

KPMG Myanmar Tax Alert

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Update on income tax and commercial tax regulations

The Ministry of Planning, Finance and Industry announced the notification 56/2020 and notification 62/2020 to amend the regulations of commercial and income tax.

Notification 56/2020 on Commercial Tax

The notification issued on 15 May 2020 removes section 42(d) of commercial tax regulations from fiscal year of 2019-2020.

Section 42(d) of the commercial tax regulations provided that the input commercial tax incurred on capital assets would not be available for offset against with output commercial tax due. The removal of section 42(d) means the input commercial tax incurred on capital asset shall be offset against with output commercial tax due on the business activities.

Notification 62/2020 on Income Tax

The above notification issued on 10 June 2020 amends the sections 11, 13 and 14 of the income tax regulations from 2019-2020 fiscal year, which would bring about the following changes:-

- Changes to allow the assessments to be undertaken by township tax offices, Medium Taxpayer Office or the Large Taxpayer Office;
- Depreciation rate of capital items not prescribed under previous regulations may be depreciated at 5% and intangible assets and low valued capital asset depreciation rates would be set by additional announcements (not released as yet); and
- Extension of tax payment timelines to 15 days (previously 7days) for personal income tax, withholding tax and delivering of information to the Internal Revenue Department.

How can KPMG help

KPMG can assist in advising on how best to apply for and utilise the above amendments. Please feel free to reach out to our professionals to discuss how these changes would impact your businesses.

About Myanmar Tax Alerts

KPMG Myanmar Tax Alerts highlight the latest tax and regulatory developments, impending changes to law or regulations, current practices and potential problem areas that may impact your company. As certain issues discussed herein are time sensitive, it is advisable to make your plans accordingly.



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