

The Law Amending the Income Tax Law
(The Pyidaungsu Hluttaw Law No.36, 2016)

The 13 Waning of Wagaung, 1378, M.E.

31st, August, 2016

The Pyidaungsu Hluttaw hereby enacts this Law.

1. This Law shall be called **the Law Amending the Income Tax Law**.
2. This Law shall come into force commencing from 2016-2017 income year.
3. The expression “Companies’ Circle Tax Office” contained in the Income Tax Law shall be substituted with the expression “Medium Taxpayer Office”.
4. Clause (1) of subsection (t) of section 3 of the Income Tax Law shall be substituted as follows:-

“(1) A person who fails to pay whole or parts of the tax demanded under this law or assessed by the taxpayer together with income tax return within the prescribed period or within the extended period for payment.”
5. In section 5 of the Income Tax Law,
 - (a) clause (3) of subsection (a) shall be substituted as follows:-

“(3) pension, a sum received in commutation of a pension, and gratuity,”
 - (b) Subsection (d) shall be substituted as follows:-

“(d) Where benefits in respect of income tax are prescribed in any laws relating to United Nations, Diplomats, Consulate, International Organizations, Investment and Special Economic Zones and laws relating to Insignia, those benefits shall be enjoyed accordingly. Notwithstanding anything contained in any other existing laws relating to benefits of income tax other than those mentioned in the laws above, the provisions of the Union Taxation Law and the Income Tax Law shall prevail.”
6. The expression “ spouse and children of taxpayer” contained in clause (2) of subsection (a) and subclause (bb) of clause (2) of subsection (c) of section 6 of the Income Tax Law shall be substituted with the expression “ the parents, spouse and children who inhabit with the taxpayer in consistence with provisions of the rule”.
7. In section 8 of the Income Tax law,

- (a) The expression “property” contained in clause (4) of subsection (a) shall be substituted with the expression “rental income of property”
 - (b) The expression “income from salary, income from profession and income property” contained in subsection (b) shall be substituted with the expression “income from profession”.
8. Section 9 of the Income Tax Law shall be substituted as follows:-
9. Whoever shall pay the tax under the head salary in respect of salary, wages, annuity, bonus, reward by him from his employer or any fees or commissions received in lieu of or in addition to any salary and wages.
9. Clause (3) of subsection (b) of section 11 of the Income Tax Law shall be substituted as follows:-
- (3) expenditure incommensurate with the volume of businesses, inappropriate expenditure, expenditure not incurred for the purposes of earning that income.
10. The expression “property” in the side note of section 12 of the Income Tax Law shall be substituted with the expression “rental income of property” and the expression “under the head property” contained in the subsection (a) of section 12 shall be substituted with the expression “under the head rental income of property”.
11. In subsections (a) and (b) of section 16-A of the Income Tax Law, shall be substituted as follows:-
- (a) The tax payable under section 15 shall be the tax due as computed on the estimated total income of that year. Such tax-
- (1) shall be paid in quarterly instalments as prescribed within 10 days from the end of the relevant quarter.
 - (2) if paid as prescribed under clause (1), the tax shall be deemed to be the tax paid within the relevant income year.
- (b) In the case of capital gains, the tax payable on capital gains shall be estimated and paid within 30 days from the date of sale, exchange or any transfer of capital asset by any other means.”
12. Subsection (a) of section 17 of the Income Tax Law shall be substituted as follows:-
- “(a) Any person who has assessable total income in income year or any association of person including companies except religious or charitable institution, whether they make profit for that income year or not, shall send income tax return for that year as prescribed by the regulations within three months from the end of that year. Provided that a person who has income only under the head salary need not send such return.

13. After clause (5) of subsection (a) of section 30 of the Income Tax Law, clause (6) shall be inserted as follows:-

“(6) A person who is allowed to pay income tax by self assessment on his income under this Law”.

14. Subsection (a) of section 31 of the Income Tax Law shall be substituted as follows:-

“(a) If double taxation avoidance agreement, including income tax or the agreement on the exchange of information concerning with the taxation or the agreement for soft loan is concluded with any foreign state or with any international organization, the terms of the said agreements shall be complied with, notwithstanding anything contained in any other provisions of this Law.”

15. Clause (2) of subsection (c) of section 32 of the Income Tax Law shall be substituted as follows:-

“(2) Applied to the Head of Union Territory Revenue Office or Head of Region of State Revenue Office or Head of Medium Taxpayer Office or Head of Large Taxpayer Office, complying with the decision of the head of the respective revenue office.”

16. The expression “Peoples’ Judiciary” contained in section 34 of the Income Tax Law shall be substituted with the expression “the Supreme Court of the Union” and the expression “that judiciary” contained in subsection (d) of section 34 shall be substituted with the expression “that the Supreme Court of the Union.”

17. After subsection (b) of section 37 of the Income Tax Law, subsection (c) shall be inserted as follows:-

“(c) If a taxpayer applies to set-off a refund receivable by him on tax payable under any income tax assessment or to designate that refund as an advance income tax for the current income year, the township revenue officer may allow in accord with the application of the taxpayer.”

18. The expression “the township revenue officer under Section 7” contained in sections 42 and 44 of Income Tax Law shall be substituted with the expression “the township revenue officer”.

19. Subsection (b) of section 44 of the Income Tax Law shall be substituted as follows:-

“(b) right to scrutinize documents and accounts kept by any methods and right to seal and place marks of identification to recognize it and right to make extracts or copies for the whole system or notes from it and right to take video records and photos concerned with the performance of tasks in the course of entry into the premises and inspection thereof under subsection (a)”.

20. After section 44 of the Income Tax Law, section 44-A shall be inserted as follows:-

“44-A. The owner of the premise or legally resident person, who is applied by the authority under subsections (a) and (b) of section 44 shall give necessary assistance to the person or committee, which

has authority under subsections (a) and (b) in the course of entry into premises and inspection thereof.”

21. The expression “a penalty equal to fifty percent of increased the amount of tax on account of the concealment” contained in subsection (b) of section 47 of the Income Tax Law shall be substituted with the expression “a penalty equivalent to the amount of tax payable on account of the concealment”.

22. Section 51 of the Income Tax Law shall be substituted as follows:-

“51. In implementing the provision of this Law-

Power to make rules, regulation,

- (a) The Ministry of Planning and Finance may issue rules and regulations with the approval of the Union Government.
- (b) The Ministry or Planning and Finance may issue notifications, orders, directives and procedures.
- (c) The Internal Revenue Department may issue directives and procedures with the approval of the Ministry of Planning and Finance.

23. Section 55 of the Income Tax Law shall be substituted as follows:-

Service of notices

- “55 (a) A notice or a summons issued under this law may be construed to have been duly served on a person named therein, or on any adult member of that association in the case of an association of persons, or any director or manager or secretary either by post and by electronic means or as if it was a summons in a civil matter issued by a court.
- (b) A notice or summons which is served by post or electronic means in accord with subsection (a) shall be deemed to have been legally served.
- (c) The taxpayer may return the receipt of a notice or summons by the methods as contained in subsection (a).

24. Section 59 of the Income Tax Law shall be substituted as follows:-

“59. Out of tax levied from individuals in each Region or State the proportion prescribed by the Union Government may be transferred to the fund of the respective Region or State.”

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

(Sd.) Htin Kyaw
President
Republic of the Union of Myanmar