

**The Union Tax Law , 2015**  
**Pyidaungsu Hluttaw Law No. 17**  
**14<sup>th</sup> Waxing of Tagu, 1376 M.E**  
**2<sup>nd</sup> April 2015**

The Pyidaungsu Hluttaw hereby enacts this law.

**Chapter (1)**

**Title, coming into force and definitions**

1. (a) This law shall be called the Union Tax Law , 2015.
- (b) The provisions contained in this law –
  - (1) shall come into force with effect from 1<sup>st</sup>April, 2015 for the 2015-2016 financial year regarding chapter 5: commercial tax;
  - (2) Regarding chapter 6: income tax –
    - (aa) shall come into force with effect from 1<sup>st</sup>April, 2015 regarding the provisions contained in section 19 - salary income - and section 24 of this law;
    - (bb) shall come into force from the 2015-2016 income year regarding the remaining provisions.
2. The following expressions contained in this law shall have the meanings given hereunder –
  - (a) "**Tax**" means the tax collected for the Union by the Union Government;
  - (b) "**Law**" means the laws enacted relating to the tax collected for the Union by the Union Government;
  - (c) "**Ministry concerned**" means the Union Ministries responsible for collecting the taxes to be collected by\* the Union Government for the Union;
  - (d) "**The Budget Law**" means the Union Budget Law and the supplementary Budget Law promulgated yearly.
  - (e) "**Rate**" means the specified rate at which tax is collected for the Union by the Union Government.

**Chapter 2**

**Taxes earmarked for collection**

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

### **Chapter 3**

#### **Specifying the tax rates and reporting**

4. The Ministry concerned shall collect the earmarked taxes at the tax rates contained in this law for the types of the taxes.
5. If the tax rates contained in this law should be amended, supplemented or substituted, the Union Government shall submit the matter to the Pyidaungsu Hluttaw to be decided after discussion.
6. Every three months, the Ministry concerned shall send the status of collection of the earmarked taxes contained in table (1) of this law to the Budget Department.
7. Every three months, the Budget Department shall compile the lists of tax collection status sent by the Ministries concerned and submit the compilation to the Union Government through the Ministry of Finance with its opinion and remarks.
8. The Union Government shall bi-annually submit the report on the status of the collection of the earmarked taxes contained in table (1) of this law to the Pyidaungsu Hluttaw.

### **Chapter 4**

#### **Duties and powers of the Ministries concerned**

9. The Ministries concerned shall be responsible for, and monitor, the collection of the earmarked taxes contained in table (1) of this law.
10. The Ministries concerned shall request assistance from the Union Ministries, Region or State Governments, Head Organizations of the Self-administered Divisions and Head Organizations of the Self-administered Regions in order to obtain required data and support for the legal assessment of tax.

### **Chapter 5**

#### **Commercial Tax**

11. According to section 6 of the Commercial Tax Law, the schedules to this law are stipulated as follows –

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

- (a) Whoever produces and sells any goods within the country with the exception of the goods mentioned in the following sub-section (b) and (c), shall pay commercial tax at 5 per cent on the sale proceeds or, if the goods are imported, on the landed costs;
- (b) If goods contained in the following schedule are imported, the tax shall be charged on the landed costs, and if they are produced in the country, the tax shall be charged on the sale proceeds at the specified percentage shown against them.

### Special Goods

Sr. No	Description of the goods	Tax percentage
1	Cigarettes	120
2	Tobacco	60
3	Virginia tobacco, cured	60
4	Cheroot	60
5	Cigars	60
6	Pipe tobacco	60
7	Betel chewing preparations	60
8	Various kinds of liquor	60
9	Various kinds of beer	60
10	Various kinds of wine	50
11	Teak and hard wood logs and hard wood conversions	25
12	Jade ,ruby ,sapphire, emerald, diamond and other precious stones in uncut forms	15
13	Jade ,ruby ,sapphire, emerald, diamond and other precious stones in cut forms and jewel	5
14	Vehicles above 1800 CC , saloons, sedans, light wagons, estate wagons and coupe except Double Cab 4 Door Pick Up	25
15	Petrol, diesel, aviation jet fuel	10
16	Natural gas	8

(c) No commercial tax shall be charged for any goods or any services mentioned below.

Sr.no	Goods/Description of services
1.	Paddy, rice, split, soft bran, rough bran, paddy husk
2.	Wheat grain, flour, smooth and rough flour
3.	Maize and other cereals, powder maize, other cereals powder
4.	Pulses, unmilled and pulses, split and powdered.
5.	Groundnuts shelled and unshelled.
6.	Sesame, flower sesame
7.	Mustard seeds, sunflower seeds, tamarindseeds, cotton seeds
8.	Oil palm.
9.	Various cottons
10.	Jute and other fibres

11.	Garlic, onions.
12.	Potatoes.
13.	Cassava plant, cassava powder
14.	Spices (leaves, fruits, seeds, bark) preparedspices
15.	Various fresh fruits
16.	Vegetables
17.	Sugarcane, sugar
18.	Mulberry leaves.
19.	Medicinal plants or herbs
20.	Thatch, reeds, 'dani', palm, 'wa u', 'thanatkhar' and such agricultural products not elsewhere specified
21.	Firewood, bamboos.
22.	Live animals, fish and prawns
23.	Silk cocoons.
24.	Cane, finished and unfinished.
25.	Honey and bee wax.
26.	Lac.
27.	Residue of groundnuts, sesame, cottonseeds, rice bran etc;.
28.	Soap stocks, soap powder (raw)
29.	Bleaching substances (of oil residue).
30.	Coir yarn, coconut shell charcoal
31.	Pickled tea leaves, various dried tea leaves;
32.	Various stamps (revenue stamp includes);
33.	Sealing wax and sticks
34.	Slate, slate pencils and chalk.
35.	Various kinds of fish sauces( <i>Ngan-pya-ye</i> ).
36.	Groundnut oil, sesame oil, sunflower seed oil, rice bran edible oil, soy-bean oil and oil cakes.
37.	Fresh fish, fresh prawn, fresh meat.
38.	Sterilized and other pasteurized milk
39.	Chili, chili powder
40.	Saffron, saffron powder
41.	Ginger
42.	Various kinds of fish paste
43.	Ripe Tamarind

44.	National flag
45.	Various kinds of beads
46.	Various kinds of rulers, erasers, sharpeners
47.	Alternatives to firewood
48.	Coconut oil. (Not Palm oil)
49.	Various kinds of fowl eggs
50.	Pumpkin seeds, watermelon seeds, Cashew Nuts.
51.	Religious clothes (thingyan robes, etc.)
52.	Oil dregs
53.	Various kinds of salt
54.	Rubber paste
55.	Betel nuts
56.	Fertilizer
57.	Insecticides, pesticides, fungicides, etc.
58.	Farm equipment, farm machines and parts
59.	Raw materials for animal feed, finished animal feed
60.	Animal medicines
61.	Animal breed
62.	Solar panel, solar charger, controller and solar inverter
63.	X-ray films, plates and other X-ray material, surgical and medicinal pharmaceutical apparatus and equipment
64.	bandages, gauze, other surgical dressing materials, hospital and surgical outfit and sundries
65.	Pharmaceutical and other medicines (except medicine restricted by rules and regulations)
66.	Drugs
67.	Various kinds of textbooks, various kinds of educational books to be used in college and university, exercise and drawing books of various kinds and paper sheets for the production such books and all sorts of pencils
68.	Graphite for the production of pencils
69.	Condom
70.	State Defense and Security Service equipment
71.	Various kinds of gun powder, various kinds of dynamites and accessories thereof used by the civil departments

72.	Crops seeds, nursery plants
73.	Printing fees from security printing of the Ministry of Defense, military weapons, its spare parts and military vehicles.
74.	Firefighting trucks, hearse
75.	Duty free materials to be sold in foreigncurrency to overseas passengers at thedeparture places
76.	Goods used by diplomats and other staff of foreign embassies or small embassies on reciprocal basis between two countries and their construction services
77.	Goods purchased for the consumption of armed forces if the expenses are incurred in the budget accounts of Ministry of Defense
78.	Raw material or parts of goods provided by non-resident supplier for use on a CMP basis and goods used for wrapping the finished product.
79.	Fuel sold to foreign embassies, UN organizations and foreign diplomats by the Ministry of Energy.

(d) Except for goods and trading activities exempted in accordance with this law, commercial tax shall be charged at 5 per cent on the sale proceeds from the following activities --

- (1) Domestic sale of imported goods;
- (2) Trading.

(e) With regard to goods contained in sub-section (b): The commercial tax charged on the import of the goods listed below must not be set off with the commercial tax charged on the proceeds of the sale of said goods. Likewise, the commercial tax charged when purchasing said goods in a trading transaction must not be set off with the commercial tax charged on the proceeds from the resale of said goods. But for the trading transaction on the goods may be set-off in accord with the commercial tax regulations

- (1) Cigarettes
- (2) Tobacco
- (3) Virginia tobacco, cured
- (4) Cheroots
- (5) Cigars
- (6) Pipe tobacco
- (7) Betel chewing preparation
- (8) Various kinds of liquor
- (9) Various kinds of beer
- (10) Various kinds of wine

(f) No commercial tax shall be charged on the services mentioned below.

No.	Kind of Services
1	Service consisting in the renting out of houses
2	Service consisting in the renting out of car parking space
3	Life insurance service
4	Microfinance service
5	Health care service except body fitness
6	Education service
7	Service consisting in the transportation of goods
8	Employment agency service
9	Banking service
10	Customs clearance service
11	Service consisting in the renting out of objects for social functions
12	Contract manufacturing
13	Funeral Services
14	Childcare service
15	Myanmar traditional massage / Massage serviced by the blind.
16	Moving service
17	Service for which a road toll is charged
18	Animal health care service
19	Service consisting in the provision of public toilets
20	Outbound air transport service
21	Service concerning culture and art
22	Public transport service (bus, railway and ferry boats)
23	License fees to be paid to the State organizations

(g) Commercial tax shall be charged at 5 per cent on the revenue from services provided in the country, with the exception of the services contained in sub-section (f).

(h) Commercial tax shall be charged at 5 per cent on the sales proceeds of the building built and sold in the country. A person who builds and sells the building shall be liable to follow the duty and entitled to the rights contained in the Commercial Tax Law and Commercial Tax Regulations.

12. No commercial tax shall be assessed from businesses in the cooperative sector or private sector if their sale proceeds or revenue from services do not exceed the following amounts –

(a) Production and sale in the country of goods which are subject to commercial tax: sale proceeds up to Ks. 20,000,000 (200 lakhs) within one financial year;

(b) Services subject to commercial tax: Services revenue up to Ks. 20,000,000(200 lakhs) within one financial year;

(c) Trading: Sale proceeds up to Ks. 20,000,000(200 lakhs) within one financial year.

13. If any person receives foreign currency for the production and sale of any goods subject to commercial tax, the performance of services subject to commercial tax, or from trading, the amount of commercial tax shall be calculated according to the tax rates stipulated in this law and paid in kyats in accordance with the Commercial Tax Regulations.

14. Any person exporting the following goods shall pay commercial tax on the sale proceeds as shown against the tax rate. The commercial tax assessed while buying and producing the goods may be set off against the commercial tax on the export in accordance with the Commercial Tax Regulations.

No	Types of Goods	Tax Rate
1	Crude oil	5
2	Natural gas	8
3	Teak and hardwood logs and hardwood conversions	50
4	Jade ,ruby ,sapphire, emerald, diamond and other precious stones in uncut forms	15
5	Jade ,ruby ,sapphire, emerald, diamond and other precious stones in cut forms	5
6.	Electrical Power	8

15. The provision of section 14 shall not apply to the determination of the amount of sale proceeds or receipts, which is not taxable.

16. With the exception of the goods contained in section 14 above, the commercial tax assessed on the export of the remaining goods shall be 0%. The commercial tax assessed when buying and producing the goods may be set off with the commercial tax on the export according to the stipulations. Notwithstanding the commercial tax regulations, if the commercial tax assessed for the export is less than the commercial tax assessed when buying and producing the goods, a refund may be demanded. However, this shall not apply to goods that are domestically bought and brought overseas for self-use.

17. Commercial tax at 5 per cent applies for domestic production, importation and selling the aviation jet fuel by the Ministry of Energy.

18. The definition of the expressions contained in chapter 5 of this law shall be the same as in the Commercial Tax Law.



## Chapter 6

### Income Tax

19. (a) The income tax rates to be applied to the income of anyone's income from salary, profession, business and other sources are as follows –

Sr.no	Income schedules for assessing income tax on the remaining income after offsetting it with specified reliefs		Income Tax Rates
	From	to	
	Kyat	Kyat	
a	1	2,000,000	0%
b	2,000,001	5,000,000	5%
c	5,000,001	10,000,000	10%
d	10,000,001	20,000,000	15%
e	20,000,001	30,000,000	20%
f	30,000,001 and above		25%

(b) Notwithstanding the income tax provisions, if any person receives the rental income for renting the land, building and apartments, income tax shall be assessed separately at 10 per cent on the total rental income after deducting the reliefs allowed under section 6 and 6-a of the Income Tax Law. The tax shall not be assessed again by combining with the other income.

20. Income tax shall be assessed, in foreign currency, at 10 per cent on the total income earned abroad of citizens residing abroad before the deduction of relief under section 6 and section 6 (a) Income Tax Law, with the exception of exempted income.

21. If a company is incorporated and registered in Myanmar according to the Myanmar Companies Act or the 1950 Special Companies Act, income tax shall be assessed at 25 per cent on the total net income in kyats earned by this company before deducting the relief under section 6 and section 6(a) of the Income Tax Law.

22. Income tax shall be assessed at 25 per cent on the total income (with the exception of income from salary) of a foreigner residing abroad; the income tax rate shall be the income tax rate under section 19 if the income is from salary; before deducting the relief under section 6 and 6 a of the Income Tax Law.

23. Income tax shall be assessed at 25 per cent on the total net income of a business before deducting the relief under section 6 Income Tax Law if the business operates under a permit issued by the Myanmar Investment Commission.

24. Income tax shall be assessed at 30 per cent on income which has escaped assessment before deducting the relief under section 6 and 6 a of the Income Tax Law. However, if a citizen can show the source of income used for buying, constructing, acquiring any assets, establishing the new business or

expanding the business, the income tax shall be assessed according to the tax rates specified below with regard to the remaining income which has escaped assessment. If he cannot show the source of income, the income tax shall be charged on the income used. No income tax shall be assessed if the source of income can be shown for all the income used. Assessment according to this section shall not apply to the possession or trade of properties obtained illegally or matters in which action is taken under the Anti-Money Laundering Law.

	Income (Kyat)		Income Tax Rate
a	1	100,000,000	3%
b	100,000,001	500,000,000	5%
c	500,000,000	1,000,000,000	10%
d	1,000,000,001	1,500,000,000	20%
e	1,500,000,001 and above		30%

25. Income tax shall be assessed at 25 per cent on the remaining income, after deducting the relief under section 6 of income tax law from the net income of cooperative societies registered and formed under the Cooperative Society Law, with the exception of primary cooperative societies.

26. Income tax shall be assessed at 25 per cent on the total net income of state-owned economic organizations before deducting the relief under section 6 of the Income Tax Law.

27. If a capital gain has arisen from selling, exchanging or otherwise transferring one asset or more than one asset, before deducting the relief under sections 6 and 6 a of the Income Tax Law, on the capital gain in kyats or foreign exchange, *[the following income tax rates apply:]* -

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

Profit	Income tax rate to be assessed
(1) Up to equivalent kyat millions (100,000)	40%
(2) From equivalent kyat millions (100,001) to (150,000)	45%
(3) Equivalent kyat millions (150,001) and above	50%

(b) 10% income tax shall be assessed, in kyats or foreign exchange, on the capital gain of an individual person or a group of persons with the exception of companies participating in Myanmar's oil and gas sector. The tax shall be assessed in the type of currency earned if *[the assessee]* is a foreigner residing abroad.

28. No income tax shall be assessed on a capital gain if the total value of the assets sold, exchanged or otherwise transferred within a year does not exceed kyats 10,000,000 (100 lakhs).

29. If a new small or medium-sized enterprise does not have income in excess of up to kyats 10,000,000 (100 lakhs) for three years in a row, including the year of commencement of the business, the income is exempt from income tax. Income tax shall be assessed on income earned in excess of the threshold.

30. The basic relief according to clauses (1) and (2), sub-section (a), section 6 of the Income Tax Law is an amount equivalent to 20% of the income for each type of income. However, the total basic relief for a year shall not exceed kyats 10,000,000 (100 lakhs).

31. The parent relief is added to the clause (2), sub-section (a), section 6 of the Income Tax. The following reliefs shall be deducted from the total income of the individual contained in clause (2), sub-section (a), section 6 of the Income Tax and the tax shall be computed on the remaining amount of income –

- |                                     |                    |
|-------------------------------------|--------------------|
| (a) for a parent who stays together | Kyats 1,000,000    |
| (b) for a spouse                    | Kyats 1,000,000    |
| (c) for a child                     | Kyats 500,000 each |

32. The income tax is to be calculated in accordance with the provisions contained in section 8 of the Income Tax Regulation if the income (with the exception of a capital gain) is received in a foreign currency. The income tax shall be levied in kyats on citizens and foreigners residing in the country; it shall be levied in the type of currency obtained on foreigners residing abroad.

33. Income specified below is exempt from income tax –

- (a) Up to a total income of kyats 10,000,000 (100 lakhs) received once or repeatedly during the Income year as an award for an arrest under the Narcotic Drugs and Psychotropic Substances Law;
- (b) Up to a total income of kyats 10,000,000 (100 lakhs) received once or repeatedly during the income year as an award for the seizure of illegal materials;
- (c) Reward received together with a medal conferred by the state;
- (d) Income from salary received in foreign exchange by a citizen residing abroad.
- (e) Pension and gratuity received when civil servant retires
- (f) Lottery rewards received from Aung-bar-lay Government Lottery (State Lottery)

34. The definition of the expressions contained in chapter 6 of this law shall be the same as in the Income Tax Law.

## Chapter 7

### Rates of other taxes to be collected

35. The ministries concerned must manage the rate to be collected, exemptions and relief with regards to the taxes specified below in accordance with the existing law-

- (a) Excise tax
- (b) Import license fees
- (c) Myanmar state lottery

- (d) Transportation tax
- (e) Stamp duty
- (f) Customs duty
- (g) Land tax
- (h) Water tax
- (i) Embankment tax
- (j) Forest products tax
- (k) Mineral extraction tax
- (l) Natural pond and lake tax
- (m) Rubber paste tax
- (n) Oil and gas extraction tax
- (o) Mineral tax and gem stone tax
- (p) Communication service tax
- (q) Power generation tax

36. Notwithstanding the provisions in the Myanmar Gemstones Law, the extraction of the gems and Gems and jewel trading shall -

- (a) pay the commercial tax which shall be charged according to sub-section (b), section 11 and section 14 of this law on the sales proceeds of the gems or jewelry in kyats or foreign exchange.
- (b) The provision of sub-section (a) shall not apply to the determination of the amount of sale proceeds, which is not taxable.
- (c) Pay the income tax which shall be charged according to the income tax rate under this law on the total net income received within a year.

## **Chapter-8**

### **Miscellaneous**

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

38. The Union Government shall carry out the following, without getting in opposition to the International agreement which the Union has signed, in order to encourage competition of the domestically-produced goods with the imported goods and to improve the productivity of the domestic agriculture and livestock businesses, which mainly rely on the domestic production, the domestic and foreign investment.

- (a) With regards to the permitted importation amount and the custom duty rates, the Union Government shall support to get the highest rights and reliefs as the other Asean countries do within World Trade and Asean Trade Agreement framework.

(b) The Union Government shall provide the necessary arrangement in accordance with the Custom Law Provisions and Licensing and quota allocation for import and export of goods.

38. The ministries concerned must educate and organize the public so that they pay tax according to the tax assessment law and inform the public of the reliefs and exemptions so that they can be enjoyed in accordance with the law, and recognize dutiful tax payers and arrange for appropriate rewards.

I hereby sign in accordance with the Constitution of the Republic of the Union of Myanmar.

(Sd.) Thein Sein

President

Republic of the Union of Myanmar

2015 – 2016 Financial Year

Taxes of the Union originally earmarked for collection

Sr. No.	The responsible Ministries of the Union Government	Description	2015 –2016 Estimate in million kyats
1		<b>Taxes collected on local production and consumption</b>	2579993.149
	1 Ministry of Home Affairs	Excise duty	917.794
	2 Ministry of Finance	Commercial Tax	2324565.355
	3 Ministry of Commerce	Import License fees	6500.000
	4 Ministry of Finance	State Lottery	30000.000
	5 Ministry of Rail Transportation	Transportation Tax	185300.000
	6 Ministry of Finance	Stamp duty	32710.000
2		<b>Tax on Income and ownership</b>	2135434.645
	1 Ministry of Finance	Income Tax	2135434.645
3		<b>Customs Duty</b>	375000.000
	Ministry of Finance	Customs Duty	375000.000
4		<b>Taxes collected on the extraction and consumption of stateowned</b>	857947.358

			resources	
	1	Ministry of Home Affairs	Taxes collected on land	0.873
	2	Ministry of Agriculture and Irrigation	Water tax	101.023
	3	Ministry of Home Affairs	Embankment tax	0.025
	4	Ministry of Environmental Conservation and Forestry	Tax collected on the extraction of forest materials	1272.937
	5	Ministry of Home Affairs	Tax collected on the extraction of mineral materials	5.150
	6	Ministry of Livestock & Fisheries and rural development	Natural pond and lake tax	1103.800
	7	Ministry of Environmental Conservation and Forestry	Tax collected on rubber paste	0.500
	8	Ministry of Energy	Tax collected on the production of oil and natural gas	306311.050
	9	Ministry of Mining	Mineral tax and gems stones tax	9399.000
	10	Ministry of Communication, information and Technology	Tax collected for telecommunication services	529880.000
	11	Ministry of Electrical Power	The tax collected on the generation of electric power.	9882.000
			Total	5948375.152