sup> The legal materials used in this study are primary legal materials and secondary legal materials. Primary legal materials are collected using the inventory and categorization method, while secondary legal materials are collected using the literature search method. The primary legal materials and secondary legal materials that have been collected are then identified, classified, and systematized according to their sources and hierarchies. After that, all legal materials are reviewed and analyzed using legal reasoning with the deductive method.<sup>12</sup>

### Authority of District/City Regional Governments to Collect and/or Not Collect PBJT Tax on Arts and Entertainment Services in the Form of Steam Baths/Spas

One of the main principles of the rule of law is the obligation of the government to

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<sup>10</sup> Hufron and others, 'Regional Head Election Post-MK Decision Number 60/PUU-XXII/2024 in the Constitutional Law Landscape' (2025) 33 *Legality : Jurnal Ilmiah Hukum*.

<sup>11</sup> Peter Mahmud Marzuki, *Penelitian Hukum* (Kencana 2021).

<sup>12</sup> Irwansyah dan Ahmad Yunus, *Penelitian Hukum: Pilihan Metode & Praktik Penulisan Artikel* (Mirra Buana Media 2020).

act in accordance with the law.<sup>13</sup> This is known in the theory of Administrative Law as the principle of *rechtmatigheid*.<sup>14</sup> Therefore, government officials are “bound and abide by law.” This means that government actions are limited by law, both statutory regulations and general principles of government. The government is prohibited from taking actions that are not in accordance with the law. The goal is to protect the people from adverse legal consequences caused by government actions.<sup>15</sup>

In carrying out public legal actions (*publicrechts bestuurs handelingen*), Government Officials must comply with the rules of State Constitutional Law and Administrative Law, both statutory regulations and general principles of good governance (*algemene beginselen van behoorlijk bestuur*) as a form of implementing the principle of *bestuur van rechtmatigheid*, namely in carrying out government, government officials must always be based on the law.<sup>16</sup>

One of the main requirements for the validity of government actions is the existence of sufficient authority. Article 1 number 6 of Law No. 30 of 2014 stipulates that authority is the power of government officials to act in the realm of public law. This authority is the legal power that is the basis for the government to act in the realm of public law. Therefore, according to the provisions of Article 8 paragraph (1) of Law No. 30 of 2014, government actions and/or decisions can only be carried out by authorized officials. The term “authorized official” means an official who has authority, whether authority that comes from attribution authority, delegation authority or delegation authority. *A contrario*, government actions and/or decisions carried out by unauthorized government officials are actions and/or decisions that are not in accordance with the law (*onrechtmatigheid*).

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<sup>13</sup> Baharuddin Riqiey dan Syofyan Hadi, “Constitutional Imperatives: Examining the Urgency of Term Limits for Members of the House of Representatives” (2023) 17 *Mimbar Keadilan* 1; Syofyan Hadi dan Tomy Michael, *Negara Hukum* (Jejak Pustaka 2024); Moh Fadli dan Syofyan Hadi, *Kepastian Hukum: Perspektif Teoretik* (Nuswantara Media Utama 2023).

<sup>14</sup> Syofyan Hadi, ‘Principles of Defense (Rechtmatigheid) In Decision Standing of State Administration (2018) 5 *Jurnal Cita Hukum*.

<sup>15</sup> Philipus M Hadjon, *Perlindungan Hukum Bagi Rakyat di Indonesia* (Bina Ilmu 1987).

<sup>16</sup> La Ode Husen and others, ‘The Principle of Good Governance: A Study of the Implementation of ‘Algemene Beginselen Van Behoorlijk Bestuur’ in the Legal System in Indonesia’ (2020) 9 *International Journal of Innovative Research and Development*; Indria Wahyuni, Rahadyan Fajar Harris dan Emanuel Sujatmoko, ‘Road to Net-Zero Emission in Indonesia: Legal Loopholes in National Carbon Tax Scheme’ (2023) 6 *Media Iuris*.

In using this authority, government officials must pay attention to the limitations of authority. The limitations of this authority are normatively regulated in Article 15 paragraph (1) of Law No. 30 of 2014 which states “The authority of Government Agencies and/or Officials is limited by: a. the period or time limit of the Authority; b. the territory or area where the Authority applies; and c. the scope of the field or material of the Authority.” Referring to these provisions, the authority of government officials is limited by three things, namely time (*tempory*), territory (*loci*), and material (*materiae*). The government is only authorized to act if it is still within these three limits. If government officials use their authority outside these three limits, it is categorized as government action without authority (*onbevoegdheid*). Actions without authority are actions that are not in accordance with the law (*onrechtmatigheid*).

Based on the provisions of Article 279 paragraph (2) letter a of Law No. 23 of 2014 and Article 2 letter a of Law No. 1 of 2022, the Regional Government is given attribution authority to collect regional taxes and regional levies. This authority gives authority to regional governments to manage financial resources more independently, allowing them to increase regional income that can be used for various development programs and public services. With this authority, regional governments can be more responsive to the needs of the community, as well as encourage local economic growth through effective and efficient use of taxes and levies.

The authority of regional governments to collect taxes is further strengthened by the provisions of Article 4 paragraph (1) of Law No. 1 of 2022 which states, “Taxes collected by district/city governments consist of: ...” The phrase “Taxes collected” directly gives authority to the Regional Government to carry out regional tax collection, emphasizing the position of the Regional Government as an entity that has the power to manage local financial resources.<sup>17</sup> Thus, the Regional Government has the opportunity to increase regional income, which can later be allocated to various development programs and more effective community services.<sup>18</sup>

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<sup>17</sup> Hendra Kurniawan, Emir YusufInspiration dan Tia Rizkya DilbarSumadi, ‘Tax Collection Authority for Hotels Aboard Tourist Boats After Law Number 1 of 2022 and Law Number 7 of 2021’ (2023) 19 YURISDIKSI : Jurnal Wacana Hukum dan Sains.

<sup>18</sup> Rusli Rusli, ‘Regional Taxes and Levies Contribution to the Increase of Regional Original Income’ (2022) 2 Journal of Social Commerce.

Based on the provisions of Article 4 paragraph (2) of Law No. 1 of 2022, the types of taxes that can be collected by the Regency/City Regional Government are limited, covering various types of specific taxes such as Rural and Urban Land and Building Tax (PBB-P2), Land and Building Acquisition Fee (BPHTB), Sign Sales Material Tax (PBJT), Advertising Tax, Groundwater Tax (PAT), Non-Metallic Mineral and Rock Tax (MBLB), Swallow's Nest Tax, as well as Motor Vehicle Tax (Opsen PKB) and Motor Vehicle Transfer Fee (Opsen BBNKB). The determination of these limited types of taxes provides clarity and focus for regional governments in tax management, while ensuring that tax collection can be carried out efficiently and transparently.

Referring to the provisions of Article 50 of Law No. 1 of 2022, the PBJT tax object includes five categories, namely: 1. Food and/or Beverages; 2. Electricity; 3. Hotel Services; 4. Parking Services; and 5. Arts and Entertainment Services. Arts and entertainment services, as explained in Article 1 number 49 of Law No. 1 of 2022, include the provision or organization of various types of shows, performances, games, skills, recreation, and crowds that can be enjoyed by the public. Regarding this, the provisions of Article 55 paragraph (1) of Law No. 1 of 2022 describe in detail what is included in arts and entertainment services, one of which is a steam bath/spa. The mention of the steam bath/spa is placed in Article 55 paragraph (1) of Law No. 1 of 2022 letter l, which is equated with discotheques, karaoke, nightclubs, and bars.

The equalization also has implications for the amount of tax imposed. This is as stated in Article 58 paragraph (2) of Law No. 1 of 2022 which states expressly that specifically the PBJT rate for entertainment services at discos, karaoke, nightclubs, bars, and steam baths/spas is set at a minimum of 40% and a maximum of 75%. The mention of the minimum and maximum in these provisions gives regions the flexibility to determine the amount of tax rates imposed on steam bath/spa services by taking into account other aspects. For example, in the provisions of Article 27 paragraph (3) of Surabaya City Regional Regulation Number 7 of 2023 concerning Regional Taxes and Regional Retributions (hereinafter referred to as Surabaya City Regulation No. 7 of 2023) it is stated that the amount of tax rates for steam baths/spas is 50%.

Based on the explanation above, the Regency/City Regional Government must collect PBJT tax on arts and entertainment services in the form of steam baths/spas because it has been regulated in the Regional Regulation. If it is not collected, there will be a potential loss which will later become a financial audit finding. Then the question arises whether the Regency/City Regional Government has the authority not to collect PBJT. Against this objection, a legal argument can be given that normatively, the Regency/City Regional Government has the authority not to collect PBJT as regulated in Article 6 paragraph (2) of Law No. 1 of 2022.

Based on these provisions, the Regency/City Regional Government is given the authority not to collect PBJT for arts and entertainment services in the form of steam baths/spas. This can be seen in the phrase "Type of Tax ... cannot be collected ..." In administrative law, the word "can" refers to the authority (*bevoegd*) of government officials to do something. However, the nature of the authority is free, which means it can be done or not done. This free authority in the theory of administrative law is known as discretionary power. Article 1 number 9 of Law Number 30 of 2014 concerning Government Administration (Law No. 30 of 2014) stipulates that "Discretion is a Decision and/or Action determined and/or carried out by Government Officials to overcome concrete problems faced in the implementation of government in terms of laws and regulations that provide options, do not regulate, are incomplete or unclear, and/or there is government stagnation." As a free authority (discretion), the Regency/City Regional Government is given the freedom to act, whether not to collect or not. For this reason, in implementing this authority, the Regency/City Regional Government must pay attention to the provisions of Article 22 to Article 3 of Law No. 30 of 2014 and pay attention to the general principles of good governance - AUPUB (*algemene beginselen van behorlijke bestuurs*) as regulated in Article 10 of Law No. 30 of 2014.

The authority of the Regency/City Regional Government not to collect PBJT for arts and entertainment services in the form of steam baths/spas is not only a discretionary authority, but also a conditional authority. This means that this authority can be implemented if the requirements are met or exist. According to Article 6 paragraph (2) of Law No. 1 of 2022 above, there are alternative cumulative requirements that must be met



or exist so that the Regency/City Regional Government can't collect PBJT for arts and entertainment services in the form of steam baths/spas. The two requirements include:

1. The Potential is Insufficient

Explanation of Article 6 paragraph (2) letter a of Law No. 1 of 2022 stipulates that "What is meant by "insufficient potential" is the potential revenue from a type of tax whose value is too small so that the operational costs of collecting it are greater than the results of the collection." This explanation is an application of the principle of efficiency as one of the four principles (the four maxims) in tax collection. According to Adam Smith, the principle of efficiency means "every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State." This means that the cost of collecting regional taxes is not greater than the amount of tax revenue. In other words, regional tax collection should be implemented or carried out as economically as possible, so that the cost of collection exceeds regional tax revenue can be avoided.<sup>19</sup>

Based on the explanation above, then within the limits of reasonable reasoning if the cost of collecting PBJT for arts and entertainment services in the form of steam baths/spas is greater than the regional income sourced from PBJT for arts and entertainment services in the form of steam baths/spas, then based on these requirements and based on the principle of efficiency, PBJT for arts and entertainment services in the form of steam baths/spas should not be collected by the Regency/City Regional Government. For that, in order to implement the discretionary authority owned by the Regency/City Regional Government not to collect PBJT for arts and entertainment services in the form of steam baths/spas, it is better to do a calculation by comparing the collection costs and the regional income obtained.

2. Local Government Establishes Policy Not to Collect

In addition to the potential reasons, the Regency/City Regional Government may not collect PBJT for arts and entertainment services in the form of steam baths/spas if it determines that it is not collected. This reason is not explained further in the

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<sup>19</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Methuen & Co. LTD 1776).

explanation of Law No. 1 of 2022. However, if interpreted, this policy of not collecting is a policy that cannot be separated from the function of regional taxes, namely the budget function and regulatory function.

Furthermore, the act of not collecting PBJT for arts and entertainment services in the form of steam baths/spas is not the unilateral authority of the Regent/Mayor (*inzidge*). Therefore, it cannot only be regulated in the Regent/Mayor Regulation. According to Article 6 paragraph (3) of Law No. 1 of 2022, it is stated that "The types of taxes that are not collected as referred to in paragraph (2) are stipulated in the Regional Regulation concerning Taxes and Levies." Based on this, the act of not collecting PBJT for arts and entertainment services in the form of steam baths/spas is a joint action between the Regent/Mayor and the DPRD. This means that if the Regency/City Regional Government wishes not to collect PBJT for arts and entertainment services in the form of steam baths/spas, it must be stipulated in a Regional Regulation, which according to Article 236 of Law No. 23 of 2014 is the joint authority of the Regent/Mayor and the DPRD. On the contrary, as long as PBJT for arts and entertainment services in the form of steam baths/spas is still a type of tax collected by the Regency/City Regional Government as regulated in Regional Regulations, then the Regency/City Regional Government must collect PBJT and does not have the authority not to collect it.

### **Reconstruction of PBJT Tariff Amount for Entertainment Services in the Form of Steam Baths/Spas Following Constitutional Court Decision**

Developments in PBJT in the form of entertainment and arts services, especially steam baths/spas, continue to develop. This can be seen in the Constitutional Court Decision No. 19/PUU-XXII/2024. The Constitutional Court considered that the classification of steam baths/spas in Article 55 paragraph (1) letter l of Law No. 1 of 2022 which is equal to or equated with discos, karaoke, nightclubs, and bars and does not provide legal certainty for the existence of steam baths/spas as traditional health services, thus causing concern and fear over the use of the traditional health services in question. Therefore, the Constitutional Court said that the phrase "and steam baths/spas" in the norm of Article 55 paragraph (1) letter l of Law 1/2022 is conditionally contrary to the

1945 Constitution of the Republic of Indonesia as long as it is not interpreted as “part of traditional health services”.

Although in substance the Constitutional Court stated that the classification of steam bath/spa services is the same as discotheques, karaoke, nightclubs, and bars, it does not provide legal certainty for the existence of steam baths/spas as traditional health services, thus causing concern and fear over the use of the traditional health services in question; however, regarding the amount of tax rates imposed, the Constitutional Court considered that it was the realm of the legislators (open legal policy). Although in theory the judicial restraint of the Constitutional Court’s attitude can be justified, in this case the Constitutional Court needs to adhere to substantive justice or judicial activism. The reason is, if the Constitutional Court only changes the name, it certainly will not have a significant impact on steam bath/spa services. Although it only eliminates the negative stigma, the substance of what is requested is the amount of the rate which is the same as discotheques, karaoke, nightclubs, and bars.

Based on the description above, the reconstruction of the PBJT tariff for entertainment services in the form of steam baths/spas after the Constitutional Court Decision is as follows:

1. Classifying steam baths/spas the same as massage parlors and reflexology massage as regulated in Article 55 paragraph (1) letter k of Law No. 1 of 2022. Efforts to remove steam baths/spas from the classification of discos, karaoke, nightclubs, and bars are very logical and very possible. This is based on the provisions of Article 42 paragraph (2) letter i of Law Number 28 of 2009 concerning Regional Taxes and Regional Retributions as last amended by Law No. 1 of 2022 which classifies steam baths/spas the same as massage parlors and reflexology massage.

Moreover, the Constitutional Court in its considerations stated that classifying steam baths/spas as discotheques, karaoke, nightclubs, and bars does not provide legal certainty and creates a negative stigma in society. Therefore, if the Constitutional Court only changes the name from steam baths/spas to traditional health services but still classifies them as discotheques, karaoke, nightclubs, and bars, it is still very possible that it will have a negative stigma impact on society regarding the existence

of traditional health services.

2. Classifying the amount of PBJT rates for entertainment services in the form of steam baths/spas the same as massage parlors and reflexology massage as regulated in Article 58 paragraph (1) of Law No. 1 of 2022, namely a maximum of 10%. This is a logical consequence of the first point above, namely classifying steam baths/spas the same as massage parlors and reflexology massage. Therefore, it is equated with massage parlors and reflexology massage as described in the first point above, then normatively it is subject to the provisions of Article 58 paragraph (1) of Law No. 1 of 2022 which charges a maximum PBJT of 10% (ten percent).

Regarding the argument of the Constitutional Court which considers the provisions on the amount of PBJT tariffs for entertainment services in the form of steam baths/spas to be the absolute authority of the legislators (open legal policy), then in plain view the imposition of PBJT tax on entertainment services in the form of steam baths/spas is the same as discotheques, karaoke, nightclubs, and bars has violated rationality and caused intolerable injustice. The reason is that on the one hand the Constitutional Court stated that it does not provide a guarantee of legal certainty and causes a negative stigma in society, but the provisions on the amount of tax rates imposed are not considered more substantially. That is what then becomes the argument that the imposition of PBJT tariffs on entertainment services in the form of steam baths/spas remains the same as discotheques, karaoke, nightclubs, and bars has violated rationality and caused intolerable injustice.

## Conclusion

The mention of steam baths or spas in this article must be understood as traditional health services, in accordance with Constitutional Court Decision No. 19/PUU-XXII/2024. However, the Regency/City Regional Government still has the authority to collect PBJT for arts and entertainment services in the form of steam baths/spas, as long as this is regulated in the Regional Regulation. However, the Regency/City Government can choose not to collect PBJT for these services if they meet the requirements stipulated in Article 6 paragraph (2) of Law No. 1 of 2022. Because the mention of steam baths/spas

is considered not to provide legal certainty and can cause a negative stigma in society by the Constitutional Court, the logical step taken is to remove steam baths/spas from the category of discotheques, karaoke, nightclubs, and bars, and categorize them as massage parlors and reflexology. Thus, the PBJT rate for arts and entertainment services in the form of steam baths/spas will be adjusted to Article 58 paragraph (1) of Law No. 1 of 2022, which stipulates that the tax may not exceed 10%.

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