

POLICY BRIEF

Realising the Imposition of Watercraft Motor Vehicle Tax (PKAA) for Fishing Vessels in North Kalimantan Province

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Executive Summary

The Watercraft Motor Vehicle Tax (PKAA) represents a fiscal innovation by the North Kalimantan Government. This policy effectively broadens the provincial tax base by expanding the definition of ‘motor vehicles’ beyond land transport. By categorising watercraft, such as passenger and commercial vessels, as taxable objects, the province is pioneering a new revenue stream. As of the third quarter of 2025, 57 commercial vessels and speedboats have been registered, with 40 units having settled taxes amounting to IDR 121.1 million. This policy brief, therefore, recommends developing a PKAA framework for medium-to-large fishing vessels (>10 GT), based on the principles of fiscal equity and ability to pay, while protecting traditional vessels through tiered tariffs and regional incentives.

Kata kunci: regional tax, watercraft, PKAA, fishers, fiscal equity.

Introduction

Following the enactment of Law No. 1/2022 and Government Regulation No. 35/2023, provincial governments have the authority to expand the object of the Motor Vehicle Tax (PKB) to include watercraft.

In North Kalimantan Province, this policy is intended to increase locally generated revenue (PAD), strengthen the fiscal and vessel registration databases, and enhance the supervision of marine and fisheries resources through collaboration with the North Kalimantan Marine and Fisheries Agency (DKP).

The tax, which has been adopted by North Kalimantan for medium-to-large scale vessels, has yet to include small-scale fishing vessels. According to the data portal of the Ministry of Marine Affairs and Fisheries (KKP, 2024) there are 14,833 active fishing vessels in North Kalimantan Province. The fleet composition is dominated by vessels sized ≤ 5 GT, totalling 14,362 units (96.84%), with a further 390 vessels in the 6–30 GT range (2.6%). The entire fleet operates within the designated provincial 0–12 nautical mile zone and serves as the mainstay of capture fisheries in coastal communities. Details of fleet composition in gross tonnage is provided in Annex 1.

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¹ Ministry of Marine Affairs and Fisheries (Indonesia), Jumlah Kapal dan Alat Penangkapan Ikan (Number of Fishing Vessels and Fishing Gear), https://portaldata.kkp.go.id/portals/data-statistik/jumlah_kapal/summary (accessed 24 March 2026).

However, the characteristics of the 'capture fisheries sector' differ from those of other 'commercial transportation sectors.' Dependence on seasons, fluctuations in fuel prices and the variability of fishers' income, demands an adaptive and equitable tax policy approach so as not

to increase the economic burden on small-scale fishers. Taken together, they highlight several challenges that the provincial government must address before the PKAA framework can be extended to fishing vessels.

Challenges

Based on a review of regional fiscal regulations, KKP data (2024), and preliminary observations of PKAA implementation in the water transportation sector, the key issues requiring attention before including fishing vessels in the PKAA can be grouped into two main areas:

Regulatory clarity

- Technical regulations are not yet in place: The Regional Revenue Agency (Bapenda) lacks the operational basis to determine tariffs and PKAA collection mechanisms for fishers. Current gubernatorial regulations focus primarily on commercial transport and omit regional tax aspects, tax object categories, or NJKB valuation formulas required for the capture fisheries sector.
- Unrecognised tax potential: Fishers are not yet recognised as taxpayers despite the fleet reaching 14,833 units. Without a specific policy framework, the potential contribution to PAD cannot be optimally sustained.
- Limited fiscal and social capacity: More than 96% of fishing vessels are sized ≤ 5 GT and are owned by low-income households. Income volatility requires an adaptive fiscal policy design (such as tiered tariffs or partial exemptions) to prevent social resistance and reduced fisheries production.

- Weak policy outreach and equity perceptions: Experience with commercial speedboats indicates resistance due to unclear tax benefits. A participatory engagement approach is required, emphasising fiscal reinvestment through public services such as port improvements, fuel subsidies, and fisher insurance.

Data sharing

- Data fragmentation and overlapping mandates: Fishing vessel data remains dispersed across institutions. The lack of an integrated data system across DKP, Bapenda and Dishub hinders tax object validation and risks administrative duplication.
- Limited cross-institutional coordination: There is no formal coordination structure for the flow of inter-agency data verification and revenue reporting. While PKAA implementation since 2024 has involved various provincial agencies, national ministries, and technical partners (such as SKALA), the lack of a unified data-sharing framework complicates administration.

Overall, the formulation of PKAA for fishing vessels involves not only tariffs and tax bases but also integrating cross-sectoral fiscal, licensing, and socioeconomic policies. Therefore, strengthening institutional coordination and developing an integrated data system are prerequisites for full implementation.

Targeted Policies

- Law No. 1/2022 on Financial Relations between the Central Government and Regional Governments
- Government Regulation No. 35/2023 on General Provisions for Regional Taxes and Regional Levies.
- North Kalimantan Provincial Regulation No. 1/2024 on Regional Taxes and Regional Levies.
- North Kalimantan Provincial Regulation No. 4/2023 on the Management of Marine and Fisheries Resources.
- North Kalimantan Gubernatorial Regulation No. 16/2025 on the Basis for Imposing Vehicle Tax (PKB), Motor Vehicle Title Transfer Fee (BBNKB), and Surface Water Tax (PAB).
- North Kalimantan Gubernatorial Regulation No. 7/2024 on the Supervision of Marine and Fisheries Resources Management.

Regulatory clarity

To build a fair and legally sound foundation, the North Kalimantan Provincial Government must strengthen the PKAA regulatory framework for fishing vessels through the following steps:

- **Revise Gubernatorial Regulation No. 16/2025 (Attachment 12):** As the immediate bottleneck, explicitly define the 'fishing vessel' category based on NJKB parameters, including the price of the vessel hull, engine, and service life, derived from joint DKP-Bapenda surveys.
- **Strengthen technical regulations:** Establish clear tax objects for motorised fishing vessels >10 GT up to ≤30 GT, implement a progressive tariff based on tonnage (e.g., ±0.25% for 11–30 GT), and explicitly provide exemptions for small-scale fishers (≤10 GT).
- **Prevent double taxation:** Include an exemption clause for vessels already subject to central Non-Tax State Revenue (PNBP) collected by the Ministry of Marine Affairs and Fisheries (KKP) on their fishing activities.
- **Validate and communicate:** Support regulations with fiscal simulations to estimate PAD potential (roughly IDR 466 million per year for vessels ≤30 GT) and pair the framework with active community awareness campaigns emphasizing how the tax is reinvested in port repairs, fuel subsidies, and fisher insurance.

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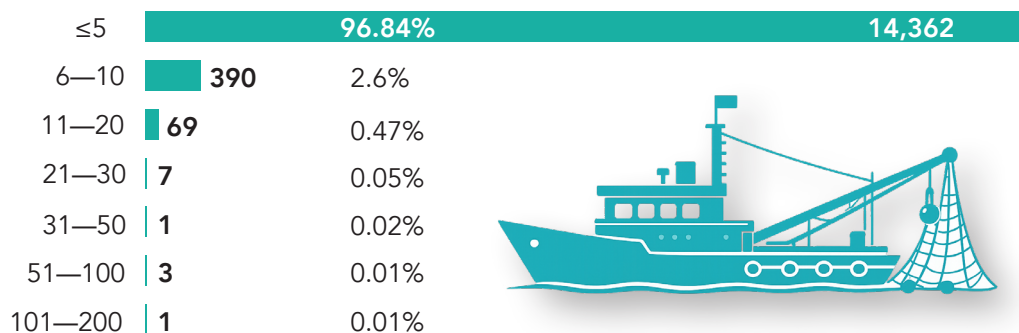
- **Integrate data systems:** The Communication and Informatics Agency, together with Bapenda, DKP, and Dishub, should develop the e-PKAA system to seamlessly integrate with the national online licensing system (OSS-RBA) and the Fisheries Vessel Information System (SIKPI).
- **Establish a single identifier:** Anchor this integration using a Regional Watercraft Registration Number (NRDKA) to serve as a single identifier linking operating permits with the tax object number.
- **Strengthen institutional coordination:** The Provincial Secretariat should establish a Provincial PKAA Coordination Team involving Bapenda, DKP, Dishub, DPMPTSP, the Inspectorate, and fisher associations.
- **Formalise exchange protocols:** Task the Coordination Team with creating standard operating procedures (SOPs) for joint NJKB surveys, enforcing cross-agency data exchange protocols based on application programming interfaces (APIs), and establishing an integrated billing mechanism to eliminate administrative duplication.

Policy implementation stages timeline

Stage	Period	Key Activities	Output
1. Regulation and Data Preparation	2025–2026	Drafting of Regulations, collection of vessel and NJKB data, e-PKAA system trial in Tarakan	Draft Gubernatorial Regulation and initial database
2. Integration and Socialisation	2027	Cross-agency integration, establishment of the Coordination Team, socialisation in coastal regencies/cities	Full implementation in regencies/cities
3. Optimisation and Evaluation	2028 - onwards	Revenue evaluation, tariff adjustment, and socioeconomic impact assessment	Evaluation report and policy revision

Annex 1. Fleet Composition in Gross Tonnage

The following table presents the distribution of fishing vessels by gross tonnage, highlighting the dominance of small-scale vessels.



By Gross Tonnage (GT)

Source: Data Portal of the Ministry of Marine Affairs and Fisheries

Annex 2. Acronyms and Abbreviations

Acronym	English Full Term	Bahasa Full Term
API	Application Programming Interface	Application Programming Interface
Bapenda	Regional Revenue Agency	Badan Pendapatan Daerah
Bappeda	Regional Development Planning Agency	Badan Perencanaan Pembangunan Daerah
BBNKB	Motor Vehicle Title Transfer Fee	Bea Balik Nama Kendaraan Bermotor
Dishub	Transportation Agency	Dinas Perhubungan
DKP	Marine and Fisheries Agency	Dinas Kelautan dan Perikanan
DPMPSTP	Investment and One-Stop Integrated Services Agency	Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu
GT	Gross Tonnage	Gross Tonnage
KKP	Ministry of Marine Affairs and Fisheries	Kementerian Kelautan dan Perikanan
NJKB	Sales Value of Motor Vehicles	Nilai Jual Kendaraan Bermotor
NRDKA	Regional Watercraft Registration Number	Nomor Registrasi Daerah Kapal Air
OSS-RBA	Online Single Submission – Risk-Based Approach	Online Single Submission Risk-Based Approach
PAB	Surface Water Tax	Pajak Air Permukaan
PAD	Locally-Generated Revenue	Pendapatan Asli Daerah
PKAA	Watercraft Motor Vehicle Tax	Pajak Kendaraan Bermotor di Atas Air
PKB	Motor Vehicle Tax	Pajak Kendaraan Bermotor
PNBP	Non-Tax State Revenue	Penerimaan Negara Bukan Pajak
Pokmaswas	Community Surveillance Groups	Kelompok Masyarakat Pengawas
SIKPI	Fish Transport Vessel Permit	Surat Izin Kapal Pengangkut Ikan
SIPI	Fishing Catch Permit	Surat Izin Penangkapan Ikan
SKALA	Synergy and Collaboration for Accelerating Basic Services	Sinergi dan Kolaborasi untuk Akselerasi Layanan Dasar

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