

The Law Amending the Income Tax Law
(The Pyidaungsu Hluttaw Law No.15, 2014)
The 9th Waning of Tabaung, 1375, M.E.
(24 March, 2014)

The Pyidaungsu Hluttaw hereby enacts this Law.

1. (a) This Law shall be called **the Law Amending the Income Tax Law**.
(b) This Law shall effect commencing from the financial year 2014-2015.
2. In the Income Tax Law:
 - (a) The expression “Region or State Revenue Officer or Head of the Companies Circle Tax Office” shall be substituted by the expression “Union Territory Revenue Officer or Region or State Revenue Officer or Head of the Companies Circle Tax Office or Head of the Assessee’s Office” respectively.
 - (b) The expression “Income from undisclosed sources” shall be substituted by the expression “Income free from assessment” respectively.
3. In section 3 of the Income Tax Law:
 - (a) Sub-sections (q) and (s) shall be substituted as follows:

“(q) Capital Assets means land, building and rooms thereof, vehicle and property of capital nature related to business. In this expression, share, bond and securities; documents similar as such are also included.

(s) Township Revenue Officer means officer-in-charge of respective Township Revenue Office assigned duty to assess the tax which shall be paid by assessee under this Law and staff officers assigned duty to assess the tax at the Companies Circle Tax Office or the Assessee’s Office.
 - (b) Sub-sections (u), (v) and (w) shall be inserted after sub-section (t) as follows;
 - (u) Securities means securities which is defined in the Securities Exchange Law.
 - (v) Assessment means calculating and assessing the tax by Township Revenue Officer under this Law and being assessed, being assessed temporarily and being assessed within income year by paying tax which shall be paid by the assessee himself with the income declaration in accord with the provisions of this Law are also included.

(w) The Taxation of the Union Law means the Law relating to taxation which shall be submitted to the Pyidaungsu Hluttaw yearly by the Union Government in accord with the provisions of the Constitution of the Republic of the Union of Myanmar.

4. Section 4 of the Income Tax Law shall be substituted as follows:

Causing to pay the income tax

“4. (a) The following income and income tax rate may be determined, amended and inserted by the Taxation of the Union Law for any assessment year:

- (1) assessable total income;
- (2) income tax rates for each class of income;
- (3) assessable income and income tax rates for each class of income received in foreign currency.

(b) When determining , amending and inserting under sub-section(a), it shall cause the income tax to be assessed at the prescribed rates for each class of income upon all persons having assessable total income within income year relevant to such assessment year.”

5. Section 5 of the Income Tax Law shall be substituted as follows:

Exemptions

“5. (a) This Law shall not apply to the following classes of income:

- (1) the income which is received from religious or any charitable institution and which is only spent for religious or any charitable affairs;
- (2) the sum of local authority which is received from taxation;
- (3) the sum converted from pension, compassionate grant which includes in the head of salary;
- (4) compensation received due to death or injury;
- (5) receipt issued for insurance policy;
- (6) income received rarely and not repeatedly. Provided that the followings shall not be included;
 - (aa) the profit from the capital assets;
 - (bb) the income received from any business;
- (7) the dividends of any group of persons after paying the income tax.

(b) (1) It may carry out to grant exemption of the tax, relief and other entitlement related to any person or any type of person who receives any income or any class of income under the Taxation of the Union Law.

(2) The Union Government may grant exemption or relief of income tax or other entitlement related to tax in respect of the following classes of income:

(aa) the income received from local and foreign well-wishers, the donation of international organizations for the local affairs of social, religion, health and education;

(bb) aids provided by local and foreign organization for the State;

(cc) interest paid for the cheap loan received from the State or loan of official development aids;

(dd) property and sum donated by local and foreign organizations when the natural disasters occur;

(c) In respect of any or a small and medium enterprise newly established and based on industry shall be exempted from income tax to the amount of income which is specified and exempted by the Taxation of the Union Law for the period extending to three consecutive years including the year of commencement of business.

(d) If the entitlements regarding to income tax are provided in any other existing law, it shall be entitled in accord with such provision.”

6. In section 6 of the Income Tax Law,

(a) The expression “The Ministry of Finance and Revenue, with the approval of the Union Government, by notification” shall be substituted by the expression “for any assessment year by the Taxation of the Union Law”

(b) Sub- sections (b) and (d) of section 6 shall be deleted.

(c) After section 6, section 6-A shall be inserted as follows:

Sum of donation

“6-A In assessing by computing under sub-section(c)of section 6, the sum donated to any religious or charitable institution or to any fund relevant to such matters sponsored by the different levels of the State organization or recognized by the Ministry of Finance of the Union Government by notification shall be deducted. The amount donated as such shall not exceed twenty five percent of total income of the assessee.

Explanation: Charity means and includes contribution for the benefit of the public such as donation for education health, welfare for the poor and victim of the natural disaster.”

7. In section 8 of the Income Tax Law,

(a) sub-section (b) shall be substituted as follows:

“(a) If the case of income from salary, professional earning, property, business and income from other source, income from each shall be added and assessed on the total income. In the case of other heads of income, income tax shall be assessed separately according to each head of income.”

(b) sub-section (c) shall be deleted.

8. The explanation of section 11 of the Income Tax Law shall be substituted as follows:

“Explanation: Business means and includes:

(a) any business of trade, commerce of production; or business involved in the nature of such business and any services.

(b) in addition, repeatedly buying , exchanging, transferring and investing for interest the securities as an economic business within a year.”

9. Section 14 of the Income Tax Law shall be substituted as follows:

Income free from assessment

“14 Any person shall pay the tax for any immoveable property or moveable property including money which is unable to be disclosed the means of receiving by the head of income exempt from assessment on the value of such property or sum.

The income under this section shall be computed according to the provisions prescribed by the rules.”

10. The expression “wife and unmarried children” contained in section 14-B shall be substituted by the expression “spouse and unmarried children.”

11. Section 16 of the Income Tax Law shall be substituted as follows:

Procedures for paying the tax after deducting from sum disbursed when the income received

“16 (a) In respect of any income pertinent to head of salary, when the sum is disbursed, the responsible person to disburse sum shall deduct the chargeable tax from such sum. In deducting so, it shall cause to pay the chargeable tax by deducting with equal installments whenever possible after estimating and computing the total income of relevant person from such head within a year.

(b) The Ministry of Finance of the Union Government may, with the approval of the Union Government, specify by notification for the purpose of deduction and the payment of the tax in respect of any class of income received under the remaining heads except the head of salary when the sum is disbursed.

(c) The person who deducts the deductible total sum under sub-sections (a) and (b) shall pay to the Union Government according to the time and procedures specified by rules and also abide by all stipulations relevant to this matter.

(d) If any person does not deduct and pay the tax under sub-sections (a) and (b) without cause, he shall be deemed as a defaulter in respect of such tax and taken action. The Ministry of Finance of the Union Government may specify the fine for such default by notification.

Explanation: Under this section, the responsible person to disburse sum means the owner if it is private business and the group of persons if it is business of a group of person. In addition, if it is the organization of the Union Government or local authority, such person is the relevant administration staff responsible to disburse.”

12. After the section 16 of the Income Tax Law sections 16-A and 16-B shall be inserted as follows:

Procedures to pay the tax in prior within income year

“16-A (a) The assessee shall pay the chargeable tax in prior after computing estimate of total sum of his income received within relevant income year in respect of classes of income under the head of remaining income except the classes of income which shall be deducted and paid the tax when the income is received contained in section 16.

(b) The chargeable tax under sub-section (a) shall be paid by installment once on three months according to the prescribed procedures before the expiry of relevant three months.

(c) Sum equivalent to ten percent of the money default to be paid or the deficit shall be paid as a fine if the tax to be paid is not paid or the tax to be paid is less than the chargeable tax in relevant assessment under this section.

16-B The Ministry of Finance of the Union Government may, with the approval of the Union Government, prescribe the procedures to be abided by notification for causing to pay the tax when the income is received or causing to pay the tax in prior within the income year.”

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

“(b) It may inform to examine and assess at any time to produce the documents, accounts and the form of property list which is not included in such accounts to the assessee who has paid the tax within the income year or when the income is received or who has sent the income declaration or who has been summoned the notice to send the income declaration within three years after the expiry of the relevant

assessment year by the Township Revenue Officer. The Ministry of Finance may prescribe property list contained in this sub-section by regulations of income tax.”

14. Sub-section (d) of section 19 of the Income Tax Law shall be substituted as follows:

“(d) The Township Revenue Officer shall assess the income tax based on the documents as much as possible if any person defaults to send the income declaration under sub-section (a) or (b) of section 17 or default to comply the notice under sub-section (b) of this section. The Ministry of Finance may prescribe the measures to assess by notification.”

15. The expression “the Union Government” contained in section 29 of the Income Tax Law shall be substituted by the expression “the Ministry of Finance of the Union Government.”

16. Section 43 of the Income Tax Law shall be substituted as follows:

“43. The Township Revenue Officer, Revenue Officer of the Union Territory or Revenue Officer of the Region or State or Head of Company Circle Tax Office or Head of Assessee's Office and organized body and the person and bodies conferred duty under section 7 shall exercise the rights contained in this Law in accord with the Code of Civil Procedure.”

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

Sd/
Thein sein
President
The Republic of the Union of Myanmar