

# GMS Flash Alert

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## Oman – Plans Move Forward to Introduce the Personal Income Tax Regime

Oman’s Shura Council advanced the draft Personal Income Tax (PIT) bill to the State Council on 27 June 2024. While the State Council is yet to approve the bill, according to news reports<sup>1</sup>, it proposes PIT rates between 5 percent and 9 percent for Oman-sourced income above USD 100,000 for foreign nationals and net income above USD 1,000,000 for Omani citizens.<sup>2</sup> The details and timing of implementation are yet to be officially confirmed.

### WHY THIS MATTERS

Businesses and individuals in Oman may wish to consider the possible implications of the introduction of PIT. While the bill has not yet been officially promulgated as law, employers should examine their current capabilities to operate payroll withholdings for employees and facilitate payroll reporting obligations should PIT be introduced. HR teams could begin looking at their talent attraction and retention strategies in light of the changing landscape.

Individuals in Oman may wish to consider the impact PIT could have on them, such as potential tax liabilities and personal tax compliance obligations, as this could affect decisions around taking assignments and assignment timing and planning.

### Context

PIT on high-income earners in Oman is outlined in the Medium-Term Fiscal Plan 2020-2024 as one of the four measures aimed at diversifying and enhancing government revenues. Oman’s current tax regime already includes Corporate Income Tax (CIT), Value Added Tax (VAT), and Excise Tax.<sup>3</sup> The Oman State Budget for the financial year 2024 estimates collections of OMR 630 million from CIT and OMR 645 million from VAT and Excise Tax.

Implementation of PIT is expected to increase tax collections and, as a consequence, the non-oil and gas revenues accruing to the Oman Treasury.

## KPMG INSIGHTS

Taxpayers with concerns about the timing and nature of the PIT measures being examined by the State Council should consult with their usual qualified tax professionals or with a member of the Oman tax team with KPMG in the Lower Gulf (see the Contacts section).

KPMG in the Lower Gulf will monitor the situation and endeavour to keep readers of *GMS Flash Alert* informed as developments occur.

### FOOTNOTES:

1 For a press report (in English), see "Majlis A'Shura approves Personal Income Tax bill" in *Muscat Daily* (29 June 2024) at: <https://www.muscatdaily.com/2024/06/29/majlis-ashura-approves-personal-income-tax-bill/> . Please note that by clicking on this link you are leaving the KPMG website for an external site (non-governmental, non-KPMG), that KPMG is not affiliated with nor does KPMG endorse its content. The use of the external site and its content may be subject to the terms of use and/or privacy policies of its owner or operator.

2 See this press report, M. Singh, "Oman pushes forward with personal income tax framework" in *Gulf Business* (3 July 2024), by clicking [here](#). Please note that by clicking on this link you are leaving the KPMG website for an external site (non-governmental, non-KPMG), that KPMG is not affiliated with nor does KPMG endorse its content. The use of the external site and its content may be subject to the terms of use and/or privacy policies of its owner or operator.

3 For an overview of the Omani tax regime (in terms of individuals), see the KPMG International publication, "[Taxation of International Executives: Oman](#)."

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### RELATED RESOURCE

This article is excerpted, with permission, from "[Oman Shura Council advances the Personal Income Tax bill to the State Council](#)," a publication of the KPMG Lower Gulf.

OMR 1 = EUR 2.3258  
OMR 1 = USD 2.599  
OMR 1 = SAR 9.748  
OMR 1 = GBP 1.97

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Oman:



**Pranav Shah**  
**Head of People Services**  
Tel. +971 4 356 9866  
[pshah27@kpmg.com](mailto:pshah27@kpmg.com)



**Keelin Kane**  
**Manager, People Services**  
Tel. +971 4 403 0301  
[kkane2@kpmg.com](mailto:kkane2@kpmg.com)

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