



## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

### Union Tax Law 2016

### Pyidaungsu Hluttaw Law No. 22

25<sup>th</sup> January, 2016

The Pyidaungsu Hluttaw hereby enacts this law.

#### Chapter (1)

#### Title, date of coming into force and definitions

1.
  - (a) This law shall be called the Union Tax Law 2016.
  - (b) The provisions contained in this law regarding chapter 5: special goods tax and chapter 6: commercial tax shall come into force with effect from 1<sup>st</sup> April, 2016 for the 2016-2017 financial year.
  - (c) The provisions contained in this law regarding chapter 7: income tax -
    - (1) shall come into force with effect from 1<sup>st</sup> April, 2016 regarding the provisions contained in section 19 - salary income - and section 24 of this law;
    - (2) shall come into force from the 2016-2017 assessment year regarding the remaining provisions.
2. The following expressions contained in this law shall have the meanings given hereunder-
  - (a) “**Tax**” means the tax collected for the Union by the Union Government;
  - (b) “**Law**” means the laws enacted relating to the tax collected for the Union by the Union Government;
  - (c) “**Relevant Ministry**” means the Union Ministries responsible for collecting the taxes to be collected by the Union Government for the Union;

- (d) **“Law relating to the budget”** means the law relating to the Union budget and the law relating to the additional budget allotment, enacted annually;
- (e) **“Tax Rate”** means the specified rate at which tax is collected for the Union by the Union Government.

## **Chapter 2**

### **Taxes earmarked for collection**

- 3. The taxes received by the Union contained in the laws relating to the budget are the taxes earmarked for collection contained in table (1) of this law for the relevant financial year.

## **Chapter 3**

### **Specifying the Tax Rates and reporting**

- 4. The relevant Ministry shall collect the earmarked taxes at the Tax Rates contained in this law for the types of the taxes.
- 5. If the Tax Rates contained in this law should be amended, supplemented or substituted, the Union Government shall submit the matter to the Pyidaungsu Hluttaw so that it is decided after discussion.
- 6.
  - (a) Every three months, the Relevant Ministry shall send the status of collection of the earmarked taxes contained in table (1) of this law to the Budget Department.
  - (b) Every three months, the Budget Department shall compile the lists of tax collection status sent by the Relevant Ministries and submit the compilation to the Union Government through the Ministry of Finance with its opinion and remarks.
- 7. Every six months, the Union Government shall report to the Pyidaungsu Hluttaw about the situation of the collection of the earmarked taxes contained in table (1) of this law.

## **Chapter 4**

### **Duties and rights of the Relevant Ministry**

- 8. The Relevant Ministry shall be responsible for, and monitor, the collection of the earmarked taxes contained in table (1) of this law.
- 9. For clear understanding and compliance, the Ministry of Finance shall, if necessary, release directives without changing the original meanings of the provisions in this law concerning the special goods tax, commercial tax and income tax in this law.
- 10. The relevant Ministries shall request assistance from the President, Union Government, the Pyidaungsu Hluttaw, Pyithu Hluttaw, Amyotha Hluttaw, Supreme Court, Constitutional Court, Union Election

Commission, Union Attorney General, Union Auditor General, Union Civil Service Board, Naypyitaw Council, Union Ministries, Central Bank, Region or State Governments, Head Organizations of the Self-Administered Divisions and Head Organizations of the Self-Administered Regions in order to obtain required data and support so that tax payers pay in accordance with the law.

## Chapter 5

### Special Goods Tax

11. According to section 6 of the Special Goods Tax Law, the schedules to this law are prescribed as follows -

#### Special Goods

- (a) If the special goods contained in the following schedule are imported, the tax shall be paid on the landed costs, and if the special goods are produced and sold in the country, the tax shall be paid on the sales price shown by the factory or workshop, or the market price, or the estimated value specified by the Director General of the Inland Revenue Department and the Management Committee of the Inland Revenue Department, whichever is higher.

No.	Types of Special Goods	Value based on the market price	Tax rate
1.	(a) Various kinds of cigarettes	20 sticks per pack with a sales price up to Ks. 400	Ks. 3 per stick
	(b) Various kinds of cigarettes	20 sticks per pack with a sales price from Ks. 401 to 600	Ks. 8 per stick
	(c) Various kinds of cigarettes	20 sticks per pack with a sales price from Ks. 601 to 800	Ks. 12 per stick
	(d) Various kinds of cigarettes	20 sticks per pack with a sales price from Ks. 801 and above	Ks. 15 per stick
	(e) Various kinds of cigarettes (imported)	Landed costs	120%
2.	Tobacco		60%
3.	Virginia tobacco, cured		60%
4.	Cheroots		60%
5.	Cigars		60%
6.	Pipe tobacco		60%

<b>No.</b>	<b>Types of Special Goods</b>	<b>Value based on the market price</b>	<b>Tax rate</b>
7.	Betel chewing preparation		60%
8.	(a) Various kinds of liquor	Sales price up to Ks. 500 per litre	Ks. 56 per litre
	(b) Various kinds of liquor	Sales price from Ks. 501 to 1,000 per litre	Ks. 169 per litre
	(c) Various kinds of liquor	Sales price from Ks. 1,001 to 1,500 per litre	Ks. 281 per litre
	(d) Various kinds of liquor	Sales price from Ks. 1,501 to 2,000 per litre	Ks. 394 per litre
	(e) Various kinds of liquor	Sales price from Ks. 2,001 to 2,500 per litre	Ks.506 per litre
	(f) Various kinds of liquor	Sales price from Ks 2,501 to 3,000 per litre	Ks. 619 per litre
	(g) Various kinds of liquor	Sales price from Ks. 3,001 to 3,500 per litre	Ks. 731 per litre
	(h) Various kinds of liquor	Sales price from Ks. 3,501 to 4,000 per litre	Ks. 844 per litre
	(i) Various kinds of liquor	Sales price from Ks. 4,001 to 5,000 per litre	Ks.1013 per litre
	(j) Various kinds of liquor	Sales price from Ks. 5,001 to 6,000 per litre	Ks.1238 per litre
	(k) Various kinds of liquor	Sales price from Ks. 6,001 to 7,000 per litre	Ks. 1463 per litre
	(l) Various kinds of liquor	Sales price from 7,001 to 8,000 per litre	Ks. 1688 per litre
	(m) Various kinds of liquor	Sales price from 8,001 to 9,000 per litre	Ks. 1913 per litre
	(n) Various kinds of liquor	Sales price from 9,001 to 10,000 per litre	Ks. 2138 per litre

<b>No.</b>	<b>Types of Special Goods</b>	<b>Value based on the market price</b>	<b>Tax rate</b>
	(o) Various kinds of liquor	Sales price from 10,001 to 20,000 per litre	Ks. 3375 per litre
	(p) Various kinds of liquor	Sales price from 20,001 and above per litre	60% of the litre price
	(q) Various kinds of liquor (imported)	Landed costs	60%
9.	Various kinds of beer		60%
10.	(a) Various kinds of wine	Sales price up to Ks 500 per litre	Ks. 50 per litre
	(b) Various kinds of wine	Sales price from Ks 501 to 1,000 per litre	Ks. 150 per litre
	(c) Various kinds of wine	Sales price from Ks 1,001 to 1,500 per litre	Ks. 250 per litre
	(d) Various kinds of wine	Sales price from Ks 1,501 to 2,000 per litre	Ks. 350 per litre
	(e) Various kinds of wine	Sales price from Ks 2,001 to 2,500 per litre	Ks. 450 per litre
	(f) Various kinds of wine	Sales price from Ks 2,501 to 3,000 per litre	Ks. 550 per litre
	(g) Various kinds of wine	Sales price from Ks 3,001 to 3,500 per litre	Ks. 650 per litre
	(h) Various kinds of wine	Sales price from Ks 3,501 to 4,000 per litre	Ks. 750 per litre
	(i) Various kinds of wine	Sales price from Ks 4,001 to 5,000 per litre	Ks. 900 per litre
	(j) Various kinds of wine	Sales price from Ks 5,001 to 6,000 per litre	Ks. 1100 per litre
	(k) Various kinds of wine	Sales price from Ks 6,001 to 7,000 per litre	Ks. 1300 per litre

No.	Types of Special Goods	Value based on the market price	Tax rate
	(l) Various kinds of wine	Sales price from Ks 7,001 to 8,000 per litre	Ks. 1500 per litre
	(m) Various kinds of wine	Sales price from Ks 8,001 to 9,000 per litre	Ks. 1700 per litre
	(n) Various kinds of wine	Sales price from Ks 9,001 to 10,000 per litre	Ks. 1900 per litre
	(o) Various kinds of wine	Sales price from Ks 10,001 to 20,000 per litre	Ks. 3000 per litre
	(p) Various kinds of wine	Sales price from Ks 20,001 and above per litre	50% value of a litre
	(q) Various kinds of wine (if imported)	Landed cost	50%
11.	Teak, hard wood logs and teak and hardwood cuttings of 10 square inches and above		25%
12.	Jade, rubies, sapphires, emeralds, diamonds and other precious stones		20%
13.	Jewelry made from jade, rubies, sapphires, emeralds, diamonds or other precious stones		5%
14.	Pickup vehicles above 1800 CC, light vans, saloons, sedans and light wagons, estate wagons and coupés		25%
15.	Kerosene, petrol, diesel, aviation jet fuel		5%
16.	Natural gas		8%

- (b) Any person exporting the following goods shall pay special goods tax at the following tax rates. With the exception of the special goods specified below, 0% special goods tax shall be assessed on the sale when exporting. Special goods tax levied upon purchase, import or production shall be deducted according to the specifications for exporting.

<b>Sr. No.</b>	<b>Type of goods</b>	<b>Tax percentage rate</b>
(1)	Natural gas	8%
(2)	Teak, hard wood logs and teak and hardwood cuttings of 10 square inches and above	50%
(3)	Jade, rubies, sapphires, emeralds, diamonds and other precious stones	20%
(4)	Jewelry made from jade, rubies, sapphires, emeralds, diamonds and other precious stones	5%

12. Among the special goods taxable according to the Special Goods Tax Law, special goods tax shall not be assessed on the cooperative sectors and individual sectors with regard to the production of tobacco, cheroots and cigars in the country if total sale proceeds do not exceed kyats 20,000,000 in a financial year.
13. The definition of the expressions contained in chapter 5 of this law shall be the same as in the Special Goods Tax Law.

### **Chapter (6)**

#### **Commercial Tax**

14. According to section (6) of the Commercial Tax Law, the schedules to that law are enacted as below-

#### **Schedules to the Commercial Tax Law**

- (a) No commercial tax shall be levied for any of the goods specified below.

<b>Sr. no.</b>	<b>Description of the goods</b>
1.	Paddy, rice, split, soft bran, rough bran, paddy husk
2.	Wheat grain, flour, smooth and rough flour
3.	Maize and other cereals, powder maize and other powder cereals
4.	Pulses, chick-peas, pea flour, pea bran, pea husk

Sr. no.	Description of the goods
5.	Peanuts, shelled or unshelled
6.	Sesame, sesame flowers
7.	Mustard seeds, sunflower seeds, tamarind seeds, cotton seeds
8.	Palm oil
9.	Various cottons
10.	Jute and other fibers
11.	Garlic, onions
12.	Potatoes
13.	Cassava plants, cassava powder
14.	Spices (leaves, fruits, seeds, bark), prepared spices
15.	Various fresh fruits
16.	Vegetables
17.	Sugar, sugarcane, palm sugar, solid molasses
18.	Mulberry leaves
19.	Medical plants or herbs
20.	Thatch, reeds, thapo, dani, taung htan, pharlar, elephant foot yam tuber, thanakhar and such agricultural products not elsewhere specified
21.	Wood, bamboo
22.	Live animals, fish and shrimps
23.	Silk cocoons
24.	Canes, finished and unfinished
25.	Honey and bee wax
26.	Lac
27.	Dregs from the production of peanut oil, sesame oil, cotton seed oil, bran oil



Sr. no.	Description of the goods
28.	Raw materials for detergents, soap and raw soap
29.	Bleaching dregs
30.	Coir yarn, charcoal made from coconut shells
31.	Tea leaves, various kinds of dry tea leaves
32.	Different kinds of stamps, including revenue stamps
33.	Sealing wax and sticks
34.	Slates, slate pencils and chalk
35.	Shrimp and fish sauces (ngan-pya-ya)
36.	Peanut oil, sesame oil, sunflower oil, bran oil, fermented soy-bean oil, solid oil Raw fish, prawns and meat
37.	Various dried fish and prawns
38.	Various kinds of preserved fish and prawns
39.	Prawn bran, fish powder
40.	Expensive products based on water products such as fish and prawns
41.	Milk, all kinds of milk powder
42.	Chili, chili powder
43.	Saffron, saffron powder
44.	Ginger
45.	Various kinds of fish paste
46.	Ripe tamarinds
47.	National flag
48.	Various kinds of religious beads
49.	Various kinds of rulers, erasers, sharpeners
50.	Alternatives to firewood

Sr. no.	Description of the goods
51.	Coconut oil (not palm oil)
52.	Various kinds of fowl eggs
53.	Pumpkin seeds, watermelon seeds, cashew nuts
54.	Religious clothes (saffron robes, etc.)
55.	Oil dregs
56.	Salt
57.	Rubber paste
58.	Betel nuts
59.	Fertilizers
60.	Insecticides, pesticides
61.	Farm equipment, farm machines and spare parts
62.	Raw materials and finished materials for animal, fish and prawn feed
63.	Animal medicines
64.	Medicine for animals, fish and prawns
65.	Cross-breeding components
66.	Solar panels, solar charger controllers and solar inverters
67.	X-ray films, plates and other X-ray material, pharmaceutical apparatus and equipment (only if the relevant hospitals and clinics import the equipment for themselves)
68.	Cotton, bandages, gauze, other surgical dressing materials, hospital and surgical outfit and sundries (only if the relevant hospitals and clinics import the items for themselves)
69.	Pharmaceuticals and other medicines (except medicines restricted by rules and regulations)
70.	Raw materials for pharmaceuticals
71.	Textbooks, various books for education at universities and colleges, exercise books, various kinds of drawing books and papers for the production of such books and all

Sr. no.	Description of the goods
72.	sorts of pencils
73.	Graphite for the production of pencils
74.	Condoms
75.	Arms, machines, vehicles, equipment and their spare parts for the usage of governmental organizations for national defense and security
76.	Various kinds of gun powder, various kinds of dynamites and accessories thereof used by the civil departments
77.	Breeds of crops, seeds, nursery plants
78.	Fire engines, funeral vehicles
79.	Duty free articles to be sold in foreign currency to overseas passengers at the departure places
80.	Goods used by diplomats and non-diplomatic staff at foreign embassies and consulates if there is reciprocity
81.	Goods purchased for the consumption of the armed forces by using the budget of the Ministry of Defense
82.	CMP goods, packaging materials for them, packaging materials for finished goods
83.	Fuel sold to foreign embassies, UN organizations and foreign diplomats by the Ministry of Energy.
84.	Goods purchased by local or foreign organizations with money donated for the country
85.	Jet fuel for outbound planes
86.	Machines, equipment and their spare parts for aircraft and helicopters
87.	Goods exempted from tax by parliament due to requirements of the state

- (b) Except for the goods specified in sub-section (a), 5% commercial tax shall be paid on the sales price of goods produced and sold in the country or on the landed costs of imported goods. 5% commercial tax shall be paid on the sales price of goods produced and sold in the country or on the landed costs of imported goods if the goods are included in section (11) of this law.

(c) Except for goods and trading activities exempted in accordance with this law, 5% commercial tax shall be paid on the sales price with regard to the following activities, also if they involve special goods specified in section (11):

(1) Domestic sale of imported goods

(2) Trading

(d) Commercial tax shall not be paid on the following services.

Sr. No.	Types of services
1.	House rental services unless the services are operated as a business
2.	Parking space rental services
3.	Life insurance services
4.	Microfinance services
5.	Health care services with the exception of body embellishment
6.	Education services
7.	Freight transport services (vehicles, vessels, aircraft, heavy machinery transport services)
8.	Employment agency services
9.	Investment marketing services
10.	Banking services
11.	Customs, port clearance services
12.	Service consisting in the renting out of objects for social functions
13.	Contract manufacturing
14.	Funeral services
15.	Child nursery services
16.	Myanmar traditional massage / massage performed by a blind person
17.	House moving services
18.	Toll collection services

Sr. No.	Types of services
19.	Animal health care services
20.	Public toilet fees collection services
21.	Outbound air transport services
22.	Culture and art services
23.	Public transport services (bus, railway and ferry boats)
24.	License fees to be paid to state organizations
25.	Publishing businesses concerned with the security of the Ministry of Defense and their publishing services
26.	Services used by diplomats and non-diplomatic staff of embassies and consulates if there is reciprocity
27.	Services purchased by local or foreign organizations with money donated for the country
28.	Services exempted from tax by parliament due to requirements of the state.
29.	Intra-government services provided by the Office of the President, the Office of the Union Government, the Office of the Pyidaungsu Hluttaw, the Office of the Pyithu Hluttaw, the Office of the Amyotha Hluttaw, the Office of the Supreme Court, the Constitutional Court, the Office of the Union Election Commission, the Union General Attorney's Office, the Office of the Union Auditor and the Office of the Union Civil Service Board, the Union Ministries, the Naypyitaw Council, the Central Bank of Myanmar, the Department of Social Welfare, the Offices of Region and State Governments and Departments (not included are services provided by, or to, state-owned enterprises)

- (e) 5% commercial tax shall be levied on the revenue from the remaining services with the exception of services listed in sub-section (d).
- (f) 3% commercial tax shall be levied on the revenue from the transport of passengers by inland air transport services.
- (g) 3% commercial tax shall be levied on the sale proceeds from selling a building after having constructed it in the state. The developers shall be subject to all obligations and benefits contained in the Commercial Tax Law and the Commercial Tax Regulations.

15. In the cooperative sector and private sector, no commercial tax shall be levied if the sales proceeds or the service revenue do not exceed the following thresholds –
- (a) Production and domestic sale of goods which are subject to commercial tax: sale proceeds up to Ks. 20,000,000 within one financial year;
  - (b) Services subject to commercial tax: Service revenue up to Ks. 20,000,000 within one financial year;
  - (c) Trading: Sale proceeds up to Ks. 20,000,000 within one financial year.
16. If any person receives foreign currency for the production and sale of any goods subject to commercial tax, the performance of services subject to commercial tax, or trading, the amount of commercial tax shall be calculated according to the tax rates stipulated in this law and paid in kyats in accordance with the commercial tax regulations.
17. (a) 8% commercial tax shall be levied on the export of electricity, and 5% on the export of crude oil.
- (b) With the exception of the goods specified in sub-section (a), 0% commercial tax shall be levied on the export revenue. The commercial tax levied upon purchase or production of the goods may be set off with the commercial tax on the export as prescribed. Notwithstanding the commercial tax provisions, if the commercial tax levied upon export is less than the commercial tax levied upon purchase or production of the goods, a refund may be demanded. However, this shall not apply to goods that are purchased in the country and brought overseas for self-use.
- (c) The provisions of this section shall not apply to services proceeds and sale proceeds on which no commercial tax is levied.
18. The definition of the expressions contained in chapter 6 of this law shall be the same as in the Commercial Tax Law.

## Chapter 7

### Income Tax

19. (a) No tax shall be levied on a person whose income does not exceed kyats 4,800,000 in a year. Anyone shall be subject to income tax on the total of his or her income after the deduction of the allowances according to Income Tax Law section (6) if the income from salary within a year is above kyats 4,800,000 or the income from profession, business and other sources of income is as follows-

Sr. No.	Income brackets for assessing income tax		Income tax rate
	From	To	
	Kyat	Kyat	

(1)	1	2,000,000	0%
(2)	2,000,001	5,000,000	5%
(3)	5,000,001	10,000,000	10%
(4)	10,000,001	20,000,000	15%
(5)	20,000,001	30,000,000	20%
(6)	30,000,001 and above		25%

- (b) Notwithstanding any other provisions of the Income Tax Law, 10% income tax shall be assessed on the income consisting of the total rental fees from the lease of land, buildings and apartments; the allowances in accordance with section 6 of the Income Tax Law may be deducted. This income shall not be combined with other types of income and no additional assessment shall be made. Income tax shall be levied according to the specified tax rate if *[the taxpayers]* are state-owned enterprises, enterprises with a permit from the Myanmar Investment Commission, companies or cooperatives.
- (c) The income tax rates in this section shall not apply to a person who has *[special]* income, or a taxpayer who is subject to a specified tax rate with regard to a type of income.
20. 10% income tax shall be assessed, in foreign currency, on the total income earned abroad - with the exception of exempted income - by citizens residing abroad; the allowances according to sections 6 and 6A of the Income Tax Law may not be deducted.
21. If a company is incorporated and registered in Myanmar according to the Myanmar Companies Act or the 1950 Special Companies Act, 25% income tax shall be assessed on the total net profit in kyats earned by this company; the allowances under section 6 of the Income Tax Law may not be deducted.
22. A foreigner residing abroad may not deduct allowances. On the total income-
- (a) If the income is under the “salary income” heading, the income tax shall be levied according to the tax rates specified in section (19), sub-section (a).
- (b) If the income is not under the salary heading but under another heading, 25% income tax shall be levied.
23. 25% income tax shall be assessed on the total net income of a business operating under a permit issued by the Myanmar Investment Commission; allowances according to section 6 of the Income Tax Law may not be deducted.
24. 30% income tax shall be assessed on income which has escaped assessment; allowances according to sections 6 and 6A of the Income Tax Law may not be deducted. However, if a citizen can show the source of the income used for buying, constructing, acquiring or establishing a new business, or

expanding the business, the income tax shall be assessed according to the tax rates specified below with regard to income which has escaped assessment after deducting the income whose source can be shown. No income tax shall be assessed if the sources of all income used can be shown. Assessment according to this section shall not apply to the ownership or trade of properties obtained illegally or matters in which action is taken under the Anti-Money Laundering Law.

<b>Sr. No.</b>	<b>Income (Kyat)</b>	<b>Income Tax Rate</b>
(a)	1 - 30,000,000	15%
(b)	30,000,001 - 100,000,000	20%
(c)	1,000,000,001 and above	30%

25. In case of registration according to the Cooperatives Law -

- (a) Income tax shall be assessed on the net profit of primary cooperative societies after deduction of the allowances according to section (6) of the Income Tax Law according to the tax rate in section (19) sub-section (a).
- (b) Income tax at the rate of 25% shall be assessed on the net profit of cooperative societies (except primary cooperative societies) after deduction of the allowances according to section (6) of the Income Tax Law.

26. 25% income tax shall be assessed on the total net profit of state-owned economic organizations; the allowances according to section (6) may not be deducted.

27. If a capital gain has arisen from selling, exchanging or otherwise transferring one assets or more than one assets, irrespective of whether the capital gain is in kyats or foreign currency, and without deducting the allowances according to section (6) and section (6A) Income Tax Law –

- (a) If the company is participating in Myanmar's oil and gas sector, the income tax shall be assessed according to the tax rate shown next to the profit specified below in the type of currency earned -

<b>Profit</b>	<b>Income tax rate to be assessed</b>
(1) Up to equivalent kyats 100 billion	40%
(2) From equivalent kyats 100 billion+1 to 150 billion	45%
(3) Equivalent kyats 150 billion+1 and above	50%

- (b) 10% income tax shall be assessed, in kyats or foreign currency, on the capital gain of an individual person or a group of persons with the exception of companies participating in



Myanmar's oil and gas sector. The tax shall be assessed in the type of currency earned if the taxpayer is a foreigner residing abroad.

28. No income tax shall be assessed on a capital gain if the total value of the assets sold, exchanged or otherwise transferred within one year is not more than kyats 10,000,000.
29. Newly established small or mid-sized businesses based on industry and craft with an income not exceeding kyats 10,000,000 during the first three years, including the year of commencement of the business, are exempt from income tax. Income tax shall be assessed on income earned in excess of this amount.
30. The basic allowance according to clauses (1) and (2), sub-section (a), section 6 of the Income Tax Law is an amount equivalent to 20% of the income for each type of income. However, the total basic allowance for a year shall not exceed kyats 10,000,000.
31. A parent allowance is added to clause (2) sub-section (a) section 6 of the Income Tax Law, the income tax shall be assessed on what remains of the total income after deducting the following allowances contained in clause (2) sub-section (c) section 6 of the Income Tax Law -
  - (a) Kyats 1,000,000 for each parent with whom the taxpayer lives together
  - (b) Kyats 1,000,000 for a spouse
  - (c) Kyats 500,000 for each child
32. With the exception of capital gains, the income tax shall be levied in kyats on citizens and foreigners residing in the country. Income tax of foreigners residing abroad shall be levied in the type of currency obtained; the income tax shall be calculated in accordance with the provisions of section 8 of the Income Tax Regulations if the income is received in a foreign currency.
33. An income or a type of income specified below is exempt from income tax -
  - (a) Up to a total income of kyats 10,000,000 received once or repeatedly during the income year as an award for an arrest under the Narcotic Drugs and Psychotropic Substances Law;
  - (b) Up to a total income of kyats 10,000,000 received once or repeatedly during the income year as an award for the seizure of illegal materials;
  - (c) Rewards received together with a medal conferred by the state;
  - (d) Income from salary received in foreign currency by a citizen residing abroad;
  - (e) Pensions and gratuities obtained by a civil servant as a consequence of retirement;
  - (f) Winning money in a lucky draw of the state lottery.
34. The definition of the expressions contained in chapter 7 of this law shall be the same as in the Income Tax Law.

## Chapter 8

### Rates of other taxes to be collected

35. The relevant ministries must manage the rates to be collected, exemptions and reliefs of the following taxes according to the law in force -
- (a) Excise tax
  - (b) Import license fees
  - (c) Myanmar state lottery
  - (d) Fees for vehicles, vehicle licenses, business licenses
  - (e) Stamp duty
  - (f) Pearl oyster tissue implant tax
  - (g) Customs duty
  - (h) Land tax
  - (i) Water tax
  - (j) Embankment tax
  - (k) Forest products tax
  - (l) Mineral extraction tax (not including industrial mineral raw and decorative stones)
  - (m) Fishery tax
  - (n) Oil and gas extraction tax
  - (o) Mineral tax and gem stone tax
  - (p) Communication service tax
  - (q) Power generation tax
  - (r) Fees for tourism licenses, hotel and guest-house licenses, tourists transporting licenses, tour guides enterprises licenses
36. Notwithstanding the provisions in the Myanmar Gemstones Law, with regard to the extraction of jade, rubies, sapphires, emeralds, diamonds and other precious gemstones, producing and trading completed gems and jewelries:
- (a) Upon the sales of gems or jewelries, either Myanmar currency or foreign currency-

- (1) Special goods tax shall be charged according to the tax rate of section 11 of this law.
  - (2) According to section 14, sub-section (b) and (c) of this law, the 5% commercial tax shall be charged for importing, producing, selling and trading.
  - (3) The provision of clause (2) shall not apply to non-taxable sales.
- (b) Income tax shall be charged on the total net income obtained within the assessment year according to the income tax rates under this law.

## **Chapter 9**

### **Miscellaneous**

37. The Union Government may, by notification, form a supporting team for tax collection if necessary.
  38. The Union Government shall do the following to enable the sale of locally manufactured goods in the market and competition with imported goods, the development of long-term benefits for local agriculture and livestock farming which mainly depend on the local manufacturing business, and domestic and foreign investments carried out in the state, without contravening international agreements signed by the state –
    - (a) Engaging in activities so that, with regard to the amount of goods permitted for import and customs duty rates, the highest privilege and relief similar to that of countries in the ASEAN region within the framework of the WTO and ASEAN Trade Agreement can be obtained;
    - (b) Making necessary arrangements in conformity with the provisions of the customs law, the provisions of the procedures relating to import/export permission and the fixing of allotments.
  39. The relevant ministries must educate, organize, inform the public about reliefs and exemptions, allow them to count the tax and the allowances, recognize dutiful taxpayers and arrange for suitable rewards.
  40. If untaxed special goods are possessed, the informer must, as a reward, be offered 10% of the fine according to section (22) sub-section (c) of the Special Goods Tax Law, and the group making the arrest must be offered 20%. The informer must not be identified except in a government case.
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I hereby sign in accordance with the Constitution of the Republic of the Union of Myanmar.

Thein Sein

President

Republic of the Union of Myanmar

(Table -1)

2016 - 2017 Financial Year

Taxes of the Union originally earmarked for collection

Sr. No.	Responsible Ministries of the Union Government	Description	2016 – 2017 Estimate in million kyats
1.		<b>Taxes collected on local production and consumption</b>	<b>2,486,939.847</b>
	1. Ministry of Home Affairs	Excise duty	940.311
	2. Ministry of Finance	Commercial tax	1,629,929.745
	3. Ministry of Commerce	Import license fees	5,762.000
	4. Ministry of Finance	State lottery	30,000.000
	5. Ministry of Rail Transportation	Fees for vehicle, vehicle license and business license	181,470.000
	6. Ministry of Finance	Stamp duty	37,710.000
	7. Ministry of Mines	Pearl oyster tissue implant tax	460.000
	8. Ministry of Hotel & Tourism	Fees for travelling license, hotel and guest-house license, travelers transporting license, tourism guide enterprise license	667.791
	9. Ministry of Finance	Special goods tax	600,000.000
2.		<b>Taxes collected on income and ownership</b>	<b>2,370,434.645</b>
	1. Ministry of Finance	Income tax	2,370,434.645
		<b>Customs Duty</b>	<b>475,000.000</b>
3.	1. Ministry of Finance	Customs duty	475,000.000
4.		<b>Taxes collected on the extraction and consumption of state-owned resources</b>	<b>887,384.336</b>
	1. Ministry of Home Affairs	Taxes collected on land	1.485
	2. Nay Pyi Taw Council	Water tax	13.723
	3. Ministry of Home Affairs	Embankment tax	0.025

<b>Sr. No.</b>	<b>Responsible Ministries of the Union Government</b>	<b>Description</b>	<b>2016 – 2017 Estimate in million kyats</b>
4.	Ministry of Environmental Conservation and Forestry	Tax collected on the extraction of forest materials	2,886.265
5.	Ministry of Home Affairs	Tax collected on the extraction of minerals (not including industrial raw materials, minerals and decorative stones)	3.855
6.	Ministry of Livestock, Fisheries and Rural Development	Fisheries tax	1,303.800
7.	Ministry of Energy	Tax collected for the extraction of oil and natural gas	710,613.714
8.	Ministry of Mines	Mineral tax and gems stones tax	19,540.000
9.	Ministry of Communication, Information Technology	Tax collected for telecommunication services	142,595.149
10.	Ministry of Electric Power	Gratis tax collected on the generation of electric power.	10,426.320
		<b>Grand total</b>	<b>6,219,758.828</b>