

Republic of the Union of Myanmar
The Pyidaungsu Hluttaw
The Union Taxation Law 2021
(The Pyidaungsu Hluttaw Law 6/2021)
Full Moon Day of Tawthalin, 1383 ME
(20 September 2021)

The Pyidaungsu Hluttaw hereby enacts this Law.

Chapter I

Title, Date of Enforcement and Definitions

1. (a) This Law shall be cited as the **Union Taxation Law 2021**.
- (b) This Law shall be in force from 1 October 2021 to 30 September 2022.
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 National Unity Government under the provisions of this Law.
 - (b) **Law** means the corpus of laws promulgated for the purpose of the collection of taxes for the Union.
 - (c) **Government** means the National Unity Government of the Republic of the Union of Myanmar
 - (d) **Ministry concerned** means the Union Ministries of the National Unity Government responsible for the collection of taxes for the Union.
 - (e) **Budget Law** means the Union Budget Law and the Supplementary Appropriation Law promulgated yearly.
 - (f) **Tax rate** means tax rates prescribed for the collection of taxes collected for the Union by the National Unity Government.

Chapter II

Revenue Estimate for Collection

3. The tax revenue of the Union under the Budget Law for the relevant financial year is as estimated for collection in Schedule 1 of this Law.

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 the collection by tax rates prescribed in this Law.
5. The Government shall, if desirous to amend, add or substitute the tax rates of this Law, submit to the Pyidaungsu Hluttaw to enable discussion and decision.

6. The Ministry of Planning, Finance and Investment shall compile the tax collection data and shall submit a quarterly report with comments to the Government.

7. The Government shall submit a six-monthly report on the 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 concerned may issue notifications, orders, directives and procedures without altering the original meanings of the provisions if so required to aid knowledge, clarity and compliance with the provisions regarding the specific goods tax, commercial tax, income tax and tax on gemstones in this Law.

10. The Ministry concerned may seek assistance from the President of the Union, the National Unity Government, the Pyidaungsu Hluttaw, the Union Ministries and the Auditor General of the Union in order to receive necessary information and aids for payment of taxes by taxpayers in accordance with the Law.

Chapter V

Specific Goods Law

11. Under Section 6 of the Specific Goods Law, the schedules annexed to the said Law are prescribed as follows:

Types of specific goods and rates

- (a) In respect of the specific goods in the following schedule, the specific goods tax shall be levied 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 Ministry of Planning, Finance and Investment based the on market price, whichever is higher;
 - (ii) If the specific goods unspecified on the pricing tier are produced and sold domestically, on the sale price specified by the Ministry of Planning, Finance and Investment.

Exception — The Ministry of Planning, Finance and Investment 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 allow competition 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 cigarettes	up to the sale price of 700 kyats for a pack of 20 cigarettes	10 kyats per cigarette

	(b) Various types of cigarettes	between the sale price of 701-900 kyats for a pack of 20 cigarettes	19 kyats per cigarette
	(c) Various types of cigarettes	between the sale price of 901-1100 kyats for a pack of 20 cigarettes	24 kyats per cigarette
	(d) Various types of cigarettes	the sale price of 901 kyats and above for a pack of 20 cigarettes	27 kyats per cigarette
2	Tobacco		60%
3	Cured Virginia tobacco		60%
4	Cheroot		1 kyat per cheroot
5	Cigar		80%
6	Pipe tobaccos		80%
7	Various types of betel-chewing preparations		80%
8	(a) Various types of liquor	between the sale price of 200-1200 kyats per litre	190 kyats per litre
	(b) Various types of liquor	between the sale price of 1201-2300 kyats per litre	500 kyats per litre
	(c) Various types of liquor	between the sale price of 2301-3400 kyats per litre	855 kyats per litre
	(d) Various types of liquor	between the sale price of 3401-4600 kyats per litre	1200 kyats per litre
	(e) Various types of liquor	between the sale price of 4601-5800 kyats per litre	1560 kyats per litre
	(f) Various types of liquor	between the sale price of 5801-7000 kyats per litre	1920 kyats per litre
	(g) Various types of liquor	between the sale price of 7001-8200 kyats per litre	2280 kyats per litre
	(h) Various types of liquor	between the sale price of 8201-9400 kyats per litre	2640 kyats per litre
	(i) Various types of liquor	between the sale price of 9401-10600 kyats per litre	3000 kyats per litre
	(j) Various types of liquor	between the sale price of 10601-11800 kyats per litre	3360 kyats per litre
	(k) Various types of liquor	between the sale price of 11801-13000 kyats per litre	3720 kyats per litre
	(l) Various types of liquor	between the sale price of 13001-14200 kyats per litre	4230 kyats per litre
	(m) Various types of liquor	between the sale price of 14201-15400 kyats per litre	4610 kyats per litre
	(n) Various types of liquor	the sale price of 15401 and above per litre	60% of the price of a litre
9	Various types of beer		60%
10	(a) Various types of wine	between the sale price of 1 to 850 kyats per litre	92 kyats per litre
	(b) Various types of wine	between the sale price of 851 to 1600 kyats per litre	280 kyats per litre
	(c) Various types of wine	between the sale price of 1601 to 2350 kyats per litre	465 kyats per litre
	(d) Various types of wine	between the sale price of 2351 to 3100 kyats per litre	653 kyats per litre

	(e) Various types of wine	between the sale price of 3101 to 3850 kyats per litre	839 kyats per litre
	(f) Various types of wine	between the sale price of 3851 to 4600 kyats per litre	1025 kyats per litre
	(g) Various types of wine	between the sale price of 4601 to 6100 kyats per litre	1304 kyats per litre
	(h) Various types of wine	between the sale price of 6101 to 7600 kyats per litre	1676 kyats per litre
	(i) Various types of wine	between the sale price of 7601 to 9100 kyats per litre	2049 kyats per litre
	(j) Various types of wine	between the sale price of 9101 to 11500 kyats per litre	2421 kyats per litre
	(k) Various types of wine	between the sale price of 11501 to 13600 kyats per litre	2979 kyats per litre
	(l) Various types of wine	between the sale price of 13601 to 16600 kyats per litre	3724 kyats per litre
	(m) Various types of wine	the sale price of 16601 and above per litre	50% of the price a litre
11	Logs and different types of timber		5%
12	(a) motor vehicles with an engine size of 1501 to 2000 ml, including vans, saloons, sedans, estate wagons, coupes but exempting double-cab four-door pickups and electric vehicles		10%
	(b) electric vehicles, motor vehicles with an engine size of 2001 to 4000 ml, including vans, saloons, sedans, estate wagons, coupes but exempting double-cab four-door pickups.		15% for electric vehicles, 30% for petrol and diesel vehicles
	(c) electric vehicles, motor vehicles with an engine size 4001 ml and above, including vans, saloons, estates, coupes but exempting double-cab four-door pickups.		25% for electric vehicles, 50% for petrol and diesel vehicles
13	Kerosene, petrol, diesel, jet fuel		5%
14	Natural gas		8%

- (b) Goods imported by temporary admission or drawback system in accordance with customs procedures, if not exported within the specified period of time, shall be liable to the specific goods tax previously exempted under the said procedures.

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

Chapter VI

Commercial Tax

14. No commercial tax shall be charged while this Law is in force so as to alleviate the hardship on the public imposed by the coronavirus disease 2019 (COVID-19) pandemic and by the actions of the illegal military council.

Chapter VII

Income Tax

15. (a) No income tax shall be levied on any person who receives an annual income of up to 12 million kyats. If requested, the Ministry of Planning, Finance and Investment shall issue an evidentiary document of such an exemption in accordance with stipulations.
- (b) If a person earns an annual income in excess of 12 million kyats, the income tax shall be charged on the whole amount of that annual income.
- (c) In order to alleviate the hardship imposed on the public by the coronavirus disease 2019 (COVID-19) pandemic and by the actions of the illegal military council, if a person earns an annual income in excess of 12 million kyats or if the income is from professional business, enterprise and other sources, the tax rates to be levied on any such person according to the income bracket on the remaining income after setting off reliefs under Section 6 and Section 6 (a) 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.	2,000,000	20,000,000	5 per cent
iii.	20,000,000	50,000,000	10 per cent
iv.	50,000,000 and above		15 per cent

- (d) Income tax shall be levied separately at ten per cent on the remaining income of any person after deducting reliefs from the total annual income received from leasing land, buildings and apartments under Section 6 and Section 6 (a) of the Income Tax Law. The tax shall not be levied again in combination with any other income. In the case of state-owned enterprises and businesses, companies and cooperative societies operating with the permission of the Myanmar Investment Commission, the income tax shall be levied at the specific tax rates prescribed according to the type of such entities.
- (e) If the entity is a partnership, income tax shall be levied with the income tax rates contained in the subsection (c) after setting off the reliefs under Section 6 and Section 6 (a) 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 any type of income.

16. The basic relief shall, under clauses (i) and (ii) of the subsection (a) of Section 6 of the Income Tax Law, be an equivalent amount to 20 per cent of the income for each type of income. Notwithstanding this provision, the total basic relief for a year shall not exceed 10 million kyats.

17. According to clauses (i) and (ii) of the 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 tax shall be levied on the remaining amount of income:

- | | | |
|-----|-----------------------|----------------------|
| (a) | for a lived-in parent | 2,000,000 kyats each |
| (b) | for a single spouse | 2,000,000 kyats |
| (c) | for a child | 1,000,000 kyats each |

18. Income tax shall be levied at 5 per cent on the total income earned abroad in foreign currency except for the exempted heading of non-resident citizens before deducting the relief under Section 6 and Section 6 (a) of the Income Tax Law.

19. (a) In order to promote the recovery and development of enterprises and investors adversely affected by the coronavirus disease 2019 (COVID-19) pandemic and by the actions of the illegal military council, income tax shall be levied at 10 per cent on the total net profit before deducting the reliefs under Section 6 but after deducting relief from Section 6 (a) of the Income Tax Law for the following types of taxpayers:

- (i) a company that is registered and established in Myanmar under the Myanmar Companies Act or the Special Companies Act 1950;
- (ii) other income except that under the salary heading of a non-resident foreigner
- (iii) a business operating with the permission issued by the Myanmar Investment Commission;
- (iv) State-owned economic organisations.

(b) In order to promote the recovery and development of enterprises adversely affected by the coronavirus disease 2019 (COVID-19) pandemic and by the actions of the illegal military council, income tax shall be levied at 10 per cent on the remaining income after deducting reliefs under Section 6 and Section 6 (a) of the Income Tax Law from the net profit of cooperatives societies except the basic cooperative society.

20. If a foreigner is non-resident, the reliefs under section 6 and section 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 the total income at the tax rates in section 15 (c) of this Law.

21. Income tax shall be levied at the rates in section 15 (c) on the remaining income after deducting reliefs under section 6 and section 6 (a) of the Income Tax Law from the net profits of the basic cooperative societies registered and formed under the Cooperative Society Law.

22. For capital gains arising 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 section 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 shows against the capital gains specified as follows if the company operates in the oil and gas sector of Myanmar,

	Capital gains	Income tax rate to be paid
(i)	up to the equivalent of 100, 000 million kyats	40 per cent
(ii)	from equivalent of 100,000 to 150,000 million kyats	45 per cent
(iii)	above 150,000 million kyats	50 per cent
(b)	the income tax shall be levied at 10 per cent in kyats or foreign currency on the capital gains of an individual person or an association of persons except the companies extracting and operating in the oil and gas sector of Myanmar. The tax shall be paid in the type of currency earned if the taxpayer is a non-resident foreigner.	

23. 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 20 million kyats even though the capital gains arose from the asset.

24. In order to promote the recovery and development of enterprises adversely affected by the coronavirus disease 2019 (COVID-19) pandemic and by the actions of the illegal military council, exemption of income tax shall be allowed up to 20 million kyats on the annual net profits for three consecutive years inclusive of the year of commencement of business for small and medium businesses excepting those involved in the extraction of natural resources. If the income exceeds the aforesaid amount, the income tax shall be levied on the excess amount.

25. If the income is earned in a foreign currency for a heading other than the heading of capital gains from assets, the income tax shall, in accordance with the provisions of the regulation 8 of the Income Tax Regulations, be calculated, on such income and the income 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.

26. (a) Income tax shall be exempted on any of the following incomes or types of incomes:
- (i) total income from the cash award programme on seizures under the Narcotic Drugs and Psychotropic Substances Law, whether received as a single lumpsum or as multiple rewards;
 - (ii) total income from the cash award programme on seizure of illegal properties, whether received as a single lumpsum or as multiple rewards;
 - (iii) rewards received along with titles, honours and medals conferred by the State;
 - (iv) income of a citizen residing abroad under the salary heading, earned in foreign currency;
 - (v) winnings from the Aung Lan Lwint Chi Spring Lottery
 - (vi) pension and gratuity received on retirement
 - (vii) rewards from the State given for archaeological finds
- (b) The Ministry of Planning and Finance may exempt or relieve the income tax for the following matters with the approval of the Government:
- (i) income tax matters relating to the businesses operated with the donations or funds provided by domestic and international organisations to the Union;

- (ii) income tax matters related publicly traded companies for the development of the market for stocks and shares.

27. The meaning of expressions in the chapter VII of this Law shall have the same meaning defined in the Income Tax Law.

Chapter VIII

Tax on Gemstones

28. Under section 38 of the Myanmar Gemstone Law, proceeds from the sale of gemstones specified in the table below shall be liable for tax on the actual sale price, or on the sale price determined by the Myanma Gem Enterprise, whichever is higher, at the tax specified against the description. Tax collected shall be entered to a bank account specified by the Government.

Sr No	Description of gemstones	Tax rate
1	Jade, ruby and other precious stones except diamonds and emerald, finished in cut forms; and jade, ruby and other precious stones except diamonds and emerald finished in cut form and fitted in jewellery.	5 per cent
2	Finished goods made of gemstones	5 per cent

Chapter IX

Other Tax Rates to be Collected

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

- (a) excise tax;
- (b) licence fees, permit fees for imports;
- (c) Aung Lan Lwint Chi Spring Lottery
- (d) fees for vehicle, driving licence and business licences
- (e) court fees and stamp duty
- (f) licence fee for tour licence, hotel and guest house licence, tour guide business licence
- (g) customs duty;
- (h) land revenue;
- (i) water tax;
- (j) embankment tax;
- (k) tax on production of forest materials;
- (l) tax on production of minerals (excluding minerals for raw industrial materials and decorative stones)
- (m) tax on fisheries;

- (n) tax on production of oil and gas;
- (o) tax on minerals and gemstones;
- (p) tax on communication services;
- (q) electricity charges received free of charge from production of electricity from water resources;
- (r) fees collected for use of previously unused and uncultivated lands.

Chapter X

Miscellaneous

30. In spending the revenue raised through voluntary participation of the taxpaying public, the Government shall prioritise expenditures on health, education, social welfare, welfare of the older people and children, and humanitarian assistance so as to mitigate the devastation brought on the people by the effects of the coronavirus disease 2019 (COVID-19) and by the actions of the illegal military council.

31. The Government may, by notification, form supporting teams for tax collection.

32. The Government shall, without contravening the international agreements signed by the State, and in order to promote competition in the sale of domestic and imported goods; to promote domestic agriculture and animal husbandry; and to promote long-term benefit from domestic and foreign investment, carry out the following:

- (a) secure maximal rights and reliefs in terms of permitted amount of imports and customs duty rates within the frameworks set by World Trade Organization, World Customs Organization and the ASEAN Free Trade Agreement as the case may be with other countries within the ASEAN region;

- (b) make necessary arrangements in accordance with the provisions of the laws relating to customs and procedures on granting of imports, exports and allocation of quotas.

33. (a) The Ministry of Planning, Finance and Investment shall notify the public on lawful tax reliefs and exemptions; calculate and apply tax reliefs; and make arrangements to show recognition of revenue collectors and taxpayers;

- (b) The Ministry of Planning, Finance and Investment may, in accordance with the financial procedures, and with the approval of the Government, permit as current expenditure in the Union Budget Law in implementing the matters specified in subsection (a) for effective reform of the tax system.

- (c) The Ministry of Planning, Finance and Investment may, in accordance with the financial procedures, use the expenditure under subsection (b) to reward civil servants who fulfil their duties in tax collection.

34. Notifications, orders, directives and procedures issued under previous annual Union Taxation Laws shall remain in force as long as they are not in contravention of the provisions of this Law.

Schedule 1**Provisional Estimated Tax Revenue of the Union**

(in million kyats)

Sr No	Description	2022 estimate
1	Commercial tax	0
2	Specific Goods Tax	415,082
3	Tax on gemstones	1,155
4	Aung Lan Lwint Chi Spring Lottery	101,440
5	Income tax	926,228
	Total	1,443,905