



## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

### Union Tax Law 2017

(2017, Pyidaungsu Hluttaw Law No.4 )

4<sup>th</sup> day, Ta Paung La San, 1378

March 1<sup>st</sup>, 2017

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 2017.
  - (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, 2017 for the 2017-2018 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, 2017 regarding the provisions contained in section 19 - salary income - and section 25 of this law;
    - (2) shall come into force from the 2017-2018 income year regarding the remaining provisions.
2. The following expressions contained in this law shall have the meanings given hereunder-
  - (a) “**Tax**” means the taxes, tariffs, payments, license fees, permit fees and fines 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 and the Nay Pyi Taw Council responsible for collecting the taxes to be collected by the Union Government for the Union;
- (d) **“Law Relating to Expenditure under the Budget”** means the Law Relating to Expenditure under 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 expenditure under the budget are the taxes earmarked for collection 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, issue 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 Tribunal, 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 additional schedules to this law are prescribed as follows -

#### Special Goods

- (a) With regard to the special goods contained in the following schedule, the special goods tax shall be paid at the tax rate shown in the column.
  - (1) If the tax for the special goods is paid according to the value class and they are produced and sold in the country, the payment shall be based on the higher value among two values: sales price which is estimated and specified by the general director or the administrative committee of the Internal Revenue Department based on the market price; or the sales price which is shown by the factory, workshop or workplace.
  - (2) If the special goods are not classified as goods for which the tax is paid according to the value class and they are produced and sold in the country, the payment shall be based on the value which is specified by the administrative committee of the Internal Revenue Department.
  - (3) If the special goods are imported into the country, the tax shall be paid on the landed costs.

No.	Types of Special Goods	Value class	Tax rate
1.	(a) Various kinds of cigarettes	20 sticks per pack with a sales price up to Ks. 400	Ks. 4 per stick
	(b) Various kinds of cigarettes	20 sticks per pack with a sales price from Ks. 401 to 600	Ks. 9 per stick
	(c) Various kinds of cigarettes	20 sticks per pack with a sales price from Ks. 601 to 800	Ks. 13 per stick
	(d) Various kinds of cigarettes	20 sticks per pack with a	Ks. 16 per stick

No.	Types of Special Goods	Value class	Tax rate
		sales price from Ks. 801 and above	
2.	Tobacco		60%
3.	Virginia tobacco, cured		60%
4.	(a) Cheroots	Per stick with a sales price up to Ks. 10	Pya 50 per stick
	(b) Cheroots	Per stick with a sales price up to Ks. 11 and above	Ks. 1 per stick
5.	Cigars		80%
6.	Pipe tobacco		80%
7.	Betel chewing preparation		80%
8.	(a) Various kinds of liquor	Sales price up to Ks. 750 per litre	Ks. 91 per litre
	(b) Various kinds of liquor	Sales price from Ks. 751 to 1,500 per litre	Ks. 274 per litre
	(c) Various kinds of liquor	Sales price from Ks. 1,501 to 2,250 per litre	Ks. 457 per litre
	(d) Various kinds of liquor	Sales price from Ks. 2,251 to 3,000 per litre	Ks. 640 per litre
	(e) Various kinds of liquor	Sales price from Ks. 3,001 to 3,750 per litre	Ks.823 per litre
	(f) Various kinds of liquor	Sales price from Ks 3,751 to 4,500 per litre	Ks. 1,006 per litre
	(g) Various kinds of liquor	Sales price from Ks. 4,501 to 6,000 per litre	Ks. 1,280 per litre
	(h) Various kinds of liquor	Sales price from Ks. 6,001 to 7,500 per litre	Ks. 1,646 per litre
	(i) Various kinds of liquor	Sales price from Ks. 7,501 to 9,000 per litre	Ks.2,011 per litre
	(j) Various kinds of liquor	Sales price from Ks. 9,001 to 10,500 per litre	Ks.2,377 per litre
	(k) Various kinds of liquor	Sales price from Ks. 10,501 to 13,500 per litre	Ks. 2,925 per litre
	(l) Various kinds of liquor	Sales price from 13,501 to 16,500 per litre	Ks. 3,657 per litre
	(m) Various kinds of liquor	Sales price from 16,501 to 19,500 per litre	Ks. 4,388 per litre
	(n) Various kinds of liquor	Sales price from 19,501 to 22,500 per litre	Ks. 5,119 per litre
	(o) Various kinds of liquor	Sales price from 22,501 to 26,000 per litre	Ks. 5,911 per litre
	(p) Various kinds of liquor	Sales price from 26,001 and above per litre	60% of the litre price
9.	Various kinds of beer		60%
10.	(a) Various kinds of wine	Sales price up to Ks 750 per litre	Ks. 81 per litre

<b>No.</b>	<b>Types of Special Goods</b>	<b>Value class</b>	<b>Tax rate</b>
	(b) Various kinds of wine	Sales price from Ks 751 to 1,500 per litre	Ks. 244 per litre
	(c) Various kinds of wine	Sales price from Ks 1,501 to 2,250 per litre	Ks. 406 per litre
	(d) Various kinds of wine	Sales price from Ks 2,251 to 3,000 per litre	Ks. 569 per litre
	(e) Various kinds of wine	Sales price from Ks 3,001 to 3,750 per litre	Ks. 732 per litre
	(f) Various kinds of wine	Sales price from Ks 3,751 to 4,500 per litre	Ks. 894 per litre
	(g) Various kinds of wine	Sales price from Ks 4,501 to 6,000 per litre	Ks. 1,138 per litre
	(h) Various kinds of wine	Sales price from Ks 6,001 to 7,500 per litre	Ks. 1,463 per litre
	(i) Various kinds of wine	Sales price from Ks 7,501 to 9,000 per litre	Ks. 1,788 per litre
	(j) Various kinds of wine	Sales price from Ks 9,001 to 10,500 per litre	Ks. 2,113 per litre
	(k) Various kinds of wine	Sales price from Ks 10,501 to 13,500 per litre	Ks. 2,600 per litre
	(l) Various kinds of wine	Sales price from Ks 13,501 to 16,500 per litre	Ks. 3,250 per litre
	(m) Various kinds of wine	Sales price from Ks 16,501 to 19,500 per litre	Ks. 3,900 per litre
	(n) Various kinds of wine	Sales price from Ks 19,501 to 22,500 per litre	Ks. 4,550 per litre
	(o) Various kinds of wine	Sales price from Ks 22,501 to 26,000 per litre	Ks. 5,254 per litre
	(p) Various kinds of wine	Sales price from Ks 26,001 and above per litre	50% value of a litre
11.	Wood logs and wood cuttings		5%
12.	Raw jade		15%
13.	Raw rubies, sapphires, emeralds and other raw gemstones.		10%
14.	Processed jade, rubies, sapphires, diamonds, emeralds and other processed gemstones; jewelry made from processed jade, rubies, sapphires, diamonds, emeralds and other processed gemstones.		5%

No.	Types of Special Goods	Value class	Tax rate
15.	(a) Vehicles with minimum 1501 CC to maximum 2000 CC being light vans, saloons, sedans, estate wagons and coupés, except a double cab 4 door pickup.		20%
	(b) Vehicles with minimum 2001 CC to maximum 4000 CC being light vans, saloons, sedans, estate wagons and coupes, except a double cab 4 door pickup.		30%
	(c) Vehicles above 4001 CC being light vans, saloons, sedans, estate wagons and coupes		50%
16.	Kerosene, petrol, diesel and aviation jet fuel		5%
17.	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.

Sr. No.	Type of goods	Tax percentage rate
(1)	Natural gas	8%
(2)	Wood logs and wood cuttings	10%
(3)	Raw jade	15%
(4)	Raw rubies, sapphires, diamonds, emeralds and other gemstones	10%
(5)	Processed jade, ruby, sapphires, diamonds, emeralds and other processed gemstones; jewelry made from processed jade, rubies, sapphires, diamonds, emeralds and other processed gemstones.	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 supplementary schedules of that law are enacted as below-

**Supplementary schedules of the Commercial Tax Law**

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

Sr. no.	Description of the goods
1.	Paddy, rice, split rice, soft bran, rough bran, paddy husk
2.	Fine wheat, coarse wheat
3.	Various maize and various maize flour
4.	Various pulses, various chick-peas, various pea powder, pea bran, pea husks
5.	Peanuts, shelled or unshelled
6.	Sesame, sesame flowers
7.	Mustard seeds, sunflower seeds, tamarind seeds, cotton seeds
8.	Oil palm
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, soft bran oil
28.	Bleaching substance (only hydrochlorite that is used in bleaching)
29.	Coir yarn, charcoal made from coconut shells
30.	Tea leaves, various kinds of dry tea leaves
31.	Different kinds of stamps, including revenue stamps
32.	Sealing wax and sticks
33.	Slates, slate pencils and chalk
34.	Various fish sauces (ngan-pya-ya)
35.	Peanut oil, sesame oil

Sr. no.	Description of the goods
36.	Fresh fish, prawns and meat
37.	Various dried fish and prawns
38.	Various kinds of preserved fish and prawns
39.	Prawn bran, fish powder
40.	Milk, condensed milk, fresh milk and various kinds of milk powder
41.	Soybean milk
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 (except beads that are made from precious jewelry)
49.	Various kinds of rulers, erasers, sharpeners
50.	Alternatives to firewood
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.	Various salts
57.	Rubber paste
58.	Betel nuts
59.	Fertilizers
60.	Insecticides, pesticides
61.	Farm equipments, farm machines and spare parts, tractors with four wheels
62.	Raw materials and finished materials to feed animal, fish and prawn
63.	Medicine and preventive medicine for animal, fish and prawn
64.	Cross-breeding components
65.	Solar panels, solar charger controllers and solar inverters
66.	X-ray films, plates and other X-ray material, pharmaceutical apparatus and equipment (only if the relevant hospitals and clinics import or produce the items for themselves)
67.	Cotton, bandages, gauze, other surgical dressing materials, hospital and surgical outfit and sundries (only if the relevant hospitals and clinics import or produce the items for themselves)
68.	Pharmaceuticals for household usage, pharmaceuticals for the usage by humans and other various traditional medicines (only if the pharmaceuticals and medicines are specified and published by the Ministry of Planning and Finance)
69.	Raw materials for pharmaceuticals including traditional medicines
70.	Textbooks, various books for education and profession at universities and colleges, exercise books, various kinds of drawing books and papers for the production of such books and all sorts of pencils
71.	Graphite for the production of pencils
72.	Condoms
73.	Arms, machines, vehicles, equipment and their spare parts for the usage of governmental organizations for national defense and security



Sr. no.	Description of the goods
74.	Various kinds of gun powder, various kinds of dynamites and accessories thereof used by the civil departments
75.	Breeds of crops, seeds, nursery plants
76.	Fire engines, funeral vehicles
77.	Duty free articles to be sold in foreign currency to overseas passengers at the departure places
78.	Goods used by diplomats and non-diplomatic staff at foreign embassies and consulates if there is reciprocity
79.	Goods purchased for the consumption of the armed forces with the budget of the Ministry of Defense
80.	Raw materials, goods which can be used directly as a part in the production and packaging materials sent by a foreigner living abroad for the production of processed goods on CMP basis
81.	Fuel sold to foreign embassies, UN organizations and foreign diplomats by the Ministry of Electricity and Energy
82.	Goods purchased by local or foreign organizations with money donated for the country or with which the country is supported
83.	Jet fuel for outbound planes
84.	Machines, equipment and their spare parts for aircraft and helicopters
85.	Goods exempted from tax by the Pyidaungsu Hluttaw due to requirements of the state
86.	Goods which are imported under a tariff draw-back system or imported for temporary admission in accordance with customs procedures
87.	Jade, rubies, sapphires, raw materials for jewelries or processed jewelries which are sold at a domestic jewelries exhibition held by the government.

- (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.	Parking space rental services
2.	Life insurance services
3.	Microfinance services
4.	Health care services with the exception of body embellishment

Sr. No.	Types of services
5.	Education services
6.	Freight transport services (trains, vehicles, vessels, aircraft, heavy machinery transport services with the exception of pipeline transportation)
7.	Capital market services
8.	Banking and financial services which are operated with the permission of the Central Bank
9.	Customs, port clearance services
10.	Service consisting in the renting out of objects for social functions
11.	Service performed under a system in which raw materials are provided and finished goods are taken
12.	Funeral services
13.	Child nursery services
14.	Myanmar traditional massage / massage performed by a blind person
15.	House moving services
16.	Toll collection services
17.	Animal health care services
18.	Public toilet fees collection services
19.	Outbound air transport services
20.	Culture and art services
21.	International air transport services
22.	License fees to be paid to state organizations in order to obtain permission for a particular operation
23.	Printing and publishing businesses concerned with the security of the Ministry of Defense
24.	Services used by diplomats and non-diplomatic staff of embassies and consulates if there is reciprocity
25.	Services purchased by local or foreign organizations with money donated for the country
26.	Services exempted from tax by the Pyidaungsu Hluttaw due to requirements of the state.
27.	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 Tribunal, 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)
28.	Lottery businesses
29.	Industrial farming services

- (e) 5% commercial tax shall be levied on the revenue from the remaining domestic 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.
  - (h) 1% commercial tax shall be levied on the sale proceeds from selling gold jewelries.
15. (a) The Ministry of Planning and Finance, with the approval of the Union Government, can allow exemption or relief from commercial tax in association with commercial tax matters in the businesses that are operated by local or foreign organizations with donated money, money given as support, or money lent.
- (b) 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 -
- (1) Production and domestic sale of goods which are subject to commercial tax: sale proceeds up to Ks. 50,000,000 within one financial year;
  - (2) Services subject to commercial tax: Service revenue up to Ks. 50,000,000 within one financial year;
  - (3) Trading: Sale proceeds up to Ks. 50,000,000 within one financial year.
  - (4) Minimum value threshold (deminimis value threshold) set by the Customs Department for goods that are sent and received quickly in accordance with customs procedures.
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 income tax shall be levied on a person whose income does not exceed kyats 4,800,000 in a year. However, the Inland Revenue Department shall issue evidence of exemption for salary income as prescribed if so requested.
- (b) Nevertheless, if a person has income in excess of Ks. 4,800,000 in a year, income tax shall be paid based on the total of his or her income.
- (c) 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%

- (d) 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, companies or cooperatives with a permit from the Myanmar Investment Commission.
- (e) 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. 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.
21. 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
22. 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 before deducting the allowances according to sections 6 and 6 (a) of the Income Tax Law.
23. (a) With regard to the following types of taxpayers, 25% income tax shall be assessed on the total net profit before deducting the allowances under section 6 of the Income Tax Law.
- (1) A company which is registered and established in Myanmar according to the Myanmar Companies Act or the 1950 Special Companies Act.
- (2) With the exception of the “salary income” heading, other income of a foreigner residing abroad.
- (1) A business that is operated with a permit of the Myanmar Investment Commission.
- (2) State-owned enterprises.
- (b) With the exception of primary cooperative societies, 25% income tax shall be assessed on the total net profit of other cooperative societies after deducting the allowances under section 6 of the Income Tax Law.
24. A foreigner residing abroad shall not deduct allowances under section 6 and section 6 (a). If his/her total income is under the “salary income” heading, the income tax shall be assessed according to the tax rates specified in section (19), sub- section (c).
25. 30% income tax shall be assessed on income which has escaped assessment before deducting allowances according to sections 6 and 6 (a) of the Income Tax Law. 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)	100,000,001 and above	30%

26. Income tax shall be assessed on the net profit of primary cooperative societies, which are registered and established under the Cooperative Law, after deduction of the allowances according to section (6) of the Income Tax Law according to the tax rate in section (19) sub-section (c).
27. If a capital gain, whether in kyats or in foreign currency, has arisen from selling, exchanging or other ways of transferring and before deducting the allowances according to section 6 and section 6 (a) 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 paid</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. 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.
31. (a) An income or a type of income specified below is exempt from income tax -
- (1) 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;
  - (2) 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;

- (3) Rewards received together with a medal conferred by the state;
  - (4) Income from salary received in foreign currency by a citizen residing abroad;
  - (5) Winning money in a lucky draw of the state lottery;
  - (6) Pensions and gratuities obtained by a civil servant as a consequence of retirement.
- (b) The Ministry of Planning and Finance, with the approval of the Union Government, provides income tax exemption and relief for the following matters:
- (1) Income tax matters with regard to operations that are performed by domestic and foreign organizations with donated money and money given as support.
  - (2) In order to develop the stock market, income tax matters with regard to public-owned companies that are listed at the Yangon Stock Exchange.
32. 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**

33. 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 and permit 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 natural gas extraction tax
  - (o) Mineral tax and gem stone tax
  - (p) Communication service tax
  - (q) Gratis tax collected on the generation of electricity from water energy
  - (r) Fees for tourism licenses, hotel and guest-house licenses, tourists transporting licenses, tour guides enterprises licenses
34. 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**

35. The Union Government may, by notification, form a supporting team for tax collection if necessary.
36. 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.



37. (a) The Internal Revenue Department shall inform the public about tax exemptions and tax relief given to taxpayers in accordance with the law, allow them to calculate the tax and the relief, recognize dutiful taxpayers and arrange for suitable rewards.
- (b) In order to reform the tax system efficiently, the Ministry of Planning and Finance may allow, with the consent of the Union Government, the use of the ordinary budget of the Internal Revenue Department under the Union Budget Law in accordance with the financial procedures for performing the duties prescribed in above sub-section (a).
- (c) The Ministry of the Planning and Finance can use an amount from the ordinary budget of sub-section (b) to reward public service personnel who are responsible for collecting tax in accordance with the financial procedures.
38. If untaxed special goods are possessed, the informer must, as a reward, be offered 20% 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 30%. The informer must not be identified except in a government case.

(Table -1)

I sign under the constitution of the Republic of the Union of Myanmar.

**Htin Kyaw**  
**President**  
**The Republic of the Union of Myanmar**

**2017 - 2018 Financial Year**

**Taxes of the Union originally earmarked for collection**

Sr. No.	Responsible Ministries of the Union Government	Description	2017 - 2018 Estimate in million kyats
1.		<b>Taxes collected on local production and consumption</b>	<b>2,712,666.884</b>
1.	Ministry of Home Affairs	Excise duty	940.311
2.	Ministry of Planning and Finance	Commercial tax	1,752,443.232
3.	Ministry of Commerce	Import license fees	5,000.000
4.	Ministry of Planning and Finance	State lottery	47,356.258
5.	Ministry of Rail Transportation	Fees for vehicle, vehicle license and business license	170,580.000
6.	Ministry of Planning and Finance	Stamp duty	47,689.312
7.	Ministry of Natural Resources	Pearl oyster tissue	640.000

Sr. No.	Responsible Ministries of the Union Government	Description	2017 - 2018 Estimate in million kyats
2.	8. and Environmental Conservation Ministry of Hotel & Tourism	implant tax Fees for travelling license, hotel and guest-house license, travelers transporting license, tourism guide enterprise license	717.840
3.	9. Ministry of Planning and Finance	Special goods tax	687,299.931
3.	1. Ministry of Planning and Finance	<b>Taxes collected on income and ownership</b> Income tax	<b>2,382,000.000</b> 2,382,000.000
4.	1. Ministry of Planning and Finance	<b>Customs Duty</b> Customs duty	<b>490,000.000</b> 490,000.000
4.	1. Ministry of Home Affairs 2. Nay Pyi Taw Council 3. Ministry of Home Affairs 4. Ministry of Natural Resources and Environmental Conservation 5. Ministry of Home Affairs	<b>Taxes collected on the extraction and consumption of state-owned resources</b> Taxes collected on land Water tax Embankment tax Tax collected on the extraction of forest materials Tax collected on the extraction of minerals (not including industrial raw materials, minerals and decorative stones)	<b>896,342.006</b> 1.485 95.118 0.025 2,296.775 3.855
4.	6. Ministry of Agriculture and Irrigation	Fisheries tax	1,503.800
4.	7. Ministry of Electricity and Energy	Tax collected for the extraction of oil and natural gas	278,623.086
4.	8. Ministry of Natural Resources and Environmental Conservation	Mineral tax and gems stones tax	27,143.542
4.	9. Ministry of Communication, Information Technology	Tax collected for telecommunication services	576,248.000

<b>Sr. No.</b>	<b>Responsible Ministries of the Union Government</b>	<b>Description</b>	<b>2017 - 2018 Estimate in million kyats</b>
10.	Ministry of Electricity and Energy	Gratis tax collected on the generation of electricity from water energy	10,426.320
		<b>Grand total</b>	<b>6,481,008.890</b>