

The Taxation of the Union Law, 2018
(The Pyidaungsu Hluttaw Law No.10, 2018)
The 14th Waxing of Takhu, 1379 M.E.
(30th March, 2018)

The Pyidaungsu Hluttaw hereby enacts this Law.

Chapter I

Title, Date of Enforcement and Definition

1.
 - (a) This Law shall be called **the Taxation of the Union Law, 2018.**
 - (b) **This Law shall come into force from 1 April 2018.**
 - (c) Notwithstanding anything contained in Specific Goods Tax Law, Commercial Tax Law and Income Tax Law, the provisions related to year, income year or the year in which sale proceeds or receipts from service arise, shall stipulate the following:
 - (i) in accord with the financial year for state-owned economic enterprises;
 - (ii) other than the state-owned economic enterprises, the remaining taxpayers shall be continued from 1 April to 31 March.

2. The following expressions contained in this Law shall have the meanings given below:
 - (a) **Tax** means the tax, custom duty, fee, licence fee, permit fee and fine collected by the Union Government for the Union according to this law;
 - (b) **Law** means the laws promulgated by the Union Government regarding the collection of taxes for the Union;
 - (c) **Ministry concerned** means the Union Ministries of the Union Government and Nay Pyi Taw Council responsible for the collection of taxes collected by the Union Government for the Union;

- (d) **Budget Law** means the Union Budget Law and the Supplementary Appropriation Law promulgated yearly;
- (e) **Tax Rate** means tax rates prescribed for the collection of taxes collected by the Union Government for the Union.

Chapter II

Revenue Estimate for Collection

3. The receipt of tax of the Union in the Budget Law is the estimate to collect tax 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 in this Law, the Ministry concerned 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 Ministry concerned shall send a quarterly report on the condition of collection of the revenue estimate 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 Ministries concerned and submit a quarterly report with comments through the Ministry of Planning and Finance to the Union Government.

7. The Union Government shall submit a six-monthly report on the condition of collection of the revenue estimate in schedule (1) of this Law to the Pyidaungsu Hluttaw.

Chapter IV

Duty and Power of the Ministry Concerned

8. The Ministry concerned shall take the responsibility of administering and supervising for collecting the tax estimate in schedule (1) of this Law.

9. The Ministry of Planning and Finance of the Union Government 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 and income tax in this Law.

10. The Ministry concerned may seek assistance from the President of the Union, the Union Government, the Pyidaungsu Hluttaw, the Pyithu Hluttaw, the Amyothar 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, and Union Civil Service Board, Nay Pyi Taw Council, Union Ministries, Central Bank of Myanmar, Region or State Government, Leading Bodies of Self-Administered Division or Leading Bodies of Self-Administered Zones in order to receive necessary information and aids for paying taxes by the tax payers in accordance with Law.

Chapter V

Specific Goods Tax

11. Under section 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 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 workplace, 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 Goods | Price Level | Tax Rate |
|-------------------|--------------------------------|--|------------------------|
| 1 | (a) Various types of cigarette | up to sale price of 500 kyats for a pack of 20 cigarette | 4 kyats per cigarette |
| | (b) Various types of cigarette | Between the sale price of 501-700 kyats for a pack of 20 cigarette | 9 kyats per cigarette |
| | (c) Various types of cigarette | Between the sale price of 701-900 kyats for a pack of 20 cigarette | 13 kyats per cigarette |
| | (d) Various types of cigarette | the sale price of 901 kyats and above for a pack of 20 cigarette | 16 kyats per cigarette |
| 2 | Tobacco. | | 60 % |
| 3 | Cured virginia tobacco. | | 60 % |

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| 4 | Cheroot. | | 25 pyar per cheroot |
| 5 | Cigar. | | 80 % |
| 6 | Pipe tobaccos | | 80 % |
| 7 | Various types of betal chewing preparation. | | 80 % |
| 8 | (a) Various types of liquor | up to 750 kyats per litre | 91 kyats per litre |
| | (b) Various types of liquor | Between 751-1500 kyats per litre | 274 kyats per litre |
| | (c) Various types of liquor | Between 1501-2250 kyats per litre | 457 kyats per litre |
| | (d) Various types of liquor | Between 2251-3000 kyats per litre | 640 kyats per litre |
| | (e) Various types of liquor | Between 3001-3750 kyats per litre | 823 kyats per litre |
| | (f) Various types of liquor | Between 3751-4500 kyats per litre | 1006 kyats per litre |
| | (g) Various types of liquor | Between 4501-6000 kyats per litre | 1280 kyats per litre |
| | (h) Various types of liquor | Between 6001-7500 kyats per litre | 1646 kyats per litre |
| | (i) Various types of liquor | Between 7501-9000 kyats per litre | 2011 kyats per litre |
| | (j) Various types of liquor | Between 9001-10500 kyats per | 2377 kyats per litre |

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| | | litre | |
| | (k) Various types of liquor | Between 10501-13500 kyats per litre | 2925 kyats per litre |
| | (l) Various types of liquor | Between 13501-16500 kyats per litre | 3657 kyats per litre |
| | (m) Various types of liquor | Between 16501-19500 kyats per litre | 4388 kyats per litre |
| | (n) Various types of liquor | Between 19501-22500 kyats per litre | 5119 kyats per litre |
| | (o) Various types of liquor | Between 22501-26000 kyats per litre | 5911 kyats per litre |
| | (p) Various types of liquor | 26001 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 | 81 kyats per litre |
| | (b) Various types of wine | Between 751 - 1500 kyats per litre | 244 kyats per litre |
| | (c) Various types of wine | Between 1501 - 2250 kyats per litre | 406 kyats per litre |
| | (d) Various types of wine | Between 2251 - 3000 kyats per litre | 569 kyats per litre |
| | (e) Various types of wine | Between 3001 - 3750 kyats per litre | 732 kyats per litre |

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| | (f) Various types of wine | Between 3751 - 4500 kyats per litre | 894 kyats per litre |
| | (g) Various types of wine | Between 4501 - 6000 kyats per litre | 1138 kyats per litre |
| | (h) Various types of wine | Between 6001 - 7500 kyats per litre | 1463 kyats per litre |
| | (i) Various types of wine | Between 7501 - 9000 kyats per litre | 1788 kyats per litre |
| | (j) Various types of wine | Between 9001 - 10500 kyats per litre | 2113 kyats per litre |
| | (k) Various types of wine | Between 10501 - 13500 kyats per litre | 2600 kyats per litre |
| | (l) Various types of wine | Between 13501 - 16500 kyats per litre | 3250 kyats per litre |
| | (m) Various types of wine | Between 16501 - 19500 kyats per litre | 3900 kyats per litre |
| | (n) Various types of wine | Between 19501 - 22500 kyats per litre | 4550 kyats per litre |
| | (o) Various types of wine | Between 22501 - 26000 kyats per litre | 5254 kyats per litre |
| | (p) Various types of wine | 26001 kyats and above per litre | 50 % of the price of a litre |
| 11 | Logs and different types of timber | | 5 % |

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| 12 | Jade in uncut forms. | | 15 % |
| 13 | Ruby, sapphire and other precious gemstones in uncut forms. | | 10 % |
| 14 | Jade, ruby, sapphire and other precious gemstones, finished in cut forms and jade, ruby, sapphire and other precious gemstones, finished in cut forms fitted in jewelry. | | 5 % |
| 15 | (a) Engine power from 1501 CC to 2000 CC vans, saloons, sedans, wagons, estate wagons and coupes except Double Cab 4 Door pick up. | | 10 % |
| | (b) Engine power from 2001 CC to 4000 CC vans, saloons, sedans, wagons, estate wagons and coupes except Double Cab 4 Door pick up. | | 30 % |
| | (c) Engine power above 4001 CC vans, saloons, sedans, wagons, estate wagons and coupes except Double Cab 4 Door pick up | | 50 % |
| 16 | Kerosene, petrol, diesel oil, jet fuel. | | 5 % |
| 17 | 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 | Types of Goods | Tax Rate |
|---------------|---|-----------------|
| 1 | Natural gas. | 8 % |
| 2 | Log and different types of timber | 10 % |
| 3 | Jade in uncut forms. | 15 % |
| 4 | Ruby, sapphire and other precious gemstone in uncut forms. | 10 % |
| 5 | Jade, ruby, sapphire and other precious gemstone, finished in cut forms and jade, ruby, sapphire and other precious gemstones finished in cut form fitted in jewelry. | 5 % |

12. Out of the specific goods tax chargeable under the Specific Goods Tax 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 the private sector if the total sale proceeds within a year do not exceed 20 million Kyats.

13. The meaning of expressions in chapter V of this Law shall have the same meaning defined in the Specific Goods Tax Law.

Chapter VI

Commercial Tax

14. Under section 6 of the Commercial Tax Law, the schedules annexed to the said Law are prescribed 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 |
|--------------|---|
| 1 | Paddy, rice, broken rice, rice bran, chaff, and paddy husk. |
| 2 | Wheat, wheat bran and wheat husk. |
| 3 | Various types of maize and corn powder. |
| 4 | Various types of pulse, split, powdered pea, pea bran and pea shell. |
| 5 | Shelled and unshelled groundnut. |
| 6 | Sesame, flower sesame. |
| 7 | Sunflower seeds, cotton seeds. |
| 8 | Oil palm. |
| 9 | Various types of cotton. |
| 10 | Jute and other fibers. |
| 11 | Garlic, onion. |
| 12 | Potato. |
| 13 | Spicy leaf, fruit, seeds, barks, prepared spices. |
| 14 | Various fresh fruits. |
| 15 | Vegetables. |
| 16 | Sugarcane, sugar, jaggery, brown slab sugar. |
| 17 | Mulberry leaf. |
| 18 | Herb. |
| 19 | Cardomon plant, thanakha and agricultural land and gardening products, not elsewhere specified. |
| 20 | Firewood, bamboo. |
| 21 | Live animals, fish, prawn, terrestrial animals, aquatic animals, amphibians, |

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| | their eggs, embryo, newborns, species, aquatic plants and seeds, sprout and algae. |
| 22 | Cocoon. |
| 23 | Finished and unfinished cane. |
| 24 | Honey and bee wax. |
| 25 | Lac. |
| 26 | Residual oil-cake of groundnut, sesame, cotton seed, rice bran etc. |
| 27 | Bleaching substance (only Hydrochlorite using in bleaching). |
| 28 | Coir yarn. |
| 29 | Pickled or dried tea leaf, sweet dried tea leaf, various types of packed dried tea leaf. |
| 30 | Various types of stamp (including revenue stamp). |
| 31 | Slate, slate pencil and chalk. |
| 32 | Various types of fish sauce. |
| 33 | Groundnut oil, sesame oil. |
| 34 | Fresh fish, fresh prawn, fresh meat. |
| 35 | Various kinds of dried fish and dried prawns. |
| 36 | Various kinds of pickled fish and pickled prawn. |
| 37 | Powdered prawn, powdered fish. |
| 38 | Milk, condensed milk, evaporated milk, various types of powdered milk. |
| 39 | Soy milk. |
| 40 | Chilli, chilli powder. |
| 41 | Turmeric, turmeric powder. |

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| 42 | Ginger. |
| 43 | Various types of fish paste. |
| 44 | Ripe tamarind. |
| 45 | State flag. |
| 46 | Various types of rosary (not including rosary made by precious gemstones). |
| 47 | Various types of ruler, eraser, pencil sharpener. |
| 48 | Firewood substitute fuel stick. |
| 49 | Coconut oil (not palm oil). |
| 50 | Various types of eggs such as hen and duck eggs. |
| 51 | Pumpkin seed, watermelon seed, cashew nut. |
| 52 | Religious clothes (robe etc). |
| 53 | Oil dregs. |
| 54 | Various types of salt. |
| 55 | Rubber. |
| 56 | Betel nut, betel nut shell. |
| 57 | Various types of fertilizer using for growing and blossoming of plants including soil, chemical fertilizer. |
| 58 | Various kinds 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). |
| 59 | Equipment, machines and spare parts, tractors for farm and livestock, equipment, various types of machine and spare parts (other than vehicle |

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| | that need to register according to motor vehicles Act) 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. |
| 60 | Raw and finished materials for animal, fish and prawn feed (not included animal food that used for pets). |
| 61 | Animal, fish and prawn medicines, veterinary preventive medicines (including the medicine and veterinary preventive medicines that approved by Ministry of Agriculture, Livestock and Irrigation Development). |
| 62 | Breeds, eggs (including freeze breed) for using in inseminating, larvae and equipment that used for insemination. |
| 63 | Solar panel, solar charger, controller and solar inverter. |
| 64 | X-ray film plates and X-ray material and other medical equipment that identified by health department. |
| 65 | Absorbent cotton wool, gauze, bandages, hospital sundries to take medicines, surgical mask (once used), cap, surgical glove, masks that used to prevent flu infection. |
| 66 | Household pharmaceutical and other medicines and traditional medicines (the medicines that received FDA registration other than medicines stipulated by law, rule). |
| 67 | Raw medicine including traditional medicines. |
| 68 | Various kinds of textbooks, various kinds of educational and technical books to be used in college and university, various kinds of exercise and drawing books, 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 all sorts of pencils. |
| 69 | Graphite for the production of pencils. |

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| 70 | Condom. |
| 71 | Weapons, vehicles, machineries, accessory and equipment, spare parts and accessories thereof used by State Defense and Security Organizations. |
| 72 | Various kinds of gun powder, various kinds of dynamites and related substances used by civil departments (only the things that imported with the permission of Office of the Commander - in -Chief (Army)). |
| 73 | Pure seeds and seedlings of crops. |
| 74 | Fire-engine, hearse. |
| 75 | Materials sold in foreign currency to overseas passengers at specific places. |
| 76 | Goods to be used by foreign embassies or small embassies and their diplomats and non- diplomat staff inclusive of reciprocal right policy between two countries. |
| 77 | Goods purchased for the use of defense services and for the consumption of defense services personnel incurred from the expenditure allotted in the budget accounts for the Ministry of Defense. |
| 78 | 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). |
| 79 | Fuel sold by the Ministry of Electricity and Energy to foreign embassies, UN organizations and foreign diplomats. |
| 80 | Goods purchased with the donation or funds provided by domestic and foreign organizations to the State. |
| 81 | Jet fuel sold to be used for planes flying abroad. |

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| 82 | Machine, machinery and equipment and the spare parts of planes or helicopters. |
| 83 | Goods exempted by the Pyidaungsu Hluttaw as per the needs of the State. |
| 84 | Goods imported by temporary admission or drawback system in accordance with the Custom's procedures. |
| 85 | In uncut forms and finished in cut forms of jade, ruby, sapphire selling at the Myanmar's Gems and Jewellery supervised and held by the Government in country. |
| 86 | Pure gold (standard gold bars, gold block, gold coins). |

- (b) Other than the goods mentioned in subsection (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 section 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 section 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 | Types of Service |
|---------------|-----------------------------------|
| 1 | Renting of parking space service. |
| 2 | Life insurance service. |
| 3 | Microfinance service. |

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| 4 | Healthcare service except body fitness. |
| 5 | Education service. |
| 6 | Transportation of goods service (Transportation by train, motor vehicles, vessels, airplanes and machineries except the pipeline transportation). |
| 7 | Capital market service. |
| 8 | Monetary service providing with the permission of the Bank and Central Bank. |
| 9 | Customs and port clearance service. |
| 10 | Hiring of equipment used in catering service. |
| 11 | Providing raw materials in return for finished goods system service. |
| 12 | Funeral service. |
| 13 | Childcare service. |
| 14 | Traditional massage service/ Blind massage service. |
| 15 | Moving household service. |
| 16 | Collecting toll service. |
| 17 | Animal healthcare and welfare service. |
| 18 | Collecting fees at public toilet service. |
| 19 | International passenger air transport service. |
| 20 | Culture and fine art service. |
| 21 | Public transportation service. |
| 22 | Licence fees to be paid to State organizations for carrying out any matter to get the permission. |
| 23 | Printing service by the security printing of the Ministry of Defense. |

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| 24 | Services acquired by foreign embassies or small embassies and their diplomats and non-diplomat staff inclusive of reciprocal right policy between two countries. |
| 25 | Service acquired with the donation or funds provided by domestic and foreign organizations to the State. |
| 26 | Services exempted by the Pyidaungsu Hluttaw as per the needs of the State. |
| 27 | 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, Union Ministries, the Nay Pyi Taw Council Office, the Central Bank of Myanmar, Social Security Board , State or Region Government's Office, Departments (Services provided by State- owned enterprises and services acquired by State owned enterprises are not included). |
| 28 | Union Lottery service. |
| 29 | Mechanized agriculture service. |
| 30 | Book, magazine, journal, newspaper publishing service. |

- (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 subsection (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 jewellery made by gold.
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 and Finance 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) Deminimis 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.
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

subsection (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 anything contained 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 meaning of expressions in chapter VI of this Law shall have the same meaning defined in the Commercial Tax Law other than the expression of subsection (c) of section (1) of this law.

Chapter VII

Income Tax

- 19. (a) No income tax shall be levied on any person who receives the income from salary up to 48 lakhs of kyats per year. Being not assessed above the matters, if the evidence document relating the exempted income is requested, the Internal Revenue Department shall issue it in accordance with the stipulations.
- (b) However, if a person earns income from salary per year exceeds 48 lakhs of kyats, he shall be charged the income tax on total income.
- (c) However, if a person earns income from salary per year exceeds 48 lakhs of kyats or the income is from professional business, enterprise and other sources, the tax rate to be levied on any person according to the income bracket on the remaining income, after setting off the reliefs under section 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 | |
| i. | 1 | 2,000,000 | 0 per cent |
| ii. | 2,000,001 | 5,000,000 | 5 per cent |
| iii. | 5,000,001 | 10,000,000 | 10 per cent |
| iv. | 10,000,001 | 20,000,000 | 15 per cent |
| v. | 20,000,001 | 30,000,000 | 20 per cent |
| vi. | 30,000,001 and above | | 25 per cent |

- (d) Notwithstanding any provision contained in the Income Tax Law, the income tax shall be levied separately at ten per cent on the remaining income of any person after deducting reliefs from the total rental income received from leasing land, building and apartments under section 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 section 6 of the Income Tax Law;
- (f) The income tax rates 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 subsection (a) of section 6 of the Income Tax Law, be an equivalent amount with to 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. According to clauses (i) and (ii) of subsection (a) of section 6 of the Income Tax Law, the following reliefs permitted shall be deducted from the total income of the individual in clause (ii) of subsection (c) of section 6 of the Income Tax Law and the tax shall be levied on the remaining amount of income:

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| (a) | for a parent who stays together | Kyats 1000000 each |
| (b) | for a spouse only | Kyats 1000000 |
| (c) | for a child | Kyats 500000 each |

22. The income tax shall be levied at 10 per cent on the total income earned abroad in the foreign currency except of the exempted heading of non-resident citizens before deducting the relief under section 6 and section 6-A of the Income Tax Law.

23. (a) The income tax shall be levied at 25 per cent on the total net profit before deducting the reliefs under section 6 of the Income Tax Law in respect of the following types of taxpayers:

- (1) the company that is registered and established in Myanmar under the Myanmar Companies Act or the Special Companies Act, 1950;
- (2) the other income except the salary heading of the non-resident foreigner;
- (3) the business that operates with the permission issued by the Myanmar Investment Commission;
- (4) State-owned economic organizations.

(b) The income tax shall be levied at 25 per cent on the remaining income after deducting reliefs under section 6 of the Income Tax Law from the net profit of cooperative societies except the basic cooperative society.

24. If a foreigner is non-resident, the reliefs under section 6 and 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 section 19 (c) of this Law.

25. The income tax shall be levied at 30 per cent on undisclosed income before deducting reliefs under section 6 and 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.

| No | Income (kyat) | Income Tax Rate |
|----|--------------------------|-----------------|
| a | 1 - 30,000,000 | 15 % |
| b | 30,000,001 - 100,000,000 | 20 % |
| c | 100,000,001 and above | 30 % |

26. The income tax shall be levied at the rates in section 19 (c) on the remaining income after deducting reliefs under section 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 section 6 and 6-A of the Income Tax Law:

- (a) the income tax shall be levied in the type of currency earned according to the tax rates shown against the capital gains specified as follows, if the company operates in Myanmar's oil and gas sector,

| Capital gains | Income tax rate to be paid |
|--|----------------------------|
| (1) up to equivalent million Kyats (100,000) | 40% |
| (2) from equivalent million Kyats (100,001) to (150,000) | 45% |

- (3) million Kyats (150,001) and above 50%
- (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 except 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 levied 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. 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 except 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 up to 10 million kyats 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 up to 10 million kyats received from cash award programme whether once or repeatedly lump sum during a year on seizure of illegal properties;
 - (iii) rewards received together with tittle, 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 and gratuity received when civil servant retires;
 - (vii) rewards from the state on finding antiques.
- (b) The Ministry of Planning and Finance may exempt or relieve the income tax for the following matters with the approval of the Union Government:
- (1) the income tax matters relating to the businesses operated with the donation or funds provided by domestic and international organizations to the Union;
 - (2) the income tax matters relating to the public companies enrolled in Yangon Stock Exchange for the development of the stock share market.

32. The meaning of the expressions in chapter VII of this Law shall have the same meaning defined in the Income Tax Law other than the expressions of sub section (c) of section 1 of this law.

Chapter VIII

Other Taxes Rates to be Collected

33. The Ministries concerned shall administer the tax rates, exemption and relief of any of the following taxes in accordance with the existing law:

- (a) excise tax;
- (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) tax for inserting nucleus in the oyster;

- (g) licence fees for tour licence/ hotel and guesthouse licence/ transportation licence/ tour guide business licence;
- (h) customs duty;
- (i) land revenue;
- (j) water tax;
- (k) embankment tax;
- (l) tax on production of forest materials;
- (m) tax on production of minerals (excluding minerals for raw industrial materials and decorative stones);
- (n) tax on fisheries;
- (o) tax on production of oil and natural gas;
- (p) tax on minerals and gemstones;
- (q) tax on communication services;
- (r) Electricity charges received in term of free on the electricity of water resource.

34. The business on extraction of jade, ruby, sapphire, and other precious gemstones in uncut form and production and trading of finished in cut forms gemstones and jewellery shall:

- (a) on the sale proceeds of the gemstone or jewellery in kyats or foreign currencies;
 - (i) pay the specific goods tax according to tax rates contained in section 11 of this law;
 - (ii) pay commercial tax at 5 per cent for the import, production and sale and trade under section 14 (b) and (c) of this Law;
 - (iii) not apply to the determination of the amount of sale proceeds which is not taxable of the provision of clause (ii).

- (b) pay the income tax according to the income tax rate under this Law on total net profit earned within a year.

Chapter IX

Miscellaneous

35. The Union Government may, 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 following:

- (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 the 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 subsection (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 fine passed for the possession and ownership of the untaxed specific goods under section 22 (c) of the Specific Goods Tax Law shall be awarded to the informer and 30 % of the collection of the fine shall be awarded to the search and seizure team. No particulars about the informer shall be disclosed other than the matter of the Government.

39. With the approval of the Union Government, notwithstanding anything contained in relevant law, for the change of the financial year, the Ministry concerned may identify the necessary procedures in order to operate the tax collection easily during the transition.

40. The Ministry of Planning and Finance may operate the provisions concerning with the year contained in the Specific Goods Tax Law, the Commercial Tax Law and the Income Tax Law, the income year or the year in which sale proceeds or receipts from services arise in accord with the provisions of the relevant laws for all the taxpayers including the state-owned enterprises starting from 1 October 2019.

I hereby sign under the Constitution of the Republic of the Union of Myanmar.

Sd/ Win Myint

President

Republic of the Union of Myanmar

2017-2018 Financial Year

Taxes of the Union Originally Budget Earmarked for Collection

| Serial No. | Responsible Ministries of the Union Government | Description | 2017-2018 Estimate (In Million Kyats) | |
|------------|--|---|---|-------------|
| 1 | | Taxes collected on local production and consumption of the public | 1,269,330.943 | |
| | 1 | Ministry of Home Affairs | Excise duty (Tax) | 626.843 |
| | 2 | Ministry of Planning and Finance | Commercial tax | 692,307.850 |
| | 3 | Ministry of Commerce | Import licence, permit fees | 3,000.000 |
| | 4 | Ministry of Planning and Finance | Myanmar Union lottery | 40,000.000 |
| | 5 | Ministry of Transport and Communications | Fees for vehicle, driving licence and business licence | 73,257.500 |
| | 6 | Ministry of Planning and Finance | Court fees and Stamp duty | 27,987.300 |
| | 7 | Ministry of Natural Resources and Environmental Conservation | Tax for inserting a nucleus in the oyster | 250.000 |
| | 8 | Ministry of Hotel and Tourism | Licence fee for tour licence/ hotel and guesthouse licence/ transportation licence/ tour guide business licence | 433.950 |

| | | | | |
|----------|---|--|--|--------------------|
| | 9 | Ministry of Planning and Finance | Specific Goods Tax | 431,467.500 |
| 2 | | | Tax on income and ownership | 863,175.598 |
| | 1 | Ministry of Planning and Finance | Income tax | 863,175.598 |
| 3 | | | Customs duty | 245,000.000 |
| | 1 | Ministry of Planning and Finance | Customs duty | 245,000.000 |
| 4 | | | Taxes collected on the extraction and consumption of State-owned resources | 414,390.222 |
| | 1 | Ministry of Home Affairs | Taxes collected on land | 2.014 |
| | 2 | Nay Pyi Taw Council | Water tax | 45.824 |
| | 3 | Ministry of Home Affairs | Embankment tax | 0.025 |
| | 4 | Ministry of Natural Resources and Environmental Conservation | Tax collected on the extraction of forest materials | 2,605.428 |
| | 5 | Ministry of Home Affairs | Tax collected on the extraction of mineral materials (excluding minerals for raw industrial materials and decorative stones) | 35.200 |
| | 6 | Ministry of Agriculture Livestock, Irrigation Development | Tax on fisheries | 1,053.800 |
| | 7 | Ministry of Electricity and Energy | Tax collected on the production of petroleum and natural gas | 181,856.879 |
| | 8 | Ministry of Natural Resources and Environmental Conservation | Tax on Minerals and Gemstones | 11,689.772 |

| | | | | |
|--|----|--|--|---------------|
| | 9 | Ministry of Transport and Communications | Tax collected on communication services | 211,000.000 |
| | 10 | Ministry of Electricity and Energy | Electricity charges received in term of free on the electricity of water resource. | 6,101.280 |
| | | | Total | 2,791,896.763 |