



RULES ON THE INCOME TAX ACT OF THE KINGDOM OF BHUTAN 2001

Fifth Edition 2020



**RULES ON THE INCOME TAX ACT OF THE
KINGDOM OF BHUTAN 2001**

Fifth Edition 2020



ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHODZONG

Foreword

The Ministry of Finance is pleased to bring out 5th edition of the Rules on the Income Tax Act of the Kingdom of Bhutan, 2001. This revision was necessary to reflect recent changes mandated by the National Assembly to the Income Tax Act, 2001 as well as to keep pace with changing business and economic conditions that have taken place after implementation of the Income Tax Act in 2001.

The revised Rules supersede all previous circulars, notifications and rules governing Corporate Income Tax, Business Income Tax and Personal Income Tax. The Rules must be read together with the Act, as it follows the same section sequence of the Act for easy crossreference by the users. Attempts have been made, wherever possible, to keep these Rules simple, easy to understand, and practicable for administrative ease and taxpayers' convenience.

The revised Rules also define the legal responsibilities of the taxpayers as well as the tax authorities. It is the legal responsibility of every taxpayer to make correct and timely payment of taxes, while the legal responsibility of the tax authorities is to assess and collect taxes in a fair, effective, and transparent manner.

The Ministry of Finance hopes that these updated Rules will facilitate better understanding of all procedural and technical aspects concerning Corporate Income Tax, Business Income Tax and Personal Income Tax, to both the taxpayers and the tax administrators, and ensure smooth implementation of the Income Tax Act of the Kingdom of Bhutan, 2001 in the Kingdom.



(Namgay Tshering)
Finance Minister

TABLE OF CONTENTS

Contents	Page
Preliminary.....	1
Title	1
Commencement	1
Supersession.....	1
Part I Corporate Income Tax (CIT).....	2
Rates & Calculation of Income Tax.....	3
Registration of Taxpayers and Filing of Tax Return.....	4
Filing of Income Tax Return.....	5
Correction of Tax Return	6
Postponement of Filing.....	6
Tax Holidays and Incentives.....	7
Allowable Deductions.....	7
Deductions and Carry Forward of loss by the debtor when the debt is forgiven.....	30
Depreciation.....	31
Part II Business Income Tax	36
Business Under the Same Ownership.....	36
Rates & Calculation of Income Tax.....	37

Tax Registration and Change of Registration	39
Filing of Income Tax Return.....	41
Correction of Tax Return	42
Postponement of Filing.....	42
Allowable Deductions.....	43
Part III Personal Income Tax (PIT)	46
Tax Liability.....	46
Registration of Taxpayers and Change of Registration	50
Filing of Income Tax Return.....	52
Persons other than Citizens or Residents	53
Correction of Tax Return	53
Postponement of Filing.....	53
Payment of Tax	54
Sources of Income Liable to Tax	54
General Deductions.....	64
Net Taxable Income	67
Tax Rates.....	68
Surcharge	69
Set Off and Carry Forward.....	69
Part IV Tax on Lottery Winning.....	72
Tax liability	72

Income liable to tax.....	72
Tax rate.....	72
Responsibility to collect and deposit tax	73
General Provisions	74
Assessment.....	74
Notice of Assessment.....	77
Demand Notice	78
Transfer and Closure of Business	78
Exemption from Tax	80
Double taxation relief	81
Collection and Payment of Taxes.....	83
Information, Control and Documentation.....	93
Fines and Penalties.....	95
Recovery Measures.....	97
Tax Clearance Certificate.....	100
Issue of Tax Clearance Certificate	100

Forms

Form CIT-1 CIT Registration.....	101
Form CIT–2 Annual Income Tax Returns.....	104
Form BIT-1 BIT Registration.....	106
Form BIT-2 Annual Business Income Tax Return.....	109

Form BIT 2 BIT Standard Accounts Format	111
Form PIT-1 PIT Registration	128
Form PIT-2 Personal Income Tax Return	132
Form IT-1 Monthly Salary Schedule	151
Form IT-2 Income From Real Property	153
Form IT-3 Income From Dividend	155
Form IT-4 Income From Interest	157
Form IT-5 TDS From Tour Income	159
Form IT-6 Schedule Of TDS Remittance From Contractors	161
Form IT-7 Income From Other Sources	163
Form IT-8 TDS from Lottery Winnings	165
Form IT-9 Restraining Order	167
Form IT-10 Sponsored Student	170
Form IT-11 Demand Notice	172
TRC-1 Tax Residency Certificate.....	173

Annexures

Annexure I Categorization.....	174
Annexure II Depreciation Schedule.....	175
Annexure–III TDS Schedule For Monthly Salary Income ..	177
Annexure- 1A Insurance Premium.....	187
Annexure- 1B Insurance Premium.....	187

RULES ON THE INCOME TAX ACT OF THE KINGDOM OF BHUTAN, 2001

In exercise of powers conferred by the Income Tax Act of the Kingdom of Bhutan, 2001 (ACT), the Ministry of Finance (Ministry) hereby frames the following Rules on Corporate Income Tax (CIT), Business Income Tax (BIT) and Personal Income Tax (PIT).

The Rules have been framed only where the Ministry of Finance is empowered by the Act. All references to Parts and Sections in these Rules pertain to the Act and must be read together with the Act.

PRELIMINARY

Title

1. This Rule is the Rules on the Income Tax Act of the Kingdom of Bhutan 2001.

Commencement

2. This Rule comes into force from Income Year 2020.

Supersession

3. This Rule supersede all previous Circulars, Notifications and Rules governing Corporate, Business and Personal Income Tax.

PART I
CORPORATE INCOME TAX (CIT)

Rates & Calculation of Income Tax

4. The rate and calculation of tax shall be as per the Rules prescribed below:

(1) Full Tax Liability

Companies registered under the Companies Act of the Kingdom of Bhutan shall pay Corporate Income Tax (CIT) at the rate of 30% on the net profit for State Enterprise, and 25% of the net profit for companies other than state enterprise. Net profit for the purpose of calculating the tax shall be the Gross Income minus the allowable deductions under these Rules.

(2) Limited Tax Liability

The rate of income tax for companies under limited tax liability shall be as follows:

- (a) permanent establishment at the rate of 25 percent of the net profit;
- (b) contractors and consultants at the rate of 3 percent of the contract value;
- (c) income from interest and royalty at the rate of 5 percent of the gross amount; and
- (d) income from dividend at the rate of 10 percent of the gross amount.

The tax rates under Rule No. 2(b)(c)(d) are final taxes and tax returns shall not be filed.

(3) Time Limit for Payments

All companies shall pay their tax on a self assessment basis to the Regional Revenue & Customs Office (RRCO) within 31st of March following the end of the income year (1st January to 31st December). Provisional taxes paid by way of tax deducted at source (TDS) and advance tax shall be paid as per Rule No. 60(2)(a), 60(2)(b) and 60(2)(c) of the General Provisions.

(4) Adjustment of Provisional Taxes

Advance tax, taxes paid on a quarterly basis and Taxes deducted at source shall be adjusted in the following manner:

- (a) advance Tax shall be adjusted at the time of filing of tax return against provisional tax payable provided accounts are submitted;
- (b) taxes paid on a quarterly basis shall be adjusted at the time of filing of tax return provided the proof of payment is produced;
- (c) TDS shall be adjusted:
 - (i) at the time of advance tax payment;
 - (ii) at the time of provisional tax payment;
 - (iii) at the time of final tax payment;
 - (iv) provided accounts have been submitted (BIT/CIT taxpayers) and TDS certificates produced.

Provisional taxes paid in excess of final taxes shall be refunded as per Section 23 of General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

(5) Interest on Outstanding Tax

Any taxes not paid to the RGOB shall result in penal interest at the rate of 24% per annum from the due date.

Registration of Taxpayers and Filing of Tax Return

5. The registration of tax payers and filing of tax return shall be as per the rules prescribed below:

(1) Tax Registration

All companies shall register with the RRCO where its registered Head Office is located within 3 months from the date of its incorporation.

Companies can register with the RRCO, either by submitting the FORM CIT-1 manually or through the online system.

Location of RRCOs and their area or jurisdictions are indicated below:

Sl. No.	Regional Revenue & Customs Office	Dzongkhags
1	Thimphu	Thimphu, Punakha, Wangdue Phodrang and Gasa
2	Phuentsholing	Chukha
3	Samtse	Samtse
4	Gelephu	Sarpang, Tsirang, Dagana & Zhemgang
5	Samdrup Jongkhar	Samdrup Jongkhar, & Pema Gatshel,
6	Paro	Paro and Haa
7	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
8	Bumthang	Bumthang & Trongsa

Upon registering with the RRCO, a Tax Payer Number (TPN) shall be allocated to the company. The TPN number allotted shall be used to identify all transactions of the company and must be quoted as a reference in all correspondences with the Department.

- (2) Change of Registration from One RRCO to Another** Registration may be changed from one RRCO to another on submission of online request or a written application by a taxpayer, no later than 2 months before the end of the income year. The concerned RRCO must convey the decisions within one month from the date of receipt of application.

Where permission for transfer of a taxpayer's registration from one RRCO to another is given, the unit must obtain a Tax Clearance Certificate from the previous RRCO, showing the old registration details and tax status. The previous RRCO shall be responsible for submitting a copy of all tax records to the new RRCO.

Filing of Income Tax Return

6. All companies must submit their return, on a self-assessment basis and pay the applicable taxes to the RRCO of registration within 31st March following the end of the income year. If a tax return shows a payable status, unless the applicable taxes are paid, the return submitted shall not be treated as return filed.

Tax return shall include the following documents:

- (1) annual Corporate Income Tax Return as per FORM CIT-2;
- (2) copy of Statutory Audit Report or Provisional Financial Statements;¹ and
- (3) evidence of any taxes paid in installments or TDS as per Rule No. 4(4) of this Part.

Failure to file the income tax return as required shall attract fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule No. 63 of the General Provisions.

Correction of Tax Return

7. A taxpayer may correct their tax return within 15 days from the date of submission of tax return on genuine grounds and reasons acceptable to the RRCO. The request for correction of return may be made online or submit application by writing to the concerned RRCO.

Postponement of Filing

8. Where a taxpayer is unable to submit the tax return within the due date, the Regional Director of the concerned RRCO may extend the time limit up to 31st May provided that:

- (1) the taxpayer submits written request for extension

1 The submission of statutory audit report is mandatory. Wherein Provisional Financial Statements have been submitted due to the statutory audit being pending during the time of filing tax returns, the Company shall ensure that the statutory audit reports are submitted after the completion of the statutory audit.

- before 20th March;
- (2) postponement of filing shall not postpone the payment of tax. In such case, the taxpayer shall make a suitable provisional tax payment equal to tax paid in the previous year or on a selfestimated tax, which whichever is higher.

Request for extension beyond 31st May shall be forwarded by the RRCO to the DRCHQ. DRCHQ may extend the time limit up to 31st August, in exceptional cases, provided the request is received by RRCO within the 20th of May.

Tax Holidays and Incentives

9. The Ministry of Finance may announce, from time to time, such tax holiday and tax incentives and prescribe the conditions and procedures thereof, in the interest of the public in line with the government policy.

Allowable Deductions

10. The allowable deductions shall be as per the Rules prescribed below:
 - (1) **General Principle**

Deductions shall be allowed for tax purposes if proper books of accounts are maintained as per the provisions under Rule No. 62(1) of the General Provisions.

In order to qualify as an allowable deduction an expense must be incurred solely and exclusively for

the purpose of the business and transactions done on an arm's length basis.² All expenses must be supported by objective evidences such as purchase invoices, money receipts or other legally valid documents.

Where only part of an expense has been incurred for the purpose of business or company, then only that part of the expenses shall be allowed as a deduction in the calculation of taxable profit.

Any expenses charged in excess of the limits prescribed under these Rules shall be added back to Net Profit and subject to tax.

Allowable deductions are grouped into the following broad categories:

- (a) direct costs;
- (b) employment expenses;
- (c) overhead Expenses;
- (d) sales & marketing expenses;
- (e) bad debts;
- (f) miscellaneous/general Expenses.
- (g) fixed Assets & depreciation
- (h) financial expenses

(2) Direct Costs

All direct costs incurred solely for the purpose of the business and associated with the operation of the

² *Arms length's basis mean transactions at the prevailing market conditions and where there is no conflict of interest.*

enterprise are allowable deductions. Direct costs are those costs, which can be directly attributed to the generation of income. e.g. raw materials purchased by manufacturing industries.

(3) Employment Expenses

Employment expenses means salary, wages, labour permit fees and allowances paid in money or money's worth to an employee in relation to his or her employment and includes pay and any benefits provided free of cost or at a concessional rate by an employer.

(a) Salary

Salary means pay and allowances, and include benefits provided to an employee free of cost or at a concessional rate. An employee shall refer to a natural person who is employed full time in the business. Salary shall be allowed as deductible expense only on the fulfillment of the following conditions:

- (i) all information and documentary evidence are available regarding the payment of salary;
- (ii) the employee is a regular employee of the company or business;
- (iii) the employee is actually working with the company; and
- (iv) the employee is actually located at the appropriate place of work.

(b) Wages

Wages means payments made to an individual who is not a regular employee of an organization. Wages shall be allowed as deductible expense on fulfillment of the following conditions:

- (i) the personal details of the wage earner such as name and CID no. in case of Bhutanese and name and work permit in case of non-Bhutanese are properly documented;
- (ii) documentary evidence such as muster roll that is duly signed by the wage earner is kept;
- (iii) proof of wage payments are supported by cash and bank transactions.

(c) Benefits

Benefits shall refer to all payments made by an employer to its employees at free of cost or at concessional rates, and shall include education facilities, accommodation, domestic services, service charges, over time payments, holiday trips, telephone facilities, medical benefits, conveyance allowances or transport facilities. Benefits shall be treated as deductible business expense provided that it is clubbed under salary and is within the prescribed limits. Such benefits shall be valued at the actual cost incurred by the employer, or as agreed in the Service Manual of the organization or in accordance with the employment contract. If actual costs incurred apply to more than one

employee, the total cost shall be allocated on a pro rata basis.

Benefits provided to employees free of cost or at a concessional rate shall be valued as follows:

(i) Accommodation

Accommodation provided free or at a concessional rate by an employer to its employee is a deductible expense if it is within the salary limit prescribed in Rule No.24(1) Valuation of accommodation shall be:

- (a) the actual cost incurred by the employer in providing the accommodation, or 30% of the employee's basic salary if the cost cannot be determined;
- (b) the actual concessional rate provided to the employee, or 30% of the employee's salary less the rent being charged by the employer if the cost cannot be determined.

(ii) Domestic Service

Domestic services provided by an employer to its employee is a deductible expense if it is within the prescribed salary limit. The valuation of domestic services provided free of cost should be done on the actual cost incurred by the employer in providing the service.

(iii) Gas, Electricity and Water Supplies

Gas, electricity and water supplies provided free or at a concessional rate to an employee is a deductible expense. The valuation of such benefits shall be the actual cost incurred by the employer in providing such benefits. Where the cost cannot be determined, 2% of the employee's basic salary shall be taken as the cost of the benefits.

(iv) Conveyance or Transport Facility

Conveyance or transport facility provided free or at a concessional rate to an employee is a deductible expense. Valuation of such benefits shall be the actual cost incurred by the employer in providing such benefits.

However, bus services provided for daily transport of staff to work place shall not form part of the salary.

(v) Telephone facilities

Telephone facilities provided to an employee is a deductible expense. The value of such benefit shall be the actual cost incurred by the employers in providing the facilities to the employee.

However, where such benefits cannot be segregated between private and business use,

50% of the total expense shall be treated as benefits for PIT purposes.

(d) Bonus

The term ‘bonus’ includes all incentives or productivity related payments made to an employee. Bonuses paid shall be allowed as a deduction subject to fulfilment of the following conditions:

- (i) the amount is reasonable with regard to the employee’s pay and conditions of service;
- (ii) the amount is consistent with the practice in other similar enterprises; and
- (iii) the total bonus payable is limited to 10% of the assessed net profit or 3 months basic pay per employee, whichever is lower.

However, in the case of an unincorporated business, bonus paid to a business proprietor, partner, or their immediate family (father, mother, spouse or children) shall not be allowed as deduction for tax purposes.

(e) Contribution to Provident Fund and Gratuity Fund

Contributions made by an employer to the Provident Fund & Gratuity Fund for the benefit of the employees are allowable deductions subject to the following conditions:

- (i) such contributions are invested with a financial institution in a separate account not accessible to the companies and businesses.
- (ii) the limits to be applied to this expenditure must be consistent with the Service Manual of the company or business. If no such Service Manual exists, then the Civil Service Rules shall apply.

In cases where the eventual pay out to the employee upon his or her retirement is less than the guaranteed amount in the Service Manual, any additional amount contributed thereof by the employer to make up the guaranteed amount shall be allowed as deduction. Contributions not payable due to termination of services shall be added back to the Net profit and subject to tax.

(f) Staff Welfare Expenses

Staff welfare expenses shall refer to the expenditure incurred by employer for its employees for provision of canteen and recreational facilities. Such expenses should be incurred within the business premises and shall be allowed as deductible expense in actual, provided it is recurrent in nature.

(g) Medical Expenses

Actual cost of treatment of an employee outside

Bhutan shall be allowed as tax deductible expense subject to the following conditions:

- (i) the expenses are in respect to an employee only; and
- (ii) medical treatment shall be as per the National Guideline for Patient Referral issued by the Government from time to time and approval from the National Referral Committee.

(h) Human Resource Development Expenses

Expenses incurred for Human Resource Development of employees shall be allowed as deductible expense provided such expenses are incurred for the purpose of upgrading and developing the employees' craft, supervisory and technical skills or increasing the productivity or quality of its products.

If such expenses exceed 1% of the assessed turnover, then the full expenditure must be spread equally over a period of three years starting from the year the expense is incurred.

(4) Overhead Expenses

(a) Preliminary Expenses

Preliminary expenses mean all legitimate expenses incurred prior to the commencement of a business or in connection with the extension

of an existing business. Such expenses incurred may be spread equally and allowed as deduction over the first 3 years of operation. Examples of these expenses include feasibility studies, market surveys, engineering services, project reports, and legal fees.

(b) Research & Development

Research and development is defined as “use of scientific or technical know how” to produce new or substantially improved materials, mechanisms, products, processes, systems or services. Research and development shall be allowed as deduction subject to the following conditions:

- (i) research and development cost not exceeding 2% of the assessed turnover will be allowed as a deductible expense;
- (ii) research and development cost exceeding 2% of the assessed turnover will be treated as capital expenditure. The full amount of the cost will be capitalised and depreciated in three subsequent years immediately following the income year; and
- (iii) any cost of buying machinery, inventory, stock in trade and immovable property acquired for the use of research and development shall be depreciated in accordance with the ordinary rules of depreciation as referred to under Rule No. 12 of this Part.

(c) General Office Expenditure

The following items of general expenditure incurred for the purpose of the business shall be treated as allowable deductions:

- (i) printing & stationery;
- (ii) postage & telegram expenses;
- (iii) telephone, trunk call & telex charges;
- (iv) user charges;
- (v) administrative fees and charges;
- (vi) any other expenses of similar nature.

(d) Insurance Premium

Insurance premium paid for any assets owned by an enterprise is an allowable deduction, provided that the asset is owned / registered and used for the purpose of the business. Insurance premium paid for employees to protect against occupational risks and hazards at their work place shall be allowed as deduction.

(e) Maintenance & Repair Costs

Maintenance & repair costs refer to current repairs of buildings and other assets owned and used for the purpose of the business. The asset must be shown in the balance sheet and included in the taxpayer's fixed asset register.

Current repair costs refer to any cost incurred to maintain the asset in a consistent working condition, without changing the nature of the

asset. Only current repair costs shall be treated as revenue expenditure.

Major repair/enhancement work that modifies or significantly improves the asset, such that the original nature of the asset is altered, must be treated as capital expenditure and depreciated accordingly.

Where a taxpayer purchases an asset, but that asset requires additional expenditure to bring it to a useable condition, such additional expenditure must be capitalised as part of the cost of the asset.

Where a worn out asset is replaced with a new asset, the cost of the new asset must be capitalised.

Where an asset is upgraded, i.e. its nature is fundamentally altered, the associated cost must be capitalised.

(f) Hire of Plant, Machinery & Vehicles

The hire cost of plant, machinery and vehicles plus any associated costs referred to in the lease agreement shall be treated as an allowable deduction, provided that the expenditure is incurred for the purpose of business.

(g) Rent of Land & Buildings

Rental of property used for business purposes along with associated costs referred to in the lease agreement shall be treated as an allowable deduction, provided that the expenditure is incurred for the purpose of business.

(h) Municipal and Motor Vehicle Tax

Municipal and motor vehicle tax shall be allowed as tax deductions provided that the asset is owned by the company and used for the purpose of business.

(i) License Registration & Renewal Fees

License registration and renewal fees are allowable deductions. However, this provision only applies to fees related to licenses issued and renewed by authorised agencies. All other fees that are sometimes referred to as ‘license fees’ including auction rights such as liquor license fees, mining rights are not covered under this provision and not allowed as deductions.

(j) Legal & Professional Fees/Expenses

All fees and expenses related to legal and professional work carried out on behalf of an enterprise for the purpose of business are allowed as deductions.

(k) Annual Membership Fees & Subscriptions

Any membership fees paid or subscriptions made to any organisation or association relevant to the business shall be allowed as deductions.

(l) Interest on Loans

Interest on loans shall be allowed as deductions subject to the conditions and procedures prescribed below:

- (i) loans are taken from a recognised financial institution and within the maximum limit of debt equity ratio of 3:1;

Explanation-For the purpose of this clause,-

- (a) the total borrowings for tax purposes shall not exceed thrice the paid up capital of the company; Borrowings include all types of capital loans (e.g. debentures, term loans etc.), plus any working capital borrowings (e.g. bank overdrafts); Capital includes paid up share capital (CIT taxpayers) or owners' investment (BIT taxpayers), plus any retained profit reserves;
- (b) assessed Net Loss if any during the income year shall be deducted from retained reserves;
- (ii) for the purpose of debt equity ratio calculation, the average debt and equity over a period of

- twelve months shall be considered;
- (iii) the loan must be taken in the name of the business and for the purpose of the business;
 - (iv) interest paid on loans transacted between holding and subsidiary companies at prevailing market conditions is an allowable deduction provided it is shown as income of the recipient company;
 - (v) Interest paid prior to the commissioning of a project (or commencement of a business) shall be capitalised, and depreciated as part of the asset; and
 - (vi) Interest paid on security deposits shall be treated as taxable income in the books of the recipient company, and as an expense for the company making the payment.

(5) Sales & Marketing Expenses

Sales and marketing expenses means expenses incurred for promotion of sales and include expenses such as commission, entertainment, publicity, advertisement etc.

(a) Commission

Commission paid on purchase transactions is an allowable deduction as it forms part of the purchase payment for goods or services. However, such commissions must be clearly stated in the documentation relating to the purchase.

Commission paid to a sales agent is an allowable deduction provided that the commission is clearly stated in all relevant bills, invoices and cash memos, or a special agreement in writing between the parties exists and is properly recorded in the books of accounts.

(b) Entertainment

Entertainment expenses refer to hospitality expense incurred for existing or potential clients or customers, agents or supplier. It shall include gifts provided to clients or customers to promote the business brand or sales. The entertainment expenses allowable shall be the lower of actual amount or 2 percent of the assessed net profit. However, for tour operating business, it shall be 8 percent of the assessed net profit or actual expenses incurred, whichever is lower.

(c) Publicity & Advertisement

Publicity and advertisement expense refers to the expenditure incurred for promotion of business product, brand name or to promote sales. Such expenses shall include printing of brochure, advertisement through print media, television, radio, websites, or placard. Publicity and advertisement expenses shall be allowed as deductions on an actual basis or 5 percent of the Assessed Gross Income, whichever is lower.

(6) Bad Debts

Bad debts shall be allowed as deductions subject to the fulfilment of the following conditions:

(a) Bad debts up to Nu. 25,000 per Debtor

A bad debt of Nu. 25,000 or less per debtor shall be allowed as deduction on the fulfilment of the following conditions:

- (i) tax has been paid on such debts in a previous year;
- (ii) the debt is not less than 5 years old;
- (iii) where the debtor is declared bankrupt under the Bankruptcy Act of the Kingdom of Bhutan; or
- (iv) scheme of arrangement is made under the supervision of a judge; and
- (v) in the case of financial institutions, bad debts below Nu.100,000 per debtor may be written off if the conditions above are met.

However, in the event the bad debt is recovered in the subsequent years, it shall be incorporated as income during that year.

(b) Bad debts exceeding Nu. 25,000 per Debtor

Bad debts exceeding Nu. 25,000 per debtor shall be allowed as deductions on the fulfilment of the following conditions:

- (i) tax has been paid on such debts in the relevant previous year;

- (ii) judicial recourse has been exhausted in respect of the debt;
- (iii) where the debtor is declared bankrupt under the Bankruptcy Act of the Kingdom of Bhutan, or
- (iv) scheme of arrangement is made under the supervision of a Judge.

However, in the event the bad debt is recovered in the subsequent years, it shall be incorporated as income during that year.

(7) Miscellaneous and General Expenses

(a) Accidental Loss

Accidental loss means loss due to events such as theft, fire, earthquake, flood and road accidents. Documentary evidences such as police report and Court order must support accidental losses, if applicable. Accidental losses for the purpose of taxation shall be treated as follows:

- (i) revenue losses shall be allowed as deductions and revenue receipts/compensation as taxable income;
- (ii) capital losses shall be treated as per Rule No. 12(6) of this Part.

(b) Stock Obsolescence

Stock obsolescence shall not be allowed as deductions unless the obsolescence is due to

unforeseen circumstances and the taxpayer was not in a position to avoid it. Conditions to be fulfilled for the above exceptions are:

- (i) maintenance of a proper stock inventory register; and
- (ii) proper records showing disposal and sale of the obsolete stock.

(c) Stock Shortages

Stock shortages due to unavoidable circumstances within an industry average shall be allowed as deduction subject to maintenance of proper book of accounts. Shortages due to negligence shall not be allowed as deductions for tax purposes.

(d) Taxes paid for purchase of assets

Sales Tax/Goods and Service Tax, Excise Equalization Tax, Green Tax or Customs Duty paid for purchase of assets shall be capitalised and depreciated as per Rule No. 12 of this Part.

However, Sales Tax/GST collected on sale of domestic goods and services such as Sales Tax/GST on hotels, restaurant, beer, cement and entertainment services shall not be allowed as deductions.

(e) Carriage & Freight Charges

Carriage and freight expenses incurred for business purposes shall be allowed as deductions. However,

such charges incurred for initial transportation of fixed assets to its place of use shall be capitalised and depreciated accordingly.

(f) Donations

Donations made for the following purposes shall be allowed:

- (i) relief fund for natural calamities in Bhutan;
or
- (ii) preservation and promotion of religious and cultural purposes in Bhutan; or
- (iii) promotion of sporting, educational and scientific activities in Bhutan.

However, the following conditions shall apply:

- (a) prior approval from the Department must be obtained;
- (b) donation claims must be supported by valid money receipts;
- (c) where donations are made to institutions such as school, a valid acknowledgement must be obtained bearing the relevant logos and seals of the beneficiary; and
- (d) total donations allowed shall be 5% of the Assessed Net Profit.

(8) Carry Forward and Offset of Losses

Losses sustained during an income year may be carried forward for adjustment against the future profits, if any, for three immediate come years. The losses can only be

adjusted against the profits of the same business entity. However, if the losses of a particular income year cannot be fully adjusted within the three immediate subsequent income years, it shall stand as lapsed.

Record of losses carried forward must be maintained and submitted along with the Income Tax Return.

(9) Assets acquired through Grant

Receipt of grants whether in cash or in kind from the government or from a donor directly or through the government indirectly shall be taxed as follows:

- (a) revenue related grants received for daytoday functioning of the organisation shall be treated as taxable income and all expenses related to such grants shall be allowed as deductions;
- (b) receipt of capital related grants shall not be subject to tax and expenses incurred in relation to capital related grants (including depreciation) shall not be allowed as deductions. Capital grants, for the purpose of these Rules, means grants received in kind in the form of land, building, plant and machinery, equipment, vehicles, tools, etc or in cash to purchase land, building, plant and machinery, equipment, vehicles, tools, working capital such as stock and raw materials.

However, direct expenses including depreciation shall be allowed as deduction provided:

- (i) the grant is treated as capital reserves at comparable costs in the case of fully owned government corporations;
- (ii) the grant is treated as capital/equity contribution of the government and shares of equivalent value are issued to the government in the case of partially owned government corporations;
- (iii) the grant is treated as loan from the government as per terms and conditions prescribed by the Ministry of Finance in the case of private companies/businesses.

(10) Immovable Leased Assets

Assets owned, fixtures erected, and substantial improvements made on leased land shall be, for the purpose of these Rules, deemed to be owned by the lessee subject to the fulfillment of the following conditions:

- (a) there should be a valid lease agreement executed between the lessor and the lessee, and the agreement should be for a term period extending more than five years;
- (b) depreciation shall be allowed only to the extent of investment made by the lessee;
- (c) the lessee, on expiry of the lease, shall be deemed to have disposed of such fixtures and improvements, gains on which shall be taxable, and losses deductible;
- (d) the lessor after the expiry of the lease shall be allowed depreciation on such improvements or

fixtures provided consideration equivalent to such assets have been paid to the lessee, and registered as the lessors' assets;

- (e) in determining an amount to be claimed as depreciation of assets and improvements on leased land, the total investment made by a lessee shall be apportioned over the term of the lease as stipulated in the agreement;
- (f) where the lease is renewed, extended or continued pursuant to an option exercisable by a lessee, the remainder of the value of investment made shall be spread over the remaining term of the lease.

(11) Lease Rent

Lease rent payable by a lessee to a lessor as consideration for the property leased is a deductible expense. The payment of lease rent in lump sum amount must be spread evenly over the period of the lease, while payment of lease rent on an annual basis shall be as per the amount scheduled in the lease agreement.

(12) Deductions not Allowed for Tax Purposes

The following expenses shall not be allowed as deductions:

- (a) domestic and private expenses on food, clothing, marriage etc.;
- (b) personal administrative fees of employees;
- (c) payments of dividend or profit distributions to shareholders, partners and proprietors before tax;

- (d) creation of or adjustments to reserves. Creation of provision for bad debts/advances except reserves for loan loss contingencies for financial institutions;
- (e) life and/or health insurance premiums except for schemes that have been approved by the Government;
- (f) Business, Corporate and Personal Income Tax;
- (g) penalties, fines, penal interest, forfeiture, etc.;
- (h) donations other than those authorised by the Ministry;
- (i) bad debts not fulfilling the conditions under the Act;
- (j) any sum, by whatever name called, payable for the use of license or permit through public auction or tender;
- (k) any other expenses not related to the business.

Deductions and Carry Forward of loss by the debtor when the debt is forgiven

11. When a debt is forgiven by a creditor, both the debtor and creditor shall make the following adjustments in the books of accounts:
 - (1) debtor cannot carry forward as a loss the forgiven amount;
 - (2) where conditions laid down in Section 19, Chapter 5, Part I of the Income Tax Act of the Kingdom of Bhutan, 2001 are not fulfilled, and the creditor cannot treat the

forgiven debt as a loss. Such debt shall be added back to the taxable Net Profit.

Depreciation

12. Fixed assets, for the purpose of these Rules, are assets that are intended for use within the enterprise on a continuous basis for more than one accounting period.

(1) Depreciation of Fixed Assets

The Rules regarding depreciation of fixed assets are as follows:

- (a) depreciation on assets purchased and owned by the taxpayer and used for the purpose of the business, except antiques, works of art and land, will be allowed as deduction, subject to the maximum depreciation rates prescribed in Annexure II;
- (b) for unincorporated businesses, where an asset is owned by the taxpayer and it is used in the business, depreciation expenses shall be allowed only for the portion of the asset used in the business. e.g. Mr. X owns a 5 storied building (ground+ four) which he converts to a Hotel. The hotel covers four floors and the ground floor is used to let out as shop space. For the purpose of taxation, depreciation expense shall be allowed only for the four floors of the building being used as a hotel. The income from the ground floor from shop space will not form a part of his Business Income, but

- would be his personal income accountable under PIT;
- (c) depreciation shall be calculated on the Straight Line Method (SLM) on an asset at the end of the year;
 - (d) assets purchased during the year shall be depreciated on a pro rata basis from the date of purchase;
 - (e) assets disposed off during the year shall not be depreciated in the year of disposal and the difference between the sale proceeds and the written down value at the beginning of the year shall be declared in the profit and loss account.
 - (f) small assets costing up to Nu. 25,000 in total per taxpayer in each income year may be written off. e.g. calculator, blow/rod heater, fans and the like;
 - (g) maintenance of an asset register for all types of assets is mandatory, and must include details of each individual fixed asset owned by the business or company;
 - (h) fully depreciated assets that are still in use must be recorded in the asset register at a value of Nu.1 for identification purposes;
 - (i) where business premises are closed for a considerable period or more than 180 days in one income year, no depreciation of assets will be allowed during that time;
 - (j) where the asset is only partially used by the business, then only an appropriate portion of the depreciation can be charged for tax purposes.

In order to claim depreciation, the following conditions must be fulfilled:

- (i) the asset must be purchased and registered in the name of the business or company;
- (ii) the asset must be put to use exclusively for the purpose of the business; and
- (iii) proper books of accounts must be maintained, including a complete fixed asset register containing details of each individual asset for which depreciation is claimed.

The depreciation rates given in Annexure II are the maximum limits allowed. Where a taxpayer applies a lower depreciation rate than that prescribed in Annexure II, the taxpayer will be permitted to make a clear adjustment on the tax return. However, if this adjustment is not made, the tax officer will not be responsible for increasing the depreciation claim on the taxpayer's behalf, and should accept the lower amount charged in the accounts.

(2) Maintenance & Repair of Fixed Assets

Expenses for the maintenance and repair of fixed assets are classified as operating expenses and shall be written off in the year the work is carried out. However, if the maintenance or repair substantially enhances the value of an asset then that expenditure shall be capitalised and depreciated accordingly.

(3) Fixed Asset Additions

Where a new asset is purchased and delivered during the income year, depreciation must be charged on a pro rata basis.

(4) Fixed Asset Disposals

When a fixed asset is sold, the profit earned or loss sustained is part of the taxable net profit or loss of the business or company. The correct profit or loss on disposal is calculated by deducting the net book value of the asset from the actual sales proceeds. Where disposal is not as per market conditions, a tax officer shall have the right to determine the residual value.

(5) Appreciation of Fixed Assets

If the revaluation of the assets of a business, result in a higher value than that previously shown in the accounts, then the increase in value must be declared as taxable income in the profit and loss account. However, where no depreciation is claimed on this increased value in the profit and loss account, then the increase in value of the asset need not be declared as taxable income in the profit and loss account.

(6) Loss of Fixed Assets due to Theft, Fire and Natural Calamities

Loss of fixed assets due to theft, fire and natural calamities such as earthquake and flood may be written off in the books of accounts. The value of the asset to

be written off shall be equivalent to the written down value as on 31st December of the previous year. No depreciation shall be allowed on such fixed assets in the year that it is written off.

(7) Depreciation Rates

Depreciation shall be allowed every income year up to the maximum rates prescribed in Annexure II.

PART II

BUSINESS INCOME TAX (BIT)

In addition to Rules under this Part, Rules framed for Part I of the Act shall also be applicable to Part II until and unless it is specifically excluded.

Business under the Same Ownership

13. Where a taxpayer owns several businesses under the trading sector, each business shall be treated as a separate or independent taxable entity, and the losses incurred in one taxable entity cannot be offset against the profit of another entity.
14. For the purpose of taxation, multiple trade licenses under the trading sector (wholesale or retail trade activity or both wholesale and retail trade activity) operating under the same roof or from the same outlet, under the same ownership maybe categorised as one business (single taxable entity).
15. Trading licenses (wholesale or retail trade activity or both wholesale and retail trade activity) under the same ownership, operating from the different outlet or different locations shall be treated as different businesses (separate taxable entity).
16. Businesses under the manufacturing and service sector may be treated as one taxable entity irrespective of their

geographical locations provided that the following conditions are fulfilled:

- (1) registered as a single tax entity under the same ownership;
- (2) same activity under the manufacturing and service sector;
- (3) consolidated accounts are submitted.

17. Notwithstanding the above Rules, where the nature of the business requires several licences to be operated under one roof irrespective of the activity of licenses and such activities are complimentary to one another, these licences maybe treated as a single business (same taxable entity) provided that the licences are under the same ownership. e.g. Approved three star hotels will have several licences with different activities (restaurant, bar, handicrafts, fitness centre, money changer etc) operating under one roof which maybe treated as one business unit (single taxable entity) for the purpose of taxation.

Rates & Calculation of Income Tax

18. The rate and calculation of tax shall be as per the Rules prescribed below:

(1) Full Tax Liability

All unincorporated businesses issued with a licence by the issuing Authority shall pay Business Income Tax (BIT) at the rate of 30% of the Net profit. Net profit for the purpose of calculating the tax shall be the Gross

income minus the allowable deductions under these Rules.

(2) Limited Tax Liability

The rates of income for businesses under limited tax liability shall be as follows:

- (a) permanent establishment at the rate of 30 percent of the net profit;
- (b) contractors and consultants at the rate of 3 percent of the contract value;
- (c) income from interest and royalty at the rate of 5 percent of the gross amount; and
- (d) income from dividend at the rate of 10 percent of the gross amount.

The taxes rates under Rule No. 18(2)(b)(c)(d) are final taxes and tax returns shall not be filed.

(3) Time Limit for Payments

All businesses shall pay their tax on a self assessment basis to the RRCO of registration within 31st March following the end of the income year (1st January to 31st December). However, provisional taxes paid by way of TDS and tax paid quarterly shall be paid as per Rule No.60(2)(a), 60(2)(b) and 60(2)(c) of the General Provisions.

(4) Adjustment of Provisional Taxes

Advance tax, taxes paid on a quarterly basis and TDS shall be adjusted in the following manner:

- (a) advance Tax shall be adjusted at the time of filing of tax return against provisional tax payable provided accounts are submitted;
- (b) taxes paid on a quarterly basis shall be adjusted at the time of filing of the tax return provided proof of payment is produced;
- (c) TDS shall be adjusted:
 - (i) at the time of advance tax payment;
 - (ii) at the time of provisional tax payment;
 - (iii) at the time of final tax payment;

Provided accounts have been submitted (BIT/CIT taxpayers) and TDS certificates produced (BIT/CIT/PIT taxpayers).

Provisional taxes paid in excess of final tax shall be refunded as per Section 23 of General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

(5) Interest on Outstanding Tax

Any taxes not paid to the RGOB shall result in penal interest at the rate of 24% per annum from the due date.

Tax Registration and Change of Registration

19. The registration and change of registration shall be as per the rules prescribed below:

(1) Registration

All businesses are required to register with the RRCO

from where trade license or permit is issued or wherever the Head Office is located, within 3 months from the date of obtaining such a trade license or permit.

Registration shall be done with the nearest RRCO by using FORM BIT-1.

Businesses can register with the RRCO, either by submitting the FORM BIT-1 manually or through the online system.

Location of RRCO and their areas of jurisdiction are indicated below:

Sl. No.	Regional Revenue & Customs Office	Dzongkhags
1	Thimphu	Thimphu, Punakha, Wangdue Phodrang and Gasa
2	Phuentsholing	Chukha
3	Samtse	Samtse
4	Gelephu	Sarpang, Tsirang, Dagana & Zhemgang
5	Samdrup Jongkhar	Samdrup Jongkhar, & Pema Gatshel,
6	Paro	Paro and Haa
7	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
8	Bumthang	Bumthang & Trongsa

Upon receipt of FORM BIT-1, the RRCO shall register and allocate a Tax Payer Number (TPN) to the business. The TPN number allotted shall be used to identify all tax transactions relating to that taxpaying unit and must be quoted as a reference in all correspondences with the Department.

- (2) Change of Registration from One RRCO to Another**
Registration may be changed from one RRCO to another on submission of online request or a written application by a taxpayer, no later than 2 months before the end of the income year. The concerned RRCO must convey the decisions within one month from the date of receipt of application.

Where permission for transfer of a taxpayer's registration from one RRCO to another is given, the unit must obtain a Tax Clearance Certificate from the previous RRCO, showing the old registration details and tax status. This certificate must be submitted to the new RRCO. The previous RRCO is responsible for submitting a copy of all tax records to the new RRCO.

Filing of Income Tax Return

20. All businesses must submit their tax return on a self assessment basis and pay the applicable taxes to the concerned RRCO within 31st March following the end of the income year. If a tax return shows a payable status, unless the applicable taxes are paid, the return submitted shall not be treated as return filed.

Tax return must have the following documents:

- (1) annual Business Income Tax Return as per FORM BIT-2;

- (2) annual accounts as per Rule No. 62(1) of the General Provisions or returns prepared/certified by tax accountants;
- (3) evidences of any taxes paid in instalments or TDS as per Rule No. 18(4) of this Part; and
- (4) such income tax return should bear the name, signature, seal and address of the license holder and the accountant who has prepared the accounts.

Failure to file the income tax returns as required shall attract fines and penalties as per the provisions under Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule No. 63 of the General Provisions.

Correction of Tax Return

21. A taxpayer may correct their tax return within 15 days from the date of submission of tax return on genuine grounds and reasons acceptable to the RRCO. The request for correction of return may be made online or submit application by writing to the concerned RRCO.

Postponement of Filing

22. Where a taxpayer is unable to submit the Tax Return within the due date, the Regional Director of the concerned RRCO may extend the time limit up to 31st May provided that:

- (1) the taxpayer submits a written request for extension before the 20th March; and
- (2) postponement of filing shall not postpone the payment of tax. In such case, the taxpayer shall make a suitable provisional tax payment equal to tax paid in the previous year or the self-estimated tax, whichever is higher.

23. Request for extension beyond 31st May shall be forwarded by the RRCO to the DRCHQ. DRCHQ may extend the time limit up to 31st August, in exceptional cases, provided the request is received by RRCO within the 20th of May.

Allowable Deductions

24. The allowable deductions shall be as per the Rules prescribed below:

(1) Salary

Notwithstanding anything contained under the Rule No.10(3)(a) of Part I, Salary under this Rule shall be allowed as deductible expense only up to the maximum ceiling prescribed herein below:

(per month)

Category	BIT
Large	70,000
Medium	60,000
Small	40,000
Cottage/Micro	30,000

The categorization of companies and businesses shall be as per categorization given in Annexure I.

(a) Remuneration to the proprietor of business and partnership firm may be allowed as deductible expense, as follows:

(i) where a proprietor owns more than one business, his remuneration shall be allowed in full but only to one business unit if he is engaged full-time in a day to day running of the business. However, the maximum limit as prescribed under the Rule No. 24(1) shall apply;

(ii) in the case of partnership firm, the remuneration shall be allowed to a full time working partner only. If more than one partner is engaged on a full time basis in specialised firms such as consultancy and chartered accountancy firms, each full time working partner shall be allowed a full salary. However, the maximum limit as prescribed under the Rule No. 24(1) shall apply.

(2) Municipal and Motor Vehicle Tax

Municipal and motor vehicle tax shall be allowed as tax deductions provided that the asset is registered in the name of the business or the license holder, reflected in the asset register and used for the purpose of business.

(3) Depreciation

Notwithstanding anything contained in Rule 12, Part I, depreciation under this rule shall be allowed as deduction provided that the asset is registered in the name of the business or the license holder, reflected in the asset register and used wholly and exclusively for the purpose of business.

PART III

PERSONAL INCOME TAX (PIT)

Tax Liability

25. The tax liability shall be as per the Rules prescribed below:

(1) Liability to Tax

Persons having Personal Gross Income exceeding Nu. 300,000 per annum shall be liable to be taxed under Personal Income Tax (PIT). Personal income means income derived from the following sources:

- (a) salary income from employment and nonlicensed consultancy fees (refer Rule No. 35(1) of this Part);
- (b) rental income from real property in Bhutan (refer Rule No. 35(2) of this Part);
- (c) dividend from sources in Bhutan (refer Rule No. 35(3) of this Part); and
- (d) income from other sources in Bhutan (refer Rule No. 35(4) of this Part).

(2) Citizen

Citizen means an individual possessing the citizenship of the Kingdom of Bhutan.

(3) Resident

Resident means any person whose stay in the Kingdom of Bhutan during an income year is equal to or more than 6 months. Income year means the calendar year

starting 1st January and ending 31st December.

Any person whose stay in the Kingdom is less than 6 months in an income year shall be covered under Rule No. 25(4) and 30 of this Part.

(4) Any Other Person having Personal Income from Sources in Bhutan

Any person not a citizen or a resident but having personal income from sources in Bhutan or for the work performed in Bhutan shall be liable to pay PIT. Income from sources in Bhutan means income earned from taxable sources in Bhutan or income earned for work performed in Bhutan.

(5) Taxation in the Case of Income of a Deceased Person, Married Couples and Minors

Income of deceased persons, married couples and minors shall be taxed according to the following procedures:

(a) Income of Deceased Persons

Where a person dies during the income year, his legal representative shall be liable to pay any income tax or other sum payable, which the deceased would have been liable to pay, in the same manner and to the same extent. The legal representative shall for the purpose of personal income tax, be deemed to be an assessee. However before deeming the legal representative of the

deceased to be an assessee, a notice to that effect would have to be obtained from the concerned court and submitted to and approved by the Department.

The legal representative is liable for all liabilities of the deceased person, upto the extent to which the estate of the deceased is capable of meeting the liability and only until the estate of the deceased person has been administered to the legal heirs.

Where no legal representative has been appointed for the deceased person, any beneficiary enjoying the income of the deceased shall be liable to pay income tax.

(b) Married Couples

Married couples shall be taxed separately. Income earned from joint ownership of assets shall be divided equally unless otherwise specified in a written agreement.

(c) Minor

Minor means an individual below 18 years of age:

- (i) income of a minor shall be clubbed with one of the parents' income for the purpose of determining personal income. A minor's income may be clubbed with either one of the parents' incomes provided both the parents

have taxable sources of income. Where only one of the minor's parents has a taxable source of income, the minor's income shall be clubbed with that parent;

- (ii) however, once a minor has clubbed his or her income with either one of the parents, then they will not be allowed to club their income with the other parent, in subsequent years;
- (iii) where a minor has a guardian appointed by the Court, the minor's income shall be taxed separately. Responsibility for filing the tax returns and payment of tax shall be on the guardian appointed by the Court;
- (iv) a minor having personal income from property inherited by way of will shall be taxed separately. Properties inherited by way of will means any property inherited by will from a deceased person and where parents or guardians appointed by the Court have no right to sell, transfer or dispose of the property.

(6) Members of Diplomatic Mission and Consular Posts

Notwithstanding the provisions under Section 3, Part III of the Income Tax Act of the Kingdom of Bhutan, 2001 the following shall be liable for PIT:

- (a) bhutanese citizens working in Bhutan for Diplomatic Missions and International

- Organisations, e.g. UN Agencies and donor/externally supported projects;
- (b) persons other than Bhutanese citizens not covered under fiscal privileges of members of Diplomatic Missions or Consular Posts under the General Provisions of International Law or persons under the provision of special agreements.

Registration of Taxpayers and Change of Registration

26. The registration and change of registration shall be as per the Rules prescribed below:

(1) Tax Registration

All citizens aged 18 years and above and residents having personal income from one or more of the sources during an income year shall register as per the procedures given below:

- (a) individuals may register with RRCO's either through the online system or filling in the FORM PIT1 and submitting it manually to the RRCO;
- (b) a person must mention in the Registration the RRCO where he/she would like to be registered as a taxpayer;
- (c) citizen ID No./Resident Permit Number issued by the Department of Immigration and Census shall be used as the key identification number for registration and must be used as a reference for all future tax transactions.

Location of RRCOs and their area of jurisdiction are indicated below:

Sl. No.	Regional Revenue & Customs Office	Dzongkhags
1	Thimphu	Thimphu, Punakha, Wangdue Phodrang and Gasa
2	Phuentsholing	Chukha
3	Samtse	Samtse
4	Gelephu	Sarpang, Tsirang, Dagana & Zhemgang
5	Samdrup Jongkhar	Samdrup Jongkhar, & Pema Gatshel,
6	Paro	Paro and Haa
7	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
8	Bumthang	Bumthang & Trongsa

(2) Change of Registration from One RRCO to Another

Registration may be changed from one RRCO to another on submission of online request or a written application by a taxpayer, no later than 2 months before the end of the income year. The concerned RRCO must convey the decisions within one month from the date of receipt of application.

Where permission for transfer of a taxpayer’s registration from one RRCO to another is given, the person must obtain a Tax Clearance Certificate from the previous RRCO, showing the old registration details and tax status. This certificate must be submitted to the new RRCO. The previous RRCO shall be responsible for submitting a copy of all tax records to the new RRCO.

(3) Cancellation or Deactivation of PIT Registration

For PIT purposes, cancellation of registration takes place when a person dies or foreign expats leave the country permanently. Deactivation takes place when a person no longer has taxable income or a person migrates to another country. In such cases, an authorised representative or the taxpayer shall inform the concerned RRCO and obtain a Tax Clearance Certificate. A Tax Clearance Certificate shall be issued to the taxpayer by the RRCO.

Filing of Income Tax Return

27. All citizens aged 18 years and above and residents having taxable personal income under Rule No. 25(1) of this Part or their authorised representatives or persons claiming refund shall file the tax return either online or as per FORM PIT-2 and pay the applicable taxes (if any) to the concerned RRCO before 1st March following the end of the income year. If a tax return shows a payable status, unless the applicable taxes are paid, the return submitted shall not be treated as return filed.
28. All tax return forms must contain full and correct information regarding the income and deductions and must be accompanied by relevant documents such as money receipts and TDS certificates for adjustment of TDS and taxes paid half yearly/quarterly.

29. Failure to file the income tax return as required shall attract fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule No. 63 of the General Provisions.

Persons other than Citizens or Residents

30. Any person not a citizen or a resident but having personal income from sources in Bhutan or from work performed in Bhutan, TDS paid shall be treated as the final PIT and return shall not be filed. Where taxes have not been deducted at source, such person shall be required to pay the applicable TDS as final tax liability.

Correction of Tax Return

31. A taxpayer may correct their tax return within 15 days from the date of submission of tax return on genuine grounds and reasons acceptable to the RRCO. The request for correction of return may be made online or submit application by writing to the concerned RRCO.

Postponement of Filing

32. Where a taxpayer is unable to submit the tax return within the due date, the Regional Director of the concerned RRCO may extend the time limit up to 1st May provided that:
- (1) the taxpayer submits a written request for extension before 20th February for PIT;

(2) postponement of filing shall not postpone the payment of tax. In such cases, the taxpayer shall make a suitable provisional tax payment equal to or more than the tax paid in the previous year.

33. Request for extension beyond 1st May shall be forwarded by the RRCO to the DRCHQ. DRCHQ may extend the time limit up to 1st August, in exceptional cases.

Payment of Tax

34. Citizens or residents shall pay PIT on a self assessment basis at the time of filing the tax return. TDS/tax paid half yearly or quarterly shall be adjusted against the tax liability and any payment in excess shall be refunded as per Section 23 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

Sources of Income Liable to Tax

35. The sources of income liable to tax shall be as per the Rules prescribed below:

(1) Salary Income from Employment

Salary means pay, wages, allowances, remuneration, leaves encashment, share of profit received by an employee and includes benefits received free or at a concessional rate. Salary income shall be taxed on an accrual basis.

Gross salary income means a total of pay, wages, sitting fees, allowances, bonus, commission, and benefits as valued under Rule No. 10(3)(c) of Part I.

Adjusted Gross Salary Income means the Gross Salary Income after specific deductions/exemptions.

Where an individual earns salary income from more than one employer during the same income year, all salaries shall be added to the Gross Salary Income. Consultancy fees received by a non-licensed consultant from an employer in Bhutan or for work performed in Bhutan for an employer abroad shall be treated as salary and be subject to tax.

However, the following incomes shall be excluded from the computation of salary income provided they are within government rates:

- (a) leave travel concession;
- (b) travel allowances and daily allowances given while on tours;
- (c) transfer grants and transportation costs given on transfers;
- (d) foreign allowance and Representational Grant given to the civil servants of the Royal government employees stationed outside the country;³
- (e) stipend received by trainees, exchange students and living allowances received by volunteers working in Bhutan;⁴

3 *82nd Session of National Assembly, June 2004*

4 *National Budget Report Financial Year 2002-2003 & the 80th Session of National Assembly June 2002.*

- (f) all allowances and free or subsidized facilities of armed forces;
- (g) all retirement benefits paid as Gratuity, Pension and Provident Fund;
- (h) discretionary grant as defined under Pay Revision Act.

(a) Specific Deductions

The following deductions shall be allowed as deductions from gross salary income:

(i). General Provident Fund (GPF)

contributions made to a pension plans maintained with a financial institution. The maximum deductible rate of the contribution shall be limited to the rate of the scheme maintained by the National Pension & Provident Fund when:

- (a) pension plan is maintained with a Financial Institution in Bhutan other than the NPPF; or
- (b) the pension plan is maintained outside Bhutan for an employee who is on a deputation in Bhutan.

(ii). Group Insurance Scheme (GIS)

contributions maintained with Insurance Companies within Bhutan. The maximum deductible contribution shall be as per

Annexure I of the Group Savings & Insurance Scheme Guidelines, 2016. ⁵

(b) Payment of Tax

Tax shall be deducted at source (TDS) by the employer at the rate prescribed in Annexure III in accordance with the procedures laid down in Rule No. 60(2)(b)(i) of the General Provisions.

Where an employer is not under any legal obligation to deduct tax at source from its employees, the individual, i.e. the employee, shall be responsible for paying tax as per rates prescribed in Annexure III to the RRCO on a quarterly basis.

For citizens and residents, TDS or tax paid on a quarterly basis shall be adjusted against their final tax liability at the time of filing the tax return. For persons other than a citizen and resident, TDS or tax paid by the individual on a quarterly basis shall be treated as final tax and return shall not be filed.

(2) Rental Income from Real Property in Bhutan

Real property means land, building, houses, factory buildings, warehouses and any other structures earning rental income. Rental income from real property shall be taxed on an accrual basis.

⁵ GPF & GIS as per 80th Session of National Assembly, June 2002

Gross Rental Income means total rental income from real property during an income year before specific deduction(s)/exemption.

Adjusted Gross Rental income means Gross Rental Income from real property after specific deductions/exemptions mentioned under Rule No. 35(2)(a) of this Part.

(a) Specific Deductions/Exemption(s)

The following expenses shall be allowed as deductions from rental income:

- (i) interest paid on borrowings provided that the loan:
 - (a) is in the name of the taxpayer (property owner);
 - (b) is taken for the purpose of construction or purchase of the real property generating rental income and these are specifically stated in the loan documents;
 - (c) is taken from a recognised financial institution; and
 - (d) is supported by relevant documents.

- (iii) 20% of the Gross Rental Income shall be allowed as deductions for repairs and maintenance expenses;
- (iv) actual municipal taxes and urban house taxes paid, if supported by documents such as money receipts;

- (v) insurance premium paid to a recognised insurance company, if supported by documents.

The above deductions shall not be allowed for self-occupied units and for real property not generating rental income. However, in the case of property remaining vacant up to a period of three months in an income year the above deductions shall be allowed provided, the conditions laid down under Rule No.35(2)(b) of this Part, are fulfilled.

(b) Exemption from Tax

- (i) One dwelling unit used for self occupation shall be exempt from tax. However, in the case of married couples only one unit shall be exempted. Married couples residing in separate locations due to employment related reasons shall be allowed to claim tax deduction for one dwelling unit each for self occupation upon presentation of the proof of employment and that units are actually self-occupied subject to the conditions under Rule No. 35(2)(a).⁶
- (ii) Any property remaining vacant shall be exempted from PIT subject to the fulfillment of the following conditions:

⁶ National Budget Report, Financial Year 2002-2003 & the 80th Session of National Assembly, June 2002.

- (a) the property has remained vacant and there was no rental income;
- (b) the RRCO of registration has been informed in writing of the property remaining vacant within fifteen days;
- (c) documentary proof to let out the said property is produced;
- (d) property kept vacant and not covered under (a) and (b) above shall be deemed as property let out and rent will be calculated on the fair market price.

(c) Payment of Tax

Government, Semi Government, NGOs, Companies or Business entities shall withhold TDS at the rate of 5% on the gross rental income payments made by them as per Rule No. 60(2)(b) (ii) of the General Provisions.

Where rental income is received from persons other than those mentioned above, individuals receiving the income shall be responsible for declaring at the time of filing.

TDS shall be adjusted against their final tax liability at the time of filing the tax return.

The property owners shall be required to issue valid money receipts for rental income received. Failure to issue money receipts shall attract fines

and penalties as per Section 32, Chapter 5 of the General Provisions of the IT Act. Rental payment shall be made online or through cheques.

(3) Dividend Income

Dividend income means any income earned from holding of shares in a company registered in Bhutan. However, such income does not include dividends received in the form of bonus shares. Dividend shall be taxed on a receipt basis.

Gross Dividend income means total dividend income during an income year before specific deduction(s)/exemption.

Adjusted Dividend Income means gross dividend income after specific deductions as mentioned under Rules No. 35(3)(a) and 35(3)(b) of this Part.

(a) Specific Deductions

Interest paid on borrowings shall be allowed as deductions provided that the loan:

- (i) is in the name of the taxpayer (shareholder);
- (ii) is taken for the purchase of shares and this is specifically stated in the loan document;
- (iii) Is taken from a recognised financial institution; and
- (iv) Is supported by relevant documents.

(b) Specific Exemption

Total Dividend Income up to Nu. 30,000 per annum per taxpayer shall be exempted.

(c) Payment of Tax

A company paying dividend to its shareholders shall at the time of payment shall deduct tax on dividend income at source as per rates prescribed below and deposit to the concerned RRCO in accordance with Rule No. 60(2)(b)(iii) of the General Provisions.

Citizens or residents	Dividend Nu. 30,000 or below	No deductions
	Dividend Nu. 30,001 & above	10% of the Total Dividend Income
Person other than citizens or residents	10% on the Total Dividend Income as final tax and tax returns need not be filed.	

(4) Income from Other Sources

Income from other sources means income derived from the following sources:

- (a) income from hire of privately owned vehicles, but excluding trucks and taxis registered in Bhutan;
- (b) income from hire of privately owned plant and machinery; and
- (c) income from intellectual property rights.

Intellectual property means income from copyrights, patent, trademark, design, model or any artistic or

scientific work. Income from other sources shall be taxed on an accrual basis.

Gross Income from Other Sources means total income from other sources during an income year before specific deductions/exemption.

Adjusted Gross Income from Other Sources means gross income from other sources after specific deductions /exemption mentioned under Rule No. 35(4)(a) of this Part.

(a) Specific Deduction

30% of the Gross Income from Other Sources shall be allowed as deductions.

(b) Payment of Tax

Government, Semi Government, NGOs, Companies or Business entities shall withhold TDS at the rate of 5% on the gross income from other sources on payments made by them as per Rule No. 60(2)(b)(vii) of the General Provisions.

Where income from other sources is paid by persons other than those mentioned above, individuals receiving the income shall be responsible for declaring the income so received, at the time of filing.

For citizens and residents TDS shall be adjusted against their final tax liability at the time of filing the tax return. For persons other than a citizens or residents, TDS shall be treated as final tax and return shall not be filed.

General Deductions

36. General Deductions shall be given from the Total Adjusted Gross Income in the manner prescribed below:

(1) Insurance Premium⁷

Insurance premium paid to a recognised Insurance Company in Bhutan against the insurance policies covered under Annexure- 1A shall be allowed as 100% deduction. However, in respect of premium paid against insurance policies covered under Annexure- 1B shall be allowed with only 50% deduction but subjected to a maximum deduction of Nu. 50,000.00 per annum per taxpayer.

(2) Donations

Donations made for the following purposes shall be allowed:

- (a) relief fund for natural calamities in Bhutan; or
- (b) preservation and promotion of religious and cultural purposes in Bhutan; or
- (c) promotion of sporting, educational and scientific activities in Bhutan.

⁷ *Insurance Premium deduction as per National Budget Report, Financial Year 2002-2003 & the 80th Session of National Assembly June 2002.*

However, the following conditions shall apply:

- (i) prior approval from the Department must be obtained;
- (ii) donation claims must be supported by valid money receipts;
- (iii) where donations are made to institutions such as school, a valid acknowledgement must be obtained bearing the relevant logos and seals of the beneficiary; and
- (iv) total donations allowed shall be 5% of the Total Adjusted Gross Income.

(3) Education Expense

(a) Dependent Children

Education expense for dependent children (own or legally adopted) shall be allowed as deduction from the total adjusted gross income as per the following conditions:

- (i) the actual cost of education incurred shall be allowed as deduction up to a maximum limit of Nu. 350,000 per child provided, that the claim is supported by relevant documents;
- (ii) both parents cannot claim the allowance for the same dependent child;
- (iii) where children aged 18 years and above start earning, either as an employee or through a profession or business, the individual can no longer be considered a dependent and neither

- can his status revert to dependent for the purpose of taxation;
- (iv) for children having been awarded scholarship, the deductible education expense shall be only on account of the uncovered portion of the education expense.

(b) Sponsored education expense

Education expense for sponsored student shall be allowed as deduction from the total adjusted gross income based on the following conditions and procedures:

- (i) Sponsored educational expense shall only be admitted where it is deemed to have been spent on a financially needy child who is a Bhutanese.
- (ii) For the purpose of Rule 36(3)(b)(i), a financially needy child shall refer to:
 - (a) a child who does not have both the parents, and inherited no properties yielding fixed source of income or income from any other sources;
 - (b) a child who is survived by a single parent but that parent is not capable of sponsoring the child's educational expenses;
 - (c) a child who has both the parents but the parents are not capable of sponsoring the child's educational expenses.

- (iii) Sponsorship of a student who is availing full scholarship shall not qualify for educational expense claims;
 - (iv) The allowable sponsorship education expense shall be the actual expenses or Nu. 350,000 per child whichever is lower provided, that the claim is supported by relevant documents.
 - (v) A duly filled Application Form IT – 10 must be submitted by a person sponsoring children education expense to the concerned RRCO;
 - (vi) The application shall be submitted to the RRCO where taxpayer is registered; and
 - (vii) Application Form must be submitted latest by 31st October of the year where children education expense is being sponsored.
- (c) If the individual availing privately financed education is a taxpayer, then the cost of education shall be allowed as tax deductible expenditure, limited to the actual cost of education or Nu. 350,000, whichever is lower per individual.

Net Taxable Income

37. Net Taxable Income means the Total Adjusted Gross Income from the following personal incomes after general deductions:

- (1) gross salary income after deductions under Rules No. 35(1)(a);

- (2) rental income from real property after specific deduction(s)/exemption under Rules No. 35(2)(a) and 35(2)(b) of this Part;
- (3) dividend income from shareholdings after specific deduction(s)/exemption under Rules No. 35(3)(a) and 35(3)(b) of this Part;
- (4) income from other sources after specific deduction(s) under Rule No. 35(4)(a) of this Part.

38. Citizens and residents shall be taxed on the Net Taxable Income arrived from 37(1)(2)(3)(4) after general deductions under Rule No. 36 of this Part. The tax rates and slabs given under Rule No. 39 of this Part shall be applied on Net Taxable Income to calculate the Tax Amount.

Tax Rates

39. The Net Taxable Income as per Rule No. 37 of this Part shall be liable for PIT as per the rates given below:

Sl. No	Net Taxable Income	Tax rates
1	Where the Net Taxable Income does not exceed Nu. 300,000.00	Nil
2	Where the Net Taxable Income exceeds Nu. 300,000.00 but does not exceed Nu.400,000.00	10% of the amount by which the Net Taxable Income exceeds Nu. 300,000.00
3	Where the Net Taxable Income exceeds Nu. 400,000.00 but does not exceed Nu.650,000.00	Nu. 10,000.00 plus 15% of the amount by which the Net Taxable Income exceeds Nu. 400,000.00

4	Where the Net Taxable Income exceeds Nu. 650,000 but does not exceed Nu. 1,000,000.00	Nu. 47,500.00 plus 20% of the amount by which the Net Taxable Income exceeds Nu. 650,000.00
5	Where the Net Taxable Income exceeds Nu. 1,000,000 but does not exceed Nu. 1,500,000.00	Nu. 117,500.00 plus 25% of the amount by which the Net Taxable Income exceeds Nu. 1,000,000.00
6	Where the total net taxable income exceeds Nu. 1,500,000.00	Nu. 242,499.00 plus 30% of the amount by which the total net taxable come exceeds Nu. 1,500,000.00

Surcharge

40. Surcharge at the rate of 10% shall be levied on Personal Income Tax, if the annual Personal Income Tax is equal to or more than Nu. 1,000,000. For the purpose of this Rule, Surcharge shall refer to an additional tax levied over and above the applicable tax amount, and it shall be levied at a flat rate of 10 percent on the total PIT assessed. However, at the time of filing, a provisional surcharge may be accepted on the self-declared PIT amount.

Set Off and Carry Forward

41. The set off and carry forward shall be as per the Rules prescribed below:

(1) Adjustment of TDS and Taxes Paid Quarterly

TDS and tax paid quarterly for the purpose of PIT shall be adjusted as follows:

- (a) TDS and tax paid quarterly from salary income, rental income, dividend income, and income from other sources shall be adjusted against the Tax Amount at the time of filing for a citizen and a resident as per Rule No. 60 of the General Provisions;
- (b) for a person other than a citizen or a resident, TDS and taxes paid quarterly shall be treated as final PIT and such persons shall not be required to file income tax return.

(2) Set Off

Set off and adjustment of personal income for the computation of Net Taxable Income shall be as follows:

- (a) deficit from one income may be adjusted against another income provided the incomes are from the same source. Example: deficit from rental income of one property may be adjusted against the rental income from another house;
- (b) deficit from one source shall not be adjusted against the income from another source. Example: Deficit from rental income will not be allowed to be adjusted against the income from salary or any other source.

Deficit means specific deductions/exemption exceeding the Gross Income.

(3) Carry Forward of Losses

Carry forward of loss or deficit from one income year to another or adjustment against the income of the subsequent year shall not be allowed under PIT.

PART IV

TAXES ON LOTTERY WINNING

Tax liability

42. All citizens shall be liable to pay income tax on the lottery winnings.
43. Any person whether resident or not shall pay income tax on the lottery winnings.

Income liable to tax

44. Any lottery winning be it in money or money's worth that is equivalent to sum of Nu. 5000 or more, shall be liable for income tax.
45. For the purpose of this taxation it shall be the winnings on a single ticket.
46. The lottery ticket shall include all forms, either printed or digital.

Tax rate

47. Lottery tax shall be levied at a flat rate of 20% on the total winnings.
48. Tax deducted at source shall be treated as final and a separated tax return shall not be filed.

Responsibility to collect and deposit tax

49. Authorized lottery operating entities and their agents shall be liable to deduct the applicable taxes at source at the time of awarding the winning prize.
50. The tax shall be deposited with the RRCO on or before 10th of the month following the date of deduction as per the Form IT-8.

GENERAL PROVISIONS

The Rules under this Part shall apply to Corporate Income Tax, Business Income Tax and Personal Income Tax.

Assessment

51. An assessment means all proceedings starting with the filing of return or issue of notice and ending with determination of tax payable by an assessee. The Department shall be responsible for assessment of taxes.
52. The Department may make an assessment at any time subject to section 4, Chapter 2 of the General provisions of the Income Tax Act of the Kingdom of Bhutan 2001. The department may carry out the assessment in one or more of the following ways. However, if the self-assessed tax is found reasonable, the department may accept such tax amount as the final tax liability.

(1) Advance Assessment

An Advance assessment means an assessment carried out by the Department in advance of the normal due date of filing a tax return.

An advance assessment maybe carried out in an Income Year;

- (a) where a taxpayer ceases to carry on business; or
- (b) where a taxpayer ceases to earn income from sources in Bhutan; or

- (c) where a department has reason to believe that any taxpayer is about to leave Bhutan; or
- (d) where a taxpayer has been declared bankrupt by a court; or
- (e) where a taxpayer dies; or
- (f) where a department has any other reasons to believe that an advance assessment be made in respect of a taxpayer.

(2) Desk Assessment

Desk Assessment means a preliminary checking of self-assessed tax return without visiting the business premises. Where a taxpayer has submitted a return and the department has accepted the return, the desk assessment may be carried out.

(3) Field Assessment

Field Assessment refers to an assessment carried out within the business premises.

The field assessment may be carried out where:

- (a) a desk or advance assessments suggest missing or inadequate documentation; or
- (b) the business has claimed refund of taxes; or
- (c) the business has declared loss; or
- (d) the department has any other reasons to believe that the field assessment needs to be carried out.

(4) Estimated Assessment

Estimated assessment means an assessment where the department determines the tax liability of the assessee based on the best of judgment.

The estimated assessment may be carried out where:

- (a) tax return has not been submitted within the prescribed time limit and no time extension request has been made and approved; or
- (b) a business or company has failed to keep proper accounting records as required under Rule No. 62 of this Part; or
- (c) a tax return has been rejected; or
- (d) the taxpayer has failed to comply to the notices issued by the department; or
- (e) the department has any other reasons to believe that the estimated assessment need to be carried out.

The department shall carry out an estimated assessment based on one or more of the following:

- (i) tax returns filed or taxes paid in the previous years plus an appropriate increase;
- (ii) import and export figure available with the department;
- (iii) bank statement information;
- (iv) information from third party;
- (v) taxes paid by the similar units;
- (vi) sales and purchase records;
- (vii) TDS records; and
- (viii) any other information available on the taxpayer.

(5) Reassessment

Reassessment means an assessment conducted again on the same taxpayer owing to one or more of the following grounds:

- (a) upon request from a taxpayer as a part of the appeal procedure; or
- (b) where an appeal case cannot be concluded without further investigation and the appeal committee has directed for re-assessment; or
- (c) where there are reasonable grounds to believe that some income or expenses may have escaped assessment; or
- (d) the department has any other reasons to believe that the re-assessment need to be carried out.

Re-assessment may take place at any time within 5 years from the end of the Income Year. However, in the case of tax fraud, re-assessment may take place without any time limit.

Notice of Assessment

- 53. Where an assessment is required, the department shall inform the taxpayer in writing at least 2 weeks before the commencement of such assessment stating the type of assessment, time and place of assessment.
- 54. If the taxpayer is not able to make arrangements for the assessment on the dates mentioned in the notice due to unavoidable circumstances beyond the control of the

taxpayer, the taxpayer must make a written request to the concerned RRCO at least 1 week before the assessment schedule date.

Demand Notice

55. The Department shall upon completion of assessment, serve a demand notice in the Form IT-11 along with the assessment report to the taxpayer comprising one or more of the following:

- (1) additional tax payable/refundable; or
- (2) penal interest, fines and penalties payable; or
- (3) statutory liabilities such as Tax Deducted at Source, Health Contribution payable; or
- (4) where any other sum is payable, the amount of the sum so payable.

56. Where no taxes and penalties are payable, a notice to that effect shall be issued along with the assessment report.

Transfer and Closure of Business

57. The transfer and closure of business shall be as per the Rules prescribed below:

(1) Winding up of company

A company shall wind up in accordance with the provisions under the Companies Act of the Kingdom of Bhutan, 2000.

(2) Transfer and Closure of Business

Liability to tax as a result of transfer or closure of a business shall be as follows:

(a) Change of Business Ownership

Both the previous owner and the new owner shall report change of ownership of a business in writing to the concerned RRCO. License shall also be transferred through the Authorised Government agency on submission of Tax Clearance Certificate for companies and for businesses issued by the RRCO.

Where the change of ownership has not been reported, the new owner shall be responsible for settlement of all outstanding tax liabilities.

(b) Business Closure

When closing a business unit, the following procedures must be adhered to:

- (i) the taxpayer must notify the RRCO at least 2 months before the date of closure;
- (ii) the taxpayer shall submit the final accounts till date and make provisions for the remaining 2 months;
- (iii) the taxpayer (companies and businesses) shall obtain a Tax Clearance Certificate from the concerned RRCO.

Where the above provisions have not been adhered to, the outstanding taxes shall be borne by:

- (a) the company, in case of incorporated business;
- (b) the license holder, in the case of unincorporated businesses.

Exemption from Tax

58. A religious institution or organisation, charitable institution, trust body, trust fund or a body of persons shall be exempt from PIT/ BIT/ CIT provided the following conditions are fulfilled.

Such organisations are approved by the government and established in the Kingdom of Bhutan:

- (1) is not operated or conducted for profit;
- (2) is established exclusively for religious worship or advancement of religion or for charitable purposes and or is in the interest of the general public;
- (3) management and control is done through a board consisting of minimum three members; and
- (4) proper books of accounts are maintained and filed.

To avail of tax exemptions, such organisations are required to be registered with the Department and shall furnish any relevant information to the tax authorities or any other authorised agency of the Government on written request.

Double taxation relief

59. Relief from double taxation shall be accorded in accordance with double taxation avoidance agreements entered into and the provisions laid down under;

- (1) In order to be eligible for relief from double taxation, the following conditions should be fulfilled:
 - (a) a double taxation Avoidance Agreement should exist between Bhutan and the foreign country where tax has been withheld or levied;
 - (b) the person claiming the relief should have been a tax resident of Bhutan for the relevant income year;
 - (c) tax has been paid or is payable on the same income in the foreign jurisdiction; and
 - (d) the income is subject to taxation in Bhutan.

- (2) If a resident person derives taxable foreign source income in respect of which the person has paid foreign income tax, the person shall be allowed a foreign tax credit of an amount, equal to the lesser of:
 - (a) a foreign income tax paid; or
 - (b) income tax payable under the Income Tax Act in respect of the taxable foreign source income.

- (3) For the purposes of Rule 57(2)(b) of these Rules, income tax payable under this Rule in respect of taxable foreign source income derived by a resident person in an income year is computed by applying the average

rate of Bhutanese income tax applicable to the person for the year, against the net foreign source income of the person for the year.

- (4) For Part I (CIT) & Part II (BIT) taxpayers, the foreign tax credit for each category of foreign source income shall be calculated separately for an income year.
- (5) When Rule 57(2) applies, deductions are apportioned for the purposes of paragraph (ii) of the definition of “net foreign source income” in Rule 59(7)(c) on the basis that the business income that is foreign source income and the other foreign source income are separate classes of income.
- (6) If a foreign tax credit allowed to a resident person for an income year exceeds the tax payable by the person for that year, the excess of the amount shall neither be refunded nor be carried forward to the next income year.
- (7) Under these Rules on double taxation relief:
 - (a) average rate of Bhutanese Income Tax, in relation to a resident person for an income year means the percentage of the Bhutanese Income Tax payable by the person for the year, before the allowance of any tax credit under this Rule.
 - (b) foreign income tax means income tax, including withholding tax on income, imposed by the Government of a foreign country, but does not

- include penalty or interest payable in respect of such tax.
- (c) net foreign source income, in relation to a resident person for an income year means the total taxable foreign source income of the person for the year, as reduced by:
 - (i) any deductions to the person under this Rule for the year that relate exclusively to the derivation of the taxable foreign source income; and
 - (ii) any other deductions allowed to the person under this Rule for the year that are reasonably apportioned to the derivation of taxable foreign source income.

Collection and Payment of Taxes

60. The collection and payment of taxes shall be as per the Rules prescribed below:

(1) Collection Authority

The Department of Revenue and Customs through its Regional Revenue & Customs Office and withholding agencies shall be responsible for the collection of taxes as per the provisions given under this Rule.

(2) Payment of Tax

Taxpayers shall pay taxes to the RRCO in one or more of the following ways as mentioned below:

(a) Taxes paid during the income year

(i) Advance Taxes

All companies and large and medium businesses shall pay advance tax as follows:

Due date	Advance Tax amount
31st August	25% CIT (Companies other than State Enterprise) & 30% BIT/CIT (Businesses & State Enterprise Companies) based on half yearly Profit and Loss account, or where half yearly accounts cannot be submitted on reasonable grounds, 50% of the BIT/ CIT paid in the previous year

Late filing of half yearly accounts and late payments of Advance Tax shall attract fines and penalties as provided under Chapter 5 of the General Provisions of Income Tax Act of the Kingdom of Bhutan 2001 and Rule 63 of the General Provisions.

(ii) Tax Paid on Quarterly basis

Individuals employed by an employer not liable to deduct tax at source shall pay tax in 4 equal instalments during the income year by computing their annual tax liability and dividing it into 4 instalments. The tax must be deposited with the RRCO where the individual is registered as a taxpayer on 31st March, 30th June, 30th September and 31st December of the income year.

(b) Tax Deducted at Source (TDS)

TDS is a preliminary estimate of a person's annual tax liability and shall be adjusted against the final tax at the time of filing the annual tax return unless otherwise specified. The withholding agencies are responsible for deducting and depositing TDS as below:

Sl. No.	Withholding Agency	Sources
1	Employer	Salary [refer 60(2)(b)(i)]
2	Government, Semi government & Non government organisations, Companies and Businesses	Rental Income [refer 60(2)(b)(ii)]
3	Companies	Dividend [refer 60(2)(b)(iii)]
4	Financial Institutions	Interest [refer 60(2)(b)(iv)]
5	Department of Tourism	Tour Income [refer 60(2)(b)(v)]
6	Contract Awarder	Contract income [refer 60(2)(b)(vi)]
7	Government, Semi government & Non government organisations, Companies, and Businesses	Other Income [refer 60(2)(b)(vii)]
8	Lottery Operating Entities/Agents	lottery Winnings [refer 60(2)(b)(viii)]

(i) Salary Income

Salary income includes fees paid to non-licensed freelance consultants. The employer shall deduct tax at source (TDS) on salary

income at the time of disbursement as per schedule prescribed in Annexure III.

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-1.

The tax deducted at source shall be adjusted against the person's tax liability, therefore the employer must:

- (a) maintain proper accounting records;
- (b) submit monthly and yearly information to the RRCO where the employer is registered as a taxpayer as per FORM IT-1;
- (c) ensure that the retirement benefits are paid only on submission of Tax Clearance Certificates issued by a RRCO.

For persons other than a citizen or a resident, the TDS is final and return shall not be filed.

(ii) Rental Income

A corporate or business entity or a government, semi government, non government organisation hiring real property as defined under Rule No. 35(2) of Part III, of these Rules shall at the time of payment deduct tax at source (TDS) at the rate of 5% of the gross rental payment.

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-2.

The tax deducted at source shall be adjusted against the person’s final tax liability; therefore, all withholding agencies must maintain proper accounting records.

(iii) Dividend Income

A company paying dividend to its shareholders shall at the time of payment deduct tax on dividend income at source as per rates prescribed below:

Citizens and residents	Dividend Nu. 30,000 or below	No Deductions
	Dividend Nu. 30,001 & above	10% of the Total Dividend Income
Persons other than citizens and residents	10% on the Total Dividend Income as final tax, and return shall not be filed.	
CIT & BIT units	10% on the Total Dividend Income	

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-3.

The tax deducted at source shall be adjusted against the person’s final tax liability,

therefore, the company must:

- (a) maintain proper accounting records;
- (b) submit yearly accounts before December 31st to the RRCO as per FORM IT-3.

(iv) Interest Income

A financial institution paying interest to its clients shall deduct tax on interest income at source at the time the interest is paid or credited to the client’s account as per rates prescribed below:

Foreign Companies & Branches	5% of the total interest income
CIT & BIT units	5% on the Total Interest Income

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-4.

The tax deducted at source shall be adjusted against the final tax liability of companies and businesses under the purview of Full Tax Liability, therefore, the financial institutions must:

- (a) maintain proper accounting records;
- (b) submit yearly accounts before December 31st to the RRCO as per FORM IT-4.

(v) TDS from National Tour Operators

The Tourism Council of Bhutan (TCB) shall deduct tax at source at the rate of 2% of the Tour Income.

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-5 with a copy to the tour operator.

The tax deducted at source will be adjusted against the tour operator's final tax liability, therefore, the tour operators must maintain proper accounting records.

(vi) Contractors

Tax shall be deducted at source by a contract awarder in the manner prescribed below:

(a) Contractors under Full Tax Liability

Tax shall be deducted from contractors under full tax liability for carrying out any construction, logging work, transportation, management contracts, consultancy including other professional services and supplies.

The contract awarder shall:

- (i) deduct contractor's tax at source at the rate of 2% of the gross amount

on the day of payment. The amount so deducted shall be adjusted against the contractor's final tax liability;

- (ii) TDS must be deposited online or to the concerned RRCO on or before 10th of the month following the date of deduction as per FORM IT-6 with a copy to the contractor.

(b) Contractors under Limited Tax Liability

Tax shall be deducted from contractors under limited tax liability for carrying out any construction, logging, transportation and management works including other services.

The contract awarder shall:

- (i) deduct contractor's tax at source at the rate of 3% of the gross amount on the day of payment and it shall be treated as final;
- (ii) TDS must be deposited online or to the concerned RRCO on or before 10th of the month following the date of deduction as per FORM IT-6 with a copy to the contractor.

- (c) Where a contractor carries out work in package involving both supplies and services, the Tax Deducted at Source (TDS) is applicable on the entire contract amount.

(vii) Other Income

A corporate or business entity or a government, semi-government, non-government organisation hiring vehicles, plant, machinery or paying for the use of intellectual property from an individual or another tax entity shall at the time of payment deduct tax at source at the rate of 5% of the gross payment.

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-7

The tax deducted at source shall be adjusted against the person's final tax liability, therefore, all withholding agencies must maintain proper accounting records.

(viii) Lottery Winnings

Any lottery winning be it in money or money's worth that is equivalent to sum of

Nu. 5000 or more, shall be liable for income tax. Authorised lottery operating entities and their agents shall deduct tax at source at a flat rate of 20% at the time of awarding the winning prize.

The amount so deducted shall be deposited online or to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-8

Failure to comply with Rule 60(2)(b)(i)(ii)(iii)(iv)(v)(vi)(vii) shall result in fines and penalties as per Chapter 5 of General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and the Rule 63 of the General Provisions.

(c) Tax Paid when Filing Annual Tax Return

Companies and businesses shall file their annual tax returns latest by March 31st and individuals before March 1st in the year following the income year.

Advance tax, tax paid on a quarterly basis and TDS shall be adjusted provided accounts have been submitted (CIT/BIT taxpayers) and TDS deduction certificates produced (CIT/BIT/PIT taxpayers) in the following manner:

(i) advance tax shall be adjusted at the time of

- filing of tax return against provisional tax payable provided accounts are submitted;
- (ii) taxes paid on a quarterly basis shall be adjusted at the time of filing of tax return provided proof of payment is produced;
 - (iii) TDS shall be adjusted:
 - (a) at the time of advance tax payment;
 - (b) at the time of provisional tax payment;
 - (c) at the time of final tax payment.

Information, Control and Documentation

- 61. All registered companies and business units shall maintain proper accounting records. The following rules are intended to provide a guideline as to what constitutes ‘proper accounting records’ for different categories of CIT/BIT taxpayers.
- 62. The specific book of accounts to be maintained by a taxpayer depends on the category of unit to which the taxpayer belongs. The categorisation of companies and business shall be in accordance with the categorization given in Annexure I.

(1) Companies, Large and Medium Business units

All companies, large and medium business units regardless of their size must maintain the following books of account and associated records:

- (a) Trial Balance;
- (b) Manufacturing & Trading Accounts;
- (c) Profit & Loss Accounts;

- (d) Balance Sheet;
- (e) General/Nominal Ledger;
- (f) Cash Book, Bank Statements, and Bank Reconciliation Statements;
- (g) Sales Ledger, Registers and Supporting bills, Cash Memos and Receipts;
- (h) Purchase Ledger, Registers and Supporting Bills, Receipts and Vouchers;
- (i) Journal Book;
- (j) Fixed Asset Register;
- (k) Stock Register.

Notwithstanding this rule, all companies and business units, large and medium business supplying good or services to other businesses shall submit information to the RRCOs on the quarterly period. The information shall contain all credit and cash sales.

Failure to submit the information shall attract fines and penalties as per Section 32, Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan 2001 and Rule 63 of the General Provisions.

(2) Small, Cottage/Micro Business Units

Small businesses must maintain basic accounting records to ensure that all transactions are recorded. Therefore, for such businesses records such as cashbook, a daily list of sales summarised monthly & annually, cash memos, purchase invoice and bank statements may be maintained. However, where these

records are not available, annual tax assessment shall be done on as per Rule No. 52(4) of the General Provisions.

(3) Information from Third Parties

All public and private entities and individuals, on written request by a Regional Director or the Head of the Department, shall furnish any relevant information on a taxpayer. The request for information shall be made when a RRCO requires the information to determine tax liability of a taxpayer.

Fines and Penalties

63. The following fines and penalties shall be applicable:

(1) Late filing of tax return

A fine equal to Nu.100 per day up to a maximum period of 3 months shall be imposed from the due date till the date of filing. Where a time extension has been obtained for filing of tax return, a due date shall be the extended date. However, if the time extension is defaulted, penal interest shall be applicable from the due date of filing.

(2) Late Payment of Tax

A Penal interest at the rate of 24 per cent per annum on the amount of tax due in addition to tax in arrears shall be imposed after the due date of filing of tax return till the date of payment.

(3) Non filing of tax return

Non filing shall refer to a tax return not filed within three months from the due date. Where a time extension has been obtained for filing a tax return, a due date shall be the extended date.

A fine equal to three times the assessed tax amount shall be imposed for non-filing. However, where there is no tax liability due to non-operation or due to business running in a loss, a fine of Nu.30,000 shall be imposed.

(4) Failure to maintain books of accounts and documents

A fine ranging from Nu.1000 to Nu.100,000 shall be imposed for failure to maintain books of accounts and documents, or furnish information as required under the Income Tax Act and the Rules. The fine amount shall be based upon the size of the business and the degree of non-compliance committed.

(5) Failure to comply with a notice

A fine ranging from Nu.500 to Nu.5000 shall be levied for failure to comply with a notice issued by the Department. The Department may issue notices requiring the business or individual to produce books of accounts, any documents, or serve demand notice. The fine shall apply for each default committed.

(6) Withholding agents

Withholding agents responsible for deduction and remittance of tax shall be liable for penalties as follows:

(a) failure to deduct tax at source as required under

the Income Tax Act shall attract penal interest at 24 per cent per annum on the amount due in addition to the applicable TDS amount. The penal interest shall be computed from the due date till the date of payment;

- (b) failure to deposit the tax deducted at source shall attract penal interest at 24 per cent per annum from the due date till date of payment in addition to the TDS amount.

Recovery Measures

64. The following recovery measures shall be used when a company, business or person:

- (a) has not paid tax within the due date; or
- (b) has not deducted tax at source within due date; or
- (c) has not paid fines and penalties.

(1) Agreement

The RRCO shall enter into an agreement with a taxpayer for recovery of tax dues and claims including penal interest. The agreement shall specify dues, terms of payments, mode of payment etc. The penal interest on outstanding tax shall be calculated till the date of first installment. However, if any installment is defaulted, penal interest shall be applicable from the date of first installment.

Prior approval of the DRCHQ is required if the payback period is longer than 12 months.

(2) Restraint on Asset

Where a taxpayer defaults the payment of tax dues as per the agreement under Rule No. 64(1), the RRCO shall put a restraint on the taxpayer's property, or income from the taxpayer's property covering sufficiently the amount of outstanding tax/claims as mentioned below:

- (a) issue a restraint order as per FORM IT-9 to the taxpayer stating clearly the grounds for restraint;
- (b) notify the general public and the concerned authorities of the property being restrained and the right to subsequent claims where third parties have prior claims to the property/income;
- (c) register details of the property/assets/income restrained in the Restraint Book.
- (d) enter into further agreement stipulating faster recovery of dues.

If a taxpayer settles tax dues, the RRCO shall inform the taxpayer stating clearly that his/her dues have been cleared and the restraint order shall be annulled thereafter.

(3) Executing Bond

Notwithstanding Rule No. 64(2), the RRCO may execute a bond or security issued by another person or entity in cases where:

- (a) the taxpayer's liquidity is poor; or
- (b) the taxpayer does not own sufficient assets or other security to cover the tax dues; or
- (c) the tax due is high compared to income from his

- business; or
- (d) the tax authority has reason to believe that the taxpayer may leave the country;
 - (e) if the bond or security is redeemed, the RRCO shall adjust the tax dues/outstanding and refund the excess amount, if any.

(4) Detention of Assets

Assets restrained under Rule No. 64(2) may be detained if a taxpayer fails or has failed to settle his/her tax dues as per conditions set out thereto. Once detained, the assets may be auctioned and disposed off by the RRCO:

- (a) after obtaining prior approval from head of the Department;
- (b) after fixing the reserved value of asset to be disposed of;
- (c) by an Auction Committee comprising at least two officers from the RRCO, and two representatives from the concerned Dzongkhag;
- (d) under the chairmanship of the Regional Director; and
- (e) by notifying at least two weeks before the date of auction by the RRCO.

(5) Adjustment of Auction Proceeds against Tax Dues

The proceeds from the auction shall be adjusted against the duties and taxes due, interest and fines as well as costs of detaining the assets and the auction thereof. The RRCO shall inform the taxpayer of the adjustment

in writing and refund the excess amount, if any, to the taxpayer.

(6) Suspension and Cancellation of Business License

Notwithstanding Rules No. 64(1)(2)(3)(4)(5), the Department through the Ministry of Finance shall recommend to the concerned authority for cancellation of a taxpayer's licence.

Tax Clearance Certificate

65. A Tax Clearance Certificate for companies, for business units and for individuals must be obtained from a RRCO where they are registered as a taxpayer in the following cases:

- (1) before leaving the country for 6 months or more;
- (2) at the time of obtaining and renewal of licence or bidding for any works and service contracts;
- (3) at the time of transfer of ownership or location of business; or
- (4) at the time of closing of a business;
- (5) at the time of issuance/ renewal of occupancy certificates.

Issue of Tax Clearance Certificate

66. A Tax Clearance Certificate shall be issued provided:

- (1) there are no outstanding taxes due to the government;
or
- (2) a person/entity does not have taxable income.

FORM CIT-1

CIT REGISTRATION



ROYAL GOVERNMENT OF BHUTAN REGIONAL REVENUE & CUSTOMS OFFICE

Date: _____

1. DETAILS OF COMPANY

- a) Name of Company: _____
- b) Registered Address of Company: _____
Dzongkhag _____ Town/City _____
Street Name: _____
Post Box No.: _____ Phone No.: _____
Fax No.: _____ Email address: _____

2. TYPE OF OWNERSHIP (please tick)

- a) Private Company
- b) Government Company
- c) Listed Company
- d) Foreign Company

3. LICENSE DETAILS AND ACTIVITIES

Sl. No	License No.	Date of Issue	Nature of Activity

If required, please use additional sheet.

4. COMPANY REGISTRATION DETAILS

- a) Registration No:
- b) Date of Registration:

5. NO. OF REGULAR EMPLOYEES (including those at branch units) Number:

6. ADDRESS OF BRANCH

Sl. No	Name of the unit	Town/City	Post Box No	Phone No	Fax No.
1					
2					
3					
4					
5					

If required, please use additional sheet.

Note: *Any change in the above information must be informed to the RRCO of registration within one month of the change.*

I hereby declare that the above information is true and correct to the best of my knowledge.

Signature of the Chief Executive Officer:

Name of the Chief Executive Officer:

Documents Attached:

- i. Certificate of Incorporation
- ii. License Copies
- iii. Name and address of Board of Directors

FOR OFFICIAL USE ONLY

You are hereby allocated a Tax Payer Number (TPN) _____
by the Regional Revenue Customs Office _____ on _____ day
month _____ year.

You are requested to use your TPN in all your correspondences
with us. Yours faithfully,

Name & Signature of the Issuing Authority

FORM CIT-2

ANNUAL INCOME TAX RETURNS

ANNUAL CORPORATE INCOME TAX RETURNS FOR THE
INCOME YEAR _____

From: Name of MD: _____
Name of Company: _____
License Nos.: _____
TPN: _____
Date: _____

To: The Regional Director,
Regional Revenue & Customs Office,

Please find attached the following documents relating to
Corporate Income Tax for the Income Year _____.

- Self Assessment sheet (Adjustment of taxable Profit/Loss) inline with the Income Tax Act & Rules
- Statutory Audit Report/ Provisional Financial Statements
- Money Receipts for Advance Taxes already paid or CIT withheld at source.
- Cash/Cheque No dated for Nu. (figures) (words)only in payment of SelfDeclared Corporate Income Tax .

We, hereby declare that the records submitted herewith are true and meet the obligations as required under the Income Tax Act & Rules. Any additional taxes arising as a result of the records

being otherwise or as a result of shortcomings in meeting the obligations as required under the Income Tax Act & Rules shall be paid along with the penalties as provided in the Income Tax Act.

Affix
Legal
Stamp

Affix
Legal
Stamp

Signature:

Name of Chief Executive Officer:

Date:

Signature:

Name of Finance Manager:

Date:

FORM BIT-1



BIT REGISTRATION

ROYAL GOVERNMENT OF BHUTAN REGIONAL REVENUE & CUSTOMS OFFICE

1. DETAILS OF BUSINESS

- a) Name of the Business _____
- b) Type of Business Trading Service Manufacturing
- c) Investment Range
- | | |
|-----------------------------------|--------------------------|
| Nu. 100 million and above | <input type="checkbox"/> |
| Nu. 10 million to Nu. 100 million | <input type="checkbox"/> |
| Nu. 5 million to Nu. 10 million | <input type="checkbox"/> |
| Nu. 3 million to Nu. 5 million | <input type="checkbox"/> |
| Nu. 1 million to Nu. 3 million | <input type="checkbox"/> |
| Less than Nu. 1 million | <input type="checkbox"/> |
- d) Registered Address of the Business: _____
Street Name _____ Post Box No. _____
Dzongkhag _____ Gewog _____ Village _____
Phone No. _____ Fax No. _____
Email address _____

2. TYPE OF OWNERSHIP *(please tick)*

- Sole Proprietorship
- Partnership

3. OWNERSHIP DETAILS

Sl. No	Name	Citizenship ID No	TPN No	Telephone No

Name _____ Sex _____ Date of Birth/Year _____

Citizen ID Card No/Resident Permit No. _____ Nationality _____

Street Name _____ Post Box No. _____ Fax No. _____

Village _____ Gewog _____ Dzongkhag _____

If a business has more than one owner, same details should be filled in a separate sheet.

4. DATE OF BUSINESS ESTABLISHMENT

Date _____ Month _____ Year _____

5. LICENSE DETAILS AND ACTIVITIES

Sl. No	License No	Date of Issue	Nature of Activity

If required, please use additional sheet.

6. OTHER BUSINESSES OWNED BY THE OWNER

Sl. No	TPN	Name of the Business	License No	Address	Phone No

If required, please use additional sheet.

Note: Any change in the above information must be informed to the RRCO of registration within one month of the change.

I hereby declare that the above information is true and correct to the best of my knowledge.

Signature of the Owner: _____

Name of the Owner: _____

FOR OFFICIAL USE ONLY

You are hereby allocated a Tax Payer Number (TPN) _____
by the Regional Revenue Customs Office _____ on ____
day _____ month _____ year.

You are requested to use your TPN in all your correspondences with us.

Yours faithfully,

Name & Signature of the Issuing Authority

FORM BIT-2

ANNUAL BUSINESS INCOME TAX RETURN

ANNUAL BUSINESS INCOME TAX RETURN FOR THE
YEAR _____

From: Name of Proprietor: _____
Name of Business: _____

License Nos. _____
TPN/Entity Code No. _____
Date _____

To: The Regional Director
Regional Revenue & Customs Office

Please find attached the following documents relating to Business
Income Tax for the Tax Year _____:

- Annual Accounts in Standard Format.
- Money Receipts for Advance Taxes already paid or BIT withheld at source.
- Cash/Cheque No. _____ dated _____ for Nu.(figures) _____ (words) _____ only in payment of Self Declared Business Income Tax.

We, hereby declare that the records submitted herewith are true and meet the obligations as required under the Income Tax Act & Rules. Any additional taxes arising as a result of the records

being otherwise or as a result of shortcomings in meeting the obligations as required under the Income Tax Act & Rules shall be paid along with the penalties as provided in the Income Tax Act.



Signature:
Name of License Holder:

Date:

Signature:
Name of Accountant/Finance
Manager:

Date:

FORM BIT- 2

BIT STANDARD ACCOUNTS FORMAT

In the format shown below, dd/mm/20vv represents the day/month/year of the end of the current accounting period; 19vu represents the end of the previous accounting period (of the same duration); XXXX are current year values; YYYY are prior year values.

Profit & Loss Account for the year ended dd/mm/20vv

	<i>Schedule</i>	<i>20vv</i> <i>Nu'000</i>	<i>20vu</i> <i>Nu'000</i>
<i>Total Sales</i>	<i>1</i>	<i>XXXX</i>	<i>YYYY</i>
<i>TOTAL INCOME</i>		<i>XXXX</i>	<i>YYYY</i>
<i>Less: Direct Expenses</i>	<i>3</i>	<i>XXXX</i>	<i>YYYY</i>
<i>GROSS PROFIT</i>		<i>XXXX</i>	<i>YYYY</i>
<i>Other Income</i>	<i>2</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Less: Selling Expenses</i>	<i>4</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Less: Administration Expenses</i>	<i>5</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Less: Depreciation for year</i>	<i>14</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Less: Other Financial Expenses</i>	<i>6</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Less: Interest Paid</i>		<i>XXXX</i>	<i>YYYY</i>
<i>NET PROFIT FOR THE YEAR</i>	<i>(#)</i>	<i>XXXX</i>	<i>YYYY</i>
<i>Add: Inadmissible expenses for tax purposes</i>			
<i>Direct</i>	<i>7</i>	<i>XXXX</i>	<i>YYYY</i>

<i>Selling</i>	8	XXXX	YYYY
<i>Administration</i>	9	XXXX	YYYY
<i>Financial Expenses</i>	10	XXXX	YYYY
<i>Appropriations</i>	11	XXXX	YYYY

INITIAL SELF ASSESSED PROFIT FOR YEAR (A) XXXX YYYY

Add

Bonus Limit @ 10% = Amount Disallowed 12 XXXX YYYY

Ent/Staff Welfare Limit @ 2% =Amount Disallowed 13 XXXX YYYY

SELF ASSESSED TAXABLE PROFIT XXXX YYYY

Less tax allowed losses carried forward (XXXX) (YYYY)

FINAL SELF ASSESSED TAXABLE PROFIT (B) XXXX YYYY

SELFDECLARED BIT/BIT @ 30% of B () XXXX YYYY*

Less Amounts Already Paid:

Advance Taxes (XXXX) (YYYY)

BIT Withheld at Source (XXXX) (YYYY)

BALANCE BIT PAYABLE

.....
 XXXX YYYY
 =====

Please note that a tax allowed loss could only be carried over for a maximum of three years and then it becomes invalid. An account showing how much loss and to which year the loss relates to needs to be kept.

I/We declare that the information in this document and any attachments is true and correct to the best of my (our) knowledge and belief. Late submission, misleading or false information shall result in fines and penalties as per the Income Tax Act of the Kingdom of Bhutan, 2001 and rules thereto.

Name and Signature of owner or authorized signatory and Date

Name and Signature of Accountant who prepared the accounts and Date.

Balance Sheet as at dd/mm/20vv

	<i>Schedule</i>	<i>20vv Nu'000</i>	<i>20vu Nu'000</i>		
<i>Fixed Assets</i>	<i>14</i>	<i>XXXX</i>	<i>YYYY</i>		
<i>Current Assets</i>		<i>XXXX</i>	<i>YYYY</i>		
	<i>15</i>				
<i>TOTAL ASSETS</i>		<i>XXXX</i>	<i>YYYY</i>		
<i>Less: Current Liabilities</i>		<i>XXXX</i>	<i>YYYY</i>		
<i>TOTAL ASSETS LESS CURRENT LIABILITIES</i>	<i>16</i>	<i>XXXX</i>	<i>YYYY</i>		
<i>Financed By:</i>		<i>===</i>	<i>===</i>		
<i>Long Term Capital</i>					
<i>Retained Profit brought forward Net Profit for year</i>	<i>17</i>	<i>XXXX</i>	<i>XXXX</i>	<i>YYYY</i>	<i>YYYY</i>
<i>Less/BIT</i>	<i>(*)</i>	<i>(XXXX)</i>		<i>(YYYY)</i>	
<i>Plus (minus) any transfers in or (out) Retained Profit carried forward</i>			<i>XXXX</i>		<i>YYYY</i>
<i>Long Term Liability</i>	<i>18</i>		<i>XXXX</i>		<i>YYYY</i>
<i>TOTAL CAPITAL</i>		<i>..... XXXX =====</i>	<i>..... YYYY =====</i>		

I/We declare that the information in this document and any attachments is true and correct to the best of my (our) knowledge and belief. Late submission, misleading or false information shall result in fines and penalties as per the Income Tax Act of the Kingdom of Bhutan, 2001 and rules thereto.

Name and Signature of owner or authorized signatory

Date:

Name and Signature of Accountant who prepared the accounts

Date:

Schedule 1: Total Sales

	20vv Nu '000	20vu Nu '000
Sales Cash	XXXX	YYYY
Sales Credit	XXXX	YYYY
.....	XXXX	YYYY
TOTAL SALES	XXXX	YYYY

Schedule 2: Other Income

	20vv Nu '000	20vu Nu '000
Interest Income:		
.....		XXXX YYYY
.....		XXXX YYYY
.....		XXXX YYYY
.....		XXXX YYYY
.....		XXXX YYYY
Total Interest		XXXX YYYY
Rent Income:		
.....		XXXX YYYY

.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Rent</i>	XXXX	YYYY
<i>Other Income:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Other</i>	XXXX	YYYY
<i>TOTAL OTHER INCOME</i>	XXXX ====	YYYY ===

Schedule 3: Direct Expenses

*Direct expenses are those expenses, which can be directly related to the production and or purchase of goods for the main line of business of an organization). Listed below are the **some common expenses**, which fall under this head. Please remember that this is not an exhaustive list.*

	20vv Nu'000		20vu Nu'000	
<i>Opening Stock Less: Closing Stock</i>	XXXX		YYYY	
<i>Stock Movement</i>	XXXX	(XXXX)	YYYY	(YYYY)
<i>Opening Work in Progress</i>				
<i>Less: Closing Work in progress</i>	XXXX	(XXXX)	YYYY	(YYYY)
<i>Work in Progress Movement</i>		XXXX		YYYY
<i>Direct Purchases: Raw Materials</i>	XXXX		YYYY	

<i>Components</i>	XXXX	XXXX	YYYY	YYYY
.....				
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
<i>Total Purchases</i>		XXXX		YYYY

Direct Staff Costs:

<i>Permanent Salary Costs</i>	XXXX		YYYY	
<i>Wages</i>	XXXX		YYYY	
<i>Labor Charges</i>	XXXX		YYYY	
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
<i>Total Staff Costs</i>		XXXX		YYYY

Other Direct Expenses:

<i>Loading & Unloading</i>		XXXX		YYYY
<i>Carriage Inward</i>	XXXX		YYYY	
<i>Bhutan Sales Tax</i>	XXXX		YYYY	
<i>Customs Duties</i>	XXXX		YYYY	
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
<i>Total Other</i>	XXXX		YYYY	

<i>TOTAL DIRECT EXPENSES</i>	XXXX		YYYY	
	===		===	

Schedule 4: Selling Expenses

(Selling expenses are those expenses incurred while trying to sell or promote a product). Listed below are the **some common expenses**, which fall under this head. Please remember that this is not an exhaustive list.

	20vv Nu '000		20vu Nu '000	
<i>Selling Staff Costs: Permanent Salary</i>				
Costs	XXXX		YYYY	
Wages	XXXX		YYYY	
Labor Charges	XXXX		YYYY	
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
<i>Total Staff Costs</i>		XXXX		YYYY
<i>Other Selling Expenses:</i>				
Travel expenses for selling the product		XXXX		YYYY
Entertaining				
Distribution costs (Transport & Freight)	XXXX	XXXX	YYYY	YYYY
Publicity				
Commissions	XXXX	XXXX	YYYY	YYYY
.....	XXXX		YYYY	
.....	XXXX		YYYY	
.....	XXXX		YYYY	

.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Other</i>	XXXX	YYYY
<i>TOTAL SELLING EXPENSES</i>	XXXX	YYYY
	=====	=====

Schedule 5: Administration Expenses

(Administration expenses are those expenses incurred while trying to run or administer a business). Listed below are the some common expenses, which fall under this head. Please remember that this is not an exhaustive list.

	20vv Nu'000	20vu Nu'000	
<i>Administration Staff Costs: Permanent</i>			
<i>Salary Costs</i>	XXXX	YYYY	
<i>Wages</i>	XXXX	YYYY	
<i>Labor Charges</i>	XXXX	YYYY	
<i>Staff Welfare</i>	XXXX	YYYY	
<i>Provident/Gratuity Fund</i>	XXXX	YYYY	
<i>Bonus</i>	XXXX	YYYY	
.....	XXXX	YYYY	
.....	XXXX	YYYY	
<i>Total Staff Costs</i>		XXXX	YYYY
<i>Other Administration Expenses:</i>		XXXX	YYYY
<i>Donations</i>	XXXX	XXXX	YYYY
<i>Rent Electricity</i>	XXXX		YYYY
<i>Postage</i>			YYYY
<i>Telephone</i>	XXXX		YYYY

<i>Water Charges</i>	XXXX		YYYY	
<i>Municipal Charges</i>	XXXX		YYYY	
<i>Stocks write off</i>		XXXX	YYYY	YYYY
<i>Loss on disposal of fixed assets</i>	XXXX		YYYY	
<i>Staff Training</i>	XXXX	XXXX	YYYY	YYYY
<i>Audit Fees</i>		XXXX		YYYY
<i>Consultancy Fees</i>				YYYY
<i>Other taxes Paid (excluding BIT)</i>	XXXX		YYYY	
<i>Other Professional Fees</i>	XXXX		YYYY	
.....		XXXX		YYYY
.....		XXXX		YYYY
.....		XXXX		YYYY
<i>Total Other</i>	XXXX		YYYY	
<i>TOTAL ADMINISTRATION EXPENSES</i>			XXXX	YYYY
		=====		=====

Schedule 6: Financial Expenses

*(Financial expenses are those expenses incurred due to the usage of financial (monetary) transactions in the business). Listed below are the **some common expenses**, which fall under this head. Please remember that this is not an exhaustive list.*

	20vv Nu '000		20vu Nu '000	
<i>Bad Debts</i>		XXXX		YYYY
<i>Bank Charges & other exp.</i>	XXXX		YYYY	
<i>Foreign Exchange hedging losses</i>	XXXX		YYYY	
<i>Prov. for Bad & Doubtful Debts</i>		XXXX		YYYY
<i>Provision for any Doubtful Advances</i>		XXXX		YYYY
.....		XXXX		YYYY
<i>TOTAL Financial Expenses</i>		XXXX		YYYY
		=====		=====

Schedule 7: Inadmissible Direct Expenses

	20vv Nu'000	20vu Nu'000
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
TOTAL	XXXX =====	YYYY =====

Schedule 8: Inadmissible Selling Expenses

	20vv Nu'000	20vu Nu'000
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
TOTAL	XXXX =====	YYYY =====

Schedule 9: Inadmissible Administration Expenses

	20vv Nu'000	20vu Nu'000
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
TOTAL	XXXX =====	YYYY =====

Schedule 10: Inadmissible Financial Expenses

	20vv	20vu
	Nu '000	Nu '000
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
TOTAL	XXXX =====	YYYY =====

Schedule 11: Appropriations

	20vv	20vu
	Nu '000	Nu '000
<i>Salary Claimed</i>	XXXX	YYYY
<i>Salary Allowable</i>	<u>XXXX</u>	<u>YYYY</u>
<i>Excess Salary</i>	XXXX	YYYY
<i>Dividends inadmissible as expenses</i>		
<i>Other Appropriations:</i>	XXXX	YYYY
<i>Donations Claimed</i>		XXXX YYYY
<i>Donations Allowable</i>		<u>XXXX</u> <u>YYYY</u>
<i>Donations Inadmissible</i>		
<i>Interest Allowable</i>	XXXX	XXXX YYYY <u>YYYY</u>
<i>Interest Inadmissible</i>		
<i>Income appropriations</i>	XXXX	XXXX YYYY YYYY
.....	XXXX	YYYY
TOTAL	XXXX =====	YYYY =====

Schedule 12: Bonuses disallowed

	20vv Nu'000	20vu Nu'000
<i>Bonus Claimed</i>	XXXX	YYYY
<i>Initial Assessed Net profit (A)</i>	XXXX	YYYY
<i>NP from which 10% value is calculated</i>	XXXX	YYYY
<i>Bonus Allowable as per 10% rule</i>	XXXX	YYYY
<i>Bonus Claimed:</i>	XXXX	YYYY
<i>Bonus Disallowed due to regulation or inadequate supporting</i>	(XXXX)	(YYYY)
<i>Bonus Allowable as per bookings</i>	XXXX	YYYY

Only if the bonus allowable as per bookings is greater then the bonus allowable as per the 10% rule then there should be more disallowances to the value of the difference between the bonus allowable as per the bookings and the bonus allowable as per the 10% rule and this should be added to the other bonus disallowance as mentioned below to come to the total bonus disallowed figure

<i>Total bonuses to be disallowed</i>		
<i>Bonus Disallowed due to regulation or inadequate supporting</i>		XXXX
		YYYY
<i>Bonus Disallowed due to the difference as mentioned above</i>	XXXX	YYYY
Total Bonus disallowed	XXXX	YYYY
	===	===

Schedule 13: Entertainment and Staff Welfare disallowed

	20vv Nu'000	20vu Nu'000
<i>Ent/Staff Welfare Claimed (club all these exps)</i>	<u>XXXX</u>	YYYY
<i>Initial Assessed Net profit (A)</i>	<u>XXXX</u>	YYYY
<i>NP from which 2% value is calculated</i>	<u>XXXX</u>	YYYY
<i>Ent/Staff Welfare Allowable as per 2% rule</i>	<u>XXXX</u>	<u>YYYY</u>
<i>Ent/Staff Welfare Claimed (club all these exps)</i>	<u>XXXX</u>	YYYY
<i>Ent/Staff Welfare Disallowed due to inadequate supporting</i>	<u>(XXXX)</u>	<u>(YYYY)</u>
<i>Ent/Staff Welfare Allowable as per bookings</i>	<u>XXXX</u>	<u>YYYY</u>

Only if the Ent/Staff Welfare allowable as per bookings is greater then the Ent/Staff Welfare allowable as per the 2% rule then there should be more disallowances to the value of the difference between the Ent/Staff Welfare allowable as per the bookings and the Ent/Staff Welfare allowable as per the 10% rule and this should be added to the other Ent/Staff Welfare disallowance as mentioned below to come to the total Ent/Staff Welfare disallowed figure

<i>Total Ent/Staff Welfare to be disallowed</i>		
<i>Ent/Staff Welfare Disallowed due to inadequate supporting</i>	XXXX	YYYY
<i>Ent/Staff Welfare Disallowed due to the difference as mentioned above</i>	XXXX	YYYY
Total Ent/Staff Welfare disallowed	XXXX	YYYY

Schedule 14: Fixed Assets

<i>TOTAL DEPRECIATION</i>			<i>XXXX</i>	<i>YYYY</i>
<i>FOR YEAR</i>				
<i>Less: Depreciation on Disposals</i>				
<i>Disposals:</i>	<i>Date</i>	<i>Rate</i>		
.....	.....	.....	<i>(XXXX)</i>	<i>(YYYY)</i>
.....	.....	.....	<i>(XXXX)</i>	<i>(YYYY)</i>
.....	.....	.....	<i>(XXXX)</i>	<i>(YYYY)</i>
.....	.....	.....	<i>(XXXX)</i>	<i>(YYYY)</i>
.....	.....	.....	<i>(XXXX)</i>	<i>(YYYY)</i>
<i>Depreciation brought forward from last year</i>			<i>XXXX</i>	<i>YYYY</i>
<i>Depreciation carried forward to next year</i>			<i>XXXX</i>	<i>YYYY</i>
			<i>=====</i>	<i>=====</i>
<i>Net Book Value brought forward from last year</i>			<i>XXXX</i>	<i>YYYY</i>
			<i>=====</i>	<i>=====</i>
<i>NET BOOK VALUE CARRIED FORWARD TO NEXT YEAR</i>			<i>XXXX</i>	<i>YYYY</i>
			<i>=====</i>	<i>=====</i>

Schedule 15: Current Assets

	<i>20vv</i>	<i>20vu</i>	
	<i>Nu'000</i>	<i>Nu'000</i>	
<i>Cash</i>	<i>XXXX</i>	<i>YYYY</i>	
<i>Bank</i>	<i>XXXX</i>	<i>YYYY</i>	
<i>Sundry Debtors:</i>			
.....		<i>XXXX</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>
<i>Less: Provisions Total Sundry Debtors Closing Stock:</i>	<i>XXXX</i>	<i>XXXX</i>	<i>YYYY</i>
		<i>XXXX</i>	<i>YYYY</i>
		<i>(YYYY)</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>
.....		<i>XXXX</i>	<i>YYYY</i>

.....	XXXX	YYYY
<i>Total Closing Stock</i>	XXXX	YYYY
<i>Prepayments:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Prepayments</i>	XXXX	YYYY
<i>Other Current Assets:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Other</i>	XXXX	YYYY
TOTAL CURRENT ASSETS	XXXX	YYYY
	=====	=====

Schedule 16: Current Liabilities

	<i>20vv</i> <i>Nu'000</i>	<i>20vu</i> <i>Nu'000</i>
<i>Bank Overdraft</i>	XXXX	YYYY
<i>Unpaid Wages</i>	XXXX	YYYY
<i>Unpaid Taxes</i>	XXXX	YYYY
<i>Trade Creditors:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Trade Creditors</i>	XXXX	YYYY
<i>Sundry Creditors:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY

.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Sundry Creditors</i>	XXXX	YYYY
<i>Other Current Liabilities:</i>		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
<i>Total Other</i>	XXXX	YYYY
TOTAL CURRENT LIABILITIES		XXXX YYYY
	=====	=====

Schedule 17: Long Term Capital

<i>Proprietor's Capital:</i>	<i>20vv</i>	<i>20vu</i>	
	<i>Nu'000</i>	<i>Nu'000</i>	
.....	XXXX	YYYY	
.....	XXXX	YYYY	
.....	XXXX	YYYY	
.....	XXXX	YYYY	
.....	XXXX	YYYY	
<i>Total Proprietor's Capital (A)</i>	XXXX	YYYY	
 <i>Shareholders Funds:</i>			
<i>Ordinary Shares</i>	XXXX	YYYY	
<i>Preference Shares</i>	XXXX	YYYY	
.....	XXXX	YYYY	YYYY
.....	XXXX	YYYY	YYYY
.....	XXXX	YYYY	YYYY
.....	XXXX	YYYY	YYYY
.....	XXXX	YYYY	YYYY
Total Shareholders Funds (B)	XXXXX	YYYY	
 <i>Donor or other Financing: (Capital Grants)</i>			
.....	XXXX	YYYY	
.....	XXXX	YYYY	

.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Donor or other Financing (Capital Grants) (C)		XXXX	YYYY
TOTAL LONG TERM CAPITAL	(A+B+C)		XXXX
		=====	=====

Schedule 18: Long Term Loans

Long Term Loans:

Bank of Bhutan		XXXX	YYYY
Royal Monetary Authority		XXXX	YYYY
Royal Insurance Corporation of Bhutan		XXXX	YYYY
Bhutan Development Finance Corporation		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Long Term Loans (A)		XXXX	YYY
Donor Financing (Liability):			
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Donor Financing (liability) (B)		XXXX	YYYY
Other Financing (Liability):			
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Other (C)		XXXX	YYYY
TOTAL LONG TERM LOAN (A+B+C)		XXXX	YYYY

FORM PIT-1

PIT REGISTRATION



ROYAL GOVERNMENT OF BHUTAN REGIONAL REVENUE & CUSTOMS OFFICE

1. PERSONAL DETAILS

Name: _____

Sex (Male or Female) _____

Date of Birth: _____

Occupation: _____

ID No./Resident Permit No: _____

Father's Name _____

Mother's Name _____

2. PERMANANT ADDRESS

House No: _____

Thram No: _____

Village: _____

Gewog: _____

Dzongkhag: _____

Nationality (If not a Bhutanese) _____

3. PRESENT ADDRESS

Address: _____

Tel No. (O) _____ (R) _____

Post Box No: _____ Fax No: _____

Email Address: _____

4. MARITAL STATUS

a) Are you married? (Please tick)

Yes

No

b) If yes, please fill in the particulars of your spouse.

Sl No	Spouse's Name	Citizen ID No./ Resident Permit No.	Region of Registration	Source of Income

If required, please use additional sheet.

5. CHILDREN'S DETAILS

a) Do you have children? (Please tick)

Yes

No

b) If yes, please fill in the particulars of your child/ children

Sl. No	Name of Child	Date of Birth	Citizenship ID NO	Source of Income	Income Clubbed with

If required, use additional sheet.

6. SOURCES OF INCOME

Do you have any sources of personal income? (Tick)

- a) Salary Income
- b) Rental Income
- c) Dividend Income
- d) Income from Other sources

7. PLACE OF REGISTRATION

a) Where do you want to register? (Tick one)

- RRCO, Thimphu
- RRCO, Paro
- RRCO, P/ling
- RRCO, Samste
- RRCO, Gelephu
- RRCO, S/jonkha
- RRCO, Bumthang
- RRCO, Mongar

TAX PAYERS DECLARATION

I hereby declare that the information given in this Form is true and correct to the best of my knowledge and belief. In case if any information is found untrue and false, I shall be liable for fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

Signature of the Individual: _____

Name of the Individual: _____

Date: _____

Instructions:

Please note instructions numbered below correspond to the numbers in the Form, and it must be read together:

- a) ID Card No/ R. Permit No. refers to Citizen Identity Card Number for Bhutanese citizens, and Resident Permit No is the Resident permit No issued by the Department of Immigration and Census for non Bhutanese.
- b) Permanent Address means the place where your census is registered or where census records are located.
- c) Present address means the place where you are currently residing as a result of work, business etc.
- d) If you are married, fill in the details of your spouse as laid out in Table 4(b). Place of registration means the RRCO where the spouse was previously registered before marriage. As per Part III, Chapter 1, Section 2, of the Income Tax Act of the Kingdom of Bhutan, 2001, all married couples must choose the same RRCO for registration. Source of income refers to source of income of your spouse.
- e) If you have children, fill in the details of your children as laid out in Table 5(b) . Source of income means source of income of your child. Income clubbed with means the name of the parent with whom the child's income has been clubbed with for personal income tax purpose.
- f) Source of income means the source of your personal income, and not of your spouse and children.
- g) Place of registration is the place where you want to register for personal income tax purposes. You can register in only one RRCO as a taxpayer.

FORM PIT-2



PERSONAL INCOME TAX RETURN

PERSONAL INCOME TAX RETURN FOR THE INCOME YEAR _____

ROYAL GOVERNMENT OF BHUTAN REGIONAL REVENUE & CUSTOMS OFFICE

1. PERSONAL DETAILS OF TAXPAYER: (Please fill the following)

Name:	TPN:																			
TO BE FILLED IN ONLY IF THERE ARE AMENDMENT/CHANGES TO THE INFORMATION																				
CID/Resident Permit No:										House No:										
										Tharm No:										
Nationality:										Village:										
										Gewog:										
Date of Birth: / / (DD/MM/YY)										Dzongkhag:										
Father's Name:										CURRENT POSTAL ADDRESS										
Mother's Name:										Address:										
Telephone No. (O)																				
Mobile No.										Post Box No.										
Email address:										Dzongkhag										

2. MARITAL STATUS

Spouse Name:										CURRENT POSTAL ADDRESS										
CID/Resident Permit No:										Address:										
TPN:										Post Box No:										
Nationality:										Mobile No:										

If required, please use additional sheet.

3. DETAILS OF CHILDREN

Sl. No	Name of Child	CID No.	Tick if the income of the child below 18 years of age is clubbed in the return	Specify the source of income clubbed in the return	Tick if the child is student	Date of Birth
1						
2						
3						

If required, please use additional sheet.

4. INCOME COMPUTATION WORKSHEET

4.1 Gross Income from Salary & Consultancy Services				
Employer's Name & Address	Income Particulars	Amount	Month	Grand Total
	1. Basic salary			
	2. Salary Allowances			
	3. Bonus			
	4. Salary Arrears			
	5. Consultancy Fees			
	6. Commission			
	7. Sitting Fees			
	8. Leave Encashment			
	Other Allowance/Benefit:			
	a. House Rent Allowance			
	b. Telephone/Mobile Allowance			
	c. Conveyance Allowance			
	d. LTC (Exceeding Nu.15,000)			
e. Any other Allowances				
9. Gross Total (a+b+c+d+e)				
Gross salary income (1+2+3+4+5+6+7+8+9)				
Less: Specific Deduction (s)				
a. General Provident fund (GPF)				
b. Group insurance scheme (GIS)				
Net salary income				
Adjusted Gross Salary Income				
AGI (i): Add the totals of net salary income from all employers to arrive at Gross Income from Salary and transfer the amount to Table 5				

4.3 Gross Income from Dividend					
Name of Company	Share Certificate No	No. of Shares	Face value of Shares	Dividend Declared (%)	Dividend Amount
A: Gross Dividend from all Companies(add the above)					
Less: Specific Deductions					
B1: Exemption				30,000	
B2: Interest on loans for the purchase of shares from a recognized financial institution (enclose Bank statement))					
B: Total Deductions (add the two above B=B1+B2)					
AGI (iii) Adjusted Gross Dividend Income (A-B). If positive, transfer the amount to table No 5.					

4.4 Gross Income from Other Sources			
Type of Income	Name and address of person from whom received	TPN or ACS Code	Income
A: Gross Income from all sources (add the above)			
B: Specific Deduction/Exemption (30% of A)			
AGI (iv) Adjusted Gross Income from Other Sources (A – B). If positive, transfer the amount to table No 5.			

5. TOTAL OF YOUR ADJUSTED GROSS INCOME [AG(i), AG(ii), AG(iii) & AG(iv)]		
Source of Income:	Adjusted Gross Income (Nu.)	Worksheet Nos
1. Adjusted Gross Income from Salary		4.1
2. Adjusted Gross Income from Rental Property		4.2
3. Adjusted Gross Income from Dividends		4.3
4. Adjusted Gross Income from Other Sources		4.4
Total Adjusted Gross Income		
Less: Deductions		
a. Life insurance premium paid (50% of the premium upto a max of Nu. 50,000)		
b. Donations (approved by MoF up to max 5% of Total adjusted gross income)		
c. Education Expenses:		
<i>(i) Biological & Legally Adopted Children:</i>		
(i) Education Expenses within Bhutan		
(ii) Education Expenses outside Bhutan		
<i>(ii) Sponsored Children:</i>		
(i) Education Expenses within Bhutan		
(ii) Education Expenses outside Bhutan		
Total deduction		
NET TAXABLE INCOME		

6. CALCULATION OF SELF ASSESSED TAX			
Income Slabs:	Rates	Allocation of Taxable Income	Tax Amount
Upto Nu. 300,000	0	0	
Nu. 300,001-400,000	10%	0+10% of (Net taxable Income 300,000)	
Nu. 400,001-650,000	15%	10,000+15% (Net taxable income 400,000)	
Nu. 650,001-1,000,000	20%	47,500+20% of (Net taxable income 650,000)	
Nu. 1,000,001-1,500,000	25%	117,500+25% of (Net taxable income-1,000,000)	
Nu. 1,500,000 & above	30%	242,499+30% of (Net taxable income 1,500,000)	

7. TAXES PAID QUARTERLY /TAXES DEDUCTED AT SOURCE	
Income Source	Tax Deducted at Source: Amount
1. Salary	
2. Rental	
3. Dividend	
4. Other Income	
Total TDS (Add the four amounts)	

8. FINAL TAX PAYABLE/REFUNDABLE POSITION AT THE TIME OF FILING	
1. Tax Amount (from table 6)	
2. Less Tax Deducted at Source (from table 7)	
Tax Payable/(Refundable)[12]	

Taxpayer's Declaration

I hereby declare that the information given in this Form and the supporting documents attached herewith are true and correct to the best of my knowledge and belief. In case any information is found incorrect, I assume full responsibility thereof and shall be liable for fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

Signature of the Taxpayer

Authorised Representative Date:

Name:

Signature:

CID No.:

Mobile No.:

** A letter of authorization from the taxpayers must be attached.*

For Official Use Only

Deposited Vide Money Receipt No: _____

Money Receipt Date (DD/MM/YY): _____ / _____ / _____

Received & Verified by

Name:

Signature:

Designation:

Instructions on filing PIT Annual Tax Return

GENERAL INFORMATION

1. WHO MUST FILE A TAX RETURN?

- A person having income from sources mentioned below in 3 but exceeding Nu.200,000 per annum
- Minor below 18 years of age having income from sources as mentioned below in 3
- Resident earning personal income from sources as mentioned below in 3
- Any other person not a citizen or a resident but having personal income from sources in Bhutan or for work performed in Bhutan.

2. HOW TO FILE?

- You can file your return online by visiting www.drc.gov.bt
- Income of minors (individuals under 18 years of age) must be clubbed with one of the parent's income and file together with the parent.
- Where a minor has a guardian appointed by the Court, income of the minor must be filed separately.

3. WHAT ARE THE SOURCES OF INCOME UNDER PERSONAL INCOME TAX?

- Salary income from employment or consultancy services.
- Rental income from properties such as land, building and houses.
- Dividend income from shareholdings in a company.

- Income from other sources such as hiring of privately owned vehicle, plant and machinery, and intellectual property rights.

4. WHERE AND WHEN TO FILE YOUR TAX RETURN?

Tax return must be filed within 1st March following the income year at the Regional Revenue & Customs Office (RRCO) where you have registered as a taxpayer.

5. WHAT DOES INCOME YEAR MEAN?

Income year means the calendar year starting 1st January and ending on the 31st December.

DEFINITIONS

- a) Gross Income means total income from a particular income source before specific deduction(s)/ exemptions.
- b) Specific Deduction(s)/Exemption(s) means deduction(s)/ exemption(s) allowable against a specified source of income.
- c) Total Gross Income means total income from all sources under PIT before specific deduction(s)/exemption(s).
- d) Adjusted Gross Income means gross income after allowing specific deduction(s)/ exemption(s).
- e) Total Adjusted Gross Income means total of the adjusted gross income(s) from all income sources.
- f) General Deductions means deductions allowable against total adjusted gross income to arrive at Net Taxable Income.
- g) Net Taxable Income means total adjusted gross income after allowing general deductions. Tax rates are applied to Net Taxable Income to arrive at the Tax Amount.

TABLE 1- INSTRUCTION

Table 1 requires you to fill in your personal details:

- a) Name is your registered name and it should correspond to the name in your census register.
- b) ID Card No. is your Citizen Identity Card Number for Bhutanese citizens, and Resident Permit No is the Permit No. issued by the Department of Immigration and Census for non Bhutanese.
- c) Permanent Address means the place where your census is registered or where census records are located.
- d) Present Address is the place where you are currently residing as a result of work, business etc.

TABLE 2- INSTRUCTIONS

Table 2 requires you to fill in the details of your spouse:

- a) Name is the registered name of your spouse and it should correspond to the name in the census register or Resident Permit No as the case may be.
- b) ID Card No. is your spouse's citizen Identity Card Number if your spouse is Bhutanese citizen, and Resident Permit No. is your spouse's Resident permit No issued by the Department of Immigration and Census if your spouse is non Bhutanese.
- c) Previous Place of Registration is the place or RRCO where the spouse was previously registered before marriage.

TABLE 3- INSTRUCTIONS

Table 3 requires you to fill in the details of your children below 18 years of age clubbing their income with your income:

- a) If you have children clubbing income with your income in the annual tax return, please fill in name, date of birth of your child, and source of income included in the return.

TABLE 4- INSTRUCTIONS

Table 4 requires you to fill in the details of your personal income source wise as below:

Table 4.1: Gross Income from Salary and Consultancy Services:

- a) Name of Employer & Address is the name of the employer(s) from whom you receive your salary income during the income year. Address should include business address and Phone No. of your employer(s).
- b) TPN is the No. allotted by the Department of Revenue & Customs to a company or business unit, and ACS code is the agency code allotted by the Department of Budget and Accounts if your employer is a Government Agency.
- c) Basic Salary is pay and wages as mentioned in your salary statement. It is exclusive of allowances and benefits.
- d) Consultancy Fees is the fees received by nonlicensed consultants or freelance consultants. It includes any fee received by you besides your salary.
- e) Bonus is bonus received during the income year, if any.
- f) An allowance is allowances received during the income year. It includes technical, professional, production, flying incentives or allowances.

- g) Benefits are benefits received by you in addition to the ones mentioned above during the income year. It includes any other benefits such as free accommodation, free electricity and gas, paid holidays, free transport, and any form of perks and fringe benefits, remuneration etc. The value of such benefits will be the actual cost incurred by the employer in providing such benefits to you and it should be converted in terms of money.
- h) Total from Employer is the sum total of basic pay, consultancy fees, bonus, allowances, benefits from a single employer.
- i) Gross Salary is the total of gross salary income received from all employers, if you have more than one employer.
- j) Adjusted Gross Salary Income is the total gross salary income minus the specific deductions (PF and GIS)

Please remember to enclose all supporting documents relating to your salary income such as certificates of TDS, and pay slips from your employer for adjustment and verification at the time of filing.

Table 4.2: Gross Income from Rental Property such as Land, Building and Houses:

- a) Type of property is whether property is land, house or building.
- b) Plot No./Thram No. is the No. allotted by City Corporation or Municipal/Dzongkhag.
- c) No of Units/No of Plots is the No of units/plots of the real property generating rental income depending on whether the property is land or building/house.

- d) Location is the location of the real property.
- e) Rental Income is the income received as rent from the real property.
- f) Gross Rental Income is the total amount of income received as rent.
- g) Interest is the interest paid on loans availed for purchase or construction of the real property generating rental income. It must be supported by relevant documents such as loan agreement, bank statement, and receipts.
- h) Repair and Maintenance is 20 % of the gross rental income.
- i) Insurance Premium is the total insurance premiums paid for the real property generating rental income. It must be supported by relevant documents/receipts.
- j) Local Taxes is municipal taxes and urban house taxes paid for the real property generating rental income. It must be supported by relevant documents/receipts.
- k) Specific Deductions/exemption is the total deductions/exemption under rental income.
- l) Adjusted Gross Rental Income is Gross Rental Income after specific deductions/exemption.

Please remember to enclose all supporting documents relating to your rental income such as certificates of TDS for verification and adjustment at the time of filing.

Table 4.3: Gross Income from Shareholdings in a Company:

- a) Name of Company is the name of the company from whom you receive your dividend income.
- b) TPN is the company's TPN allotted by the Department of Revenue & Customs.

- c) Share Certificate No. is the number of the share certificate.
- d) No. of Shares is the number of shares owned.
- e) Face Value of Share is the value of share given in the share certificate.
- f) Amount of Dividend is the total amount of dividend received from the shareholdings.
- g) Interest is the interest paid on loans to purchase shares. It must be supported by relevant document/receipts such as loan statements and bank statements.
- h) Gross Dividend Income is the total dividend income received from all your shareholdings.
- i) Adjusted Gross Dividend Income is the gross dividend income after specific deductions/exemption.

Please remember to enclose all supporting documents relating to your Dividend Income such as TDS certificates, bank statements and loan statements for verification at the time of filing.

Table 4.4: Gross Income from Other Sources such as hire of privately owned vehicles, plant & machinery, and intellectual property rights:

- a) Type of Income is income received from hire of privately owned vehicles, plant & machinery, intellectual property such as copyrights, patents, trademarks etc.
- b) Name and Address of person(s) from whom received is the name and address of person(s) making payments.
- c) TPN is the No. allotted by the Department of Revenue & Customs to a company or business unit, and ACS code is the agency code allotted by the Department of Budget and Accounts if the person(s) making payment is a Government

Agency.

- d) Income is the amount of income received by you.
- e) Specific Deductions/Exemption is 30% of the gross income from other sources received by you.
- f) Adjusted Gross Income from Other Sources is the total gross income from other sources after specific deductions/exemption.

Please remember to enclose all supporting documents relating to your Income from other Source such as TDS certificates for verification and adjustment at the time of filing

TABLE 5- INSTRUCTIONS

Table 5 requires you to add all your Adjusted Gross Incomes by transferring the amounts from Tables 4.1 to 4.4.

- a) Transfer the amounts from Table 4.1 to 4.4, that is, from the last row of the tables numbered AGI (i), AGI (ii), AGI (iii) and AGI (iv) to its respective places in Table 5.
- b) If you have made donations as per Section 12, and claim education allowance as per section 12.1 of the Act, enter the actual amounts. You must attach all relevant documents/receipts to support your claim.
- c) Add all your Adjusted Gross Incomes as transferred from Table 4.1 to 4.4 and deduct donations and education allowance to arrive at your Net Taxable Income

TABLE 6- INSTRUCTIONS

Table 6 requires you to calculate the Tax Amount by applying the rates prescribed in Table 6 on the Net Taxable Income (Table 5). If you have problems in calculating, you can obtain a copy of a computer spreadsheet from your Regional Revenue and Customs Office.

TABLE 7- INSTRUCTIONS

Table 7 requires you to fill in the details of Tax Deducted at Source (TDS) for sources of income mentioned in the Table (that is, salary income, rental income, dividend income, interest income, and income from other sources)

All TDS must be supported by relevant documentary proofs such as TDS certificates.

TABLE 8- INSTRUCTIONS

Table 8 requires you to determine the balance tax payable by you or refundable to you at the time of filing. Deduct all TDS from the Tax Amount as calculated in Table 6. If it is a positive amount it is tax payable by you at the time of filing, and if it is a negative amount, then it is a tax refundable to you by RRCO.

IMPORTANT NOTES:

- a) Set off is allowed only within the same source of income, but not between different sources of income.
- b) When you complete filling this Form, please remember to put date and signature and the bank account number.
- c) You will receive a Demand Notice from the concerned RRCO (with additional tax to be paid by you or tax to be

refunded to you) after the tax assessment of your return is completed.

- d) If you do not agree with the assessed tax amount you can send a written appeal to the RRCO within 30 days from the date of issue of the Demand Notice along with supporting documents and reasons thereof.
- e) Income of minors (individuals under the age of 18) must be clubbed with one of the parent's income. Where a minor has a guardian appointed by the Court, income of the minor must be filed separately.
- f) Should you find the space provided in the Form is not adequate enough, additional sheets may be used and attach the same along with the return.

CHECKLIST OF REMINDERS

Have you filled in the details of your personal income correctly in Table 1 to Table 8? To ensure correct declaration and to avoid penalties, please check once again.

- ✓ Have you enclosed TDS certificates for the following?
 - Salary Income
 - Rental income
 - Dividend Income
 - Income from Other sources

- ✓ Have you enclosed all supporting documents and receipts for
 - Interest paid on loans for real property,
 - Insurance premium paid for real property,

- Local taxes paid for real property,

Interest paid on loans for buying shares.

- ✓ Have you transferred the amounts from Table 4.1, 4.2, 4.3 and 4.4 correctly to Table 5? To ensure correct computation, please check once again.
- ✓ Have you enclosed all supporting documents relating to insurance, donations and education allowance?
- ✓ Have you calculated your Tax Amount correctly in Table 6?
- ✓ Have you put your bank account number, Name & Signature?

FORM IT-1

MONTHLY SALARY SCHEDULE

Salary Schedule for the month of _____ Year _____

Name of the Employer/Organization:

TPN/ACS:

Address:

Sl. No.	Name of Employee	1	2	3	4	5	6	7	8	9
		Citizen I.D / Resident Permit No	TPN	Basic Salary	Benefits/ Allowances	Gross Salary	TDS from Gross Salary	Health Contribution	Total	Remarks

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Salary Income and Health Contribution for the month of _____..

Name and Signature of the Disbursing Officer

Seal of Employer

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan 2001, this form must be completed and submitted to the concerned Regional Revenue & Customs Office by all employers including RGR accounts holders on a monthly basis. All employers are required to deduct tax at the time of payment as prescribed in Annexure III and deposit to the concerned RRCO on or before the 10th of the following month (for more details see Rule No. 60(2)(b)(i) of General Provisions).

- a) Column 1 refers to the Citizen ID of Bhutanese Nationals. Where Citizen ID is “under process” it must be stated in the Remarks Column 10, and a temporary ID No. shall be issued by the RRCO for tax purpose.
- b) Column 2 refers to the Resident/Work Permit No. issued by the Department of Immigration & Census for Non Bhutanese employees.
- c) Column 3 refers to the employee ID No. issued by the employer if it exists.
- d) Gross Salary in column 6 refers to the basic salary (4) + benefits/allowances. Please note that Salary tax is to be calculated on the Gross Salary.
- e) Benefits/Allowances includes everything received in money or monies worth from the employer but does not include Leave Travel Concession (LTC), Travelling and Daily Allowance (TA/DA) while on tours.
- f) To ensure correct computation of tax and timely refund/adjustment of taxes when the Tax Return is filed, it is of paramount importance that the information submitted is complete and correct.

FORM IT-2

INCOME FROM REAL PROPERTY

Tax Deducted at Source on Income from Real Property for the month of _____ Year _____

Name of Withholding Agent:

TPN/ACS:

Address:

Sl. No.	Name & Address	1 Citizen I.D No.	2 TPN	3 Type of Property	4 No of Units	5 Location	6 Amount	7 TDS @5%	8 Remarks

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Income from Real Property of the person(s) mentioned above.

Name and Signature of the Authorized Signatory

Seal of Withholding Agent

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001, this form must be completed and submitted to the concerned RRCO by all by all government, semigovernment, NGO's, company and business entities, including RGR account holders, making rental payments for the hire of real property as defined under Rule No. 3 of the Rules. All withholding agencies are required to deduct TDS at the time of payment @ 5% of the gross payment and deposit the same in to an RGR account or to the concerned RRCO on or before the 10th of the following month (for more details see Rule No. 60(2)(b)(ii) of General Provisions).

- a) Name & Address refers to the name & address of the person(s) to whom the rental payment is made.
- b) Column 2 refers to whether the property is land, building, house, cottage, factory building etc.
- c) Column 3 refers to No of Plots/Units depending on whether the rented property is land or building/houses.
- d) Column 4 refers to the location of the rented property.
- e) Column 5 refers to the amount of rental income from real property.
- f) To ensure correct computation and timely refund/adjustment of taxes when the Tax Return is filed, it is of paramount importance the information submitted is complete and correct.

FORM IT-3

INCOME FROM DIVIDEND

Tax Deducted at Source on Income from Dividend for the Year declared on _____ (DD) _____ (MM) 20____ (YY)

Name of Company:

TPN:

Address:

	1	2	3	4	5	6	7	8
Sl. No.	Name of the Shareholder	Citizen I.D No	TPN	No of Shares	Face Value of Shares	Dividend (%)	Dividend Amount	TDS @10%

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Income from Dividend of the person(s) mentioned above.

Name and Signature of the Authorized Signatory of the Company
Seal of the Company

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001, all companies distributing dividend to its shareholders must deduct tax at source @ 10% on the day of payment, and deposit the same to the concerned RRCO on or before the 10th of the following month. Please note that for citizens and residents receiving dividend more than Nu. 10,000, and for persons other than citizens and residents deduction shall be on the Total Dividend paid out. However, for citizens and residents receiving dividend income below Nu 10,000, no TDS deduction shall be applied. (for more details see Rule No 60(2) (b)(iii) of General Provisions of the Rules). This Form must be completed and submitted by all companies distributing dividend and information must be furnished on all shareholders receiving dividend income whether TDS is deducted or not.

- a) Column 1 refers to the Citizen ID of Bhutanese Nationals. Where Citizen ID is “under process” it must be stated and a temporary ID No. shall be issued by the RRCO for tax purpose. Where the recipient is a company or business the TPN or entity code must be provided.
- b) The information indicated in column 1 to 8 are to be furnished as and when dividends are paid.
- c) Information must be furnished on all dividends paid irrespective of the amount, whether there is deduction of TDS or not.
- d) To ensure correct computation of tax and timely refund/adjustment of taxes when the Tax Return is filed, it is of paramount importance the information submitted is complete and correct.

FORM IT-4

INCOME FROM INTEREST

Tax Deducted at Source on Income from Interests for the period

Name of the Financial Institution:

TPN:

Address:

Branch:

Sl. No	Name & Address of the Account Holder	TPN	A/C No	Total Interest Income	TDS @ 5%

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Income from Interest of the person(s) mentioned above.

Name & Signature of the Authorized Signatory

Seal of Withholding Agent

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001, all financial institutions paying interest to its accounts holders must deduct tax at source @ 5% at the time of payment or when the interest is credited to the account holder's account, and deposit the same to the concerned RRCO on or before the 10th of the following month. This Form must be completed and submitted by all financial institutions paying interest and information must be furnished on all account holders receiving interest whether TDS is deducted or not.

- a) The Taxpayer Number (TPN) or Agency code must be provided for all account holders receiving interest income
- b) Information must be furnished on all interest paid out irrespective of the amount.
- c) To ensure correct computation of tax and timely refund/adjustment of taxes when the Tax Return is filed, it is of paramount importance that the information submitted is complete and correct.

FORM IT-5

TDS FROM TOUR INCOME

The Regional Director,
Regional Revenue & Customs Office,

Sir,

Please find below details of payments on account of 2% TDS on tour income.

Sl. No	Name & Address of Operator	TPN	Gross Income Received in Nu.	Amount of Royalty Paid	Net Income	TDS @ 2%

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Tour Operators of the person(s) mentioned above.

Name & Signature of the Authorized Signatory
Seal of Withholding Agent

Instructions:

- a) This form is to be filled by the Department of Tourism and forwarded to the nearest RRCO on or before the 10th of the following month.
- b) The amount deducted at source must be deposited into a RGR account immediately or on the day following the receipt of the payment from tourists/agencies abroad.
- c) A copy of the duly filled form must be sent to the tour operator for information.
- d) Failure to comply with the above shall result in fines & penalties as per Chapter 5, Section 34, of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule 63 of the General Provisions.

FORM IT-6**SCHEDULE OF TDS REMITTANCE FROM
CONTRACTORS**

Tax deducted at source on Contract Income for the period
_____ to _____ Year

Name of the Organization:

TPN/ACS:

Address:

Sl. No	Name of Contractor/ Firm & Address	TPN	Description of Work/ Supply	Bill/ Invoice No & Date	Gross Amount Disbursed	Amount Withheld		If Deposited into RGR Accounts	
						Rate of Tax	Amount (Nu.)	Receipt No. & Date	Challan No & Date
						Total			

The above amount of Nu. _____ is remitted by Cash/
Cheque/Demand draft No _____ dated _____ to _____
being the deposit of TDS.

Name & Signature of the Disbursing Officer

Seal of Withholding Agent

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001, this form must be completed and submitted to the concerned RRCO by all government, semigovernment, NGO's, company and business entities, including RGR account holders, deducting tax from payments made to a company or business for construction, logging work, management contracts, supplies, transportation, consultancy and other professional services. All withholding agencies are required to deduct TDS at the time of payment at the rates mentioned in d) below and deposit the same in to an RGR account or to the concerned RRCO on or before the 10th of the following month (for more details see Rule 60(2)(b)(vi) of the General Provisions of the Rules).

- a) Name of the Contractor/Firm Address is the name and address of the party undertaking the contract.
- b) TPN is the Tax Payer Number of the party undertaking the contract.
- c) TDS is applicable on the Gross Running Bill as well as the Advances paid to the party.
- d) The rate of TDS is 2% for licensed national contractors and 3% for nonnational contractors.
- e) Revenue Money Receipt No or Depositing Challan No. is money receipt/deposit No. if you have a separate RGR account and deposit directly.
- f) If one of the payments listed above is the first payment against a contract, please attach a copy of the contract agreement

FORM IT-7

INCOME FROM OTHER SOURCES

Tax deducted at source on Income from Other Sources for the period _____ to _____ Year _____

Name of the Organization: TPN/ACS:

Address

Sl. No	Name & Address	1 Citizen I.D No.	2 TPN	3 Account Head	4 Invoice/Voucher No. & Date	5 Invoice/Voucher Amount	6 TDS @ 5%	7 Remarks

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Income from Other Sources of the person(s) mentioned above.

Name and Signature of the Authorized Signatory

Seal of Withholding Agent

Instructions:

As per Section 19 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001, this form must be completed and submitted to the concerned RRCO by all by all government, semigovernment, NGO's, company and business entities, including RGR account holders, deducting tax from payments made to individuals for the hiring of vehicles, plant/machinery and intellectual property rights. All withholding agencies are required to deduct TDS at the time of payment @ 5% of the gross payment and deposit the same in to an RGR account or to the concerned RRCO on or before the 10th of the following month (for more details see Rule No. 60(2)(b)(vii) of General Provisions).

- a) Column 1 refers to the Citizen ID of Bhutanese Nationals, where Citizen ID is “under process” it must be stated in the Remarks Column 6, a temporary ID No. shall be issued by the RRCO for tax purpose
- b) Column 3 refers to the type of services hired such as hire of vehicle, plant or machinery etc.
- c) To ensure correct computation of tax and timely refund/adjustment of taxes when Tax Return is filed it is of paramount importance the information submitted is complete and correct.

FORM IT-8

TDS FROM LOTTERY WINNINGS

Tax Deducted at Source on Lottery Winnings for the period

Name of the Lottery Operating Entities/Agents:

TPN:

Address:

Contact No.:

Sl. No	Name of the Winner	TPN	CID/WP/ Passport No	Gross Winning Amount	TDS @ 20%

The above amount of Nu. _____ is remitted by cash/cheque No. _____ dated _____ to _____ being the deposit of TDS on Lottery Winnings of the person(s) mentioned above.

Name & Signature of the Authorized Signatory

Seal of Withholding Agent

Instructions:

- a) This form is to be filled by the Lottery Operating Entities/ Agents and forwarded to the nearest RRCCO on or before the 10th of the following month.
- b) The amount deducted at source must be deposited into a RGR account immediately or on the day following the receipt of the payment from tourists/agencies abroad.
- c) A copy of the duly filled form must be sent to the lottery winners for information.
- d) Failure to comply with the above shall result in fines & penalties as per Chapter 5, Section 34, of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule 63 of the General Provisions.

FORM IT-9



RESTRAINING ORDER

**ROYAL GOVERNMENT OF BHUTAN
REGIONAL REVENUE & CUSTOMS OFFICE**

Ref. No. _____

Date: _____

To,

.....
.....
.....

Sub:

Dear Sir/Madam,

Your tax/duty is overdue with the following amount:

Income year XXXX, Nu

Income year YYYY, Nu

Income year ZZZZ, Nu

Penal interest 24% on Nu. _____ from _____ to _____ Nu. _____

Fines and penalties Nu

Total Nu

Setoff/Paid Nu

Remainder due Nu.

You have defaulted payment of the agreement dated _____ and you have not attended the meeting called on _____. Therefore, a restraint has been put on your assets as follows:

Date: ____ Asset Description: ____ Model: ____ Year: ____ Prior claims by 3rd person: Concerned authorities:

.....
.....
.....

You are hereby informed that on the asset(s) mentioned above, you cannot dispose, sell or borrow against the asset without prior approval of the tax authority. If you dispose contrary to the restraint you will be liable to prosecution by the Court with a charge of fraudulent disposition of property by a debtor to the detriment of his creditors.

Penal interest of 24% p.a. is payable until the date of payment. In addition, you may be liable for further fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule 63 of the General Provisions.

You are requested to take appropriate steps to clear your due tax/duty within 14 days of the date of this letter. If you fail to do so, we may put your restrained asset(s) on auction as per Rule No. 64(2) of the General Provisions.

The outstanding tax/duty together with interest will be recovered from the proceeds of the auction, and a surplus, if any, will be

paid to you.

You may appeal in writing within 30 days from the date of issue of this letter as per Chapter 7, General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

Yours faithfully,

Name & Signature of the Regional Director

Witness of Restraint:

Name and Address:

Witness of Restraint:

Name and Address:

Cc to:

FORM IT-10



SPONSORED STUDENT

DEPARTMENT OF REVENUE & CUSTOMS MINISTRY OF FINANCE THIMPHU

Name of Taxpayer:	
CID/TPN:	
RRCO:	
Contact No.:	
Current Address:	
Education Expenses Claimed:	
Applicant's relation to student:	
Name of the Student:	
D.O.B:	
CID number:	
Student ID number (issued by MOE):	
Gewog/Village/Dzongkhag:	
Father's Name:	
Father's CID No:	
Occupation:	
Mother's Name:	
Mother's CID No:	
Occupation:	
Reasons for sponsoring a student:	

Mandatory supporting documents required:

1. Certification from the Department of Adult and Higher Education (DAHE) or a particular school authority, that the sponsored child is not under any scholarships;
2. Certification from the concerned Gup/concerned authority that the child is financially underprivileged; and
3. Any other relevant supporting documents.

Disclaimer

I hereby declare that the information given in this Form and the supporting documents attached herewith are true and correct to the best of my knowledge and belief. In case any information is found incorrect, I assume full responsibility thereof and shall be liable for fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan 2001 and the Rule 63 of the General Provisions.

[Affix Legal Stamp]

(Signature of applicant)

FORM IT-11



**ROYAL GOVERNMENT OF BHUTAN
REGIONAL REVENUE & CUSTOMS
OFFICE**

Ref. No.

Date:

Demand Notice

.....
.....
.....

This is to give you notice under section 4, chapter 2 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan 2001, that the sum of Nu. as specified in the enclosed assessment report has been determined to be payable by you for the following income years. You are now requested to make the following payments either at RRCO Cash counter or through online.

Income year	Head of Income	Amount
2019	Fines and Penalties	XXXXXX
2020	Corporate Income Tax	XXXXXX
Total Amount		XXXXXX
		=====

Failure to comply with the above notice shall result in fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001 and Rule 63 of the General Provisions.

Place.....

Date.....

Name & Signature of the Authorized Signatory

Official seal

TRC-1



**ROYAL GOVERNMENT OF BHUTAN
REGIONAL REVENUE & CUSTOMS
OFFICE**

Ref. No:

Date:

TAX RESIDENCY CERTIFICATE

Name of Taxpayer	
Address	
Status of the Taxpayer	
Taxpayer Registration Number (TPN)	
Period for which the Certificate is applicable	

In compliance with the Agreement between the Royal Government of Bhutan and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, we hereby certify that the above taxpayer is a resident of Bhutan for tax purpose.

This certificate is issued upon the request of the above taxpayer for whichever legal purpose it may serve.

Name:

Designation:

Signature

Office Seal

ANNEXURE I

CATEGORIZATION

SECTOR	CATEGORY	INVESTMENT RANGE	TURNOVER RANGE
Trading	Large	More than Nu. 5 million	More than Nu.10 million
	Medium	Between Nu.3 5 million	Between Nu.6 10 million
	Small	Between Nu.1 3 million	Between Nu.2 6 million
	Micro	Less than 1 million	Less than 2 million
Manufacturing	Large	More than Nu.100 million	
	Medium	Between Nu. 10 100 million	
	Small	Between Nu. 1 10 million	
	Cottage	Less than Nu. 1 million	
Service	Large	More than Nu.10 million	More than Nu.20 million
	Medium	Between Nu. 5 10 million	Between Nu.10 20 million
	Small	Between Nu.1 5 million	Between Nu.2 10 million
	Micro	Less than 1 million	Less than 2 million

Note:

- a) All companies and businesses shall be categorized based on fulfillment of either one of the criteria.
- b) Investment means owners contributions/ paid up share capital plus long term loans.
- c) However, the construction sector will be categorized in accordance with the classification made by the Construction Development Board.

ANNEXURE II DEPRECIATION SCHEDULE

Bloc	Sl.No	Asset type	Maximum Rates
I	INFRASTRUCTURAL FACILITIES		
		Building - Permanent - all types	3%
		Bridges – Permanent	
		Compound walls and Fencing	
		Roads – Permanent	
		Tube Wells and Deep wells and Water Pipe lines	
		Semi Permanent	20%
		Temporary	50-100%
II	ELECTRICITY GENERATION AND TRANSMISSION		
		Devices for controlling transmission loss	5%
		Generator (Hydro)	
		Power House Equipments	
		Poles & Pillars	
		Sub Station Equipment	
		Transmission Lines - HT & LT	
		Underground Cables	
III	EQUIPMENT		
		Audio/Visual Equipments	15%
		Computer/Data Processing System	
		Deep Freezers/Refrigerators (hotels &General Use)	
		Fire Fighting Equipments/System	
		Lighting Arresters	
		Laboratory Equipments	
		LPG Cylinders	
		Office Equipments - all types	
		Photographic/Reprographic Equipments	
		Pollution Control Equipments	
		Telephone including PABX system	
		Tools and Implements	
		Trekking Equipments	
		Vacuum Cleaner	
		Water Cooler and Water Purifier	
		Weighing Machines	
		Washing Machines	
IV	FURNITURE, FIXTURES & UTENSILS		
		Ceramic and Glass Utensils	15%
		Carpets of all types	
		Curtains & Heavy Drapes	
		Domestic Electrical Appliances and Fixtures	

		Furniture of all Kinds	
		Mattresses, Pillows and Blankets	
		Silver, Steel, and Metallic Cookeries	
V		PLANT & MACHINERY (Including spare parts and accessories)	
		Boilers	
		Cinema Projectors and Screen	
		Cranes, Chain and Pulley	
		Deep Freezers & Refrigerators (Industrial Purposes)	
		Earth Moving Machinery including Bulldozers, Scrapers, Excavators, Wheel Loaders, etc	
		Fork Lifts	
		Industrial Gas Cylinders	
		Lifts	
		Mining Equipments and Machineries	
		Petrol Pump Installation and Tanks	
		Printing Machineries	
		Rope Way Installation	
		Road Rollers	
		Railing & Locomotives' Storage Tanks	
		Wood Cutting / Processing Machines	
VI		VEHICLES, VESSELS & AIRCRAFTS	
		Aircraft including Helicopter	
		Buses & Vans	
		Cycles & Rickshaws	
		Light Motor Vehicles including two or three Wheelers	
		Trucks & Trailers	
		Vessels - Ships, Boats, Rafts, etc	
VII		Small assets costing up to Nu. 25000 in total per taxpayer per income year	Write off

ANNEXURE – III

REVISED TDS SCHEDULE FOR MONTHLY SALARY INCOME

Monthly Salary From	Monthly Salary To	TDS Slab	Monthly Salary From	Monthly Salary To	TDS Slab	Monthly Salary From	Monthly Salary To	TDS Slab
0	25,000	0	29,501	29,600	460	34,101	34,200	963
25,001	25,100	10	29,601	29,700	470	34,201	34,300	978
25,101	25,200	20	29,701	29,800	480	34,301	34,400	993
25,201	25,300	30	29,801	29,900	490	34,401	34,500	1,008
25,301	25,400	40	29,901	30,000	500	34,501	34,600	1,023
25,401	25,500	50	30,001	30,100	510	34,601	34,700	1,038
25,501	25,600	60	30,101	30,200	520	34,701	34,800	1,053
25,601	25,700	70	30,201	30,300	530	34,801	34,900	1,068
25,701	25,800	80	30,301	30,400	540	34,901	35,000	1,083
25,801	25,900	90	30,401	30,500	550	35,001	35,100	1,098
25,901	26,000	100	30,501	30,600	560	35,101	35,200	1,113
26,001	26,100	110	30,601	30,700	570	35,201	35,300	1,128
26,101	26,200	120	30,701	30,800	580	35,301	35,400	1,143
26,201	26,300	130	30,801	30,900	590	35,401	35,500	1,158
26,301	26,400	140	30,901	31,000	600	35,501	35,600	1,173
26,401	26,500	150	31,001	31,100	610	35,601	35,700	1,188
26,501	26,600	160	31,101	31,200	620	35,701	35,800	1,203
26,601	26,700	170	31,201	31,300	630	35,801	35,900	1,218
26,701	26,800	180	31,301	31,400	640	35,901	36,000	1,233
26,801	26,900	190	31,401	31,500	650	36,001	36,100	1,248
26,901	27,000	200	31,501	31,600	660	36,101	36,200	1,263
27,001	27,100	210	31,601	31,700	670	36,201	36,300	1,278
27,101	27,200	220	31,701	31,800	680	36,301	36,400	1,293
27,201	27,300	230	31,801	31,900	690	36,401	36,500	1,308
27,301	27,400	240	31,901	32,000	700	36,501	36,600	1,323
27,401	27,500	250	32,001	32,100	710	36,601	36,700	1,338
27,501	27,600	260	32,101	32,200	720	36,701	36,800	1,353
27,601	27,700	270	32,201	32,300	730	36,801	36,900	1,368
27,701	27,800	280	32,301	32,400	740	36,901	37,000	1,383
27,801	27,900	290	32,401	32,500	750	37,001	37,100	1,398
27,901	28,000	300	32,501	32,600	760	37,101	37,200	1,413
28,001	28,100	310	32,601	32,700	770	37,201	37,300	1,428
28,101	28,200	320	32,701	32,800	780	37,301	37,400	1,443
28,201	28,300	330	32,801	32,900	790	37,401	37,500	1,458
28,301	28,400	340	32,901	33,000	800	37,501	37,600	1,473
28,401	28,500	350	33,001	33,100	810	37,601	37,700	1,488
28,501	28,600	360	33,101	33,200	820	37,701	37,800	1,503
28,601	28,700	370	33,201	33,300	830	37,801	37,900	1,518
28,701	28,800	380	33,301	33,400	843	37,901	38,000	1,533
28,801	28,900	390	33,401	33,500	858	38,001	38,100	1,548
28,901	29,000	400	33,501	33,600	873	38,101	38,200	1,563
29,001	29,100	410	33,601	33,700	888	38,201	38,300	1,578
29,101	29,200	420	33,701	33,800	903	38,301	38,400	1,593
29,201	29,300	430	33,801	33,900	918	38,401	38,500	1,608
29,301	29,400	440	33,901	34,000	933	38,501	38,600	1,623
29,401	29,500	450	34,001	34,100	948	38,601	38,700	1,638

Monthly Salary		TDS
From	To	Slab
38,701	38,800	1,653
38,801	38,900	1,668
38,901	39,000	1,683
39,001	39,100	1,698
39,101	39,200	1,713
39,201	39,300	1,728
39,301	39,400	1,743
39,401	39,500	1,758
39,501	39,600	1,773
39,601	39,700	1,788
39,701	39,800	1,803
39,801	39,900	1,818
39,901	40,000	1,833
40,001	40,100	1,848
40,101	40,200	1,863
40,201	40,300	1,878
40,301	40,400	1,893
40,401	40,500	1,908
40,501	40,600	1,923
40,601	40,700	1,938
40,701	40,800	1,953
40,801	40,900	1,968
40,901	41,000	1,983
41,001	41,100	1,998
41,101	41,200	2,013
41,201	41,300	2,028
41,301	41,400	2,043
41,401	41,500	2,058
41,501	41,600	2,073
41,601	41,700	2,088
41,701	41,800	2,103
41,801	41,900	2,118
41,901	42,000	2,133
42,001	42,100	2,148
42,101	42,200	2,163
42,201	42,300	2,178
42,301	42,400	2,193
42,401	42,500	2,208
42,501	42,600	2,223
42,601	42,700	2,238
42,701	42,800	2,253
42,801	42,900	2,268
42,901	43,000	2,283
43,001	43,100	2,298
43,101	43,200	2,313
43,201	43,300	2,328
43,301	43,400	2,343
43,401	43,500	2,358
43,501	43,600	2,373
43,601	43,700	2,388
43,701	43,800	2,403
43,801	43,900	2,418
43,901	44,000	2,433
44,001	44,100	2,448
44,101	44,200	2,463

Monthly Salary		TDS
From	To	Slab
44,201	44,300	2,478
44,301	44,400	2,493
44,401	44,500	2,508
44,501	44,600	2,523
44,601	44,700	2,538
44,701	44,800	2,553
44,801	44,900	2,568
44,901	45,000	2,583
45,001	45,100	2,598
45,101	45,200	2,613
45,201	45,300	2,628
45,301	45,400	2,643
45,401	45,500	2,658
45,501	45,600	2,673
45,601	45,700	2,688
45,701	45,800	2,703
45,801	45,900	2,718
45,901	46,000	2,733
46,001	46,100	2,748
46,101	46,200	2,763
46,201	46,300	2,778
46,301	46,400	2,793
46,401	46,500	2,808
46,501	46,600	2,823
46,601	46,700	2,838
46,701	46,800	2,853
46,801	46,900	2,868
46,901	47,000	2,883
47,001	47,100	2,898
47,101	47,200	2,913
47,201	47,300	2,928
47,301	47,400	2,943
47,401	47,500	2,958
47,501	47,600	2,973
47,601	47,700	2,988
47,701	47,800	3,003
47,801	47,900	3,018
47,901	48,000	3,033
48,001	48,100	3,048
48,101	48,200	3,063
48,201	48,300	3,078
48,301	48,400	3,093
48,401	48,500	3,108
48,501	48,600	3,123
48,601	48,700	3,138
48,701	48,800	3,153
48,801	48,900	3,168
48,901	49,000	3,183
49,001	49,100	3,198
49,101	49,200	3,213
49,201	49,300	3,228
49,301	49,400	3,243
49,401	49,500	3,258
49,501	49,600	3,273
49,601	49,700	3,288

Monthly Salary		TDS
From	To	Slab
49,701	49,800	3,303
49,801	49,900	3,318
49,901	50,000	3,333
50,001	50,100	3,348
50,101	50,200	3,363
50,201	50,300	3,378
50,301	50,400	3,393
50,401	50,500	3,408
50,501	50,600	3,423
50,601	50,700	3,438
50,701	50,800	3,453
50,801	50,900	3,468
50,901	51,000	3,483
51,001	51,100	3,498
51,101	51,200	3,513
51,201	51,300	3,528
51,301	51,400	3,543
51,401	51,500	3,558
51,501	51,600	3,573
51,601	51,700	3,588
51,701	51,800	3,603
51,801	51,900	3,618
51,901	52,000	3,633
52,001	52,100	3,648
52,101	52,200	3,663
52,201	52,300	3,678
52,301	52,400	3,693
52,401	52,500	3,708
52,501	52,600	3,723
52,601	52,700	3,738
52,701	52,800	3,753
52,801	52,900	3,768
52,901	53,000	3,783
53,001	53,100	3,798
53,101	53,200	3,813
53,201	53,300	3,828
53,301	53,400	3,843
53,401	53,500	3,858
53,501	53,600	3,873
53,601	53,700	3,888
53,701	53,800	3,903
53,801	53,900	3,918
53,901	54,000	3,933
54,001	54,100	3,948
54,101	54,200	3,963
54,201	54,300	3,978
54,301	54,400	4,005
54,401	54,500	4,025
54,501	54,600	4,045
54,601	54,700	4,065
54,701	54,800	4,085
54,801	54,900	4,105
54,901	55,000	4,125
55,001	55,100	4,145
55,101	55,200	4,165

Monthly Salary		TDS
From	To	Slab
55,201	55,300	4,185
55,301	55,400	4,205
55,401	55,500	4,225
55,501	55,600	4,245
55,601	55,700	4,265
55,701	55,800	4,285
55,801	55,900	4,305
55,901	56,000	4,325
56,001	56,100	4,345
56,101	56,200	4,365
56,201	56,300	4,385
56,301	56,400	4,405
56,401	56,500	4,425
56,501	56,600	4,445
56,601	56,700	4,465
56,701	56,800	4,485
56,801	56,900	4,505
56,901	57,000	4,525
57,001	57,100	4,545
57,101	57,200	4,565
57,201	57,300	4,585
57,301	57,400	4,605
57,401	57,500	4,625
57,501	57,600	4,645
57,601	57,700	4,665
57,701	57,800	4,685
57,801	57,900	4,705
57,901	58,000	4,725
58,001	58,100	4,745
58,101	58,200	4,765
58,201	58,300	4,785
58,301	58,400	4,805
58,401	58,500	4,825
58,501	58,600	4,845
58,601	58,700	4,865
58,701	58,800	4,885
58,801	58,900	4,905
58,901	59,000	4,925
59,001	59,100	4,945
59,101	59,200	4,965
59,201	59,300	4,985
59,301	59,400	5,005
59,401	59,500	5,025
59,501	59,600	5,045
59,601	59,700	5,065
59,701	59,800	5,085
59,801	59,900	5,105
59,901	60,000	5,125
60,001	60,100	5,145
60,101	60,200	5,165
60,201	60,300	5,185
60,301	60,400	5,205
60,401	60,500	5,225
60,501	60,600	5,245
60,601	60,700	5,265

Monthly Salary		TDS
From	To	Slab
60,701	60,800	5,285
60,801	60,900	5,305
60,901	61,000	5,325
61,001	61,100	5,345
61,101	61,200	5,365
61,201	61,300	5,385
61,301	61,400	5,405
61,401	61,500	5,425
61,501	61,600	5,445
61,601	61,700	5,465
61,701	61,800	5,485
61,801	61,900	5,505
61,901	62,000	5,525
62,001	62,100	5,545
62,101	62,200	5,565
62,201	62,300	5,585
62,301	62,400	5,605
62,401	62,500	5,625
62,501	62,600	5,645
62,601	62,700	5,665
62,701	62,800	5,685
62,801	62,900	5,705
62,901	63,000	5,725
63,001	63,100	5,745
63,101	63,200	5,765
63,201	63,300	5,785
63,301	63,400	5,805
63,401	63,500	5,825
63,501	63,600	5,845
63,601	63,700	5,865
63,701	63,800	5,885
63,801	63,900	5,905
63,901	64,000	5,925
64,001	64,100	5,945
64,101	64,200	5,965
64,201	64,300	5,985
64,301	64,400	6,005
64,401	64,500	6,025
64,501	64,600	6,045
64,601	64,700	6,065
64,701	64,800	6,085
64,801	64,900	6,105
64,901	65,000	6,125
65,001	65,100	6,145
65,101	65,200	6,165
65,201	65,300	6,185
65,301	65,400	6,205
65,401	65,500	6,225
65,501	65,600	6,245
65,601	65,700	6,265
65,701	65,800	6,285
65,801	65,900	6,305
65,901	66,000	6,325
66,001	66,100	6,345
66,101	66,200	6,365

Monthly Salary		TDS
From	To	Slab
66,201	66,300	6,385
66,301	66,400	6,405
66,401	66,500	6,425
66,501	66,600	6,445
66,601	66,700	6,465
66,701	66,800	6,485
66,801	66,900	6,505
66,901	67,000	6,525
67,001	67,100	6,545
67,101	67,200	6,565
67,201	67,300	6,585
67,301	67,400	6,605
67,401	67,500	6,625
67,501	67,600	6,645
67,601	67,700	6,665
67,701	67,800	6,685
67,801	67,900	6,705
67,901	68,000	6,725
68,001	68,100	6,745
68,101	68,200	6,765
68,201	68,300	6,785
68,301	68,400	6,805
68,401	68,500	6,825
68,501	68,600	6,845
68,601	68,700	6,865
68,701	68,800	6,885
68,801	68,900	6,905
68,901	69,000	6,925
69,001	69,100	6,945
69,101	69,200	6,965
69,201	69,300	6,985
69,301	69,400	7,005
69,401	69,500	7,025
69,501	69,600	7,045
69,601	69,700	7,065
69,701	69,800	7,085
69,801	69,900	7,105
69,901	70,000	7,125
70,001	70,100	7,145
70,101	70,200	7,165
70,201	70,300	7,185
70,301	70,400	7,205
70,401	70,500	7,225
70,501	70,600	7,245
70,601	70,700	7,265
70,701	70,800	7,285
70,801	70,900	7,305
70,901	71,000	7,325
71,001	71,100	7,345
71,101	71,200	7,365
71,201	71,300	7,385
71,301	71,400	7,405
71,401	71,500	7,425
71,501	71,600	7,445
71,601	71,700	7,465

Monthly Salary		TDS
From	To	Slab
71,701	71,800	7,485
71,801	71,900	7,505
71,901	72,000	7,525
72,001	72,100	7,545
72,101	72,200	7,565
72,201	72,300	7,585
72,301	72,400	7,605
72,401	72,500	7,625
72,501	72,600	7,645
72,601	72,700	7,665
72,701	72,800	7,685
72,801	72,900	7,705
72,901	73,000	7,725
73,001	73,100	7,745
73,101	73,200	7,765
73,201	73,300	7,785
73,301	73,400	7,805
73,401	73,500	7,825
73,501	73,600	7,845
73,601	73,700	7,865
73,701	73,800	7,885
73,801	73,900	7,905
73,901	74,000	7,925
74,001	74,100	7,945
74,101	74,200	7,965
74,201	74,300	7,985
74,301	74,400	8,005
74,401	74,500	8,025
74,501	74,600	8,045
74,601	74,700	8,065
74,701	74,800	8,085
74,801	74,900	8,105
74,901	75,000	8,125
75,001	75,100	8,145
75,101	75,200	8,165
75,201	75,300	8,185
75,301	75,400	8,205
75,401	75,500	8,225
75,501	75,600	8,245
75,601	75,700	8,265
75,701	75,800	8,285
75,801	75,900	8,305
75,901	76,000	8,325
76,001	76,100	8,345
76,101	76,200	8,365
76,201	76,300	8,385
76,301	76,400	8,405
76,401	76,500	8,425
76,501	76,600	8,445
76,601	76,700	8,465
76,701	76,800	8,485
76,801	76,900	8,505
76,901	77,000	8,525
77,001	77,100	8,545
77,101	77,200	8,565

Monthly Salary		TDS
From	To	Slab
77,201	77,300	8,585
77,301	77,400	8,605
77,401	77,500	8,625
77,501	77,600	8,645
77,601	77,700	8,665
77,701	77,800	8,685
77,801	77,900	8,705
77,901	78,000	8,725
78,001	78,100	8,745
78,101	78,200	8,765
78,201	78,300	8,785
78,301	78,400	8,805
78,401	78,500	8,825
78,501	78,600	8,845
78,601	78,700	8,865
78,701	78,800	8,885
78,801	78,900	8,905
78,901	79,000	8,925
79,001	79,100	8,945
79,101	79,200	8,965
79,201	79,300	8,985
79,301	79,400	9,005
79,401	79,500	9,025
79,501	79,600	9,045
79,601	79,700	9,065
79,701	79,800	9,085
79,801	79,900	9,105
79,901	80,000	9,125
80,001	80,100	9,145
80,101	80,200	9,165
80,201	80,300	9,185
80,301	80,400	9,205
80,401	80,500	9,225
80,501	80,600	9,245
80,601	80,700	9,265
80,701	80,800	9,285
80,801	80,900	9,305
80,901	81,000	9,325
81,001	81,100	9,345
81,101	81,200	9,365
81,201	81,300	9,385
81,301	81,400	9,405
81,401	81,500	9,425
81,501	81,600	9,445
81,601	81,700	9,465
81,701	81,800	9,485
81,801	81,900	9,505
81,901	82,000	9,525
82,001	82,100	9,545
82,101	82,200	9,565
82,201	82,300	9,585
82,301	82,400	9,605
82,401	82,500	9,625
82,501	82,600	9,645
82,601	82,700	9,665

Monthly Salary		TDS
From	To	Slab
82,701	82,800	9,685
82,801	82,900	9,705
82,901	83,000	9,725
83,001	83,100	9,745
83,101	83,200	9,765
83,201	83,300	9,785
83,301	83,400	9,808
83,401	83,500	9,833
83,501	83,600	9,858
83,601	83,700	9,883
83,701	83,800	9,908
83,801	83,900	9,933
83,901	84,000	9,958
84,001	84,100	9,983
84,101	84,200	10,008
84,201	84,300	10,033
84,301	84,400	10,058
84,401	84,500	10,083
84,501	84,600	10,108
84,601	84,700	10,133
84,701	84,800	10,158
84,801	84,900	10,183
84,901	85,000	10,208
85,001	85,100	10,233
85,101	85,200	10,258
85,201	85,300	10,283
85,301	85,400	10,308
85,401	85,500	10,333
85,501	85,600	10,358
85,601	85,700	10,383
85,701	85,800	10,408
85,801	85,900	10,433
85,901	86,000	10,458
86,001	86,100	10,483
86,101	86,200	10,508
86,201	86,300	10,533
86,301	86,400	10,558
86,401	86,500	10,583
86,501	86,600	10,608
86,601	86,700	10,633
86,701	86,800	10,658
86,801	86,900	10,683
86,901	87,000	10,708
87,001	87,100	10,733
87,101	87,200	10,758
87,201	87,300	10,783
87,301	87,400	10,808
87,401	87,500	10,833
87,501	87,600	10,858
87,601	87,700	10,883
87,701	87,800	10,908
87,801	87,900	10,933
87,901	88,000	10,958
88,001	88,100	10,983
88,101	88,200	11,008

Monthly Salary		TDS
From	To	Slab
88,201	88,300	11,033
88,301	88,400	11,058
88,401	88,500	11,083
88,501	88,600	11,108
88,601	88,700	11,133
88,701	88,800	11,158
88,801	88,900	11,183
88,901	89,000	11,208
89,001	89,100	11,233
89,101	89,200	11,258
89,201	89,300	11,283
89,301	89,400	11,308
89,401	89,500	11,333
89,501	89,600	11,358
89,601	89,700	11,383
89,701	89,800	11,408
89,801	89,900	11,433
89,901	90,000	11,458
90,001	90,100	11,483
90,101	90,200	11,508
90,201	90,300	11,533
90,301	90,400	11,558
90,401	90,500	11,583
90,501	90,600	11,608
90,601	90,700	11,633
90,701	90,800	11,658
90,801	90,900	11,683
90,901	91,000	11,708
91,001	91,100	11,733
91,101	91,200	11,758
91,201	91,300	11,783
91,301	91,400	11,808
91,401	91,500	11,833
91,501	91,600	11,858
91,601	91,700	11,883
91,701	91,800	11,908
91,801	91,900	11,933
91,901	92,000	11,958
92,001	92,100	11,983
92,101	92,200	12,008
92,201	92,300	12,033
92,301	92,400	12,058
92,401	92,500	12,083
92,501	92,600	12,108
92,601	92,700	12,133
92,701	92,800	12,158
92,801	92,900	12,183
92,901	93,000	12,208
93,001	93,100	12,233
93,101	93,200	12,258
93,201	93,300	12,283
93,301	93,400	12,308
93,401	93,500	12,333
93,501	93,600	12,358
93,601	93,700	12,383

Monthly Salary		TDS
From	To	Slab
93,701	93,800	12,408
93,801	93,900	12,433
93,901	94,000	12,458
94,001	94,100	12,483
94,101	94,200	12,508
94,201	94,300	12,533
94,301	94,400	12,558
94,401	94,500	12,583
94,501	94,600	12,608
94,601	94,700	12,633
94,701	94,800	12,658
94,801	94,900	12,683
94,901	95,000	12,708
95,001	95,100	12,733
95,101	95,200	12,758
95,201	95,300	12,783
95,301	95,400	12,808
95,401	95,500	12,833
95,501	95,600	12,858
95,601	95,700	12,883
95,701	95,800	12,908
95,801	95,900	12,933
95,901	96,000	12,958
96,001	96,100	12,983
96,101	96,200	13,008
96,201	96,300	13,033
96,301	96,400	13,058
96,401	96,500	13,083
96,501	96,600	13,108
96,601	96,700	13,133
96,701	96,800	13,158
96,801	96,900	13,183
96,901	97,000	13,208
97,001	97,100	13,233
97,101	97,200	13,258
97,201	97,300	13,283
97,301	97,400	13,308
97,401	97,500	13,333
97,501	97,600	13,358
97,601	97,700	13,383
97,701	97,800	13,408
97,801	97,900	13,433
97,901	98,000	13,458
98,001	98,100	13,483
98,101	98,200	13,508
98,201	98,300	13,533
98,301	98,400	13,558
98,401	98,500	13,583
98,501	98,600	13,608
98,601	98,700	13,633
98,701	98,800	13,658
98,801	98,900	13,683
98,901	99,000	13,708
99,001	99,100	13,733
99,101	99,200	13,758

Monthly Salary		TDS
From	To	Slab
99,201	99,300	13,783
99,301	99,400	13,808
99,401	99,500	13,833
99,501	99,600	13,858
99,601	99,700	13,883
99,701	99,800	13,908
99,801	99,900	13,933
99,901	100,000	13,958
100,001	100,100	13,983
100,101	100,200	14,008
100,201	100,300	14,033
100,301	100,400	14,058
100,401	100,500	14,083
100,501	100,600	14,108
100,601	100,700	14,133
100,701	100,800	14,158
100,801	100,900	14,183
100,901	101,000	14,208
101,001	101,100	14,233
101,101	101,200	14,258
101,201	101,300	14,283
101,301	101,400	14,308
101,401	101,500	14,333
101,501	101,600	14,358
101,601	101,700	14,383
101,701	101,800	14,408
101,801	101,900	14,433
101,901	102,000	14,458
102,001	102,100	14,483
102,101	102,200	14,508
102,201	102,300	14,533
102,301	102,400	14,558
102,401	102,500	14,583
102,501	102,600	14,608
102,601	102,700	14,633
102,701	102,800	14,658
102,801	102,900	14,683
102,901	103,000	14,708
103,001	103,100	14,733
103,101	103,200	14,758
103,201	103,300	14,783
103,301	103,400	14,808
103,401	103,500	14,833
103,501	103,600	14,858
103,601	103,700	14,883
103,701	103,800	14,908
103,801	103,900	14,933
103,901	104,000	14,958
104,001	104,100	14,983
104,101	104,200	15,008
104,201	104,300	15,033
104,301	104,400	15,058
104,401	104,500	15,083
104,501	104,600	15,108
104,601	104,700	15,133

Monthly Salary		TDS
From	To	Slab
104,701	104,800	15,158
104,801	104,900	15,183
104,901	105,000	15,208
105,001	105,100	15,233
105,101	105,200	15,258
105,201	105,300	15,283
105,301	105,400	15,308
105,401	105,500	15,333
105,501	105,600	15,358
105,601	105,700	15,383
105,701	105,800	15,408
105,801	105,900	15,433
105,901	106,000	15,458
106,001	106,100	15,483
106,101	106,200	15,508
106,201	106,300	15,533
106,301	106,400	15,558
106,401	106,500	15,583
106,501	106,600	15,608
106,601	106,700	15,633
106,701	106,800	15,658
106,801	106,900	15,683
106,901	107,000	15,708
107,001	107,100	15,733
107,101	107,200	15,758
107,201	107,300	15,783
107,301	107,400	15,808
107,401	107,500	15,833
107,501	107,600	15,858
107,601	107,700	15,883
107,701	107,800	15,908
107,801	107,900	15,933
107,901	108,000	15,958
108,001	108,100	15,983
108,101	108,200	16,008
108,201	108,300	16,033
108,301	108,400	16,058
108,401	108,500	16,083
108,501	108,600	16,108
108,601	108,700	16,133
108,701	108,800	16,158
108,801	108,900	16,183
108,901	109,000	16,208
109,001	109,100	16,233
109,101	109,200	16,258
109,201	109,300	16,283
109,301	109,400	16,308
109,401	109,500	16,333
109,501	109,600	16,358
109,601	109,700	16,383
109,701	109,800	16,408
109,801	109,900	16,433
109,901	110,000	16,458
110,001	110,100	16,483
110,101	110,200	16,508

Monthly Salary		TDS
From	To	Slab
110,201	110,300	16,533
110,301	110,400	16,558
110,401	110,500	16,583
110,501	110,600	16,608
110,601	110,700	16,633
110,701	110,800	16,658
110,801	110,900	16,683
110,901	111,000	16,708
111,001	111,100	16,733
111,101	111,200	16,758
111,201	111,300	16,783
111,301	111,400	16,808
111,401	111,500	16,833
111,501	111,600	16,858
111,601	111,700	16,883
111,701	111,800	16,908
111,801	111,900	16,933
111,901	112,000	16,958
112,001	112,100	16,983
112,101	112,200	17,008
112,201	112,300	17,033
112,301	112,400	17,058
112,401	112,500	17,083
112,501	112,600	17,108
112,601	112,700	17,133
112,701	112,800	17,158
112,801	112,900	17,183
112,901	113,000	17,208
113,001	113,100	17,233
113,101	113,200	17,258
113,201	113,300	17,283
113,301	113,400	17,308
113,401	113,500	17,333
113,501	113,600	17,358
113,601	113,700	17,383
113,701	113,800	17,408
113,801	113,900	17,433
113,901	114,000	17,458
114,001	114,100	17,483
114,101	114,200	17,508
114,201	114,300	17,533
114,301	114,400	17,558
114,401	114,500	17,583
114,501	114,600	17,608
114,601	114,700	17,633
114,701	114,800	17,658
114,801	114,900	17,683
114,901	115,000	17,708
115,001	115,100	17,733
115,101	115,200	17,758
115,201	115,300	17,783
115,301	115,400	17,808
115,401	115,500	17,833
115,501	115,600	17,858
115,601	115,700	17,883

Monthly Salary		TDS
From	To	Slab
115,701	115,800	17,908
115,801	115,900	17,933
115,901	116,000	17,958
116,001	116,100	17,983
116,101	116,200	18,008
116,201	116,300	18,033
116,301	116,400	18,058
116,401	116,500	18,083
116,501	116,600	18,108
116,601	116,700	18,133
116,701	116,800	18,158
116,801	116,900	18,183
116,901	117,000	18,208
117,001	117,100	18,233
117,101	117,200	18,258
117,201	117,300	18,283
117,301	117,400	18,308
117,401	117,500	18,333
117,501	117,600	18,358
117,601	117,700	18,383
117,701	117,800	18,408
117,801	117,900	18,433
117,901	118,000	18,458
118,001	118,100	18,483
118,101	118,200	18,508
118,201	118,300	18,533
118,301	118,400	18,558
118,401	118,500	18,583
118,501	118,600	18,608
118,601	118,700	18,633
118,701	118,800	18,658
118,801	118,900	18,683
118,901	119,000	18,708
119,001	119,100	18,733
119,101	119,200	18,758
119,201	119,300	18,783
119,301	119,400	18,808
119,401	119,500	18,833
119,501	119,600	18,858
119,601	119,700	18,883
119,701	119,800	18,908
119,801	119,900	18,933
119,901	120,000	18,958
120,001	120,100	18,983
120,101	120,200	19,008
120,201	120,300	19,033
120,301	120,400	19,058
120,401	120,500	19,083
120,501	120,600	19,108
120,601	120,700	19,133
120,701	120,800	19,158
120,801	120,900	19,183
120,901	121,000	19,208
121,001	121,100	19,233
121,101	121,200	19,258

Monthly Salary		TDS
From	To	Slab
121,201	121,300	19,283
121,301	121,400	19,308
121,401	121,500	19,333
121,501	121,600	19,358
121,601	121,700	19,383
121,701	121,800	19,408
121,801	121,900	19,433
121,901	122,000	19,458
122,001	122,100	19,483
122,101	122,200	19,508
122,201	122,300	19,533
122,301	122,400	19,558
122,401	122,500	19,583
122,501	122,600	19,608
122,601	122,700	19,633
122,701	122,800	19,658
122,801	122,900	19,683
122,901	123,000	19,708
123,001	123,100	19,733
123,101	123,200	19,758
123,201	123,300	19,783
123,301	123,400	19,808
123,401	123,500	19,833
123,501	123,600	19,858
123,601	123,700	19,883
123,701	123,800	19,908
123,801	123,900	19,933
123,901	124,000	19,958
124,001	124,100	19,983
124,101	124,200	20,008
124,201	124,300	20,033
124,301	124,400	20,058
124,401	124,500	20,083
124,501	124,600	20,108
124,601	124,700	20,133
124,701	124,800	20,158
124,801	124,900	20,183
124,901	125,000	20,208
125,001	125,100	20,233
125,101	125,200	20,268
125,201	125,300	20,298
125,301	125,400	20,328
125,401	125,500	20,358
125,501	125,600	20,388
125,601	125,700	20,418
125,701	125,800	20,448
125,801	125,900	20,478
125,901	126,000	20,508
126,001	126,100	20,538
126,101	126,200	20,568
126,201	126,300	20,598
126,301	126,400	20,628
126,401	126,500	20,658
126,501	126,600	20,688
126,601	126,700	20,718

Monthly Salary		TDS
From	To	Slab
126,701	126,800	20,748
126,801	126,900	20,778
126,901	127,000	20,808
127,001	127,100	20,838
127,101	127,200	20,868
127,201	127,300	20,898
127,301	127,400	20,928
127,401	127,500	20,958
127,501	127,600	20,988
127,601	127,700	21,018
127,701	127,800	21,048
127,801	127,900	21,078
127,901	128,000	21,108
128,001	128,100	21,138
128,101	128,200	21,168
128,201	128,300	21,198
128,301	128,400	21,228
128,401	128,500	21,258
128,501	128,600	21,288
128,601	128,700	21,318
128,701	128,800	21,348
128,801	128,900	21,378
128,901	129,000	21,408
129,001	129,100	21,438
129,101	129,200	21,468
129,201	129,300	21,498
129,301	129,400	21,528
129,401	129,500	21,558
129,501	129,600	21,588
129,601	129,700	21,618
129,701	129,800	21,648
129,801	129,900	21,678
129,901	130,000	21,708
130,001	130,100	21,738
130,101	130,200	21,768
130,201	130,300	21,798
130,301	130,400	21,828
130,401	130,500	21,858
130,501	130,600	21,888
130,601	130,700	21,918
130,701	130,800	21,948
130,801	130,900	21,978
130,901	131,000	22,008
131,001	131,100	22,038
131,101	131,200	22,068
131,201	131,300	22,098
131,301	131,400	22,128
131,401	131,500	22,158
131,501	131,600	22,188
131,601	131,700	22,218
131,701	131,800	22,248
131,801	131,900	22,278
131,901	132,000	22,308
132,001	132,100	22,338
132,101	132,200	22,368

Monthly Salary		TDS
From	To	Slab
132,201	132,300	22,398
132,301	132,400	22,428
132,401	132,500	22,458
132,501	132,600	22,488
132,601	132,700	22,518
132,701	132,800	22,548
132,801	132,900	22,578
132,901	133,000	22,608
133,001	133,100	22,638
133,101	133,200	22,668
133,201	133,300	22,698
133,301	133,400	22,728
133,401	133,500	22,758
133,501	133,600	22,788
133,601	133,700	22,818
133,701	133,800	22,848
133,801	133,900	22,878
133,901	134,000	22,908
134,001	134,100	22,938
134,101	134,200	22,968
134,201	134,300	22,998
134,301	134,400	23,028
134,401	134,500	23,058
134,501	134,600	23,088
134,601	134,700	23,118
134,701	134,800	23,148
134,801	134,900	23,178
134,901	135,000	23,208
135,001	135,100	23,238
135,101	135,200	23,268
135,201	135,300	23,298
135,301	135,400	23,328
135,401	135,500	23,358
135,501	135,600	23,388
135,601	135,700	23,418
135,701	135,800	23,448
135,801	135,900	23,478
135,901	136,000	23,508
136,001	136,100	23,538
136,101	136,200	23,568
136,201	136,300	23,598
136,301	136,400	23,628
136,401	136,500	23,658
136,501	136,600	23,688
136,601	136,700	23,718
136,701	136,800	23,748
136,801	136,900	23,778
136,901	137,000	23,808
137,001	137,100	23,838
137,101	137,200	23,868
137,201	137,300	23,898
137,301	137,400	23,928
137,401	137,500	23,958
137,501	137,600	23,988
137,601	137,700	24,018

Monthly Salary		TDS
From	To	Slab
137,701	137,800	24,048
137,801	137,900	24,078
137,901	138,000	24,108
138,001	138,100	24,138
138,101	138,200	24,168
138,201	138,300	24,198
138,301	138,400	24,228
138,401	138,500	24,258
138,501	138,600	24,288
138,601	138,700	24,318
138,701	138,800	24,348
138,801	138,900	24,378
138,901	139,000	24,408
139,001	139,100	24,438
139,101	139,200	24,468
139,201	139,300	24,498
139,301	139,400	24,528
139,401	139,500	24,558
139,501	139,600	24,588
139,601	139,700	24,618
139,701	139,800	24,648
139,801	139,900	24,678
139,901	140,000	24,708
140,001	140,100	24,738
140,101	140,200	24,768
140,201	140,300	24,798
140,301	140,400	24,828
140,401	140,500	24,858
140,501	140,600	24,888
140,601	140,700	24,918
140,701	140,800	24,948
140,801	140,900	24,978
140,901	141,000	25,008
141,001	141,100	25,038
141,101	141,200	25,068
141,201	141,300	25,098
141,301	141,400	25,128
141,401	141,500	25,158
141,501	141,600	25,188
141,601	141,700	25,218
141,701	141,800	25,248
141,801	141,900	25,278
141,901	142,000	25,308
142,001	142,100	25,338
142,101	142,200	25,368
142,201	142,300	25,398
142,301	142,400	25,428
142,401	142,500	25,458
142,501	142,600	25,488
142,601	142,700	25,518
142,701	142,800	25,548
142,801	142,900	25,578
142,901	143,000	25,608
143,001	143,100	25,638
143,101	143,200	25,668

Monthly Salary		TDS
From	To	Slab
143,201	143,300	25,698
143,301	143,400	25,728
143,401	143,500	25,758
143,501	143,600	25,788
143,601	143,700	25,818
143,701	143,800	25,848
143,801	143,900	25,878
143,901	144,000	25,908
144,001	144,100	25,938
144,101	144,200	25,968
144,201	144,300	25,998
144,301	144,400	26,028
144,401	144,500	26,058
144,501	144,600	26,088
144,601	144,700	26,118
144,701	144,800	26,148
144,801	144,900	26,178
144,901	145,000	26,208
145,001	145,100	26,238
145,101	145,200	26,268
145,201	145,300	26,298
145,301	145,400	26,328
145,401	145,500	26,358
145,501	145,600	26,388
145,601	145,700	26,418
145,701	145,800	26,448
145,801	145,900	26,478
145,901	146,000	26,508
146,001	146,100	26,538
146,101	146,200	26,568
146,201	146,300	26,598
146,301	146,400	26,628
146,401	146,500	26,658
146,501	146,600	26,688
146,601	146,700	26,718
146,701	146,800	26,748
146,801	146,900	26,778
146,901	147,000	26,808
147,001	147,100	26,838
147,101	147,200	26,868
147,201	147,300	26,898
147,301	147,400	26,928
147,401	147,500	26,958
147,501	147,600	26,988
147,601	147,700	27,018
147,701	147,800	27,048
147,801	147,900	27,078
147,901	148,000	27,108
148,001	148,100	27,138
148,101	148,200	27,168
148,201	148,300	27,198
148,301	148,400	27,228
148,401	148,500	27,258
148,501	148,600	27,288
148,601	148,700	27,318

Monthly Salary		TDS
From	To	Slab
148,701	148,800	27,348
148,801	148,900	27,378
148,901	149,000	27,408
149,001	149,100	27,438
149,101	149,200	27,468
149,201	149,300	27,498
149,301	149,400	27,528
149,401	149,500	27,558
149,501	149,600	27,588
149,601	149,700	27,618
149,701	149,800	27,648
149,801	149,900	27,678
149,901	150,000	27,708
150,001	150,100	27,738
150,101	150,200	27,768
150,201	150,300	27,798
150,301	150,400	27,828
150,401	150,500	27,858
150,501	150,600	27,888
150,601	150,700	27,918
150,701	150,800	27,948
150,801	150,900	27,978
150,901	151,000	28,008
151,001	151,100	28,038
151,101	151,200	28,068
151,201	151,300	28,098
151,301	151,400	28,128
151,401	151,500	28,158
151,501	151,600	28,188
151,601	151,700	28,218
151,701	151,800	28,248
151,801	151,900	28,278
151,901	152,000	28,308
152,001	152,100	28,338
152,101	152,200	28,368
152,201	152,300	28,398
152,301	152,400	28,428
152,401	152,500	28,458
152,501	152,600	28,488
152,601	152,700	28,518
152,701	152,800	28,548
152,801	152,900	28,578
152,901	153,000	28,608
153,001	153,100	28,638
153,101	153,200	28,668
153,201	153,300	28,698
153,301	153,400	28,728
153,401	153,500	28,758
153,501	153,600	28,788
153,601	153,700	28,818
153,701	153,800	28,848
153,801	153,900	28,878
153,901	154,000	28,908
154,001	154,100	28,938
154,101	154,200	28,968

Monthly Salary		TDS
From	To	Slab
154,201	154,300	28,998
154,301	154,400	29,028
154,401	154,500	29,058
154,501	154,600	29,088
154,601	154,700	29,118
154,701	154,800	29,148
154,801	154,900	29,178
154,901	155,000	29,208
155,001	155,100	29,238
155,101	155,200	29,268
155,201	155,300	29,298
155,301	155,400	29,328
155,401	155,500	29,358
155,501	155,600	29,388
155,601	155,700	29,418
155,701	155,800	29,448
155,801	155,900	29,478
155,901	156,000	29,508
156,001	156,100	29,538
156,101	156,200	29,568
156,201	156,300	29,598
156,301	156,400	29,628
156,401	156,500	29,658
156,501	156,600	29,688
156,601	156,700	29,718
156,701	156,800	29,748
156,801	156,900	29,778
156,901	157,000	29,808
157,001	157,100	29,838
157,101	157,200	29,868
157,201	157,300	29,898
157,301	157,400	29,928
157,401	157,500	29,958
157,501	157,600	29,988
157,601	157,700	30,018
157,701	157,800	30,048
157,801	157,900	30,078
157,901	158,000	30,108
158,001	158,100	30,138
158,101	158,200	30,168
158,201	158,300	30,198
158,301	158,400	30,228
158,401	158,500	30,258
158,501	158,600	30,288

Monthly Salary		TDS
From	To	Slab
158,601	158,700	30,318
158,701	158,800	30,348
158,801	158,900	30,378
158,901	159,000	30,408
159,001	159,100	30,438
159,101	159,200	30,468
159,201	159,300	30,498
159,301	159,400	30,528
159,401	159,500	30,558
159,501	159,600	30,588
159,601	159,700	30,618
159,701	159,800	30,648
159,801	159,900	30,678
159,901	160,000	30,708
160,001	160,100	30,738
160,101	160,200	30,768
160,201	160,300	30,798
160,301	160,400	30,828
160,401	160,500	30,858
160,501	160,600	30,888
160,601	160,700	30,918
160,701	160,800	30,948
160,801	160,900	30,978
160,901	161,000	31,008
161,001	161,100	31,038
161,101	161,200	31,068
161,201	161,300	31,098
161,301	161,400	31,128
161,401	161,500	31,158
161,501	161,600	31,188
161,601	161,700	31,218
161,701	161,800	31,248
161,801	161,900	31,278
161,901	162,000	31,308
162,001	162,100	31,338
162,101	162,200	31,368
162,201	162,300	31,398
162,301	162,400	31,428
162,401	162,500	31,458
162,501	162,600	31,488
162,601	162,700	31,518
162,701	162,800	31,548
162,801	162,900	31,578
162,901	163,000	31,608

Monthly Salary		TDS
From	To	Slab
163,001	163,100	31,638
163,101	163,200	31,668
163,201	163,300	31,698
163,301	163,400	31,728
163,401	163,500	31,758
163,501	163,600	31,788
163,601	163,700	31,818
163,701	163,800	31,848
163,801	163,900	31,878
163,901	164,000	31,908
164,001	164,100	31,938
164,101	164,200	31,968
164,201	164,300	31,998
164,301	164,400	32,028
164,401	164,500	32,058
164,501	164,600	32,088
164,601	164,700	32,118
164,701	164,800	32,148
164,801	164,900	32,178
164,901	165,000	32,208
165,001	165,100	32,238
165,101	165,200	32,268
165,201	165,300	32,298
165,301	165,400	32,328
165,401	165,500	32,358
165,501	165,600	32,388
165,601	165,700	32,418
165,701	165,800	32,448
165,801	165,900	32,478
165,901	166,000	32,508
166,001	166,100	32,538
166,101	166,200	32,568
166,201	166,300	32,598
166,301	166,400	32,628
166,401	166,500	32,658
166,501	166,600	32,688
166,601	166,700	32,718
166,701	166,800	32,748
166,801	166,900	32,778
166,901	167,000	32,808
167,001	167,100	32,838
167,101	167,200	32,868
167,201	167,300	32,898
167,301	167,400	32,928

How to compute TDS, if the monthly salary income exceeds Nu.167,400

Monthly Salary after subtracting PF and GIS	XXXXX	
(-) Subtract	125,000	
That gives you	XXXXXX	(A)
Multiply A by	30%	
Equals to	XXXXXX	(B)
Add to B	20,208	(C)
Monthly TDS to be deducted	(B) + (C)	

Instructions:

- a) All employers must deduct TDS as per rates given in the Schedule at the time of disbursement and deposit the same to the nearest RRCO or into a RGR account on or before the 10th of the following month.
- b) Where an employer is not under any legal obligation to deduct TDS from its employees, the individual that is, the employee shall be responsible for paying the tax as per rates prescribed in the schedule to the concerned RRCO on a quarterly basis.
- c) Failure to deduct/deposit TDS shall result in fines and penalties as per Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.
- d) For more details, see Rule No. 60(2)(b)(i) of the General Provisions.

ANNEXURE- 1A

INSURANCE PREMIUM

Sl. No	Insurance Schemes	% of deduction
1	Limited Payment Life Insurance	100%
2	Silver Jubilee Term Insurance	100%
3	Term Insurance	100%
4	New Life Annuity Scheme	100%

ANNEXURE- 1B

INSURANCE PREMIUM

Sl. No	Insurance Schemes	% of deduction
1	Double Endowment	50%
2	Double Cover Endowment	50%
3	Education Annuity	50%
4	Children Anticipated Policy	50%
5	Endowment Assurance	50%
6	Money Back Policy	50%
7	Ashi Nangsa Living Policy	50%
8	Millennium Education Policy	50%
9	Endowment Assurance Plan for Minors	50%
10	Endowment Cover Endowment Plan-without profit	50%
11	Drongseb Kuendrel Tshe-sog Ngensung	50%
12	Endowment Plan for Seniouir Citizens-with guarnateed additions	50%
13	Pho-Mo Joint Life Endowment Assurance	50%
14	Gaki Pelzom Life Policy	50%
15	Ten-Tsai Mangual Ngenchoel	50%
16	Quendue Ngensung Life Policy	50%

Royal Government of Bhutan
Department of Revenue & Customs
Ministry of Finance
Phone #: PABX : 335338/322319/333509/32560
Fax No. : 323608

ISBN 99936-606-1-2
Printed at KUENSEL Corporation Ltd.