

EXPATRIATES

Myanmar

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

The Myanmar tax system is applicable for both resident and non-residents.

A Tax Resident is an individual who resides in Myanmar for 183 days or more during income year (1st April to 31st March).

A Non-resident is an individual who resides in Myanmar for less than 183 days during income year.

Both resident and non-residents in Myanmar are liable for Personal Income Tax ("PIT") on salary income received from employer.

For tax residents, PIT to be paid shall be determined based on taxable worldwide income whereas non-residents are taxed only on source of income from Myanmar. PIT is withheld in accordance with progressive rates which are the same for both residents and non-residents falling within the range of 0% to 25%.

PIT Compliance

The employer is responsible for withholding the PIT payable amount from salaries at the time of payment and remits the tax to Internal Revenue Department on monthly basis. The employer is also required to submit annual filing within three months after the end of each Financial Year.

Salary income includes salary, wages, annuity, bonus and awards, and any fees or commissions received in lieu of or in addition to any salary and wages. Pensions and gratuities are exempted from PIT.

Tax Relief

The Myanmar tax system provides for the following forms of tax relief for a filer:

- Basic allowance which is 20% of annual income and capped at MMK 10,000,000.
- Allowance (MMK 1,000,000) in respect of the spouse who is dependent or receives non-taxable income and living with taxpayer.
- Allowance (MMK 500,000 per head) in respect of the children living with taxpayer but must meet certain criteria.
- Allowance (MMK 1,000,000 per head) in respect of dependent parent living with taxpayer.
- Premium paid for the life insurance of taxpayer and his/her spouse.
- Social security contributions ("SSC") made by employees.

Income tax Rates (In MMK)

Limit (in MMK)	Tax Rate
1 - 2,000,000	0%
2,000,001 - 10,000,000	5%
10,000,001 - 30,000,000	10%
30,000,001 - 50,000,000	15%
50,000,001 - 70,000,000	20%
70,000,001 and above	25%

Social security contribution

Responsible Party	Monthly Income (in MMK)	Tax Rate	Monthly Contribution (in MMK)
Employee	Capped at 300,000	2%	Capped at 6,000
Employer	Capped at 300,000	3%	Capped at 9,000

For further information and to register for future updates contact expat@bdo.global

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