



Primer on property tax in the Yangon City Development Committee area

Property tax is a municipal tax levied by the Yangon City Development Committee (“YCDC”) for the construction, maintenance, and lighting of public roads, bridges, drains, markets, parks, stadiums, and other facilities in Yangon. It is administered by YCDC’s Assessors’ Department, which also determines the annual value of land and buildings used for assessing property tax (“annual value” in this case means the amount that one expects to make when leasing out the property without furnishings for one year). Both landlord and tenant are responsible for paying the tax; the Assessors’ Department recommends specifying in the lease agreement which party should pay.

In practice, tax compliance does not seem to be very high, and YCDC seems to be collecting mostly only nominal amounts.

The tax base and percentage depend on the location, size, and use of the property. YCDC distinguishes as follows (translation of information on ycdc.gov.mm):

1. Levying property tax on ordinary land and buildings or rooms used for residential purposes

8% general tax and 5% lighting tax, in total 13%, are levied through the respective township municipal administration offices on 3% of the land value obtained according to the rates per square foot determined by the Committee based on the area class, street type, and building type (previously, the tax was levied every 3 months; now it is levied every 6 months).

The following is required to assess property tax:

- Copy of the taxpayer’s national scrutiny card;
- original/copy of the taxpayer's household list;
- original/copy of the proof of ownership of the land and buildings or rooms;
- property tax assessment form (to be filled in at the department).

2. Levying property tax on factories, workshops, industries, and petrol stations

8% general tax and 5% lighting tax, in total 13%, are levied every fiscal year on the annual value which is the sum of 3 elements being 3% of the land value, 6% of the building value, and 6% of the equipment value as determined by the Commission when levying property



tax.

The following is required to assess property tax:

- Copy of the taxpayer's national scrutiny card;
- in order to assess property tax, fill in the land/area/building type/number of floors/equipment type and value in the prescribed form of the department;
- original/copy of the proof of ownership of the land and building;
- copy of the municipal business license;
- in case of a company, company registration certificate and company extract;
- if the land and building are leased, the original/copy of the lease agreement.

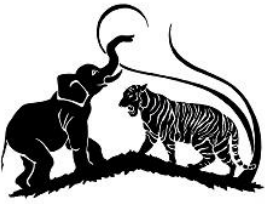
3. Levying property tax on hotels, motels, inns, and guest houses

6% is levied monthly on the net balance after deducting the allowances below from the monthly room rental income of the respective hotel, motel, inn, and guest house that is shown in the monthly profit and loss statement submitted to the Ministry of Hotels and Tourism:

- (a) 10% income tax;
- (b) 10% commercial tax;
- (c) 10% service charges;
- (d) if the property is leased, the rent paid to the owner of the land or building;
- (e) 4% bank charges (in case of a foreign investment).

The following is required to assess property tax:

- Hotel/tour business license original/copy;
- original/copy of the lease agreement for the land or building if the property is leased;
- original/copy of the proof of ownership of the land and building if privately



owned;

- original/copy of the national scrutiny card of the business owner;
- In case of foreign investment, a copy of the agreement signed with the bank for the bank service fee
- Monthly profit and loss statement.

4. Levying property tax on an apartment, tower, residence

In case of an apartment, tower, residence where foreigners have invested 100%, 8% general tax and 5% lighting tax, in total 13%, are levied on the monthly net balance determined by first deducting from the monthly room rental income the rent paid to the owner and then, from the remaining amount, the allowances below.

- (a) 10% income tax;
- (b) 25% building repair costs on the remaining amount;
- (c) 25% general expenses on the remaining amount;
- (d) 20% service charges on the remaining amount.

The following is required to assess property tax:

- Copy of the permit from the Myanmar Investment Commission;
- original/copy of the lease agreement for the land/building;
- hotel/tour business license original/copy;
- monthly profit and loss statement (income statement).

5. Levying property tax on the land and building or rooms used for one's own business

8% general tax and 5% lighting tax, in total 13%, are levied according to the period of the lease agreement on the remaining amount after deducting the allowances below from the mutually agreed rent if land and a building or rooms are leased for both living and conducting a business from a private party or a government department or organisation, or on the remaining amount after deducting, when levying property tax on the second



person (sub-lessor), from the rent received during the assessment period from the third person (the sub-lessee) the allowances below, including the rent paid to the original owner, if land and a building or rooms are subleased for both living and conducting a business from a second person who leased them from the original owner.

- (a) 10% income tax;
- (b) 25% building repair costs on the remaining amount;
- (c) 25% general expenses on the remaining amount.

The following is required to assess property tax:

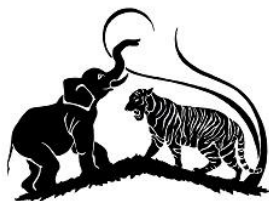
- Land/building/room lease agreement original/copy (original agreement/sublease agreement);
- original/copy of the taxpayer's national scrutiny card;
- property tax assessment form (to be filled in at the department);
- if property tax has been paid, original/copy of receipt.

6. Levying property tax on land and buildings or rooms belonging to government departments and organisations

8% general tax, 5% lighting tax and 8.5% rubbish and waste tax are levied once in a fiscal year on 3% of the land value obtained according to the rates per square foot determined by the Committee based on the area class, street type, and building type, and on 6% of the building value determined annually.

The following is required to assess property tax:

- Location and area of the land, building, room;
- type of the land, building, room;
- usage (staff housing, office, warehouse, etc.);
- equipment value if there is equipment or equipment is installed;
- if leased, the lessee/organisation to pay the property tax.



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7. Levying property tax on the Myanma Port Authority

An amount equal to 5% of the total tax revenue received annually by the Myanma Port Authority within YCDC's boundaries is levied as property tax.

Information in this primer is up-to-date as of 5 July 2023.

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- Sebastian Pawlita, Managing Director
Phone: +95-9-262546284 (English)
E-Mail: sebastian@lincolnmyanmar.com
- Nyein Chan Zaw, Director
Phone: +95-9-790488268 (Myanmar)
E-Mail: nyeinchanzaw@lincolnmyanmar.com

Office address: La Pyi Wun Plaza, Room 409 (4th Floor), 37 Alan Pya Pagoda Road, Dagon Township, Yangon

Web: www.lincolnmyanmar.com