



Republic of the Union of Myanmar
National Unity Government
Ministry of Planning, Finance and Investment

PRESS RELEASE

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The Committee Representing the Pyidaungsu Hluttaw passed the Union Taxation Law on 20 September 2021. The key provisions of this taxation law for the fiscal year 2021/22 are:

- **Emphasis on humanitarian and supportive expenditure:** In recognising the unprecedented challenges facing the country stemming from the attempted coup by the leadership of the armed forces and from the COVID-19 pandemic, the legislation stipulates that tax revenues raised would be earmarked for health, humanitarian relief and assistance, education, and on measures to assist the most vulnerable in our society. This provision is intended to help ease the hardship experienced by the long-suffering people of Myanmar. [Section 30]
- **Commercial tax** is suspended for the tax year. Many Myanmar businesses and responsible overseas investors are struggling even to continue operations in the face of the military council's irresponsible and reckless actions and economic incompetence. This relief is intended to aid those businesses while denying revenue to the military council. This provision also removes the 5 per cent sales tax imposed on transactions. As the vast majority of transactions are made by ordinary citizens going about their daily lives (eg paying for a meal, buying clothes, making phone calls), this relief is to ease the tax burden on them and to provide stimulus to economic activity. [Section 14]
- **Personal income tax threshold** is lifted from K 4.8m to K 12m. Anyone earning less than a yearly income of K 12m (US\$ 6000, €5200) will no longer have to pay personal income tax. This is intended to provide relief for lower- and middle-income taxpayers. [Sections 15(a) and (b)]
- **Income tax brackets** are simplified with tax brackets reduced from six to four with the rate for the top-earners reduced to 15 per cent from 25 per cent. As the nation looks to rebuild, the economy will have to rely on entrepreneurs, wealth creators and support from Myanmar nationals overseas. This reform is intended to recognise their important contribution. [Section 15(c)]

- **Tax amnesty** is abolished. The National Unity Government embodies openness, transparency and accountability. Previous tax laws passed by successive governments adopted a pragmatic approach of allowing undisclosed income to be regularised by paying a higher tax rate of 6-30 per cent. It will no longer be appropriate to offer a legal loophole to legitimise income which may not be generated lawfully. [Section 25 under previous tax laws]

- The National Unity Government has already outlawed export of timber, timber-related products and gemstones. Such products must be subject to a national tax policy which resonates with the principles of federal democracy. The government shall not make unilateral decisions without involvement of the local communities. Reference to export of such products is removed from the tax law as it is now redundant.

- Taxpayers in Myanmar and abroad will be able to pay tax through self-assessment using a secure online platform which will generate a unique identification number (UID) that is known only to the taxpayer. After successful restoration of freedom and democracy in the country, the taxpayers should be able cite the UID to obtain further special tax relief. The government will implement measures to recognise and incentivise the taxpayers' act of civic responsibility.

- The following webpage can be used to begin paying the tax:
 - **ird.nug-mm.net**

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