

## Union Tax Law, 2020

(Pyidaungsu Hluttaw Law No.18/2020)

15<sup>th</sup> Waxing Day of Wagaung, 1382 M.E.

(2<sup>nd</sup> September, 2020)

The Pyidaungsu Hluttaw hereby enacts this Law.

### Chapter I

#### Title, Date of Effectiveness and Definition

1. (a) This Law shall be called the Union Tax Law, 2020.
- (b) This Law shall come into effect commencing from 1<sup>st</sup> October, 2020.
2. The following expressions contained in this Law shall have the meanings given hereunder –
  - (a) **Tax** means the tax, custom duty, fee, licence fee, permit fee and penalty collected by the Union Government for the Union under this Law.
  - (b) **Law** means the laws issued by the Union Government regarding the taxes collected for the Union.
  - (c) **Relevant Ministry** means the Union Ministries of the Union Government and Nay Pyi Taw Council collected the taxes by taking the responsibility for the collection of taxes by the Union Government for the Union.
  - (d) **Budget Law** means the Union Budget Law and the Supplementary Appropriation Law issued yearly.
  - (e) **Tax Rate** means the tax rates prescribed for the collection of taxes collected by the Union Government for the Union.

### Chapter II

#### Revenue Estimate for Collection

3. The tax receipt of the Union contained in the Budget Law is the original estimate to collect Union Taxes shown in schedule (1) of this Law for the relevant financial year.

### Chapter III

#### Prescribing Tax Rates and Reporting

4. Regarding the types of tax contained in this Law, the relevant Ministry shall collect the revenue estimate for collection by tax rates of this Law.
5. The Union Government shall, if desirous to amend, add or substitute the tax rates of this Law, submit to the Pyidaungsu Hluttaw for enabling to discuss and decide.

6. (a) The relevant Ministry shall send a quarterly report of the condition of collection on the primary estimate to collect the Union Taxes contained in schedule (1) of this Law to the Budget Department.
- (b) The Budget Department shall compile the lists of tax collection data sent by the relevant Ministries and submit a quarterly report with comments through the Ministry of Planning, Finance and Industry to the Union Government.
7. The Union Government shall, according to six-month period, submit a report of the condition of collection on the primary estimate to collect the Union Taxes contained in schedule (1) of this Law to the Pyidaungsu Hluttaw.

## Chapter IV

### Duty and Power of the Relevant Ministry

8. The relevant Ministry shall take the responsibility of administering and supervising for collecting the Union Taxes primary estimate contained in schedule (1) of this Law.
9. The relevant Ministry may issue notification, order, directives and procedure, if necessary, without changing the original meaning of the provisions, in order that enable people to know clearly, perform and comply with the provisions of the specific goods tax, commercial tax, income tax and jewel tax in this Law.
10. The relevant Ministry may seek assistance from the President of the Union, the Union government, the Pyidaungsu Hluttaw, the Pyithu Hluttaw, the Amyotha Hluttaw, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission, the Attorney General of the Union, the Auditor General of the Union, the Union Civil Service Board, the Nay Pyi Taw Council, the Central Bank of Myanmar, the Region or State Government, the Leading Bodies of Self-Administered Division or Zone in order to receive necessary information and aids for paying taxes by the tax payers in accordance with the law.

## Chapter V

### Specific Goods Tax

11. Under S.6 of the Specific Goods Tax Law, the schedules annexed to the said Law are prescribed as follows –

#### Specific Goods

- (a) In respect of the specific goods contained in the following schedule, the specific goods tax shall be charged at the specified tax rates shown against them –
  - i. If the specific goods chargeable on the pricing tier are produced domestically, on the sale price mentioned by the factory, workshop or establishment, or the sale price estimated by the Director General and the Management Committee of the Internal Revenue Department based on the market price, or whichever is higher;

- ii. If the specific goods unspecified charging with the pricing tier, on the sale price specified by the Management Committee of the Internal Revenue Department;

Exception – The Management Committee of the Internal Revenue Department shall specify the price for the specific goods that are manufactured locally the same as the landed value of those that are imported, in order to complete with the imported goods in the market.

- iii. If imported into the State, on the landed value.

Sr. No.	Description of Specific Goods	Price Level	Tax Rate
1	(a) various types of cigarette	Up to sale price of 600 kyats for a pack of 20 cigarette	9 kyats per cigarette
	(b) various types of cigarette	Between the sale price of 601-800 kyats for a pack of 20 cigarette	18 kyats per cigarette
	(c) various types of cigarette	Between the sale price of 801-1000 kyats for a pack of 20 cigarette	23 kyats per cigarette
	(d) various types of cigarette	The sale price of 1001 kyats and above for a pack of 20 cigarette	26 kyats per cigarette
2	Tobacco		60 %
3	Cured Virginia tobacco		60 %
4	Cheroot		80 pyar per cheroot
5	Cigar		80 %
6	Pipe tobaccos		80 %
7	Various types of betel chewing preparation		80 %
8	(a) various types of liquor	Between 300-1000 kyats per litre	180 kyats per litre
	(b) various types of liquor	Between 1001-2000 kyats per litre	449 kyats per litre
	(c) various types of liquor	Between 2001-3000 kyats per litre	749 kyats per litre

	(d) various types of liquor	Between 3001-4000 kyats per litre	1049 kyats per litre
	(e) various types of liquor	Between 4001-5000 kyats per litre	1349 kyats per litre
	(f) various types of liquor	Between 5001-6000 kyats per litre	1648 kyats per litre
	(g) various types of liquor	Between 6001-7000 kyats per litre	1948 kyats per litre
	(h) various types of liquor	Between 7001-8000 kyats per litre	2248 kyats per litre
	(i) various types of liquor	Between 8001-9000 kyats per litre	2548 kyats per litre
	(j) various types of liquor	Between 9001-10000 kyats per litre	2847 kyats per litre
	(k) various types of liquor	Between 10001-11000 kyats per litre	3147 kyats per litre
	(l) various types of liquor	Between 11001-12000 kyats per litre	3447 kyats per litre
	(m) various types of liquor	Between 12001-13000 kyats per litre	3747 kyats per litre
	(n) various types of liquor	Between 13001-14000 kyats per litre	4046 kyats per litre
	(o) various types of liquor	Between 14001-15000 kyats per litre	4346 kyats per litre
	(p) various types of liquor	15001 kyats and above per litre	60 % of the price of a litre
9	Various types of beer		60 %
10	(a) various types of wine	Up to 750 kyats per litre	87 kyats per litre
	(b) various types of wine	Between 751-1500 kyats per litre	264 kyats per litre

	(c) various types of wine	Between 1501-2250 kyats per litre	438 kyats per litre
	(d) various types of wine	Between 2251-3000 kyats per litre	615 kyats per litre
	(e) various types of wine	Between 3001-3750 kyats per litre	791 kyats per litre
	(f) various types of wine	Between 3751-4500 kyats per litre	966 kyats per litre
	(g) various types of wine	Between 4501-6000 kyats per litre	1229 kyats per litre
	(h) various types of wine	Between 6001-7500 kyats per litre	1580 kyats per litre
	(i) various types of wine	Between 7501-9000 kyats per litre	1931 kyats per litre
	(j) various types of wine	Between 9001-10500 kyats per litre	2281 kyats per litre
	(k) various types of wine	Between 10501-13500 kyats per litre	2808 kyats per litre
	(l) various types of wine	Between 13501-16500 kyats per litre	3510 kyats per litre
	(m) various types of wine	16501 kyats and above per litre	50 % of the price of a litre
11	Logs and different types of timber		5 %
12	(a) engine power from 1501 CC to 2000 CC Vans, Saloons, Sedans, Wagons (Estate Wagon) and Coupe except Double Cab 4 Door Pickup		10 %
	(b) engine power from 2001 CC to 4000 CC Vans, Saloons, Sedans, Wagons (Estate Wagon) and Coupe except Double Cab 4 Door Pickup		30 %
	(c) engine power from 4001 CC and above Vans, Saloons, Sedans, Wagons (Estate Wagon) and Coupe except Double Cab 4 Door Pickup		50 %

13	Kerosene, petrol, diesel oil, jet fuel	5 %
14	Natural gas	8 %

- (b) A person exporting the following specific goods shall pay specific goods tax on the sale proceeds as the tax rates shown against them. Other than the mentioned specific goods, the specific goods tax assessed for the export of the remaining specific goods shall not be charged. The specific goods tax paid at the time of purchase, importation or production of the goods shall, in accordance with the stipulations, be set off from the specific goods tax chargeable, for the export of the specific goods.

Sr. No.	Description of Goods	Tax Rate
1	Logs and different types of timber	10 %

12. Out of the specific goods tax chargeable under this Law, the specific goods tax shall not be assessed on the production and sale of tobacco, cheroots and cigars in the country by the cooperative sector and private sector if the total sale proceeds within a year do not exceed 20 million Kyats.
13. The definition of the expressions contained in Chapter V of this Law shall have the same meaning defined in the Specific Goods Tax Law.

## Chapter VI

### Commercial Tax

14. Under S.6 of the Commercial Tax Law, the schedules of the said Law are enacted as follows –

#### Schedules of the Commercial Tax Law

- (a) No commercial tax shall be charged on any of the following goods –

Sr. No.	Description of Goods
<b>Food</b>	
1	Paddy, rice, broken rice, rice bran, chaff, paddy husk, wheat, wheat bran, wheat husk, seeded corn and various types of corn.
2	Various types of pulse, split, powdered pea, pea bran and pea shell, shelled and unshelled groundnut, sesame, flower sesame, oil cakes such as groundnut oil cake, sesame oil cake, cotton seed oil cake and bran oil cake.
3	Garlic, onion, potato, seasoning leafs, fruits, seeds, barks, curry powder, chili, chili powder, turmeric, turmeric powder, ginger, ripe tamarind, various types of sault.
4	Various types of fresh fruits, vegetables.
5	Pickled or dried tea leaf, sweet dried tea leaf, various types of packed dried tea leaf.
6	Fresh fish, fresh prawn, fresh meat and various types of eggs such as hen and duck eggs.
7	Groundnut oil, sesame oil.
8	Sugarcane, sugar, jaggery, brown slab sugar, soy milk, milk and various types of milk products, condensed milk, evaporated milk, various types of powdered milk, yogurt (milk alternatives which are not produced from cow, buffalo and goat milk and creamers are not included).

9	Various types of fish sauce, various types of dried fish and dried prawn, various types of pickled fish and pickled prawn, powdered prawn, powdered fish, various types of fish paste.
<b>Agricultural and livestock goods</b>	
10	Mulberry leaf, cocoon.
11	Living animals, fish, prawn, terrestrial animals, aquatic animals, amphibians, their eggs, embryo, newborns, species, aquatic plants and seeds, sprout and algae.
12	Various types of fertilizer using for growing and blossoming of plants including soil, chemical fertilizer, various types of insecticide, weed-killer that are used in agriculture, preventative medicine and pesticide that used in agriculture for not occurring fungi, bacteria, nematodes and other diseases, disinfectant that are used in livestock (not including mosquito insecticide for home, spray, pesticide), animal, fish and prawn medicines, veterinary preventive medicines (including the medicine and veterinary preventive medicines that approved by the Ministry of Agriculture, Livestock and Irrigation and including the medicines having the recommendation and issued by the Livestock Breeding and Veterinary Department), raw and finished materials for animal, fish and prawn feed (not including animal food that used for pets).
13	Oil palm, sunflower seeds, cotton seeds, pumpkin seed, watermelon seed, cashew nut, betel nut, betel nut shell, pure seeds and seedlings of crops.
14	Raw cotton, various types of cotton, cardamom plant, thanakha and agricultural land and gardening products, not elsewhere specified, coconut oil (not palm oil).
15	Coir yarn.
16	Firewood, bamboo, finished and unfinished cane, firewood substitute fuel stick.
<b>School/office Goods</b>	
17	Lac, various types of stamp (including revenue stamp).
18	State flag.
19	Slate, slate pencil, chalk, graphite for the production of pencils.
20	Various types of textbook, various types of educational and technical book to be used in basic school, college and university, various types of exercise and drawing book, fiction and non-fiction books, magazine, journal and various types of newspaper and paper sheets for the production of such books (within 40 Gsm to 80 Gsm) and various types of pencil, ruler, eraser and pencil sharpener.
<b>Health Goods</b>	
21	Herb.
22	Honey, bee wax.
23	x-ray film plates, x-ray material and other medical equipment determined by the Department of Food and Drug Administration, absorbent cotton wool, gauze, bandages, hospital sundries to take medicines, disposable surgical mask, cap, surgical glove, masks that used to prevent flu infection, household pharmaceutical, other medicines and traditional medicines (the medicines that received FDA registration other than the medicines restricted by law and rules and raw medicine including traditional medicines).
24	Condom.
<b>Religious and Social Goods</b>	

25	Various types of rosary (not including rosary made of precious gemstones), religious clothes.
26	Fire-engine, rescue vehicle, hearse.
<b>Transportation Goods</b>	
27	Fuel sold by the Ministry of Electricity and Energy to foreign embassies, UN organizations and foreign diplomats.
28	Jet fuel sold to be used for planes flying abroad.
29	Machine, machinery and equipment and the spare parts of planes or helicopters.
<b>Industrial Goods</b>	
30	Bleaching substance (only Hypochlorite using in bleaching), raw material for soap powder, raw material for soap, natron.
31	Jute and other fibers, rubber, tragacanth gum herb
32	Equipment, machines and spare parts, tractors for farm and livestock, equipment, various types of machine and spare parts (other than vehicle that need to register under the Motor Vehicle Law) operated from the time of preparation of soil to harvest time with human labour or animals or machine efficiency separately, equipment, machine and spare parts that used in livestock, breeds, eggs (including freeze breed for using in inseminating, larvae and equipment that used for insemination)
33	Solar Panel, Solar Charger Controller and Solar Inverter.
34	Raw materials or goods to be used directly as parts of goods provided by foreign resident supplier to use for production of finished goods on a CMP (cut the fabric, make garments, Trim/Pack the garments) basis or goods used for packaging the finished product, according to the need, machine, machinery, equipment and their spare parts (not for sale) imported by the business that operates on a CMP (cut the fabric, make garments, Trim/Pack the garments).
<b>Goods relating to Defense</b>	
35	Weapons, vehicles, machineries, accessory and equipment, spare parts and accessories thereof used by State Defense and Security Organizations, various types of gun powder, various types of dynamites and related substances used by civil departments (only the things that imported with the permission of the Office of the Commander-in-Chief (Army)), goods purchased for the use of defense services and for the consumption of defense service personnel incurred from the expenditure allotted in the budget accounts for the Ministry of Defense.
<b>Gemstone and Mineral Resources</b>	
36	Pure gold (standard gold bars, gold block, gold coins) and unfinished and finished jade, ruby, sapphire selling at the Myanmar's Gems local emporium sponsored by the Union Government.
37	Oil dregs.
<b>General Goods</b>	
38	Materials sold to overseas passengers at specific places.
39	Goods to be used by foreign embassies or small embassies exercising reciprocal right between two countries, their diplomats and non-diplomat staff which is inclusive of reciprocal right policy and permitted by notification by the Ministry of Planning



	and Finance after the proposal of the Ministry of Foreign Affairs with the approval of the Union Government.
40	Goods purchased locally or internationally by the local United Nations Organizations under their Titles.
41	Goods purchased with the donation or funds provided by domestic and foreign organizations to the State.
42	Goods exempted the tax by notification by the Union Government with the approval of the Pyidaungsu Hluttaw according to the requirement of the State.
43	Goods imported by temporary admission or drawback system in accordance with the Customs procedures.

- (b) Other than the goods mentioned in sub-section (a), the commercial tax shall be charged at 5 per cent on the sale proceeds if the goods are produced and sold in the country or on the landed value if the goods are imported. If any specific goods in S.11 of this Law is produced and sold in the country, the commercial tax shall be charged at 5 per cent on the sale proceeds including specific goods tax or on the landed value including specific goods tax if the goods are imported.
- (c) Whoever shall, other than the goods and activities of trade exempted in accordance with this Law, pay the commercial tax at 5 per cent on the sale proceeds for carrying out the following business activities including the specific goods in S.11 –
- i. Importing goods and reselling them in the country;
  - ii. Trading.
- (d) No commercial tax shall be charged on the following services –

Sr. No.	Description of Services
<b>Foreign Affairs Sector</b>	
1	Services to be used by foreign embassies or small embassies exercising reciprocal right between two countries, their diplomats and non-diplomat staff which is inclusive of reciprocal right policy and permitted by notification by the Ministry of Planning, Finance and Industry after the proposal of the Ministry of Foreign Affairs with the approval of the Union Government.
2	Services to be used locally by the local United Nations Organizations under their Titles.
<b>Defense Sector</b>	
3	Printing service by the security printing of the Ministry of Defense.
<b>Religious Affairs and Culture Sector</b>	
4	Culture and fine art service.
<b>Transportation and Communication Sector</b>	
5	Renting of parking space service.
6	Transportation of goods service (transportation by train, motor, vehicles, vessels, airplanes and machineries other than the pipeline transportation).
7	Moving household service.
8	Collecting toll service.
9	Local or International passenger air transport service by charges.
10	Public transportation service.

11	Post service provided by the Union Government.
<b>Education and Information Sector</b>	
12	Education service.
13	Book, magazine, journal, newspaper publishing service.
<b>Health Sector</b>	
14	Healthcare service other than body fitness.
15	Traditional massage service/Blind massage service.
16	Animal healthcare and welfare services.
17	Collecting fees at public toilet service.
<b>Planning and Finance Sector</b>	
18	Life insurance service.
19	Microfinance service.
20	Capital market service.
21	Bank and financial service carried out by the permission of the Central Bank.
22	Customs and port clearance service.
23	Lottery service.
<b>Social Welfare, Relief and Resettlement Sector</b>	
24	Equipment hiring service for catering.
25	Funeral service.
26	Childcare service.
<b>Industry and Electricity Sector</b>	
27	Providing raw materials in return for finished goods system service.
28	Mechanized agriculture services.
29	Private small electricity services providing electricity distribution for the regions where the transmission line has not been connected.
<b>General Sector</b>	
30	Licence fees to be paid to State organizations got carrying out any matter to get the permission.
31	Services exempted the tax by notification by the Union Government with the approval of the Pyidaungsu Hluttaw according to the requirement of the State.
32	Services acquired with the donation or funds provided by domestic and foreign organizations to the State.
33	Services provided each other by the organization such as the President's Office, the Union Government's Office, the Pyidaungsu Hluttaw Office, the Pyithu Hluttaw Office, the Amyotha Hluttaw Office, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission Office, the Union Attorney General's Office, the Union Auditor General's Office and the Union Civil Service Board Office, the Nay Pyi Taw Council Office, the Central Bank of Myanmar, Social Security Board, State or Region Government's Office, Departments (services provided by the State-owned enterprises and services acquired by the State-owned enterprises are not included).

- (e) The commercial tax shall be charged at 5 per cent on the receipt of the remaining services provided in the country other than the services contained in sub-section (d).
- (f) The commercial tax shall be charged at 3 per cent on the sales proceeds of the building built and sold in the country. A person who builds and sells the building shall comply with the

duties and enjoy all rights mentioned in the Commercial Tax Law and the Commercial Tax Regulations.

- (g) The commercial tax shall be charged at 1 per cent on the sale proceeds of the jewelry made of gold and on the landed value for importing. However, the commercial tax paid at the time of purchasing within the country or importing shall not have the right of set-off the commercial tax payable at the time of selling within the country or exporting.
  - (h) The goods imported by Temporary Admission or Drawback system in accordance with the customs procedures shall be, in using locally without re-exporting within the prescribed period, paid the primarily exempted commercial tax.
15. (a) For the matters of commercial tax relating to the services providing with the donation, grant and loans of domestic and international organizations, the Ministry of Planning, Finance and Industry may, with the approval of the Union Government, exempt or release the commercial tax.
- (b) No commercial tax shall be assessed unless it exceeds than the following sale proceeds or receipts from service for the cooperative sector and private sector under the Commercial Tax Law –
- i. The total sale proceeds of 50 million kyats in a financial year for the domestic production and sale of goods chargeable to the commercial tax;
  - ii. The total receipt of 50 million kyats from service in a financial year for carrying out the services chargeable to the commercial tax;
  - iii. The total sale proceeds of 50 million kyats in a financial year for carrying out trading;
  - iv. De-minimis Value Threshold of the Custom Department which may, in accordance with the norms of the Custom procedures, exempt the tax on the goods that convey and take out in urgent.
- Explanation: (i) In meaning of the total sale proceeds or service proceeds of 50 million kyats in a financial year, it means that the sale proceeds or service proceeds obtaining within next consecutive 12 months including the month starting the business.
- (ii) Notwithstanding in Commercial Tax Law, whoever having assessable sale proceeds/ receipts relating to registration or desirous of enjoying the right of set-off the commercial tax shall carry out registration.
16. Any person shall, if he receives foreign currency from producing and selling any type of goods chargeable to the commercial tax, carrying out any service chargeable to the commercial tax and carrying out trading under this Law, pay the commercial tax in kyats on such sale proceeds or receipt from service in foreign currency in accordance with the Commercial Tax Regulations calculated at the relevant rates calculated as shown in this Law.
17. (a) The commercial tax shall be charged at eight per cent on the exported electricity and five per cent on crude oil.

- (b) The commercial tax shall be charged at zero per cent on the sale proceeds for the export of the goods other than the goods contained in sub-section (a). The commercial tax paid at the time of purchase or production of the goods may, in accordance with the regulations, be set-off from the commercial tax for the export of the goods. Notwithstanding in the Commercial Tax Regulations, if the chargeable commercial tax paid for the export is less than the commercial tax paid at the time of purchase or production of the goods, a refund may be demanded. However, it shall not apply to the goods that are bought in the country and brought overseas for his own use.
- (c) The provision of this Section shall not apply to the determination of the amount of sale proceeds or receipt from service which is not taxable.
18. The definition of the expressions contained in Chapter VI of this Law shall have the same meaning defined in the Commercial Tax Law.

## Chapter VII

### Income Tax

19. (a) No income tax shall be levied on any person who receives the income from salary up to 4.8 million kyats per year. The Internal Revenue Department shall, on requesting the evidence relating to exempted salary income for so unlevied income tax, issue in accordance with the stipulations.
- (b) However, if a person earns income from salary per year exceeds 4.8 million kyats, he shall be charged the income tax on total income.
- (c) If a person earns income from salary per year exceeds 4.8 million kyats or the income is from profession, enterprise and other sources, the tax rate to be levied on any person according to the income bracket on the remaining income, after deducting the reliefs under S.6 of the Income Tax Law from the total income, are prescribed as follows –

Sr. No.	Income Bracket to be Levied		Income Tax Rates to be Levied
	From	To	
	Kyats	Kyats	
1	1	2,000,000	0 per cent
2	2,000,001	5,000,000	5 per cent
3	5,000,001	10,000,000	10 per cent
4	10,000,001	20,000,000	15 per cent
5	20,000,001	30,000,000	20 per cent
6	30,000,001 and above		25 percent

- (d) Notwithstanding in the Income Tax Law, the income tax shall be levied separately at ten per cent on the remaining income of any person after deduction reliefs from the total rental income received from leasing land, building and apartments under S.6 of the Income Tax Law. The tax shall not be levied again in combination with other income. In the case of State-owned enterprises and businesses, companies and cooperative societies operating with the permission

- of Myanmar Investment Commission, the income tax shall be levied at the specific tax rates prescribed according to the types of taxpayers.
- (e) If it is partnership, the income tax shall be levied with the income tax rates contained in sub-section (c) after setting off the reliefs under S.6 of the Income Tax Law.
  - (f) The income tax rates contained in this Section shall not apply to the taxpayers for whom specific income tax rates are prescribed for any person receiving income or any type of income.
20. The basic relief shall, under clauses (i) and (ii) of sub-section (a) of S.6 of the Income Tax Law, be an equivalent amount with 20 per cent of the income for each type of income. Provided that, the total basic relief for a year shall not exceed than 10 million kyats.
21. Under clauses (i) and (ii) of sub-section (a) of S.6 of the Income Tax Law, the following reliefs permitted shall be deducted from the total income of the individual in clause (ii) of sub-section (c) of S.6 of the Income Tax Law and the tax shall be levied on the remaining amount of income –
- (a) Kyats one million each for a parent who stays together;
  - (b) Kyats one million for a spouse only;
  - (c) Kyats five hundred thousand for a child.
22. The income tax shall be levied at 10 per cent on the total income earned abroad in the foreign currency other than the exempted heading of non-resident citizens before deducting the relief under S.6 and S.6-A of the Income Tax Law.
23. (a) The income tax shall be levied at 25 percent on the total net profit before deducting the reliefs under S.6 of the Income Tax Law in respect of the following types of taxpayers –
- i. The company registered and established in Myanmar under the Myanmar Companies Law or the Special Companies Act 1950;
  - ii. The other income other than the salary heading of the non-resident foreigner;
  - iii. The business operates with the permission issued by the Myanmar Investment Commission;
  - iv. State-owned economic organizations.
- (b) The income tax shall be levied at 25 per cent on the remaining income after deducting reliefs under S.6 of the Income Tax Law from the net profit of cooperative societies other than the basic cooperative society.
24. If a foreigner is non-resident, the reliefs under S.6 and S.6-A of the Income Tax Law shall not be deducted. In the case of income under the salary heading, the income tax shall be levied on total income at the tax rates in sub-section (c) of S.19 of this Law.
25. (a) The income tax shall be levied at 30 per cent on undisclosed income before deducting reliefs under S.6 and S.6-A of the Income Tax Law. Provided that, the income tax shall be levied according to the following tax rates on the remaining undisclosed income, after deducting if any citizen can show the source of income expended in buying, constructing and acquiring any assets, and establishing the new start-up or expanding the business and on the income expended if he is unable to show the source of income. No income tax shall be levied if the source of income is able to show for all the income used. The levy under this Section shall not apply to the possession or trade of properties obtained illegally or matters which action is taken under the Anti-Money Laundering Law –

Sr. No.	Income (kyats)		Income Tax Rate
	From	To	
	Kyats	Kyats	
1	1	100,000,000	6 per cent
2	100,000,001	300,000,000	10 per cent
3	1,000,000,001	3,000,000,000	20 per cent
4	3,000,000,000 and above		30 per cent

- (b) The undisclosed income contained in sub-section (a) means the undisclosed income before 1<sup>st</sup> October, 2020.
- (c) The relief rates contained in sub-section (a) shall only effect from 1<sup>st</sup> October, 2020 to 1<sup>st</sup> September, 2021.
- (d) The Ministry of Planning, Finance and Industry shall, after apprising the economy of the State and international effects, submit to the Union Government if the tax rates contained in sub-section (a) are needed to be carried out the amendments.
26. The income tax shall be levied at the rates in sub-section (c) of S.19 on the remaining income after deducting reliefs under S.6 of the Income Tax Law from the net profit of the basic cooperative societies registered and formed under the Cooperative Society Law.
27. If a capital gain from selling, exchanging or transferring by any other means of one or more assets, on the capital gains in kyats or foreign currency before deducting reliefs under S.6 and S.6-A of the Income Tax Law –
- (a) The income tax shall, if the company operates in Myanmar's oil and gas sector, be levied in the type of currency earned according to the tax rates shown against the capital gains specified as follows –
- | Capital Gains  | Payable Income Tax Rate |
|--|-------------------------|
| i. Up to equivalent million kyats (100,000)              | 40 per cent             |
| ii. From equivalent million kyats (100,001) to (150,000) | 45 per cent             |
| iii. Above the equivalent million kyats (150,000)        | 50 per cent             |
- (b) The income tax shall be levied at 10 per cent in kyats or foreign currencies on the capital gains of an individual person or an association of persons other than the companies extracting and operating in Myanmar's oil and gas sector. The tax shall be paid in the type of currency earned if he is a non-resident foreigner.
28. No income tax shall be paid if the total value of one or more capital assets sold, exchanged or transferred by any other means within a year does not exceed 10 million kyats even though the capital gains arise from asset.
29. The exemption of the income tax shall be allowed to the extent of 10 million kyats of three consecutive years including the year of commencement of this business for new start-up small and medium enterprises based on production. If the income exceeds the aforesaid amount, the income tax shall be levied on the excess amount.
30. If the income is earned in a foreign currency for other income heading other than the heading of capital gains from assets, the income tax shall, in accordance with the provision of regulation 8 of the Income Tax Regulations, be calculated, on such income and the income tax shall be charged in kyats on citizens and foreigners residing in the country and shall be charged in the type of currency earned on foreigners residing abroad.

31. (a) The income tax is exempted on any of the following income or types of income –
- i. Total income received from cash award programme whether once or repeatedly lump sum during a year on seizures under the Narcotic Drugs and Psychotropic Substances Law;
  - ii. Total income received from cash award programme whether once or repeatedly lump sum during a year on seizures of illegal properties;
  - iii. Rewards received together with title, honorary and medal conferred by the State;
  - iv. Income from salary heading earned in foreign currency of a citizen residing abroad;
  - v. Lottery rewards received from Aung-bar-lay Union lottery;
  - vi. Pension, cash exchanged from pension and gratuity when retires;
  - vii. Rewards from the State on finding antiques.
- (b) The Ministry of Planning, Finance and Industry may, with the approval of the Union Government, exempt or relieve the income tax for the following matters –
- i. The income tax matters relating to the businesses operated with the donation or funds provided by domestic and international organizations to the State;
  - ii. The income tax matters relating to the development of securities market.
32. The definition of the expressions contained in Chapter VII of this Law shall have the same meaning defined in the Income Tax Law.

**Chapter VIII**

**Jewel Tax**

33. The jewel tax shall, under S.38 of Myanmar Gemstone Law, be levied on finished or unfinished gemstone, jewelry and material made of gemstone as the tax rates shown against them. It shall, in respect of collected jewel tax, be transferred and paid to the relevant bank account of the Internal Revenue Department –
- (a) In selling gemstone, on the actual selling price or on the sale price determined by the Myanmar Gemstone Enterprise based on the actual selling price or whichever is higher;
  - (b) In importing, on the landed value.

Sr. No.	Types of Gemstone	Tax Rate
1	Jades in uncut form	11 per cent
2	Ruby, sapphire and other precious gemstone in uncut forms other than diamond and emerald	9 per cent
3	Finished jade, ruby, sapphire and other precious gemstone other than diamond and emerald, finished jewelry fitted by jade, ruby, sapphire and other precious gemstones other than diamond and emerald	5 per cent
4	Materials made of gemstones	5 per cent



## Chapter IX

### Other Tax Rates to be Collected

34. The relevant Ministries shall administer the tax rates, exemption and relief of any of the following taxes in accordance with the existing law –
- (a) Excise;
  - (b) Licence fees, permit fees for imports;
  - (c) Myanmar Union lottery;
  - (d) Fees for vehicle, driving licence and business licence;
  - (e) Court fees and stamp duty;
  - (f) Licence fees for tour licence, hotel and guesthouse licence, tour guide licence;
  - (g) Customs duty;
  - (h) Land revenue;
  - (i) Water tax;
  - (j) Embankment tax;
  - (k) Tax on production of forest materials;
  - (l) Tax on production of minerals (excluding minerals for industrial raw materials and decorative stones);
  - (m) Tax on fisheries;
  - (n) Tax on production of oil and natural gas;
  - (o) Mineral tax and royalty;
  - (p) Tax on communication services;
  - (q) Electricity charges received in term of free on the electricity of water resource;
  - (r) Tax collected from the persons who have the right to use vacant, fallow and virgin lands.

## Chapter X

### Miscellaneous

35. The Union Government shall, by notification, form supporting teams for tax collection.
36. The Union Government shall, without contrary to the international agreements signed by the State, in order to sell the goods produced in the State and the goods imported competitively in the market and develop long-term benefit of the domestic agriculture and livestock business that mainly based on the domestic production business and the current domestic and foreign investment, carry out the followings –
- (a) Carrying out to obtain the highest rights and reliefs as the countries in ASEAN region within the framework of the World Trade Organization, the World Custom Organization and ASEAN Free Trade Agreement with regard to the permitted amount of import and customs duty rates;
  - (b) Carrying out the necessary arrangement in accordance with the provisions of laws relating to customs or procedures on the permission of import, export and quota allocation.



37. (a) The Internal Revenue Department shall give awareness of public tax reliefs and exemptions that may be enjoyed in accordance with law to the public, calculate and permit in collecting tax in accord with the reliefs, recognize the dutiful taxpayers and revenue civil servants relating to tax and manage for the due rewards.
- (b) The Ministry of Planning and Finance may permit with the approval of the Union Government as the current expenditure of the Internal Revenue Department in the Union Budget Law in accordance with the financial procedures implementing the matters in sub-section (a) for performing the transformation process of tax system effectively.
- (c) The Ministry of Planning and Finance may, in accordance with the financial procedures, expend the expenditures in sub-section (b) for giving bonus to the dutiful civil servants in collecting the tax.
38. 20 % of the collection of the following penalties for the possession and ownership of the untaxed specific goods shall be awarded to the informer and 30 % to the search and seizure person. No particulars about the informer shall be disclosed other than the matter of the Government –
- (a) Penalties carried under sub-sections (c) and (f) of S.22 of the Specific Goods Tax Law on the person possessing untaxed specific goods and on the specific goods producer who fails to affix stipulated revenue stamp relating to the specific goods which shall be sold by affixing revenue stamp;
- (b) Penalties carried under sub-section (c) of S.22 of the Specific Goods Tax Law on the person possessing untaxed specific goods relating to the remaining specific goods.
39. (a) Notwithstanding in sub-section (f) of S.21 of the Commercial Tax Law, the following amount shall, in finding by the Township Revenue Officer the failure to issue to the buyer or service user although the receipt or cash receiving evidence is keeping or the failure to affix the revenue stamp as the payable value of tax stipulated by the Commercial Tax Regulations although the receipt is issued, be paid as penalty in addition to the 100 per cent of the tax that shall be paid again on the value of receipt or cash receiving evidence for such failure –
- i. Kyats 5 five hundred thousand for first failure;
  - ii. Kyats one million for second failure;
  - iii. Kyats 1.5 million for third failure;
  - iv. Kyats two million for third and above failure.
- (b) The person keep in possession shall, in finding by the Township Revenue Officer selling of untaxed goods which shall be sold by affixing stipulated revenue stamp, pay 100 per cent of the value of such goods as penalty for possessing the untaxed goods.
40. The Union Government may, in respect of the following collected penalties, determine the rewarding by notification –
- (a) Notwithstanding in the Commercial Tax Law, the penalty carried under sub-section (a) of S.39 of this Law for the failure to issue to the buyer or service user although the receipt or cash receiving evidence is keeping, or for the failure to affix the revenue stamp equivalent to the payable value of tax although the receipt is issued;

- (b) The penalty carried under sub-section (b) of S.39 of this Law for selling without affixing the revenue stamp as stipulated in respect of the goods stipulated to sell by affixing the revenue stamp.
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I hereby sign under the Constitution of the Republic of the Union of Myanmar.

Sd./ Win Myint

President

The Republic of the Union of Myanmar

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## Schedule (1)

## Primary Estimate for the Collection of Union Taxes

(kyats in million)

Sr. No.	Responsible Ministries of the Union Government	Description	2020 Estimate
1		<b>Taxes collected on local production and public consumption</b>	<b>4,409,723.047</b>
	1	Ministry of the Office of the Union Government Excise	1,289.719
	2	Ministry of Planning, Finance and Industry Commercial tax	2,201,954.849
	3	Ministry of Commerce Import licences fee, permit fees	6,000.000
	4	Ministry of Planning, Finance and Industry Myanmar Union lottery	164,641.008
	5	Ministry of Transport and Communications Fees for vehicle, driving licence and business licence	156,000.000
	6	Ministry of Planning, Finance and Industry Court fees and stamp duty	85,128.735
	7	Ministry of Hotel and Tourism Licence fees for tour licence, hotel and guesthouse licence, tour guide licence	622.543
	8	Ministry of Planning, Finance and Industry Specific goods tax	1,694,210.901
	9	Ministry of Planning, Finance and Industry Jewel tax	99,875.292
2		<b>Tax on income and ownership</b>	<b>2,754,189.215</b>
	1	Ministry of Planning, Finance and Industry Income tax	2,754,189.215
3		<b>Custom duty</b>	<b>520,000.000</b>
	1	Ministry of Planning, Finance and Industry Custom duty	520,000.000
4		<b>Tax collected on the extraction and consumption of State-owned resources</b>	<b>931,864.967</b>
	1	Ministry of the Office of the Union Government Land revenue	23.516
	2	Nay Pyi Taw Council Water tax	104.584
	3	Ministry of the Office of the Union Government Embankment tax	0.935
	4	Ministry of Natural Resources and Environmental Conservation Tax collected on the extraction of forest materials	5,988.994

5	Ministry of the Office of the Union Government	Tax collected on the extraction of mineral resources (excluding minerals for industrial raw materials and decorative stones)	76.050
6	Ministry of Agriculture, Livestock and Irrigation	Tax on fisheries	2,694.280
7	Ministry of Electricity and Energy	Tax collected on the production of petroleum and natural gas	334,321.116
8	Ministry of Natural Resources and Environmental Conservation	Mineral tax and royalty	31,362.796
9	Ministry of Transportation and Communication	Tax collected on communication services	544,215.100
10	Ministry of Electricity and Energy	Electricity charges received in term of free on the electricity of water resource	11,905.362
11	Ministry of Agriculture, Livestock and Irrigation	Tax collected from the persons who have the right to use vacant, fallow and virgin lands	1,181.234
<b>Total</b>			<b>8,615,777.229</b>

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