

**The Law Amending Commercial Tax Law
(The 2011 Pyidaungsu Hluttaw Law No. 3)**

2nd Waxing of Thadingyut 1373 ME

(29 September, 2011)

The Pyidaungsu Hluttaw hereby enacts the following law.

1. This law shall be called the Law Amending the Commercial Tax Law.
2. This law shall come into effect starting 2011-2012 fiscal year.
3. The phrase “State or Division Head of Internal Revenue Department shall be replaced with “Region or State Head of Internal Revenue Department” or “Head of Corporation Tax Office”.
4. In the Section 3 of the Commercial Tax Law—
 - (a) The phrase in sub-section (d) “Union government” shall be replaced with the phrase “Ministry of Finance and Revenue in accordance with Section 6”.
 - (b) The sub-section (e) shall be substituted with following paragraph:
“(e) Sales revenue means money earned or to be earned for selling commodities in cash or on credit or other suspended payment system or pre-sale system. If it is exchange of commodities, it means fixed price of commodities in exchange. The phrase also covers value of wrapping materials used for packing commodities.”
 - (c) After the sub-section (p), sub-section (q) shall be inserted as follows:-
“(q) Head of Township Internal Revenue Department according to this law means the personnel-in-charge of respective township

Internal Revenue Department who is assigned to levy tax on taxpayers. The phrase also covers staff officers of Corporation Tax Office who are assigned to levy tax.”

5. The phrase “services revenue” in Section 7 of the Commercial Tax Laws shall be substituted with “customer service”.
6. In Section 8 of the Commercial Tax Law-
 - (a) The phrase “the Union government” shall be substituted with the phrase “The Ministry of Finance and Revenue under the agreement of Union government”.
 - (b) The phrase “three years in a row commencing from the starting year”
in sub-section c ii shall be substituted with the phrase “36 consecutive months starting from date of commercial production”.
7. The phrase “taxable” in sub-sections (a) and (b) of the Section 11 of the Commercial Tax Law shall be cancelled.
8. In Section 14 of Commercial Tax Law,
 - (a) The sub-section (c) shall be substituted as follows:-
“(c) If the head of the Township Internal Revenue Department cannot calculate the accurate amount of sales revenues or services revenue from the accounts of taxpayer, he or she shall examine other evidences and levy tax.
 - (b) The sub-section (d) shall be inserted after the sub-section (c) as follows:-
“(d) If the tax payer fails to submit annual financial report or accounts or fails to appear, the head of the township Internal

Revenue Department can levy tax based on collected data. Before levying tax, he or she can investigate anyone and demand any information necessary.”

9. The sub-section (a), (b), (c) and (d) of section 15 of the commercial tax laws shall be substituted as follows:

- “(a) person who will leave country for good
 (b) person who ceases to carry on his/her business
 (c) person who organizes entertainment

10. In the Section 19 of the commercial tax law,

- (a) the sub-section (a) shall be substituted as follows:-

“(a) If the tax payer is not satisfied, he or she may appeal to—

- (1) Head of Region or State Internal Revenue Department or Head of Corporation Tax Office if the amount of tax is more than K30000;
- (2) Tax Appellate Tribunal if the amount of tax is more than K100,000 which is the decision of Head of Region or State Internal Revenue Department or Head of Corporation Tax Office;
- (3) Supreme Court of the Union for legal affairs resulted from the decision of the Tax Appellate Tribunal.”

- (b) The sub-section (f) shall be substituted as follows:

“(f) The decision of the head of the township Internal Revenue Department or head of Corporation Tax Office must be the final if the tax amount is not more than K 30,000 the decision of the lead of Region/State IRD must be the final if the tax amount is less than K 100,000 and the decision of the Tax Appellate Tribunal

must be the final for the tax of more than K 100,000 without legal affairs.

11. In the Commercial Tax Law,
 - (a) the phrase in the Section 21 “not more than 10 per cent of the money shall be payable as a fine” shall be substituted by the phrase “equal to 10 per cent of the money shall be payable as a fine”.
 - (b) the phrase in the Section 21 (a) “Union Government” shall be substituted with the phrase “the Ministry of Finance and Revenue of the Union phrase”; the phrase “not more than 10 per cent of the tax shall be payable as a fine” shall be substituted with the phrase “equal to 10 per cent of the tax shall be payable as a fine”.
12. In the Section 22 of the Commercial Tax Law,
 - (a) the phrase in the Sub-section (a) (iii), “can carry with it up to a one-year prison sentence and/or fines up to K5,000” shall be substituted by the phrase “can carry with it not more than one-year prison sentence and/or not more than K100,000”.
 - (b) the phrase in the Sub-section (b) “can carry with it up to three-year prison sentence and/or fines up to K10,000” shall be substituted by the phrase “can carry with it up to not more than three-year prison sentence and/or fines not more than K300,000”.
13. The Sub-section (a) of the Section 27 of the Commercial Tax Law, shall be substituted by the following paragraph:

“(a) if foreign exchange income is earned from trading a good or providing a service, foreign exchange tax rate may be imposed on the foreign exchange income.”

14. The Sub-section (b) of the Section 28 of the Commercial Tax Law shall be substituted as follows:-
- “(b) the Ministry of Finance and Revenue of the Union Government may release notification to demand which lists comprising which facts in accordance with the Sub-section (b),Section 14 of the Commercial Tax Law for any kind of cash obtained or any kind of tax levied.”
15. The Section 29 of the Commercial Tax law shall be substituted as the follows:-
- “29. To be able to exercise provisions in this law successfully, the Ministry of Finance and Revenue of the Union Government
- (a) may release necessary bylaws, rules and regulations with the agreement of the Union Government.
- (b) may release necessary notifications, orders, directives and rule sand regulations.”
16. The Section 31 and Section 32 of the Commercial Tax Law shall be revoked.

I sign according to the Constitution of the Republic of the Union of Myanmar.

***Sd/*Thein Sein**

President

The Republic of the Union of Myanmar