

The Law Amending the Income-tax Law
(The 2014 Pyidaungsu Hluttaw Law No. 15)
9th Waning of Tabaung 1375 ME
24th 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 come into effect starting 2014-2015 Income Year.
2. The phrases included in the Income Tax Law -
 - (a) The phrase "Region or State Head of Internal Revenue Department or Head of Company Circle Tax Office" shall be replaced respectively with "Pyidaungsu (Union) Area Head of Internal Revenue Department or Region or State Head of Internal Revenue Department or Head of Company Circle Tax Office or Head of Large Taxpayer Office"
 - (b) The phrase "undisclosed sources of income" shall be replaced respectively with "income that has escaped assessment".
3. In the Section 3 of the Income-tax Law -
 - (a) Sub-sections (q) and (s) shall be replaced respectively as follows:

"(q) Capital Asset means any land, building and the rooms thereof, vehicle and any capital asset connected with an enterprise; in this expression, besides share and bond, securities and similar instruments shall also be included.

(s) Head of Township Internal Revenue Department means the personnel-in-charge of respective Township Internal Revenue Department who is assigned to levy tax on taxpayers according to this law and Head of Company Circle Tax Office or Head of Large Taxpayer Office who is assigned to levy tax."
 - (b) After Sub-section (t), Sub-sections (u) (v) and (w) shall be added as follows:

"(u) Securities means securities defined in the Securities Exchange Law.

(v) Assessment means, besides the tax calculated and assessed by the Township Revenue Officer under this law, the assessee himself or herself makes payment for the tax due to him or her together with return of income for assessment or temporary assessment or for assessment within the income year in accordance the provisions of the law.

(w) Pyidaungsu (Union) Revenue Law means the Revenue Law that the Pyidaungsu (Union) Government shall submit to the Pyidaungsu (Union) Hluttaw annually in accordance with the provisions of the Constitution.
4. Section 4 of Income-tax Law shall be substituted as follows:

"4. (a) Regarding any assessment year, the following income and income-tax rates may be specified, amended and added by the Pyidaungsu Revenue Law -

Charge of Income-tax	<ol style="list-style-type: none">(1) assessable total income;(2) rates of income-tax for each class of income;(3) rates of income-tax for each class of income assessable in respect of foreign currency receipts.
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- (b) When stipulating, amending and adding is made under Sub-section (a), the income-tax shall be levied at rates stipulated for each class of income for those who receive assessable total income within the income year relating to assessment year."

5. Section 5 of Income-tax Law shall be substituted as follows:

"5. (a) The following classes of income are exempt from income tax -

Exemptions

- (1) income received by a religious or charitable institution and applied solely for religious or charitable purpose;
 - (2) income of a local authority;
 - (3) a sum received in commutation of a pension, gratuity included under the heading salary;
 - (4) compensation received for death or injury;
 - (5) a sum received from an insurance policy;
 - (6) any receipt of a casual and non-recurring nature excluding the followings:
 - (aa) capital gains;
 - (bb) income from an enterprise;
 - (7) dividends from an association of persons after payment of income-tax.
- (b) (1) In respect of any assessee or any class of assessee or any income or any class of income under the Union Tax Law, tax exemption, tax relief, other benefits in respect of tax may be granted.
- (2) The Pyidaungsu (Union) Government may grant tax exemption or tax relief or other benefits in respect of tax relating to the following classes of income -
- (aa) donors of local and foreign, income received from donations by International Organizations for social, religion, health, education matters domestically;
 - (bb) support provided by local and foreign organizations for the State;
 - (cc) interest paid for the relief loan or official development assistance loan from the Government;
 - (dd) in kind or cash donated by local and foreign organization during the period of natural disaster.
- (c) In respect of any newly established small or medium economic enterprise or any class based on industry, tax exemption shall be granted up to a period of three consecutive years commencing from the year of establishment, up to income amount stipulated and exempted under the Union Tax Law.
- (d) Where benefits in respect of income-tax are prescribed in any other existing law, those benefits shall be allowed accordingly.

6. In Section 6 of the Income-tax Law -

- (a) The phrase "by issuing notification, the Ministry of Finance and Revenue may with the approval of the Union Government" included in the Sub-section (a) shall be substituted with the phrase "regarding any fiscal year, by the Union Tax Law";
- (b) Sub-sections (b) and (d) of Section 6 shall be deleted;
- (c) After Section 6, Section 6-a shall be added as follows:



"6-a In making an assessment under Sub-section (c), contributions to religious or charitable institutions, sponsored by the State or recognized by notification by the Ministry of Finance and Revenue or to a fund relating to the said matter, shall be deducted. But the deductions shall not exceed 25 per cent of the total income of the assessee.

Explanation: Charity means contributions for the benefit of the public such as education, health, relief for the poor and for the persons affected by the natural disaster.

7. In Section 8 of the Income-tax Law –

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

"(b) If it is income from salary, income from profession, income from property, income from business, income from other source, the incomes shall be totaled and tax shall be assessed on the total income. In the case of other heads of income, the tax shall be separately assessed under each head of income.

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

8. Explanation of Section 11 of the Income-tax Law shall be substituted as follows:

"Explanation: Business means -

(a) Any trade business, commercial business or production business or businesses involved in the said businesses by nature are included;

(b) Besides, securities that are purchased, exchanged, transferred recurrently like a business, and investment for purpose of earning interest are also included.

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

"14 The tax shall be payable by any person under the head "Income that has escaped assessment" in respect of any immovable property or movable property including money for which he or she is unable to account for.
Income under this section shall be computed in accordance with the Rules.

10. The phrase "wife or unmarried children" included in Sub-section 14-b of the Income-tax Law shall be substituted with "spouse and unmarried children".

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

"16. (a) Any person responsible for disbursement of payments under the head salary shall, at the time of payment, deduct income-tax on the amount payable. In so deducting, the income of the assessee for the year under the said head shall be estimated, and the tax due thereon shall be deducted in as much equal installments as possible. Provided that if the tax has been deducted in excess or less during the year in which income is received, it may be adjusted in the remaining installment or installments.

(b) Regarding other heads of income apart from the head salary, for the purpose of deducting tax at the time of disbursement, the Ministry of Finance of the Union Government may stipulate by issuing notification under the approval of the Union Government.



- (c) The person who has made a deduction under sub-section (a) and (b) shall pay the amount to the credit of the Union Government within the prescribed period, and shall comply with all the conditions prescribed.
- (d) A person who fails to deduct and pay the tax under sub-section (a) and (b) without sufficient cause shall be deemed to be a defaulter and action will be taken. The Ministry of Finance and Revenue of the Union Government may by notification fix the penalty for that default.

*Explanation---*The person responsible for disbursement under this section means: where the enterprise is owned by an individual the owner himself; and where the enterprise is owned by an association of persons that association itself. In the case of the Union Government or a local authority, the person responsible is the administrative personnel responsible for disbursement of the relevant money.

12. After Section 16 of the Income-tax Law, Section 16-a and 16-b shall be added as follows:

- "16-a (a) Except classes of income that the tax is to be assessed at the time of receiving the income under Section 16, relating to classes of income under remaining heads, the assessee shall pay the tax in advance by calculating the estimate total income of self during the respective income year;
- Procedures for paying advance tax during the income year (b) the tax assessable under Sub-section (a) shall be paid quarterly in installment according to the procedure before ending of respective three months;
- (c) if there is default to make tax payment under this Section, or the tax to be paid is lesser than the tax payable under respective assessment, a penalty equivalent to ten percent of the tax in default or of the amount short shall be paid.

16-b. The Ministry of Finance of the Union Government may, by issuing notifications under the approval of the Union Government, stipulate the procedures to comply for paying tax at the time of receiving income or paying advance tax within the income year."

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

"(b) The Township Revenue officer may give notice to a person at any time who has already paid tax at the time of receiving income or a person who has filed the return of income or a person who has been sent notice by the Township Revenue Office to file return of income within three years after the assessment year, to produce supporting evidence, accounts, and a list of property not included in the accounts. Examination and assessment may be carried out. The Ministry of Finance may prescribe Income-tax Regulations on list of property under this Sub-section."

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

"(d) Any person who fails to file the return of income under sub-section (a) or sub-section (b) of section 17 or who fails to comply with the requirements of the notice given under sub-section (b) of this section shall be assessed by the Township Revenue Officer on the basis of available supporting evidence. By issuing notifications, the Ministry of Finance may prescribe procedures in order to perform such assessment."

15. The phrase "Union Government" included in Section 29 of the Income-tax Law shall be substituted with the phrase "The Ministry of Finance, Union Government".

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

"43. A Township Revenue Officer, Head of Union Area Revenue Office or Region or State Revenue Officer or Head of the Company Circle Tax Office or Head of Large Taxpayer Office and any committee organized under section 7, Personnel and Committee delegated shall exercise the powers vested under this law in accordance with the Code of Civil Procedure."

I hereby sign according to the Constitution of the Republic of the Union of Myanmar.

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

The above is translation
of original document.

U Aye Maung
12-10-17

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