



**Rules on the
Income Tax Act of the
Kingdom of Bhutan
2001**

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Department of Revenue and Customs

**Ministry of Finance
Royal Government of Bhutan**



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**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHODZONG**

Foreword

The Ministry of Finance is pleased to bring out 2nd 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 82nd session of 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 supercede 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 cross-reference 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.

(Wangdi Norbu)
Finance Minister

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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.

These Rules shall supercede all previous Circulars, Notifications, and Rules governing Corporate, Business and Personal Income Tax and shall come into force from 1st January 2005.

PART I CORPORATE INCOME TAX (CIT)

1 Rule No.1 Tax Holidays and Incentives (Chapter 3, also applicable to Part II: BIT)

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

2 Rule No. 2 Allowable Deductions (Chapter 4, also applicable to Part II: BIT)

2.1 General Principle

Deductions shall be allowed for tax purposes if proper books of accounts are maintained as per the provisions under Rule No. 4 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*. 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:

- Direct Costs
- Employment Expenses
- Overhead Expenses
- Sales & Marketing Expenses
- Bad debts
- Miscellaneous/General Expenses.
- Fixed Assets & Depreciation
- Interest Payments

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

2.2 Direct Costs (Section 11)

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

2.3 Employment Expenses (Section 12)

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.

2.3.1 Salary

Salary means pay, allowances and includes benefits provided free of cost or at a concessional rate to an employee who is employed full time in the business.

Salary shall be allowed as deductible expense only to the maximum ceiling prescribed below and on the fulfilment of the following conditions:

- All information and documentary evidence are available regarding the payment of salary,
- The employee is a regular employee of the company or business,
- The employee is actually working with the company or business and
- The employee is actually located at the appropriate place of work.

(per month)

Category	BIT
Large	50,000
Medium	40,000
Small	30,000
Cottage/micro	20,000

Note:

- a. The salary limits shall not apply to incorporated companies with effect from the 1st of January 2003.
- b. The above limits may be enhanced for technical experts and highly professional employees with the prior approval of the Ministry.
- c. The categorisation of companies and businesses shall be as per categorisation given in Annexure I.

2.3.2 Wages

Wages means payments made to an individual who is not a regular employee of an organisation.

2.3.3 Benefits

Benefits means benefits provided by an employer to its employee such as education facilities, accommodation, domestic services, holiday trips, tiffin allowances, telephone facilities, medical benefits. Benefits shall be treated as tax-deductible expenses 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 organisation 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 free of cost or at a concessional rate to an employee should be valued as follows:

a) 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.2.3.1 Valuation of accommodation shall be:

- 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.
- 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.

b) 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.

c) 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.

d) 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.

e) 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.

2.3.4 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:

- a) The amount is reasonable with regard to the employee’s pay and conditions of service,
- b) The amount is consistent with the practice in other similar enterprises and
- c) The total bonus payable is limited to 10% of the assessed net profit or 2 months basic pay per employee, whichever is lower.

However, in the case of a business not registered under the Companies Act, 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.

2.3.5 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:

- a) Such contributions are invested with a financial institution in a separate account as PF and GF Account and
- b) 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.

2.3.6 Staff Welfare Expenses

Staff welfare expenses means provision of canteen and recreational facilities to employees within the business premises and shall be allowed on an actual basis.

2.3.7 Medical Expenses

Medical expenses for treatment of an employee shall be allowed as deduction subject to the following conditions:

- a) Medical expenses are in respect to an employee only;
- b) Prior recommendation must be obtained from the Referral Committee of the Health Ministry for treatment outside Bhutan and
- c) Maximum expenses allowed shall be the actual cost of the treatment up to a maximum limit of Nu. 50,000 per annum per employee.

2.3.8 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.

2.4 Overhead Expenses (Section 13)

2.4.1 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.

2.4.2 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:

- a) Research and development cost not exceeding 2% of the assessed turnover will be allowed as a deductible expense;
- b) 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
- c) 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. 4 of this Part.

2.4.3 General Office Expenditure

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

- Printing & stationery;
- Postage & telegram expenses;
- Telephone, trunk call & telex charges;
- User charges;
- Administrative fees and charges;
- Any other expenses of similar nature.

2.4.4 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.

2.4.5 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 refers 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.

2.4.6 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 and the services are availed from another tax entity.

2.4.7 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 and the services are availed from another tax entity.

2.4.8 Municipal and Motor Vehicle Tax

Municipal and motor vehicle tax shall be allowed as tax deductions provided that the asset is owned and used for the purpose of business. However, motor vehicles tax paid by licensed/registered transport companies/businesses shall be adjusted against their final tax liability.

2.4.9 Trade Licence Registration & Renewal Fees

Trade licence registration and renewal fees are allowable deductions. However, this provision only applies to fees related to trade licenses issued and renewed by Ministry of Trade and Industry (MTI). All other fees that are sometimes referred to as 'license fees' including auction rights such as liquor licence fees, mining rights are not covered under this provision, and are not allowed as deductions.

2.4.10 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.

2.4.11 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.

2.4.12 Interest on Loans

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

- a) Loans are taken from a recognised financial institution and within the maximum limit of debt equity ratio of 3:1, i.e. 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) The loan must be taken in the name of the companies/business and for the purpose of the said business;
- c) 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;
- d) 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
- e) 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.

2.5 Sales & Marketing Expenses (Section 14)

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

2.5.1 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.

2.5.2 Entertainment

Entertainment expenses refer to hospitality and gifts provided to existing or potential clients or customers, agents or suppliers. Entertainment expenses directly related to sales promotion of the business shall be allowed as deductions on actual expenses or 2% of the assessed Net Profit, whichever is lower. However, it shall be 5% of the assessed net profit or actual expenses incurred, whichever is lower, for tour operating businesses.

2.5.3 Publicity & Advertisement

Publicity expenses such as printing of brochures and advertisement through media and magazines shall be allowed as deductions on an actual basis or 2% of the assessed Gross Income, whichever is lower.

2.6 Bad Debts (Section 15)

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

2.6.1 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:

- a) Tax has been paid on such debts in a previous year;
- b) The debt is not less than 5 years old and
- c) Bad debt shall be incorporated as income if recovered in the subsequent years or
- d) Where the debtor is declared bankrupt under the Bankruptcy Act

of the Kingdom of Bhutan or
e) Scheme of arrangement is made under the supervision of a judge. In the case of financial institutions, bad debts below Nu.100,000 per debtor may be written off if the conditions above are met.

2.6.2 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:

- a) Tax has been paid on such debts in a previous year,
- b) Judicial recourse has been exhausted in respect of the debt, and
- c) Bad debt shall be incorporated as income if recovered in the subsequent years, or
- d) Where the debtor is declared bankrupt under the Bankruptcy Act of the Kingdom of Bhutan, or
- e) Scheme of arrangement is made under the supervision of a Judge.

2.7 Miscellaneous and General Expenses (Section 16)

2.7.1 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:

- a) Revenue losses shall be allowed as deductions and revenue receipts/compensation as taxable income.
- b) Capital losses shall be treated as per Rule No. 4.6 of this Part.

2.7.2 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:

- a) Maintenance of a proper stock inventory register and
- b) Proper records showing disposal and sale of the obsolete stock.

2.7.3 Stock Shortages

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

allowed as deductions for tax purposes.

2.7.4 Bhutan Sales Tax (BST)/Customs Duty

BST or Customs Duty paid on assets shall be capitalised and depreciated as per Rule No. 4 of this Part.

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

2.7.5 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.

2.7.6 Donations

1. Donations made to organisations exempted by the Ministry shall be allowed as deductions subject to the condition that such donation is supported by relevant documents.
2. Further donations for purposes such as;
 - a) A Relief Fund for natural calamities in Bhutan.
 - b) For the preservation and promotion of Religion and Culture in Bhutan
 - c) For the promotion of Sports, Educational and Scientific activities in Bhutan.

Shall be allowed as deductions, subject to the condition that such purposes have the approval of the Government/Ministry and is supported by the relevant documents.

Note:

However the total donation under point 1 and 2 of this section shall be allowed as tax deductible expenditure upto a maximum limit of 5% of the assessed Net Profit.

2.8 Carry Forward and Offset of Losses (Section 17)

Losses sustained during an income year can be carried forward and adjusted against future profits of the same business for a maximum period of 3 years.

Once a loss has been used to reduce taxable profits, it cannot be used again in future years.

In all cases, losses of one company cannot be used to offset the taxable Net profit of another company.

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

2.9 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 day-to-day 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:

- The grant is treated as capital reserves at comparable costs in the case of fully owned government corporations.
- 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.
- 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.

2.10 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 to be depreciated on such improvements or fixtures provided consideration equivalent to such assets have been paid to the lessee, and registered as the lessors' assets.

2.11 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.

2.12 Deductions not Allowed for Tax Purposes (Section 18)

The following are examples of expenses not allowed as deductions:

- Personal expenses on food, clothing, marriage etc. These expenses are not for the purpose of the business.
- Personal administrative fees of employees and their families (e.g. identity cards, citizenship cards, etc.). These expenses are not for the purpose of the business.
- Payments of dividend or profit distributions to share holders, partners and proprietors.
- Creation of or adjustments to reserves except in specific cases.
- Creation of provisions for bad debts/advances except for financial institutions.
- Life and/or health insurance premiums, except for schemes that have been approved by RGOB.
- Business Income Tax, Corporate Income Tax and Personal Income Tax.
- Penalties, fines, penal interest, forfeiture, etc.
- Donations other than those authorised by the Ministry.
- Interest on loans from private sources.

- Interest on loans taken to pay dividend.

3 Rule No. 3 Deductions and Carry Forward of loss by the debtor when the debt is forgiven (Chapter 5, Section 20)

When a debt is forgiven by a creditor, both the debtor and creditor shall make the following adjustments in the books of accounts:

- a) Debtor cannot carry forward as a loss the forgiven amount.
- b) 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, the creditor cannot treat the forgiven debt as a loss. Such debt shall be added back to the taxable Net Profit.

4 Rule No.4 Depreciation (Chapter 6)

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.

4.1 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) Depreciation shall be calculated on the Straight Line Method (SLM) on an asset at the end of the year.
- c) Assets purchased during the year shall be depreciated on a pro rata basis from the date of purchase.
- d) 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.
- e) 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.
- f) 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.
- g) Fully depreciated assets that are still in use must be recorded in

the asset register at a value of Nu.1 for identification purposes.

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.

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.

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

- The asset must be purchased and registered in the name of the business or company.
- The asset must be intended exclusively for use of the business or company.
- Proper books of accounts must be maintained, including a complete fixed asset register containing details of each individual asset for which depreciation is claimed.
- Where the asset is only partially used by the business, then only an appropriate portion of the depreciation can be charged for tax purposes.

4.2 Maintenance & Repair of Fixed Assets

Expenses for the maintenance and repair of fixed assets are classed as operating expenses and should 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.

4.3 Fixed Asset Additions

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

4.4 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.

4.5 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 also.

4.6 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.

4.7 Depreciation Rates

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

5 Rule No. 5 Rates & Calculation of Income Tax (Chapter 9, Section 46)

5.1 Calculation of Tax

All companies registered under the Companies Act of the Kingdom of Bhutan shall pay Corporate Income Tax (CIT) 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.

5.2 Time Limit for Payments

All companies shall pay their tax on a self-declared basis to the Regional Revenue & Customs Office (RRCO) before the 31st March following the end of the income year (1st January to 31st December). However, provisional taxes paid by way of tax deducted at source (TDS) and advance tax shall be paid as per Rules No. 3.2.1, 3.2.2 and 3.2.3 of the General Provisions.

5.3 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 revenue receipts are produced.
- c) **TDS** shall be adjusted
 - At the time of advance tax payment;
 - At the time of provisional tax payment;
 - 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 taxes shall be refunded as per Section 23 of General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

5.4 Interest on Outstanding Tax

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

6 Rule No. 6 Registration of Taxpayers and Filing of Tax Return (Chapter 10)

6.1 Tax Registration (Section 47)

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

Registration must be done with the nearest RRCO by using FORM CIT-1.

Location of RRCOs and their area or jurisdiction are indicate

SI	Regional Office	Dzongkhag
1	Thimphu	Thimphu, Punakha, Wangdiphodrang & Gasa
2	Paro	Paro & Haa
3	Phuentsholing	Chukha
4	Gelephu	Dagana, Sarpang, Tsirang & Zhemgang
5	Samtse	Samtse
6	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
7	Bumthang	Bumthang & Trongsa
8	Samdrupjongkhar	Samdrupjongkhar & Pemagatshel

Upon receipt of FORM CIT-1, the RRCO shall register and allocate a Tax Payer Number (TPN) 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.

6.2 Change of Registration from One RRCO to Another

Registration must be changed from one RRCO to another on submission of 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 in writing within one month from the date of receipt of application.

Permission may be given if the location of the business has moved to another region.

Where permission for transfer of a taxpayer's registration from one RRCO to another is given, the unit must obtain a Tax Clearance Certificate (FORM CIT-4) from the previous RRCO, showing the old registration details and tax status. The old TPN and RRCO must be recorded for references. The previous RRCO shall be responsible for submitting a copy of all tax records to the new RRCO.

7 Rule No. 7 Filing of Income Tax Return (Section 48)

All companies must submit their return, on a self-assessed basis, to the RRCO of registration before the 31st March following the end of the income year.

Tax return must have the following documents:

- Annual Corporate Income Tax Return as per FORM CIT-2.
- Annual Accounts as per Rule No. 4 of the General Provision
- Evidence of any taxes paid in instalments or TDS as per Rule No. 5.3 of this Part.

Failure to file the income tax return as required 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.

8 Rule No. 8 Correction of Tax Return (Section 51)

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 correction of returns shall be limited to arithmetical errors and accounts heads and must be applied in writing to the Regional Director.

8.1 Postponement of Filing

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:

- The taxpayer submits written request for extension before 20th March.
-
- Postponement of filling 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.

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.

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.

1 Rule No. 1 Business under the Same Ownership (Section 8)

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.

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:

Registered as a single tax entity under the same ownership.
Same activity under the manufacturing and service sector.
Consolidated accounts are submitted.

2 Rule No. 2 Rates & Calculation of Income Tax (Section 13)

2.1 Calculation of Tax

All businesses 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. Deductions shall be allowed as per Rule No.2, Part I of these Rules.

2.2 Time Limit for Payments

All businesses shall pay their tax on a self-declared basis to the RRCO of registration before the 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. 3 of the General Provisions.

2.3 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 revenue receipts are produced.
- c) TDS shall be adjusted
 - At the time of advance tax payment;
 - At the time of provisional tax payment;
 - 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.

2.4 Interest on Outstanding Tax

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

3 Rule No. 3 Tax Registration (Section 14)

3.1 Registration

All businesses are required to be registered 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 RRCP by using FORM BIT-1.

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

SI	Regional Office	Dzongkhag
1	Thimphu	Thimphu, Punakha, Wangdiphodrang & Gasa
2	Paro	Paro & Haa
3	Phuentsholing	Chukha
4	Gelephu	Dagana, Sarpang, Tsirang & Zhemgang
5	Samtse	Samtse
6	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
7	Bumthang	Bumthang & Trongsa
8	Samdrupjongkhar	Samdrupjongkhar & Pemagatshel

Upon receipt of FORM BIT-1, 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.

3.2 Change of Registration from One RRCO to Another

Registration may be changed from one RRCO to another on submission of 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 in writing within one month from the date of receipt of application.

Permission may be given if the location of the business has moved to another region.

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 BIT-4 from the previous RRCO, showing the old registration details and tax status. This certificate must be submitted to the new RRCO before a new TPN can be obtained. The old TPN and RRCO must be recorded for reference. The previous RRCO is responsible for submitting a copy of all tax records to the new RRCO.

4 Rule No. 4 Filing of Income Tax Return (Section 15)

All businesses must submit their tax return, on a self-assessed basis, to the concerned RRCO before the 31st March following the end of the income year.

Tax return must have the following documents:

- Annual Business Income Tax Return as per FORM BIT-2.
- Annual Accounts as per Rule No. 4 of the General Provisions.
- Evidences of any taxes paid in instalments or TDS as per Rule No. 2.3 of this Part.
- Such income tax should bear the name, signature, seal and address of the accountant who has prepared the accounts.

Failure to file the income tax returns as required shall result in 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.

5 Rule No. 5 Correction of Tax Return (Section 18)

A taxpayer may correct is unable to submit the tax return within the tax return within 15 days from the date of submission of tax return on genuine ground and reasons acceptable to the RRCO. The correction of returns shall be limited to arithmetical errors and accounts heads and must be applied in writing to the Regional Director.

5.1 Postponement of Filing

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 provide that::

- The taxpayer submits a written request for extension before the 20th March.
- 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, which ever 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.

PART III

PERSONAL INCOME TAX (PIT)

Definitions

- a) Gross Income means total income from a particular income source before specific deduction(s)/exemption.
- b) Specific Deduction(s)/Exemption(s) means deductions/exemption(s) allowable against a specified source of income.
- c) Total Gross Income means total income from all sources under PIT before specific deductions/exemption(s).
- d) Adjusted Gross Income means gross income after allowing specific deduction(s)/exemption.
- 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.

1 Rule No. 1 Tax Liability (Chapter 1)

1.1 Liability to Tax (Section 1)

Persons having personal income exceeding Nu. 100,000 per annum shall be liable to be taxed under Personal Income Tax (PIT). Personal income means income derived from the following sources:

- Salary income from employment and non-licensed consultancy fees (refer Rule No. 2.1 of this Part).
- Rental income from real property (refer Rule No. 2.2 of this Part).
- Dividend income from shareholdings (refer Rule No. 2.3 of this Part).
- Interest income from fixed deposits (refer Rule No. 2.4 of this Part).
- Cash crop income from apple, orange and cardamom orchards (refer Rule No. 2.5 of this Part).
- Income from other sources (refer Rule No. 2.6 of this Part).

1.2 Citizen

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

1.3 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. 1.4 of this Part.

1.4 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.

1.5 Taxation in the Case of Income of a Deceased Person, Married Couples and Minors (Section 2)

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

1.5.1 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.

1.5.2 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.

1.5.3 Minor

Minor means an individual below 18 years of age.

- a) 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.

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.

- b) 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.
- c) 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.

1.6 Members of Diplomatic Mission and Consular Posts (Section 3)

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.

1.7 Exemption from Tax

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

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

Is not operated or conducted for profit.

Is established exclusively for religious worship or advancement of religion or for charitable purposes and or is in the interest of the general public.

Management and control is done through a board consisting of minimum three members.

Proper books of accounts are maintained.

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.

2 Rule No. 2 Income Liable to Tax (Chapter 3)

2.1 Salary Income from Employment (Section 5)

Salary means pay, wages, allowances, remuneration, leave 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. 2.3.3 of Part I.

Adjusted Salary Income shall be the same as the Gross Salary Income.

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 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:

- Leave travel concession.
- Travel allowances and daily allowances given while on tours.
- Transfer grants and transportation costs given on transfers.
- Foreign Allowance and Representational Grant given to the civil servants of the Royal government employees stationed outside the country.

2.1.1 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. 3.2.2 (a) 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 returns need not be filed.

2.2 Rental Income from Real Property

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.

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. 2.2.1 of this Part.

2.2.1 Specific Deductions/Exemption(s)

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

- Interest paid on borrowings provided that the loan
 - Is in the name of the taxpayer (property owner);
 - Is taken for the purpose of construction or purchase or

- expansion of the real property generating rental income and these are specifically stated in the loan documents;
- Is taken from a recognised financial institution; and
 - Is supported by relevant documents.
- 20% of the Gross Rental Income shall be allowed as deductions for repairs and maintenance expenses.
 - Actual municipal taxes and urban house taxes paid, if supported by documents such as money receipts.
 - Insurance premium paid to a recognised insurance company, if supported by documents.

Exceptions

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. 2.2.2 of this Part, are fulfilled.

2.2.2 Exemption from Tax

- a) 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.
- b) Any property remaining vacant shall be exempted from PIT subject to the fulfilment of the following conditions:

The property has remained vacant and there was no rental income. The RRCO of registration has been informed in writing of the property remaining vacant within fifteen days.

Documentary proof to let out the said property is produced.

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.

2.2.3 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. 3.2.2 (b) 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.

2.3 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. 2.3.1 and 2.3.2 of this Part.

2.3.1 Specific Deductions

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

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

2.3.2 Specific Exemption

Total Dividend Income up to Nu. 10,000 per annum per taxpayer shall be exempted.

2.3.3 Payment of Tax

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 and deposit to the concerned RRCO in accordance with Rule No. 3.2.2(c) of the Genera

Citizens or residents	Dividend Nu. 10,000 or below	No deductions
	Dividend Nu. 10,001 & 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.	

2.4 Interest Income from Fixed Deposits (Section 9)

Interest income means interest earned from fixed deposits held with a financial institution in Bhutan. Interest income shall be taxed on a receipt basis.

Gross Interest Income means total interest income during an income year before specific exemption.

Adjusted Interest Income means gross interest income after specific deductions/exemption mentioned under Rule No. 2.4.1 of this Part.

2.4.1 Specific Exemption

Total interest income up to Nu.10,000 per annum per taxpayer from fixed deposits shall be exempted.

2.4.2 Payment of Tax

A financial institution paying interest to its clients shall deduct tax on interest income at source at the rate of 5% at the time of payment or at the time the interest is credited to the client's account as per rates prescribed below, and shall deposit to the concerned RRCO in accordance with Rule No. 3.2.2(d) of the General Provisions

Citizens or residents	Interest Nu. 10,000 or below	No deductions
	Interest Nu. 10,001 & above	5% of Total Interest Income
Person other than citizens or residents	5% on the Total Interest Income as final tax and tax returns need not be filed.	

2.5 Income from Cash Crop (Section 10)

Income from cash crop means income from apple, orange and cardamom orchards. Income from cash crop shall be taxed on an accrual basis.

Gross Income from Cash Crop means total income from cash crops during an income year before specific deduction(s).

Adjusted Gross Income from Cash Crop means gross income from cash crop after specific deductions as mentioned under Rule No. 2.5.1 of this Part.

2.5.1 Specific Deductions

30% of the Gross Income from Cash Crop shall be allowed as deduction.

2.5.2 Payment of Tax

Payment of tax on income from cash crop shall be at the time of filing the tax return.

2.6 Income from Other Sources (Section 11)

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

- Income from hire of privately owned vehicles, but excluding trucks and taxis.
- Income from hire of privately owned plant and machinery.
- 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. 2.6.1 of this Part.

2.6.1 Specific Deduction

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

2.6.2 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. 3.2.2(e) 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 returns need not be filed.

3 Rule No. 3 General Deductions (Section 12)

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

3.1 Insurance Premium

Insurance premium paid to a recognised Insurance Company in Bhutan for the insurance of a taxpayer's life under the following schemes shall be allowed as deduction:

1. Whole Life Insurance Policy
2. Silver Jubilee Term Insurance
3. Term Insurance
4. New Life Annuity Scheme

However, in respect of the below mentioned Insurance schemes covering both life and savings; only 50% of the premium paid shall be allowed as deductions subject to a maximum premium of Nu.50,000 per annum per taxpayer:

1. Double Endowment
2. Double Cover Endowment
3. Education Annuity
4. Children Anticipated Policy
5. Endowment Assurance
6. Money Back Policy
7. Ashi Nangsa Living Policy
8. Millennium Education Policy
9. Endowment Assurance Plan for Minors
10. Gaki Pelzom Life Policy
11. Quendue Ngensung life Policy
12. Ten-tsai Mangual Ngenchoel
13. Drongseb Kuendrul Tshe-sog Ngensung

3.2 Donations

Donations made to organisations exempted by the Ministry shall be allowed as deductions upto a limit of 5% of the Total Adjusted Gross income and subject to the condition that such donations are supported by relevant documents.

Further donations for purposes such as;

- i. A Relief Fund for natural calamities in Bhutan.
- ii. For the preservation and promotion of Religion and Culture in Bhutan and
- iii. For the promotion of Sports, Educational and Scientific activities in Bhutan,

shall be allowed as deductions, subject to the condition that such purposes have the approval of the Government/Ministry, is supported by the relevant documents and such donations are less than 5% of the Adjusted Gross income.

3.3 Education Allowance

Education allowance for dependent children (own or legally adopted), being the actual cost of education incurred outside Bhutan, shall be allowed as deductions from total adjusted Gross Income up to a maximum limit of Nu. 50,000 per child provided the claim is supported by relevant document.

Education allowance for dependent children (own or legally adopted), being the actual cost of education incurred within Bhutan, shall be allowed as deduction up to a maximum limit of Nu. 50,000 provided the claim is supported by relevant documents or as per limits prescribed by the Ministry provided the proof of a child attending school is produced. The limit referred above shall be prescribed annually by the Ministry.

Both Parents cannot claim the allowance for the same dependent child.

4 Rule No. 4 Net Taxable Income (Section 13)

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

- a) Gross salary income;
- b) Rental income from real property after specific deduction(s)/ exemption under Rules No. 2.2.1 and 2.2.2 of this Part;

- c) Dividend income from shareholdings after specific deduction(s)/ exemption under Rules No. 2.3.1 and 2.3.2 of this Part;
- d) Interest income from fixed deposits after specific deduction(s) under Rule No.2.4.1 of this Part;
- e) Income from cash crop after specific deduction(s) under Rule No.2.5.1 of this Part;
- f) Income from other sources after specific deduction(s) under Rule No.2.6.1 of this Part.

Citizens and residents shall be taxed on the Net Taxable Income arrived from (a), (b), (c), (d), (e), and (f) after general deductions under Rule No. 3 of this Part. The tax rates and slabs given under Rule No. 5 of this Part shall be applied on Net Taxable Income to calculate the Tax Amount.

5 Rule No. 5 Tax Rates (Section 14)

The Net Taxable Income as per Rule No. 4 of this Part shall be liable for PIT as per the rates

Sl. No.	Net Taxable Income	Tax rates
1	Where the Net Taxable Income does not exceed Nu. 100,000	Nil
2	Where the Net Taxable Income exceeds Nu. 100,000 but does not exceed Nu. 250,000.	10% on the amount by which the Net Taxable Income exceeds Nu. 100,000
3	Where the Net Taxable Income exceeds Nu. 250,000 but does not exceed Nu. 500,000.	Nu. 15,000 plus 15% on the amount by which the Net Taxable Income exceeds Nu. 250,000
4	Where the Net Taxable Income exceeds Nu. 500,000 but does not exceed Nu. 1,000,000.	Nu. 52,500 plus 20% on the amount by which the Net Taxable Income exceeds Nu. 500,000
5	Where the Net Taxable Income exceeds Nu. 1,000,000	Nu. 152,500 plus 25% on the amount by which the Net Taxable Income exceeds Nu. 1,000,000

6 Rule No. 6 Set Off and Carry Forward (Section 15)

6.1 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, interest 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. 3 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.

6.2 Set Off

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

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.

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.

6.3 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.

7. Rule No. 7 Registration of Taxpayers and Filing of Tax Return (Chapter 4)

7.1 Tax Registration (Section 16)

All citizens above 18 years of age 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) The PIT registration FORM PIT-1 may be obtained from any RRCO.
- b) The completed form shall be submitted at the earliest to any of the RRCOs mentioned below. A person must mention in the Registration Form the RRCO where he/she would like to be

registered as a taxpayer. This may be any one of the RRCOs where the person has a source of income.

- c) Married couples must choose the same RRCO for registration.
- d) 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:

SI	Regional Office	Dzongkhag
1	Thimphu	Thimphu, Punakha, Wangdiphodrang & Gasa
2	Paro	Paro & Haa
3	Phuentsholing	Chukha
4	Gelephu	Dagana, Sarpang, Tsirang & Zhemgang
5	Samtse	Samtse
6	Mongar	Mongar, Lhuentse, Trashigang & Trashiyangtse
7	Bumthang	Bumthang & Trongsa
8	Samdrupjongkhar	Samdrupjongkhar & Pemagatshel

7.2 Change of Registration from One RRCO to Another

Registration may be changed from one RRCO to another on submission of 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 in writing within one month from the date of receipt of application. Permission may be given if the location of the business has moved to another region.

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 before a new TPN number can be obtained. The old TPN number and RRCO must be recorded for reference. The previous RRCO shall be responsible for submitting a copy of all tax records to the new RRCO.

7.3 Cancellation of PIT Registration

For PIT purposes cancellation of registration takes place when a person dies or migrates. 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.

7.4 Filing of Income Tax Return

All citizens above 18 years of age and residents having taxable personal income as mentioned under Rule No. 1.1 of this Part or their authorised representatives or persons claiming refund shall file the tax return as per FORM PIT-2 at the RRCO of registration before 1st March following the income year.

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.

Failure to file the income tax return as required 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.

7.5 Persons other than Citizens or Residents

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 tax returns need not be filed. Where taxes have not been deducted at source, such person shall be required to file the tax return like a citizen or resident.

7.6 Correction of Tax Return

Taxpayers 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 correction of returns shall be limited to arithmetical errors and accounts heads and must be applied in writing to the Regional Director.

7.7 Postponement of Filing

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:

- The taxpayer submits a written request for extension before 20th February for PIT.
- 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.

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.

7.8 Payment of Tax

All companies, businesses, citizens or residents shall pay PIT on a self-declared 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.

GENERAL PROVISIONS

The Rules under this Part shall be applicable to all taxpayers be they under Corporate Income Tax, Business Income Tax or Personal Income Tax.

1 Rule No. 1 Assessment (Chapter 2)

1.1 Assessment Authority (Section 3)

The Department of Revenue and Customs through its Regional Revenue and Customs Offices shall be responsible for assessment of taxes.

All companies (FORM CIT-2), businesses (FORM BIT-2) and individuals (FORM PIT-2) shall submit their tax returns on a self-declared basis to the RRCO where they are registered as a taxpayer. Upon receipt of the tax return, the RRCO may carry out the assessment in one or more of the following ways:

1.2 Desk Assessment

Desk assessment shall be carried out when the tax return is submitted or within 90 days thereafter. Desk assessment shall include a logical check, an arithmetical check on the figures submitted, and a 'reasonableness' check on the level of self-declared tax. If any error or omission is found, the tax officer has the right to reject the tax return but shall collect the tax based on the self-declaration. In such case, the taxpayer shall be informed in writing stating clearly the reasons for rejection.

On completion of desk assessment, the RRCO may issue a demand notice for CIT, BIT units and for PIT taxpayers showing the full tax liability, any tax payments made and the balance payable.

Any additional tax due/payable after the due date of filing (CIT/BIT on 31st March and PIT on 1st March) shall result in fines and penalties at the rate of 24% per annum.

1.3 Field Assessment

If the desk assessment is not satisfactory, a field assessment may be carried out. Where a field assessment is required, the taxpayer shall be informed of the field assessment at least 2 weeks before the commencement of the field assessment. A field assessment must be completed within 2 years from the submission of tax returns. Reasons for field assessment may be:

- The desk assessment suggested missing or inadequate documentation.
- The desk assessment suggested that either adjustment or refund of provisional taxes is required.
- Loss incurred under normal circumstance and declared in the tax return.
- Where field assessment of the unit has not been carried out for the last 3 years.

Field assessment is completed by the RRCO as follows:

- Where no further tax liability is identified as a result of the assessment process, the tax officer shall issue a final assessment notice, indicating that no further tax payment is required for that income year.
- Where an assessment results in an additional tax liability, a final assessment notice and demand notice for CIT, BIT units and for PIT taxpayers shall be issued showing the full tax liability, any tax payments made and the balance payable.
- Where an assessment results in a reduced tax liability, the excess tax paid will be refunded, provided that the following conditions have been fulfilled:
 - All outstanding tax assessments have been completed and finalised.
 - There are no outstanding taxes, fines and penalties and interest against the unit or other units under the same ownership. Excess taxes refundable shall be adjusted against outstanding taxes if not already recovered.
 - There are no outstanding debts to the RGOB.

Adjustments against other outstanding taxes can be made at the RRCO level, but actual monetary refunds must always be authorised by DRCHQ.

Any additional tax due/payable after the due date of filing (CIT/BIT on 31st March, PIT on 1st March) shall result in a penal interest at the rate of 24% per annum.

1.4 Estimated Assessment

A tax officer shall make an estimated assessment in the following cases:

- Tax return has not been submitted within the prescribed time limit and no time extension request has been made and approved.
- A tax return has been rejected during desk assessment, and a valid re-submission has not been received.
- A business or company has failed to keep proper accounting records as required under Rule No. 4 of this Part.

Estimated assessment shall be based on one or more of the following:

- Tax returns filed for the last three years.
- Import and export figures available with the Department.
- Information from third parties such as customers.
- Taxes paid by other similar units.
- Taxes paid on an estimated basis in the previous year plus an appropriate increase.
- Any other information available on the taxpayer.

Estimated assessment is completed by the RRCO as follows:

The tax officer shall issue a demand notice as per for CIT, BIT units and for PIT taxpayers, showing the full tax liability, any tax payments made and the balance payable. The demand notice must clearly state the basis upon which the estimated assessment was finalised.

Any additional tax due/payable after the due date of filing (CIT/BIT on 31st March, PIT on 1st March) shall result in a penal interest at the rate of 24% per annum.

1.5 Reassessment

A reassessment may take place at any time within 5 years from the end of the income year, and shall be on any of the following grounds:

- Upon request from a taxpayer as a part of the appeal procedure.
- Upon request from the tax authorities where an appeal case cannot be concluded without further investigation.
- Upon request from a RRCO or DRCHQ where there are reasonable grounds.

Reassessment is completed by the RRCO as mentioned in Rule No.1.3 above.

Any additional tax due/payable after the due date of filing (CIT/BIT on 31st March, PIT on 1st March) shall result in a penal interest at the rate of 24% per annum.

1.6 Fines and Penalties (Chapter 5)

Failure to comply with the above Rules No. 1.2 to 1.5 shall result in fines and penalties as mentioned in Chapter 5 of the General Provisions of the Income Tax Act of the Kingdom of Bhutan, 2001.

2 Rule No. 2 Transfer and Closure of Business (Section 6)

2.1 Winding up of company

A company being wound up or liquidated shall be liable to tax in accordance with the provisions under the Companies Act of the Kingdom of Bhutan, 2000.

2.2 Transfer and Closure of Business

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

2.2.1 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. Trade/ Industrial License shall also be transferred through the Ministry of Trade and Industry (MTI) 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.

2.2.2 Business Closure

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

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

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

3 Rule No. 3 Collection (Chapter 3)

3.1 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.

3.2 Payment of Tax

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

3.2.1 Taxes paid during the income year

a) Advance Taxes

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

Due date	Advance Tax amount
31st August	30% BIT/CIT 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

b) 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.

3.2.2 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 TD

S I . No.	Withholding Agency	Sources
1	Employer	Salary (refer 3.2.2(a))
2	Government, Semi government & Non-government organisations, Companies and Businesses,	Rental Income (3.2.2(b))
3	Companies	Dividend (refer 3.2.2(c))
4	Financial Institutions	Interest (refer 3.2.2(d))
5	Department of Tourism	Tour Income (refer 3.2.2(f))
6	Contract Awardee	Contract income (refer 3.2.2(g))
7	Government, Semi government & Non-government organisations, Companies, and Businesses,	Other Income (refer 3.2.2(e))

3.2.2(a) Salary Income (Section 12)

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 with the nearest RRCO or to a RGR account 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:

- Maintain proper accounting records.
- Submit monthly and yearly information to the RRCO where the employer is registered as a taxpayer as per FORM IT-1.
- Ensure that the retirement benefits are paid only on production of Tax Clearance Certificates issued by a RRCO.

For persons other than a citizen or a resident, the TDS is final and tax returns need not be filed.

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

3.2.2(b) Rental Income

A corporate or business entity or a government, semi-government, non-government organisation hiring real property as defined under Rule No. 2.2 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 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.

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

3.2.2(c) Dividend Income (Section 13)

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 and deposit it to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-3.

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

The tax deducted at source shall be adjusted against the persons final tax liability, therefore, the company must:

- Maintain proper accounting records.
- Submit yearly accounts before December 31st to the RRCO as per FORM IT-3.

Failure to comply with the above Rules will result in fines and penalties as per the provisions under Chapter 5 of the Income Tax Act of the Kingdom of Bhutan, 2001.

3.2.2(d) Interest Income (Section 14)

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. TDS must be deposited to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-4.

Citizens and residents	Interest Nu. 10,000 or below	No Deductions
	Interest Nu. 10,001 & above	5% of the Total Interest Income
Persons other than citizens and residents	5% on the Total Interest Income as final tax and returns need not be filed.	
CIT & BIT units	5% on the Total Interest Income	

The tax deducted at source shall be adjusted against the persons final tax liability, therefore, the financial institutions must:

- Maintain proper accounting records.
- Submit yearly accounts before December 31st to the RRCO as per FORM IT-4.

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

3.2.2(e) Other Income (Section 16)

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, and shall deposit the tax to the concerned RRCO on or before the 10th of the month following the date of deduction as per FORM IT-5.

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

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

3.2.2(f) TDS from National Tour Operators (Section 17)

The Department of Tourism (DOT) shall deduct tax at source at the rate of 2% of the Tour Income, and shall deposit the tax in a RGR account on or before 10th of the month following the date of deduction as per FORM IT-6 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.

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

3.2.2(g) Contractors (Section 18)

Tax shall be deducted at source for construction, logging work, management contracts, supplies, transportation, consultancy and other professional services by a contract awarder in the manner prescribed below:

a) Contractors under Full Tax Liability

The contract awarder shall:

- 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.
-
- TDS must be deposited into a RGR account or to the concerned RRCO on or before 10th of the month following the date of deduction as per FORM IT-7 with a copy to the contractor.

b) Contractors under Limited Tax Liability

The contract awarder shall:

- Deduct contractor's tax at source at the rate of 3% of the gross amount on the day of payment as final tax of the contractor.
- TDS must be deposited into a RGR account or to the concerned RRCO on or before 10th of the month following the date of deduction as per FORM IT-7 with a copy to the contractor.

3.2.3 Tax Paid when Filing Annual Tax Return

Companies and businesses shall file their annual tax returns at the latest by March 31st and individuals at the latest by 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:

- 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 revenue receipts are produced.
- c) **TDS** shall be adjusted
 - At the time of advance tax payment;
 - At the time of provisional tax payment;
 - At the time of final tax payment.

4 Rule No. 4 Information, Control and Documentation (Chapter 4)

All registered companies and business units shall maintain proper accounting records. The following sections are intended to provide a guideline as to what constitutes 'proper accounting records' for different categories of CIT/BIT taxpayers.

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.

4.1 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:

- Trial Balance;
- Manufacturing & Trading Accounts;
- Profit & Loss Accounts;
- Balance Sheet;
- General/Nominal Ledger;
- Cash Book, Bank Statements, and Bank Reconciliation Statements;
- Sales Ledger, Registers and Supporting bills, Cash Memos and Receipts;

- Purchase Ledger, Registers and Supporting Bills, Receipts and Vouchers;
- Journal Book;
- Fixed Asset Register;
- Stock Register.

4.2 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, and purchase invoice may be maintained. However, where these records are not available, annual tax assessment shall be done on an estimated basis as per Rule No. 1.5 of the General Provisions.

4.3 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.

5 Rule No. 5 Recovery Measures (Chapter 6)

5.1 General

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

- Has not paid tax within the due date; or
- Has not deducted tax at source within due date; or
- Has not paid fines and penalties.

5.1.1 Agreement

The RRCO shall enter into an agreement with a taxpayer for recovery of tax dues and claims. The agreement shall specify dues, terms of payments, mode of payment etc. Prior approval of the DRCHQ is required if the payback period is longer than 12 months.

5.1.2 Restraint on Asset

Where a taxpayer defaults the payment of tax dues as per the agreement under Rule No. 5.1.1 above, 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-8 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.

5.1.3 Executing Bond

Notwithstanding Rule No. 5.1.2 above, the RRCO may execute a bond or security issued by another person or entity in cases where:

- The taxpayer's liquidity is poor; or
- The taxpayer does not own sufficient assets or other security to cover the tax dues; or
- The tax due is high compared to income from his business; or
- The tax authority has reason to believe that the taxpayer may leave the country.

If the bond or security is redeemed, the RRCO shall adjust the tax dues/outstanding and refund the excess amount, if any.

5.1.4 Detention of Assets

Assets restrained under Rule No. 5.1.2 above 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.

5.1.5 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.

5.1.6 Suspension and Cancellation of Business License

Notwithstanding Rules No. 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5; the Department through the Ministry of Finance shall recommend to the concerned authority for cancellation of a taxpayer's licence.

6 Rule No 6 Tax Clearance Certificate

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:

- a) Before leaving the country for 6 months or more;
- b) At the time of obtaining and renewal of licence or bidding for any works and service contracts;
- c) At the time of transfer of ownership or location of business; or
- d) At the time of closing of a business.

6.1 Issue of Tax Clearance Certificate

A Tax Clearance Certificate shall be issued provided:

- There are no outstanding taxes due to the government; or
- A person/entity does not have taxable income.

FORM CIT-1**CIT REGISTRATION**

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

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) Joint Venture Company
 d) Foreign Company

3. LICENSE DETAILS AND ACTIVITIES

	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 /SUBSIDIARY UNITS

	TPN	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 Chairperson: _____

Name of the Chairperson: _____

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 CORPORATE INCOME TAX RETURN

ANNUAL CORPORATE INCOME TAX RETURN FOR THE 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 _____.

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

I/We declare that the records submitted herewith are true and correct in every respect, to the best of my/our knowledge and belief.

Authorized Signatory: _____
Name & Designation: _____
Date: _____

FORM CIT 2

CIT 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

	Schedule	20vv Nu'000	20vu Nu'000
Total Sales	1	XXXX	YYYY
TOTAL INCOME		XXXX	YYYY
Less: Direct Expenses	3	XXXX	YYYY
GROSS PROFIT		XXXX	YYYY
Other Income	2	XXXX	YYYY
Less: Selling Expenses	4	XXXX	YYYY
Less: Administration Expenses	5	XXXX	YYYY
Less: Depreciation for year	14	XXXX	YYYY
Less: Other Financial Expenses	6	XXXX	YYYY
Less: Interest Paid		XXXX	YYYY
NET PROFIT FOR THE YEAR (#)		XXXX	YYYY
Add: Inadmissible expenses for tax purposes			
Direct	7	XXXX	YYYY
Selling	8	XXXX	YYYY
Administration	9	XXXX	YYYY
Financial Expenses	10	XXXX	YYYY
Appropriations	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
SELF-DECLARED CIT @ 30% of B (*)		XXXX	YYYY
Less Amounts Already Paid:			
Advance Taxes		(XXXX)	(YYYY)
CIT Withheld at Source		(XXXX)	(YYYY)
BALANCE CIT 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.

FORM CIT-2 CIT Standard Accounts Format

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

Balance Sheet as at dd/mm/20vv

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

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

Schedule 1: Total Sales

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

FORM CIT 2

CIT Standard Accounts Format

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
Total Rent	XXXX	YYYY
Other Income:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL OTHER INCOME	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
Opening Stock	XXXX	YYYY
Less: Closing Stock	(XXXX)	(YYYY)
Stock Movement	XXXX	YYYY
Opening Work in Progress	XXXX	YYYY
Less: Closing Work in progress	(XXXX)	(YYYY)
Work in Progress Movement	XXXX	YYYY
Direct Purchases:		
Raw Materials	XXXX	YYYY
Components	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Purchases	XXXX	YYYY

FORM CIT 2

CIT Standard Accounts Format

Direct Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY
Other Direct Expenses:		
Loading & Unloading	XXXX	YYYY
Carriage Inward	XXXX	YYYY
Bhutan Sales Tax	XXXX	YYYY
Customs Duties	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL DIRECT EXPENSES	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
Selling Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY
Other Selling Expenses:		
Travel expenses for selling the product	XXXX	YYYY
Entertaining	XXXX	YYYY
Distribution costs (Transport & Freight)	XXXX	YYYY
Publicity	XXXX	YYYY
Commissions	XXXX	YYYY
.....	XXXX	YYYY

FORM CIT 2

CIT Standard Accounts Format

.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL SELLING EXPENSES	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
Administration Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
Staff Welfare	XXXX	YYYY
Provident/Gratuity Fund	XXXX	YYYY
Bonus	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY
Other Administration Expenses:		
Donations	XXXX	YYYY
Rent	XXXX	YYYY
Electricity	XXXX	YYYY
Postage	XXXX	YYYY
Telephone	XXXX	YYYY
Water Charges	XXXX	YYYY
Municipal Charges	XXXX	YYYY
Stocks write off	XXXX	YYYY
Loss on disposal of fixed assets	XXXX	YYYY
Staff Training	XXXX	YYYY
Audit Fees	XXXX	YYYY
Consultancy Fees	XXXX	YYYY
Other taxes Paid (excluding CIT)	XXXX	YYYY
Other Professional Fees	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL ADMINISTRATION EXPENSES	XXXX	YYYY
	====	====

FORM CIT 2

CIT Standard Accounts Format

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
Bad Debts	XXXX	YYYY
Bank Charges & other exp.	XXXX	YYYY
Foreign Exchange hedging losses	XXXX	YYYY
Prov. for Bad & Doubtful Debts	XXXX	YYYY
Provision for any Doubtful Advances	XXXX	YYYY
.....	XXXX	YYYY
	-----	-----
TOTAL Financial Expenses	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
	=====	=====

FORM CIT 2 CIT Standard Accounts Format

Schedule 10: Inadmissible Financial Expenses

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

Schedule 11: Appropriations

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

Schedule 12: Bonuses disallowed

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

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

FORM CIT 2

CIT Standard Accounts Format

Schedule 13: Entertainment and Staff Welfare disallowed

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

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

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

Schedule 14 : Fixed Assets

				20vv Nu'000	20vu Nu'000
Additions in the year:	Date	Rate			
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
Less:					
Disposals in the year	Date	Rate			
.....	.....	.....		(XXXX)	(YYYY)
.....	.....	.....		(XXXX)	(YYYY)
.....	.....	.....		(XXXX)	(YYYY)
.....	.....	.....		(XXXX)	(YYYY)
Cost brought forward from previous year				XXXX	YYYY
				-----	-----
Cost carried forward to next year				XXXX	YYYY
				=====	=====
Depreciation for year:					
Asset:	Cost	Rate			
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY
.....	.....	.....		XXXX	YYYY

FORM CIT 2

CIT Standard Accounts Format

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

Schedule 15: Current Assets

	20vv	20vu
	Nu'000	Nu'000
Cash	XXXX	YYYY
Bank	XXXX	YYYY
Sundry Debtors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Less: Provisions	(XXXX)	(YYYY)
Total Sundry Debtors	XXXX	YYYY
Closing Stock:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXX	YYYY
Total Closing Stock	XXXX	YYYY
Prepayments:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Prepayments	XXXX	YYYY
Other Current Assets:		
.....	XXXX	YYYY
.....	XXXX	YYYY

FORM CIT 2

CIT Standard Accounts Format

.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
	-----	-----
TOTAL CURRENT ASSETS	XXXX	YYYY
	=====	=====

Schedule 16 : Current Liabilities

	20vv	20vu
	Nu'000	Nu'000
Bank Overdraft	XXXX	YYYY
Unpaid Wages	XXXX	YYYY
Unpaid Taxes	XXXX	YYYY
Trade Creditors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Trade Creditors	XXXX	YYYY
Sundry Creditors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Sundry Creditors	XXXX	YYYY
Other Current Liabilities:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
	-----	-----
TOTAL CURRENT LIABILITIES	XXXX	YYYY
	=====	=====

Schedule 17: Long Term Capital

	20vv	20vu
	Nu'000	Nu'000
Proprietor's Capital:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Proprietor's Capital (A)	XXXX	YYYY

FORM CIT 2

CIT Standard Accounts Format

Shareholders Funds:			
Ordinary Shares		XXXX	YYYY
Preference Shares		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Shareholders Funds	(B)	XXXX	YYYY
Donor or other Financing: (Capital Grants)			
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
.....		XXXX	YYYY
Total Donor or other Financing (Capital Grants)	(C)	XXXX	YYYY
TOTAL LONG TERM CAPITAL		XXXX	YYYY
	(A+B+C)	=====	=====

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	YYYY
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		XXXX	YYYY
	(A+B+C)	=====	=====

FORM BIT-1

BIT REGISTRATION



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

Date:

1. DETAILS OF BUSINESS

a) Name of the Business _____

b) Type of Business Trading Service Manufacturing

c) Investment Range

Nu. 100 million and above

Nu. 10 million to Nu. 100 million

Nu. 5 million to Nu. 10 million

Nu. 3 million to Nu. 5 million

Nu. 1 million to Nu. 3 million

Less than Nu. 1 million

d) Registered Address of the Business _____

Street Name _____ Post Box No. _____ Dzongkhag
_____ Gwog _____ Village _____ PhoneNo. _____ Fax
No. _____ Email address _____

2. TYPE OF OWNERSHIP (please tick)

Sole Proprietorship

Partnership

3. OWNERSHIP DETAILS

Name _____ Sex _____ Date of Birth/Year _____ Citizen ID
Card No./Resident Permit No. _____ Nationality _____
Street Name _____ Post Box No. _____ Fax No. _____
Village _____ Gwog _____ 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

	License No.	Date of Issue	Nature of Activity

If required, please use additional sheet.

6. OTHER BUSINESSES OWNED BY THE OWNER

	TPN/ Entity Code	Name of the Unit	Address	Post Box No.	Phone No.	Fax 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.

I/We declare that the records submitted herewith are true and correct in every respect, to the best of my/our knowledge and belief.

Authorized Signatory _____
Name & Designation: _____
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

	Schedule	20vv Nu'000	20vu Nu'000
Total Sales	1	XXXX	YYYY
TOTAL INCOME		XXXX	YYYY
Less: Direct Expenses	3	XXXX	YYYY
GROSS PROFIT		XXXX	YYYY
Other Income	2	XXXX	YYYY
Less: Selling Expenses	4	XXXX	YYYY
Less: Administration Expenses	5	XXXX	YYYY
Less: Depreciation for year	14	XXXX	YYYY
Less: Other Financial Expenses	6	XXXX	YYYY
Less: Interest Paid		XXXX	YYYY
NET PROFIT FOR THE YEAR	(#)	XXXX	YYYY
Add: Inadmissible expenses for tax purposes			
Direct	7	XXXX	YYYY
Selling	8	XXXX	YYYY
Administration	9	XXXX	YYYY
Financial Expenses	10	XXXX	YYYY
Appropriations	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
SELF-DECLARED 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.

FORM BIT 2 BIT Standard Accounts Format

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

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

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.

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
Total Rent	XXXX	YYYY
Other Income:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL OTHER INCOME	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
Opening Stock	XXXX	YYYY
Less: Closing Stock	(XXXX)	(YYYY)
Stock Movement	XXXX	YYYY
Opening Work in Progress	XXXX	YYYY
Less: Closing Work in progress	(XXXX)	(YYYY)
Work in Progress Movement	XXXX	YYYY
Direct Purchases:		
Raw Materials	XXXX	YYYY
Components	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY

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.....	XXXX	YYYY
.....	XXXX	YYYY
Total Purchases	XXXX	YYYY
Direct Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY
Other Direct Expenses:		
Loading & Unloading	XXXX	YYYY
Carriage Inward	XXXX	YYYY
Bhutan Sales Tax	XXXX	YYYY
Customs Duties	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
	-----	-----
TOTAL DIRECT EXPENSES	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	20vu
	Nu'000	Nu'000
Selling Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY

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Other Selling Expenses:		
Travel expenses for selling the product	XXXX	YYYY
Entertaining	XXXX	YYYY
Distribution costs (Transport & Freight)	XXXX	YYYY
Publicity	XXXX	YYYY
Commissions	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
	-----	-----
TOTAL SELLING EXPENSES	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
Administration Staff Costs:		
Permanent Salary Costs	XXXX	YYYY
Wages	XXXX	YYYY
Labor Charges	XXXX	YYYY
Staff Welfare	XXXX	YYYY
Provident/Gratuity Fund	XXXX	YYYY
Bonus	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Staff Costs	XXXX	YYYY
Other Administration Expenses:		
Donations	XXXX	YYYY
Rent	XXXX	YYYY
Electricity	XXXX	YYYY
Postage	XXXX	YYYY
Telephone	XXXX	YYYY
Water Charges	XXXX	YYYY
Municipal Charges	XXXX	YYYY
Stocks write off	XXXX	YYYY
Loss on disposal of fixed assets	XXXX	YYYY
Staff Training	XXXX	YYYY

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Audit Fees	XXXX	YYYY
Consultancy Fees	XXXX	YYYY
Other taxes Paid (excluding BIT)	XXXX	YYYY
Other Professional Fees	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
	-----	-----
TOTAL ADMINISTRATION EXPENSES	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	20vu
	Nu'000	Nu'000
Bad Debts	XXXX	YYYY
Bank Charges & other exp.	XXXX	YYYY
Foreign Exchange hedging losses	XXXX	YYYY
Prov. for Bad & Doubtful Debts	XXXX	YYYY
Provision for any Doubtful Advances	XXXX	YYYY
.....	XXXX	YYYY
	-----	-----
TOTAL Financial Expenses	XXXX	YYYY
	=====	=====

Schedule 7: Inadmissible Direct Expenses

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

Schedule 8: Inadmissible Selling Expenses

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

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

Schedule 11: Appropriations

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

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Schedule 12: Bonuses disallowed

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

Only if the bonus allowable as per bookings is greater than 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

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

Schedule 13: Entertainment and Staff Welfare disallowed

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

Only if the Ent/Staff Welfare allowable as per bookings is greater than 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

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

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Schedule 14: Fixed Assets

			20vv	20vu
			Nu'000	Nu'000
Additions in the year:	Date	Rate		
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
Less:				
Disposals in the year	Date	Rate		
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
Cost brought forward from previous year			XXXX	YYYY
			-----	-----
Cost carried forward to next year			XXXX	YYYY
			=====	=====
Depreciation for year:				
Asset:	Cost	Rate		
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
.....	.....	.....	XXXX	YYYY
			-----	-----
TOTAL DEPRECIATION FOR YEAR			XXXX	YYYY
Less: Depreciation on Disposals				
Disposals:	Date	Rate		
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
.....	.....	.....	(XXXX)	(YYYY)
Depreciation brought forward from last year			XXXX	YYYY
			-----	-----
Depreciation carried forward to next year			XXXX	YYYY
			=====	=====
Net Book Value brought forward from last year			XXXX	YYYY
			=====	=====
NET BOOK VALUE CARRIED FORWARD TO NEXT YEAR			XXXX	YYYY
			=====	=====

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Schedule 15: Current Assets

	20vv Nu'000	20vu Nu'000
Cash	XXXX	YYYY
Bank	XXXX	YYYY
Sundry Debtors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Less: Provisions	(XXXX)	(YYYY)
Total Sundry Debtors	XXXX	YYYY
Closing Stock:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Closing Stock	XXXX	YYYY
Prepayments:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Prepayments	XXXX	YYYY
Other Current Assets:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL CURRENT ASSETS	XXXX =====	YYYY =====

Schedule 16: Current Liabilities

	20vv Nu'000	20vu Nu'000
Bank Overdraft	XXXX	YYYY
Unpaid Wages	XXXX	YYYY
Unpaid Taxes	XXXX	YYYY
Trade Creditors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Trade Creditors	XXXX	YYYY
Sundry Creditors:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Sundry Creditors	XXXX	YYYY
Other Current Liabilities:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Other	XXXX	YYYY
TOTAL CURRENT LIABILITIES	----- XXXX ====	----- YYYY ====

Schedule 17: Long Term Capital

	20vv Nu'000	20vu Nu'000
Proprietor's Capital:		
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Proprietor's Capital (A)	XXXX	YYYY
Shareholders Funds:		
Ordinary Shares	XXXX	YYYY
Preference Shares	XXXX	YYYY

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.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
.....	XXXX	YYYY
Total Shareholders Funds (B)	XXXX	YYYY
Donor or other Financing: (Capital Grants)		
.....	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	YYYY
=====		

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	YYYY
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

Date: _____

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

Do you have children? (Please tick)

Yes

No

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

	Name of Child	Date of Birth	Sources 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) Interest income
- e) Cash crop Income
- f) Income from Other sources

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

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. TAXPAYERS PARTICULARS (Please fill the following)

Name: (write in block letters) a. Permanent address: b. Present address: Telephone No:	Citizen ID No/ Residence permit No
	Nationality:
	Date/Year of birth:

2. MARITAL STATUS

Are you married? Please tick yes or no Yes <input type="checkbox"/> No <input type="checkbox"/>	
If married, please fill in spouse's particulars:	
Spouse's Name: Telephone No:	Previous Place of Registration:
	Citizen ID Number/ Residence Permit No
	Nationality:

If required, please use additional sheet.

3. DETAILS OF CHILDREN

Does your Tax Return include income of children below 18 years of age? If yes please enter their details.		
Child's Name:	Date of Birth	Source of Income included in the Return

If required, please use additional sheet.

4. INCOME COMPUTATION WORKSHEET

4.1 GROSS INCOME FROM SALARY AND CONSULTANCY SERVICES (If you have/had income from salary or consultant fees, please fill in the following)

Employer's name and address:	Basic Salary x12 months	
	Allowances	
	Bonus	
	Fees	
	Commission	
Employer's TPN or ACS code:		Total from employer 1
Employer's name and address: (If you have more than one employer)	Basic SalaryX12months	
	Allowances	
	Bonus	
	Fees	
	Commission	
Employer's TPN or ACS code:		Total from employer 2
Employer's name and address: (If you have more than two employers)	Basic SalaryX12 moths	
	Allowances	
	Bonus	
	Fees	
	Commission	
Employer's TPN or ACS code:		Total from employer 3
AGI (i): Add the totals from employers to give Gross Salary Income (Transfer the amount to Table No 5)		

If required, please use additional sheet.

4.2 GROSS INCOME FROM RENTAL PROPERTY [(If you own rental property/properties and have a rental income, please fill in the following (Rental property includes land, building and houses used for rental purpose)]

Type of Property	Plot No./Thram No.	No of Units/ No of Plots	Location	Property's Rental Income
A: Gross Rental Income for all properties (add the above)				
B1: Interest paid on loans (enclose bank statement)				
B2: Repair and maintenance (20 %) of A				
B3: Insurance Premiums				
B4: Local taxes				
B: Total Specific Deductions/Exemption (add the four above: B = B1+B2+B3+B4)				
AGI (ii) Adjusted Gross Rental Income (A – B) (If positive, transfer the amount to Table No 5)				

If required, please use additional sheet.

4.3 GROSS INCOME FROM DIVIDEND (If you have received dividend, please fill in the following)

Name of Company	TPN	Share Certificate No.	No. of Shares	Face Value of Shares	Dividend
A: Gross Dividend Income from all companies (add the above)					
B1: Interest paid on loans (enclose loan documents)					
B2: Exemption					10,000
B: Total Specific deductions/Exemption (add the two above B= B1+B2)					
AGI (iii) Adjusted Gross Dividend Income (A – B) (If positive, transfer the amount to Table No 5)					

If required, please use additional sheet.

4.4 GROSS INCOME FROM INTEREST (If you have fixed deposit accounts with a financial institution, please fill in the following)

Financial Institutions	Single or Joint Account	Account No.	Interest Received
A: Gross Interest from all Financial Institutions. (add the above)			
B: Specific Deductions/Exemption			10,000
AGI (iv) Adjusted Gross Interest Income (A – B) (If positive, transfer the amount to Table No 5)			

If required, please use additional sheet.

4.5 GROSS INCOME FROM CASH CROP (If you own any orchards (apple, orange and cardamom), please fill in the following)

Type of orchard	Plot No./Thram No	Locations	Gross Income from Sales
A: Gross Income from all Orchards (add the above)			
B: Specific Deduction/Exemption (30 % of A)			
AGI (v) Adjusted Gross Income from Cash Crops (A – B) (If positive, transfer the amount to Table No 5)			

If required, please use additional sheet.

4.6 GROSS INCOME FROM OTHER SOURCES (If you have received any income from other sources, please fill in the following)

Type of Income	Name and Address of person from whom received	TPN or ACS Code	Income
A: Gross Income from all other Sources (add the above)			
B: Specific Deduction/Exemption (30 % of A)			
AGI (vi) Adjusted Gross Income from Other Sources (A – B) (If positive, transfer the amount to Table 5)			

If required, please use additional sheet.

5. TOTAL OF YOUR ADJUSTED GROSS INCOME (Transfer Adjusted Gross Incomes from the preceding worksheets numbered AGI (i), AGI (ii), AGI (iii), AGI (iv), AGI (v), AGI (vi) to the table below to arrive at your NET TAXABLE INCOME.

Sources of income:	Net Taxable Income (Nu.)	Worksheet Nos
1. Adjusted Gross Income from Salary		4.1
2. Adjusted Gross Income from Real Property		4.2
3. Adjusted Gross Income from Dividend		4.3
4. Adjusted Gross Income from Interest		4.4
5. Adjusted Gross Income from Cash Crop		4.5
6. Adjusted Gross Income from Other Sources		4.6
TOTAL ADJUSTED GROSS INCOME		
Less: General Deductions		Add 4.1 to 4.6 and minus General Deductions
a. Donations (up to max 5% of Total Adjusted Gross Income)		
b. Education Allowance (up to max Nu. 50000 p.a)		
NET TAXABLE INCOME		

6. **CALCULATION OF SELF-ASSESSED TAX.** Use the Net Taxable Income above and calculate your **TAX AMOUNT**.

Income Slabs:	Rates	Allocation of Taxable Income	Tax Amount
Up to Nu. 100,000	0	0	
Nu. 100,001 – 250,000	6%	0 + 6% of (Net Taxable Income – 100,000)	
Nu. 250,001 – 500,000	9%	9,000 + 9% of (Net Taxable Income – 250,000)	
Nu. 500,001 – 1000,000	12%	31,500 + 12% of (Net Taxable Income – 500,000)	
Nu. 1000,001 & above	15%	91,500 + 15% of (Net Taxable Income – 1000,000)	
TAX AMOUNT			

7. **TAXES PAID QUARTERLY/TAXES DEDUCTED AT SOURCE** (if you have taxes already prepaid or deducted at source, please fill in the following)

Income Source:	Tax Deducted at Source Amount (Nu.):
Salary	
Rental	
Dividend	
Interest	
Other Income	
Total TDS (Add the five amounts above)	

8. **FINAL TAX PAYABLE AT THE TIME OF FILING**

Tax Amount (from table 6)	
Less Tax Deducted at Source (from table 7)	
Tax Payable/Refundable at the time of filing the Tax Return (1-2)	

TAX PAYERS DECLARATION

I hereby declare that the information given in this Form and the supporting document 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 :

Taxpayer Account No.

Authorized representative*:

Date :

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

For Official Use Only

Deposited Vide Money Receipt No. _____ dated _____
Month _____ Year _____.

Received and Verified by
(Name & Signature)

Remarks

Instructions overleaf

Instructions on filing PIT Annual Tax Return

GENERAL INFORMATION

1. WHO MUST FILE A TAX RETURN?

- A citizen above 18 years of age.
- 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.
- A person having total gross income from sources mentioned below in 3 exceeding Nu. 100,000 per annum.

2. HOW TO FILE?

- Husband and wife must file a separate tax return but at the same RRCO.
- 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.
- Interest income from fixed deposit accounts.
- Cash crop income from apples, oranges and cardamom orchards.
- 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 2003 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.
- e) If you do not know the date of birth, please mention the year of birth.

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. All married couples must choose the same RRCO for registration as per Chapter 1, section 2, Part III of the Income Tax Act of the Kingdom of Bhutan, 2001.

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.

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 non-licensed 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) Allowances is allowances received during the income year. It includes technical, professional, production, flying incentives or allowances.
- g) Benefits is 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. Your gross salary income and Adjusted Gross Salary Income will be the same as there is no deduction under income from salary.

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.
TPN is the company's TPN allotted by the Department of Revenue & Customs.
- b) Share Certificate No. is the number of the share certificate.
- c) No. of Shares is the number of shares owned.
- d) Face Value of Share is the value of share given in the share certificate.
- e) Amount of Dividend is the total amount of dividend received from the shareholdings.
- f) 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.
- g) Gross Dividend Income is the total dividend income received from all your shareholdings.
- h) 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 Fixed Deposits

- a) Name of Financial Institutions is the name of financial institutions where you maintain your fixed deposit accounts.
- b) Type of Account is whether it is a single or joint account.
- c) Account No. is the account number given by the financial institution maintaining your accounts.
- d) Interest is the actual interest received from fixed deposits accounts. It must be supported by relevant documents such as bank statements.
- e) Gross Interest Income is the total interest income received from your fixed deposit accounts.
- f) Adjusted Gross Interest Income is gross interest income after specific deductions/exemption.

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

Table 4.5: Gross Income from Cash Crop orchards (orange, cardamom, apple)

- a) Type of Orchard is whether it is apple, orange or cardamom orchard.
- b) Plot No./Thram No. is the number allotted by municipal corporation/ Dzongkhag
- c) Location is the location of your orchard.
- d) Gross Income from sale is the amount received from sale of cash crops.
- e) Deduction is 30% of the gross income from sales.
- f) Adjusted Gross Income from cash crop is the total income from sale of cash crops after specific deductions/exemption.

Please remember to enclose all supporting documents relating to your Income from cash crops for verification and adjustment at the time of filing.

Table 4.6: 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 4.6.

- a) Transfer the amounts from Table 4.1 to 4.6, that is, from the last row of the tables numbered AGI (i), AGI (ii), AGI (iii), AGI (iv), AGI (v), and AGI (vi) 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 4.6 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.
- c) If you have enclosed all necessary documentation along with the your Tax Return, then you can expect to get a Demand Notice from the concerned RRCO (with additional tax to be paid by you or tax to be refunded to you) within 30 days of filing the Tax Return.
- 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) Husband and wife are required to file at the same RRCO.
- g) 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.
- h) 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, please check once again.

- Have you enclosed TDS certificates for the following?
 - Salary Income
 - Rental income
 - Dividend Income
 - Interest 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 enclosed bank statements for interest income?

- Have you specified whether your fixed deposit account is a single or joint account?

- Have you transferred the amounts from Table 4.1, 4.2, 4.3, 4.4, 4.5, and 4.6 correctly to Table 5? To ensure correct computation, please check once again.

- Have you enclosed all supporting documents relating to donations and education allowance?

- Have you calculated your Tax Amount correctly in Table 6?

- Have you put your Name & Signature?

FORM IT-1 MONTHLY SALARY SCHEDULE

Salary Schedule for the month of _____ Year _____

Name of the Employer/Organization:
 TPN/ACS:
 Address:

S I . No.	Name Employee of	1	2	3	4	5	6	7	8	9	10
		Citizen I.D.No.	Resident Permit No	Employee ID No.	B a s i c Salary	Benefit / Allowance	Gross Salary	TDS from G r o s s Salary	Health Contrib.	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. 3.2.2 (a) 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), Traveling 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 period _____ to _____ Year _____

Name of Withholding Agent:

TPN/ACS:

Address:

Sl. No.	Name & Address	1		2	3	4	5	6	7
		Citizen I.D No./ TPN	No of Units/Plot Rented						
				Type of Property	No of Units/Plot Rented	Location	Amount	TDS @5%	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, semi-government, 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. 3.2.2 (b) 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 _____

Name of Company:

TPN:

Address:

Sl. No.	1 Name & Address of the Shareholder	2 Citizen ID /TPN	3 Share Certificate No.	4 No of Shares	5 Face Value of Shares	6 Dividend (%)	7 Dividend Amount	8 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 3.2..2 (c) 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 1,2,3,4, & 5 must be provided initially for compilation of information. Information in column No. 6,7, & 8 are to be furnished as and when dividends are paid.
- c) Information must be furnished on all dividends paid irrespective of the amount.
- 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 Fixed Deposits for the period _____

Name of the Financial Institution:

TPN:

Address:

Branch:

Sl. No	Name & Address of the Account Holder	Citizen I.D./ TPN	A/C No/ NN.	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 fixed deposit 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. Please note that for citizens and residents receiving interest income more than Nu. 10,000, and for persons other than citizens and residents deduction shall be on the Total Interest paid. However, for citizens and residents receiving interest income below Nu 10,000, no TDS deduction shall be applied (for more details see Rule No 3.2.2 (d) of General Provisions of the Rules). This Form must be completed and submitted by all financial institutions paying interest and information must be furnished on all fixed deposit account holders receiving interest whether TDS is deducted or not.

- a) Column 1 refers to the Citizen ID of Bhutanese Nationals, or NN (non national). Where Citizen ID is "under process" it must be stated and a temporary ID No. shall be issued by the RRCO for tax purposes. Where the recipient is a company or business the TPN or entity code must be provided.
- 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**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	2	3	4	5	6
		Citizen I.D No.	Account Head	Invoice/Voucher No. & Date	Invoice/Voucher Amount	TDS @ 5%	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, semi-government, 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. 3.2.2 (e) 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 2 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-6**TDS FROM TOUR INCOME**

To
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	T D S @ 2%

Name & Signature of the Authorized Signatory

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

FORM IT-7 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	Entity Code	Description of Work/Supply	Bill/Invoice No & Date	G r o s s 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, semi-government, 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 3.2.2(g) 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 non-national 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-8

RESTRAINING ORDER



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

Ref: _____
Sub: _____
Date: _____

To: _____
Address: _____

Dear Sir/Madam,

Your tax/duty is overdue with the following amount:

Income year XXXX CIT,	Nu _____
Income year YYYY CIT,	Nu _____
Income year ZZZZ PIT,	Nu _____
Penal interest 24% on Nu ____ from _____ to _____	Nu _____
Fines and penalties	Nu _____
Total	Nu _____
Set-off/Paid	Nu _____
Remainder due	Nu. _____

You have defaulted payment of the agreement dated __.__.200__, and you have not attended the meeting called on __.__.200__. 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.

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 of Rule 5 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:	_____	Witness of Restraint:	_____
Name and Address:	_____	Name and Address:	_____
	_____		_____

CC to:

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 categorised based on fulfilment of either one of the criteria.
- b) Investment means owners contributions/ paid up share capital plus long term loans.
- c) However the construction sector however will be categorised in accordance with the classification made by the Construction Development Board . That is,
 - a) All classified "A Class" contractors will be treated as large,
 - b) All classified "B Class" contractors will be treated as medium,
 - c) All classified "C Class" contractors will be treated as small and
 - d) All classified "Petty Class" contractors will be treated as micro.

ANNEXURE II

DEPRECIATION SCHEDULE

Bloc	SI.No	Asset type	Maximum Rates
I	INFRASTRUCTURAL FACILITIES		
	1	Building - Permanent - all types	3%
	2	Bridges – Permanent	
	3	Compound walls and Fencing	
	4	Roads – Permanent	
	5	Tube Wells and Deep wells and Water Pipe lines	
	1	Semi Permanent	20%
	2	Temporary	50-100%
II	ELECTRICITY GENERATION AND TRANSMISSION		
	1	Devices for controlling transmission loss	5%
	2	Generator (Hydro)	
	3	Power House Equipments	
	4	Poles & Pillars	
	5	Sub Station Equipment	
	6	Transmission Lines - HT & LT	
	7	Underground Cables	
III	EQUIPMENT		
	1	Audio/Visual Equipments	15%
	2	Computer/Data Processing System	
	3	Deep Freezers/Refrigerators (hotels & General Use)	
	4	Fire Fighting Equipments/System	
	5	Lighting Arresters	
	6	Laboratory Equipments	
	7	LPG Cylinders	
	8	Office Equipments - all types	
	9	Photographic/Reprographic Equipments	
	10	Pollution Control Equipments	
	11	Telephone including PABX system	
	12	Tools and Implements	
	13	Trekking Equipments	
	14	Vacuum Cleaner	
	15	Water Cooler and Water Purifier	
	16	Weighing Machines	
	17	Washing Machines	

IV	FURNITURE, FIXTURES & UTENSILS		
	1	Ceramic and Glass Utensils	15%
	2	Carpets of all types	
	3	Curtains & Heavy Drapes	
	4	Domestic Electrical Appliances and Fixtures	
	5	Furniture of all Kinds	
	6	Mattresses, Pillows and Blankets	
	7	Silver, Steel, and Metallic Cookeries	
V	PLANT & MACHINERY (Including spare parts and accessories)		
	1	Boilers	15%
	2	Cinema Projectors and Screen	
	3	Cranes, Chain and Pulley	
	4	Deep Freezers & Refrigerators (Industrial Purposes)	
	5	Earth Moving Machinery including Bulldozers,	
	6	Scrapers, Excavators, Wheel Loaders, etc	
	7	Fork Lifts	
	8	Industrial Gas Cylinders	
	9	Lifts	
	10	Mining Equipments and Machineries	
	11	Petrol Pump Installation and Tanks	
	12	Printing Machineries	
	13	Rope Way Installation	
	14	Road Rollers	
	15	Railing & Locomotives' Storage Tanks	
	16	Wood Cutting / Processing Machines	
VI	VEHICLES, VESSELS & AIRCRAFTS		
	1	Aircraft including Helicopter	15%
	2	Buses & Vans	
	3	Cycles & Rickshaws	
	4	Light Motor Vehicles including two or three Wheelers	
	5	Trucks & Trailers	
	6	Vessels - Ships, Boats, Rafts, etc	
VII	Small assets costing up to Nu. 25000 in total per taxpayer per income year		Write off

ANNEXURE - III TDS SCHEDULE FOR MONTHLY SALARY INCOME

Monthly Salary		TDS Amt	Monthly Salary		TDS Amt	Monthly Salary		TDS Amt
From	To		From	To		From	To	
0	8,333	-0	13,501	13,600	527	18,801	18,900	1,057
8,334	8,400	7	13,601	13,700	537	18,901	19,000	1,067
8,401	8,500	17	13,701	13,800	547	19,001	19,100	1,077
8,501	8,600	27	13,801	13,900	557	19,101	19,200	1,087
8,601	8,700	37	13,901	14,000	567	19,201	19,300	1,097
8,701	8,800	47	14,001	14,100	577	19,301	19,400	1,107
8,801	8,900	57	14,101	14,200	587	19,401	19,500	1,117
8,901	9,000	67	14,201	14,300	597	19,501	19,600	1,127
9,001	9,100	77	14,301	14,400	607	19,601	19,700	1,137
9,101	9,200	87	14,401	14,500	617	19,701	19,800	1,147
9,201	9,300	97	14,501	14,600	627	19,801	19,900	1,157
9,301	9,400	107	14,601	14,700	637	19,901	20,000	1,167
9,401	9,500	117	14,701	14,800	647	20,001	20,100	1,177
9,501	9,600	127	14,801	14,900	657	20,101	20,200	1,187
9,601	9,700	137	14,901	15,000	667	20,201	20,300	1,197
9,701	9,800	147	15,001	15,100	677	20,301	20,400	1,207
9,801	9,900	157	15,101	15,200	687	20,401	20,500	1,217
9,901	10,000	167	15,201	15,300	697	20,501	20,600	1,227
10,001	10,100	177	15,301	15,400	707	20,601	20,700	1,237
10,101	10,200	187	15,401	15,500	717	20,701	20,800	1,247
10,201	10,300	197	15,501	15,600	727	20,801	20,833	1,250
10,301	10,400	207	15,601	15,700	737	20,834	20,900	1,260
10,401	10,500	217	15,701	15,800	747	20,901	21,000	1,275
10,501	10,600	227	15,801	15,900	757	21,001	21,100	1,290
10,601	10,700	237	15,901	16,000	767	21,101	21,200	1,305
10,701	10,800	247	16,001	16,100	777	21,201	21,300	1,320
10,801	10,900	257	16,101	16,200	787	21,301	21,400	1,335
10,901	11,000	267	16,201	16,300	797	21,401	21,500	1,350
11,001	11,100	277	16,301	16,400	807	21,501	21,600	1,365
11,101	11,200	287	16,401	16,500	817	21,601	21,700	1,380
11,201	11,300	297	16,501	16,600	827	21,701	21,800	1,395
11,301	11,400	307	16,601	16,700	837	21,801	21,900	1,410
11,401	11,500	317	16,701	16,800	847	21,901	22,000	1,425

11,501	11,600	327
11,601	11,700	337
11,701	11,800	347
11,801	11,900	357
11,901	12,000	367
12,001	12,100	377
12,101	12,200	387
12,201	12,300	397
12,301	12,400	407
12,401	12,500	417
12,501	12,600	427
12,601	12,700	437
12,701	12,800	447
12,801	12,900	457
12,901	13,000	467
13,001	13,100	477
13,101	13,200	487
13,201	13,300	497
13,301	13,400	507
13,401	13,500	517

16,801	16,900	857
16,901	17,000	867
17,001	17,100	877
17,101	17,200	887
17,201	17,300	897
17,301	17,400	907
17,401	17,500	917
17,501	17,600	927
17,601	17,700	937
17,701	17,800	947
17,801	17,900	957
17,901	18,000	967
18,001	18,100	977
18,101	18,200	987
18,201	18,300	997
18,301	18,400	1,007
18,401	18,500	1,017
18,501	18,600	1,027
18,601	18,700	1,037
18,701	18,800	1,047

22,001	22,100	1,440
22,101	22,200	1,455
22,201	22,300	1,470
22,301	22,400	1,485
22,401	22,500	1,500
22,501	22,600	1,515
22,601	22,700	1,530
22,701	22,800	1,545
22,801	22,900	1,560
22,901	23,000	1,575
23,001	23,100	1,590
23,101	23,200	1,605
23,201	23,300	1,620
23,301	23,400	1,635
23,401	23,500	1,650
23,501	23,600	1,665
23,601	23,700	1,680
23,701	23,800	1,695
23,801	23,900	1,710
23,901	24,000	1,725

Monthly Salary		TDS Amt
From	To	
24,001	24,100	1,740
24,101	24,200	1,755
24,201	24,300	1,770
24,301	24,400	1,785
24,401	24,500	1,800
24,501	24,600	1,815
24,601	24,700	1,830
24,701	24,800	1,845
24,801	24,900	1,860
24,901	25,000	1,875
25,001	25,100	1,890
25,101	25,200	1,905
25,201	25,300	1,920
25,301	25,400	1,935
25,401	25,500	1,950

Monthly Salary		TDS Amt
From	To	
29,301	29,400	2,535
29,401	29,500	2,550
29,501	29,600	2,565
29,601	29,700	2,580
29,701	29,800	2,595
29,801	29,900	2,610
29,901	30,000	2,625
30,001	30,100	2,640
30,101	30,200	2,655
30,201	30,300	2,670
30,301	30,400	2,685
30,401	30,500	2,700
30,501	30,600	2,715
30,601	30,700	2,730
30,701	30,800	2,745

Monthly Salary		TDS Amt
From	To	
34,601	34,700	3,330
34,701	34,800	3,345
34,801	34,900	3,360
34,901	35,000	3,375
35,001	35,100	3,390
35,101	35,200	3,405
35,201	35,300	3,420
35,301	35,400	3,435
35,401	35,500	3,450
35,501	35,600	3,465
35,601	35,700	3,480
35,701	35,800	3,495
35,801	35,900	3,510
35,901	36,000	3,525
36,001	36,100	3,540

25,501	25,600	1,965
25,601	25,700	1,980
25,701	25,800	1,995
25,801	25,900	2,010
25,901	26,000	2,025
26,001	26,100	2,040
26,101	26,200	2,055
26,201	26,300	2,070
26,301	26,400	2,085
26,401	26,500	2,100
26,501	26,600	2,115
26,601	26,700	2,130
26,701	26,800	2,145
26,801	26,900	2,160
26,901	27,000	2,175
27,001	27,100	2,190
27,101	27,200	2,205
27,201	27,300	2,220
27,301	27,400	2,235
27,401	27,500	2,250
27,501	27,600	2,265
27,601	27,700	2,280
27,701	27,800	2,295
27,801	27,900	2,310
27,901	28,000	2,325
28,001	28,100	2,340
28,101	28,200	2,355
28,201	28,300	2,370
28,301	28,400	2,385
28,401	28,500	2,400
28,501	28,600	2,415
28,601	28,700	2,430
28,701	28,800	2,445
28,801	28,900	2,460
28,901	29,000	2,475
29,001	29,100	2,490
29,101	29,200	2,505
29,201	29,300	2,520

30,801	30,900	2,760
30,901	31,000	2,775
31,001	31,100	2,790
31,101	31,200	2,805
31,201	31,300	2,820
31,301	31,400	2,835
31,401	31,500	2,850
31,501	31,600	2,865
31,601	31,700	2,880
31,701	31,800	2,895
31,801	31,900	2,910
31,901	32,000	2,925
32,001	32,100	2,940
32,101	32,200	2,955
32,201	32,300	2,970
32,301	32,400	2,985
32,401	32,500	3,000
32,501	32,600	3,015
32,601	32,700	3,030
32,701	32,800	3,045
32,801	32,900	3,060
32,901	33,000	3,075
33,001	33,100	3,090
33,101	33,200	3,105
33,201	33,300	3,120
33,301	33,400	3,135
33,401	33,500	3,150
33,501	33,600	3,165
33,601	33,700	3,180
33,701	33,800	3,195
33,801	33,900	3,210
33,901	34,000	3,225
34,001	34,100	3,240
34,101	34,200	3,255
34,201	34,300	3,270
34,301	34,400	3,285
34,401	34,500	3,300
34,501	34,600	3,315

36,101	36,200	3,555
36,201	36,300	3,570
36,301	36,400	3,585
36,401	36,500	3,600
36,501	36,600	3,615
36,601	36,700	3,630
36,701	36,800	3,645
36,801	36,900	3,660
36,901	37,000	3,675
37,001	37,100	3,690
37,101	37,200	3,705
37,201	37,300	3,720
37,301	37,400	3,735
37,401	37,500	3,750
37,501	37,600	3,765
37,601	37,700	3,780
37,701	37,800	3,795
37,801	37,900	3,810
37,901	38,000	3,825
38,001	38,100	3,840
38,101	38,200	3,855
38,201	38,300	3,870
38,301	38,400	3,885
38,401	38,500	3,900
38,501	38,600	3,915
38,601	38,700	3,930
38,701	38,800	3,945
38,801	38,900	3,960
38,901	39,000	3,975
39,001	39,100	3,990
39,101	39,200	4,005
39,201	39,300	4,020
39,301	39,400	4,035
39,401	39,500	4,050
39,501	39,600	4,065
39,601	39,700	4,080
39,701	39,800	4,095
39,801	39,900	4,110

Monthly Salary		TDS Amt
From	To	
39,901	40,000	4,125
40,001	40,100	4,140
40,101	40,200	4,155
40,201	40,300	4,170
40,301	40,400	4,185
40,401	40,500	4,200
40,501	40,600	4,215
40,601	40,700	4,230
40,701	40,800	4,245
40,801	40,900	4,260
40,901	41,000	4,275
41,001	41,100	4,290
41,101	41,200	4,305
41,201	41,300	4,320
41,301	41,400	4,335
41,401	41,500	4,350
41,501	41,600	4,365
41,601	41,666	4,375
41,667	41,700	4,382
41,701	41,800	4,402
41,801	41,900	4,422
41,901	42,000	4,442
42,001	42,100	4,462
42,101	42,200	4,482
42,201	42,300	4,502
42,301	42,400	4,522
42,401	42,500	4,542
42,501	42,600	4,562
42,601	42,700	4,582
42,701	42,800	4,602
42,801	42,900	4,622
42,901	43,000	4,642
43,001	43,100	4,662
43,101	43,200	4,682
43,201	43,300	4,702
43,301	43,400	4,722

Monthly Salary		TDS Amt
From	To	
45,101	45,200	5,082
45,201	45,300	5,102
45,301	45,400	5,122
45,401	45,500	5,142
45,501	45,600	5,162
45,601	45,700	5,182
45,701	45,800	5,202
45,801	45,900	5,222
45,901	46,000	5,242
46,001	46,100	5,262
46,101	46,200	5,282
46,201	46,300	5,302
46,301	46,400	5,322
46,401	46,500	5,342
46,501	46,600	5,362
46,601	46,700	5,382
46,701	46,800	5,402
46,801	46,900	5,422
46,901	47,000	5,442
47,001	47,100	5,462
47,101	47,200	5,482
47,201	47,300	5,502
47,301	47,400	5,522
47,401	47,500	5,542
47,501	47,600	5,562
47,601	47,700	5,582
47,701	47,800	5,602
47,801	47,900	5,622
47,901	48,000	5,642
48,001	48,100	5,662
48,101	48,200	5,682
48,201	48,300	5,702
48,301	48,400	5,722
48,401	48,500	5,742
48,501	48,600	5,762
48,601	48,700	5,782

Monthly Salary		TDS Amt
From	To	
50,401	50,500	6,142
50,501	50,600	6,162
50,601	50,700	6,182
50,701	50,800	6,202
50,801	50,900	6,222
50,901	51,000	6,242
51,001	51,100	6,262
51,101	51,200	6,282
51,201	51,300	6,302
51,301	51,400	6,322
51,401	51,500	6,342
51,501	51,600	6,362
51,601	51,700	6,382
51,701	51,800	6,402
51,801	51,900	6,422
51,901	52,000	6,442
52,001	52,100	6,462
52,101	52,200	6,482
52,201	52,300	6,502
52,301	52,400	6,522
52,401	52,500	6,542
52,501	52,600	6,562
52,601	52,700	6,582
52,701	52,800	6,602
52,801	52,900	6,622
52,901	53,000	6,642
53,001	53,100	6,662
53,101	53,200	6,682
53,201	53,300	6,702
53,301	53,400	6,722
53,401	53,500	6,742
53,501	53,600	6,762
53,601	53,700	6,782
53,701	53,800	6,802
53,801	53,900	6,822
53,901	54,000	6,842

43,401	43,500	4,742
43,501	43,600	4,762
43,601	43,700	4,782
43,701	43,800	4,802
43,801	43,900	4,822
43,901	44,000	4,842
44,001	44,100	4,862
44,101	44,200	4,882
44,201	44,300	4,902
44,301	44,400	4,922
44,401	44,500	4,942
44,501	44,600	4,962
44,601	44,700	4,982
44,701	44,800	5,002
44,801	44,900	5,022
44,901	45,000	5,042
45,001	45,100	5,062

48,701	48,800	5,802
48,801	48,900	5,822
48,901	49,000	5,842
49,001	49,100	5,862
49,101	49,200	5,882
49,201	49,300	5,902
49,301	49,400	5,922
49,401	49,500	5,942
49,501	49,600	5,962
49,601	49,700	5,982
49,701	49,800	6,002
49,801	49,900	6,022
49,901	50,000	6,042
50,001	50,100	6,062
50,101	50,200	6,082
50,201	50,300	6,102
50,301	50,400	6,122

54,001	54,100	6,862
54,101	54,200	6,882
54,201	54,300	6,902
54,301	54,400	6,922
54,401	54,500	6,942
54,501	54,600	6,962
54,601	54,700	6,982
54,701	54,800	7,002
54,801	54,900	7,022
54,901	55,000	7,042
55,001	55,100	7,062
55,101	55,200	7,082
55,201	55,300	7,102
55,301	55,400	7,122
55,401	55,500	7,142
55,501	55,600	7,162
55,601	55,700	7,182

Monthly Salary		TDS Amt
From	To	
55,701	55,800	7,202
55,801	55,900	7,222
55,901	56,000	7,242
56,001	56,100	7,262
56,101	56,200	7,282
56,201	56,300	7,302
56,301	56,400	7,322
56,401	56,500	7,342
56,501	56,600	7,362
56,601	56,700	7,382
56,701	56,800	7,402
56,801	56,900	7,422
56,901	57,000	7,442
57,001	57,100	7,462
57,101	57,200	7,482
57,201	57,300	7,502
57,301	57,400	7,522
57,401	57,500	7,542

Monthly Salary		TDS Amt
From	To	
61,001	61,100	8,262
61,101	61,200	8,282
61,201	61,300	8,302
61,301	61,400	8,322
61,401	61,500	8,342
61,501	61,600	8,362
61,601	61,700	8,382
61,701	61,800	8,402
61,801	61,900	8,422
61,901	62,000	8,442
62,001	62,100	8,462
62,101	62,200	8,482
62,201	62,300	8,502
62,301	62,400	8,522
62,401	62,500	8,542
62,501	62,600	8,562
62,601	62,700	8,582
62,701	62,800	8,602

Monthly Salary		TDS Amt
From	To	
66,301	66,400	9,322
66,401	66,500	9,342
66,501	66,600	9,362
66,601	66,700	9,382
66,701	66,800	9,402
66,801	66,900	9,422
66,901	67,000	9,442
67,001	67,100	9,462
67,101	67,200	9,482
67,201	67,300	9,502
67,301	67,400	9,522
67,401	67,500	9,542
67,501	67,600	9,562
67,601	67,700	9,582
67,701	67,800	9,602
67,801	67,900	9,622
67,901	68,000	9,642
68,001	68,100	9,662

57,501	57,600	7,562
57,601	57,700	7,582
57,701	57,800	7,602
57,801	57,900	7,622
57,901	58,000	7,642
58,001	58,100	7,662
58,101	58,200	7,682
58,201	58,300	7,702
58,301	58,400	7,722
58,401	58,500	7,742
58,501	58,600	7,762
58,601	58,700	7,782
58,701	58,800	7,802
58,801	58,900	7,822
58,901	59,000	7,842
59,001	59,100	7,862
59,101	59,200	7,882
59,201	59,300	7,902
59,301	59,400	7,922
59,401	59,500	7,942
59,501	59,600	7,962
59,601	59,700	7,982
59,701	59,800	8,002
59,801	59,900	8,022
59,901	60,000	8,042
60,001	60,100	8,062
60,101	60,200	8,082
60,201	60,300	8,102
60,301	60,400	8,122
60,401	60,500	8,142
60,501	60,600	8,162
60,601	60,700	8,182
60,701	60,800	8,202
60,801	60,900	8,222
60,901	61,000	8,242

62,801	62,900	8,622
62,901	63,000	8,642
63,001	63,100	8,662
63,101	63,200	8,682
63,201	63,300	8,702
63,301	63,400	8,722
63,401	63,500	8,742
63,501	63,600	8,762
63,601	63,700	8,782
63,701	63,800	8,802
63,801	63,900	8,822
63,901	64,000	8,842
64,001	64,100	8,862
64,101	64,200	8,882
64,201	64,300	8,902
64,301	64,400	8,922
64,401	64,500	8,942
64,501	64,600	8,962
64,601	64,700	8,982
64,701	64,800	9,002
64,801	64,900	9,022
64,901	65,000	9,042
65,001	65,100	9,062
65,101	65,200	9,082
65,201	65,300	9,102
65,301	65,400	9,122
65,401	65,500	9,142
65,501	65,600	9,162
65,601	65,700	9,182
65,701	65,800	9,202
65,801	65,900	9,222
65,901	66,000	9,242
66,001	66,100	9,262
66,101	66,200	9,282
66,201	66,300	9,302

68,101	68,200	9,682
68,201	68,300	9,702
68,301	68,400	9,722
68,401	68,500	9,742
68,501	68,600	9,762
68,601	68,700	9,782
68,701	68,800	9,802
68,801	68,900	9,822
68,901	69,000	9,842
69,001	69,100	9,862
69,101	69,200	9,882
69,201	69,300	9,902
69,301	69,400	9,922
69,401	69,500	9,942
69,501	69,600	9,962
69,601	69,700	9,982
69,701	69,800	10,002
69,801	69,900	10,022
69,901	70,000	10,042
70,001	70,100	10,062
70,101	70,200	10,082
70,201	70,300	10,102
70,301	70,400	10,122
70,401	70,500	10,142
70,501	70,600	10,162
70,601	70,700	10,182
70,701	70,800	10,202
70,801	70,900	10,222
70,901	71,000	10,242
71,001	71,100	10,262
71,101	71,200	10,282
71,201	71,300	10,302
71,301	71,400	10,322
71,401	71,500	10,342
71,501	71,600	10,362

Monthly Salary		TDS Amt
From	To	
71,601	71,700	10,382
71,701	71,800	10,402
71,801	71,900	10,422
71,901	72,000	10,442
72,001	72,100	10,462
72,101	72,200	10,482
72,201	72,300	10,502
72,301	72,400	10,522
72,401	72,500	10,542
72,501	72,600	10,562
72,601	72,700	10,582
72,701	72,800	10,602
72,801	72,900	10,622
72,901	73,000	10,642
73,001	73,100	10,662
73,101	73,200	10,682
73,201	73,300	10,702
73,301	73,400	10,722
73,401	73,500	10,742
73,501	73,600	10,762
73,601	73,700	10,782
73,701	73,800	10,802
73,801	73,900	10,822
73,901	74,000	10,842
74,001	74,100	10,862
74,101	74,200	10,882
74,201	74,300	10,902
74,301	74,400	10,922
74,401	74,500	10,942
74,501	74,600	10,962
74,601	74,700	10,982
74,701	74,800	11,002
74,801	74,900	11,022
74,901	75,000	11,042
75,001	75,100	11,062
75,101	75,200	11,082

Monthly Salary		TDS Amt
From	To	
76,901	77,000	11,442
77,001	77,100	11,462
77,101	77,200	11,482
77,201	77,300	11,502
77,301	77,400	11,522
77,401	77,500	11,542
77,501	77,600	11,562
77,601	77,700	11,582
77,701	77,800	11,602
77,801	77,900	11,622
77,901	78,000	11,642
78,001	78,100	11,662
78,101	78,200	11,682
78,201	78,300	11,702
78,301	78,400	11,722
78,401	78,500	11,742
78,501	78,600	11,762
78,601	78,700	11,782
78,701	78,800	11,802
78,801	78,900	11,822
78,901	79,000	11,842
79,001	79,100	11,862
79,101	79,200	11,882
79,201	79,300	11,902
79,301	79,400	11,922
79,401	79,500	11,942
79,501	79,600	11,962
79,601	79,700	11,982
79,701	79,800	12,002
79,801	79,900	12,022
79,901	80,000	12,042
80,001	80,100	12,062
80,101	80,200	12,082
80,201	80,300	12,102
80,301	80,400	12,122
80,401	80,500	12,142

Monthly Salary		TDS Amt
From	To	
82,201	82,300	12,502
82,301	82,400	12,522
82,401	82,500	12,542
82,501	82,600	12,562
82,601	82,700	12,582
82,701	82,800	12,602
82,801	82,900	12,622
82,901	83,000	12,642
83,001	83,100	12,662
83,101	83,200	12,682
83,201	83,300	12,702
83,301	83,333	12,708
83,334	83,400	12,725
83,401	83,500	12,750
83,501	83,600	12,775
83,601	83,700	12,800
83,701	83,800	12,825
83,801	83,900	12,850
83,901	84,000	12,875
84,001	84,100	12,900
84,101	84,200	12,925
84,201	84,300	12,950
84,301	84,400	12,975
84,401	84,500	13,000
84,501	84,600	13,025
84,601	84,700	13,050
84,701	84,800	13,075
84,801	84,900	13,100
84,901	85,000	13,125
85,001	85,100	13,150
85,101	85,200	13,175
85,201	85,300	13,200
85,301	85,400	13,225
85,401	85,500	13,250
85,501	85,600	13,275
85,601	85,700	13,300

75,201	75,300	11,102
75,301	75,400	11,122
75,401	75,500	11,142
75,501	75,600	11,162
75,601	75,700	11,182
75,701	75,800	11,202
75,801	75,900	11,222
75,901	76,000	11,242
76,001	76,100	11,262
76,101	76,200	11,282
76,201	76,300	11,302
76,301	76,400	11,322
76,401	76,500	11,342
76,501	76,600	11,362
76,601	76,700	11,382
76,701	76,800	11,402
76,801	76,900	11,422

80,501	80,600	12,162
80,601	80,700	12,182
80,701	80,800	12,202
80,801	80,900	12,222
80,901	81,000	12,242
81,001	81,100	12,262
81,101	81,200	12,282
81,201	81,300	12,302
81,301	81,400	12,322
81,401	81,500	12,342
81,501	81,600	12,362
81,601	81,700	12,382
81,701	81,800	12,402
81,801	81,900	12,422
81,901	82,000	12,442
82,001	82,100	12,462
82,101	82,200	12,482

85,701	85,800	13,325
85,801	85,900	13,350
85,901	86,000	13,375
86,001	86,100	13,400
86,101	86,200	13,425
86,201	86,300	13,450
86,301	86,400	13,475
86,401	86,500	13,500
86,501	86,600	13,525
86,601	86,700	13,550
86,701	86,800	13,575
86,801	86,900	13,600
86,901	87,000	13,625
87,001	87,100	13,650
87,101	87,200	13,675
87,201	87,300	13,700
87,301	87,400	13,725

Monthly Salary		TDS Amt
From	To	
87,401	87,500	13,750
87,501	87,600	13,775
87,601	87,700	13,800
87,701	87,800	13,825
87,801	87,900	13,850
87,901	88,000	13,875
88,001	88,100	13,900
88,101	88,200	13,925
88,201	88,300	13,950
88,301	88,400	13,975
88,401	88,500	14,000
88,501	88,600	14,025
88,601	88,700	14,050
88,701	88,800	14,075
88,801	88,900	14,100
88,901	89,000	14,125
89,001	89,100	14,150
89,101	89,200	14,175

Monthly Salary		TDS Amt
From	To	
92,701	92,800	15,075
92,801	92,900	15,100
92,901	93,000	15,125
93,001	93,100	15,150
93,101	93,200	15,175
93,201	93,300	15,200
93,301	93,400	15,225
93,401	93,500	15,250
93,501	93,600	15,275
93,601	93,700	15,300
93,701	93,800	15,325
93,801	93,900	15,350
93,901	94,000	15,375
94,001	94,100	15,400
94,101	94,200	15,425
94,201	94,300	15,450
94,301	94,400	15,475
94,401	94,500	15,500

Monthly Salary		TDS Amt
From	To	
98,001	98,100	16,400
98,101	98,200	16,425
98,201	98,300	16,450
98,301	98,400	16,475
98,401	98,500	16,500
98,501	98,600	16,525
98,601	98,700	16,550
98,701	98,800	16,575
98,801	98,900	16,600
98,901	99,000	16,625
99,001	99,100	16,650
99,101	99,200	16,675
99,201	99,300	16,700
99,301	99,400	16,725
99,401	99,500	16,750
99,501	99,600	16,775
99,601	99,700	16,800
99,701	99,800	16,825

89,201	89,300	14,200
89,301	89,400	14,225
89,401	89,500	14,250
89,501	89,600	14,275
89,601	89,700	14,300
89,701	89,800	14,325
89,801	89,900	14,350
89,901	90,000	14,375
90,001	90,100	14,400
90,101	90,200	14,425
90,201	90,300	14,450
90,301	90,400	14,475
90,401	90,500	14,500
90,501	90,600	14,525
90,601	90,700	14,550
90,701	90,800	14,575
90,801	90,900	14,600
90,901	91,000	14,625
91,001	91,100	14,650
91,101	91,200	14,675
91,201	91,300	14,700
91,301	91,400	14,725
91,401	91,500	14,750
91,501	91,600	14,775
91,601	91,700	14,800
91,701	91,800	14,825
91,801	91,900	14,850
91,901	92,000	14,875
92,001	92,100	14,900
92,101	92,200	14,925
92,201	92,300	14,950
92,301	92,400	14,975
92,401	92,500	15,000
92,501	92,600	15,025
92,601	92,700	15,050

94,501	94,600	15,525
94,601	94,700	15,550
94,701	94,800	15,575
94,801	94,900	15,600
94,901	95,000	15,625
95,001	95,100	15,650
95,101	95,200	15,675
95,201	95,300	15,700
95,301	95,400	15,725
95,401	95,500	15,750
95,501	95,600	15,775
95,601	95,700	15,800
95,701	95,800	15,825
95,801	95,900	15,850
95,901	96,000	15,875
96,001	96,100	15,900
96,101	96,200	15,925
96,201	96,300	15,950
96,301	96,400	15,975
96,401	96,500	16,000
96,501	96,600	16,025
96,601	96,700	16,050
96,701	96,800	16,075
96,801	96,900	16,100
96,901	97,000	16,125
97,001	97,100	16,150
97,101	97,200	16,175
97,201	97,300	16,200
97,301	97,400	16,225
97,401	97,500	16,250
97,501	97,600	16,275
97,601	97,700	16,300
97,701	97,800	16,325
97,801	97,900	16,350
97,901	98,000	16,375

99,801	99,900	16,850
99,901	100,000	16,875
100,001	100,100	16,900
100,101	100,200	16,925
100,201	100,300	16,950
100,301	100,400	16,975
100,401	100,500	17,000
100,501	100,600	17,025
100,601	100,700	17,050
100,701	100,800	17,075
100,801	100,900	17,100
100,901	101,000	17,125
101,001	101,100	17,150
101,101	101,200	17,175
101,201	101,300	17,200
101,301	101,400	17,225
101,401	101,500	17,250
101,501	101,600	17,275
101,601	101,700	17,300
101,701	101,800	17,325
101,801	101,900	17,350
101,901	102,000	17,375
102,001	102,100	17,400
102,101	102,200	17,425
102,201	102,300	17,450
102,301	102,400	17,475
102,401	102,500	17,500
102,501	102,600	17,525
102,601	102,700	17,550
102,701	102,800	17,575
102,801	102,900	17,600
102,901	103,000	17,625
103,001	103,100	17,650
103,101	103,200	17,675
103,201	103,300	17,700

Monthly Salary		TDS Amt
From	To	
103,301	103,400	17,725
103,401	103,500	17,750
103,501	103,600	17,775
103,601	103,700	17,800
103,701	103,800	17,825
103,801	103,900	17,850
103,901	104,000	17,875
104,001	104,100	17,900
104,101	104,200	17,925
104,201	104,300	17,950
104,301	104,400	17,975
104,401	104,500	18,000
104,501	104,600	18,025
104,601	104,700	18,050
104,701	104,800	18,075
104,801	104,900	18,100
104,901	105,000	18,125
105,001	105,100	18,150
105,101	105,200	18,175
105,201	105,300	18,200
105,301	105,400	18,225
105,401	105,500	18,250
105,501	105,600	18,275
105,601	105,700	18,300
105,701	105,800	18,325
105,801	105,900	18,350
105,901	106,000	18,375
106,001	106,100	18,400
106,101	106,200	18,425
106,201	106,300	18,450
106,301	106,400	18,475
106,401	106,500	18,500
106,501	106,600	18,525
106,601	106,700	18,550
106,701	106,800	18,575
106,801	106,900	18,600

Monthly Salary		TDS Amt
From	To	
108,601	108,700	19,050
108,701	108,800	19,075
108,801	108,900	19,100
108,901	109,000	19,125
109,001	109,100	19,150
109,101	109,200	19,175
109,201	109,300	19,200
109,301	109,400	19,225
109,401	109,500	19,250
109,501	109,600	19,275
109,601	109,700	19,300
109,701	109,800	19,325
109,801	109,900	19,350
109,901	110,000	19,375
110,001	110,100	19,400
110,101	110,200	19,425
110,201	110,300	19,450
110,301	110,400	19,475
110,401	110,500	19,500
110,501	110,600	19,525
110,601	110,700	19,550
110,701	110,800	19,575
110,801	110,900	19,600
110,901	111,000	19,625
111,001	111,100	19,650
111,101	111,200	19,675
111,201	111,300	19,700
111,301	111,400	19,725
111,401	111,500	19,750
111,501	111,600	19,775
111,601	111,700	19,800
111,701	111,800	19,825
111,801	111,900	19,850
111,901	112,000	19,875
112,001	112,100	19,900
112,101	112,200	19,925

Monthly Salary		TDS Amt
From	To	
113,901	114,000	20,375
114,001	114,100	20,400
114,101	114,200	20,425
114,201	114,300	20,450
114,301	114,400	20,475
114,401	114,500	20,500
114,501	114,600	20,525
114,601	114,700	20,550
114,701	114,800	20,575
114,801	114,900	20,600
114,901	115,000	20,625
115,001	115,100	20,650
115,101	115,200	20,675
115,201	115,300	20,700
115,301	115,400	20,725
115,401	115,500	20,750
115,501	115,600	20,775
115,601	115,700	20,800
115,701	115,800	20,825
115,801	115,900	20,850
115,901	116,000	20,875
116,001	116,100	20,900
116,101	116,200	20,925
116,201	116,300	20,950
116,301	116,400	20,975
116,401	116,500	21,000
116,501	116,600	21,025
116,601	116,700	21,050
116,701	116,800	21,075
116,801	116,900	21,100
116,901	117,000	21,125
117,001	117,100	21,150
117,101	117,200	21,175
117,201	117,300	21,200
117,301	117,400	21,225
117,401	117,500	21,250

106,901	107,000	18,625
107,001	107,100	18,650
107,101	107,200	18,675
107,201	107,300	18,700
107,301	107,400	18,725
107,401	107,500	18,750
107,501	107,600	18,775
107,601	107,700	18,800
107,701	107,800	18,825
107,801	107,900	18,850
107,901	108,000	18,875
108,001	108,100	18,900
108,101	108,200	18,925
108,201	108,300	18,950
108,301	108,400	18,975
108,401	108,500	19,000
108,501	108,600	19,025

112,201	112,300	19,950
112,301	112,400	19,975
112,401	112,500	20,000
112,501	112,600	20,025
112,601	112,700	20,050
112,701	112,800	20,075
112,801	112,900	20,100
112,901	113,000	20,125
113,001	113,100	20,150
113,101	113,200	20,175
113,201	113,300	20,200
113,301	113,400	20,225
113,401	113,500	20,250
113,501	113,600	20,275
113,601	113,700	20,300
113,701	113,800	20,325
113,801	113,900	20,350

117,501	117,600	21,275
117,601	117,700	21,300
117,701	117,800	21,325
117,801	117,900	21,350
117,901	118,000	21,375
118,001	118,100	21,400
118,101	118,200	21,425
118,201	118,300	21,450
118,301	118,400	21,475
118,401	118,500	21,500
118,501	118,600	21,525
118,601	118,700	21,550
118,701	118,800	21,575
118,801	118,900	21,600
118,901	119,000	21,625
119,001	119,100	21,650
119,101	119,200	21,675

Monthly Salary		TDS Slabs
From	To	
119,201	119,300	21,700
119,301	119,400	21,725
119,401	119,500	21,750
119,501	119,600	21,775
119,601	119,700	21,800
119,701	119,800	21,825
119,801	119,900	21,850
119,901	120,000	21,875
120,001	120,100	21,900
120,101	120,200	21,925
120,201	120,300	21,950
120,301	120,400	21,975
120,401	120,500	22,000
120,501	120,600	22,025
120,601	120,700	22,050
120,701	120,800	22,075
120,801	120,900	22,100
120,901	121,000	22,125

Monthly Salary		TDS Slabs
From	To	
124,401	124,500	23,000
124,501	124,600	23,025
124,601	124,700	23,050
124,701	124,800	23,075
124,801	124,900	23,100
124,901	125,000	23,125
125,001	125,100	23,150
125,101	125,200	23,175
125,201	125,300	23,200
125,301	125,400	23,225
125,401	125,500	23,250
125,501	125,600	23,275
125,601	125,700	23,300
125,701	125,800	23,325
125,801	125,900	23,350
125,901	126,000	23,375
126,001	126,100	23,400
126,101	126,200	23,425

Monthly Salary		TDS Slabs
From	To	
129,601	129,700	24,300
129,701	129,800	24,325
129,801	129,900	24,350
129,901	130,000	24,375
130,001	130,100	24,400
130,101	130,200	24,425
130,201	130,300	24,450
130,301	130,400	24,475
130,401	130,500	24,500
130,501	130,600	24,525
130,601	130,700	24,550
130,701	130,800	24,575
130,801	130,900	24,600
130,901	131,000	24,625
131,001	131,100	24,650
131,101	131,200	24,675
131,201	131,300	24,700
131,301	131,400	24,725

121,001	121,100	22,150
121,101	121,200	22,175
121,201	121,300	22,200
121,301	121,400	22,225
121,401	121,500	22,250
121,501	121,600	22,275
121,601	121,700	22,300
121,701	121,800	22,325
121,801	121,900	22,350
121,901	122,000	22,375
122,001	122,100	22,400
122,101	122,200	22,425
122,201	122,300	22,450
122,301	122,400	22,475
122,401	122,500	22,500
122,501	122,600	22,525
122,601	122,700	22,550
122,701	122,800	22,575
122,801	122,900	22,600
122,901	123,000	22,625
123,001	123,100	22,650
123,101	123,200	22,675
123,201	123,300	22,700
123,301	123,400	22,725
123,401	123,500	22,750
123,501	123,600	22,775
123,601	123,700	22,800
123,701	123,800	22,825
123,801	123,900	22,850
123,901	124,000	22,875
124,001	124,100	22,900
124,101	124,200	22,925
124,201	124,300	22,950
124,301	124,400	22,975

126,201	126,300	23,450
126,301	126,400	23,475
126,401	126,500	23,500
126,501	126,600	23,525
126,601	126,700	23,550
126,701	126,800	23,575
126,801	126,900	23,600
126,901	127,000	23,625
127,001	127,100	23,650
127,101	127,200	23,675
127,201	127,300	23,700
127,301	127,400	23,725
127,401	127,500	23,750
127,501	127,600	23,775
127,601	127,700	23,800
127,701	127,800	23,825
127,801	127,900	23,850
127,901	128,000	23,875
128,001	128,100	23,900
128,101	128,200	23,925
128,201	128,300	23,950
128,301	128,400	23,975
128,401	128,500	24,000
128,501	128,600	24,025
128,601	128,700	24,050
128,701	128,800	24,075
128,801	128,900	24,100
128,901	129,000	24,125
129,001	129,100	24,150
129,101	129,200	24,175
129,201	129,300	24,200
129,301	129,400	24,225
129,401	129,500	24,250
129,501	129,600	24,275

131,401	131,500	24,750
131,501	131,600	24,775
131,601	131,700	24,800
131,701	131,800	24,825
131,801	131,900	24,850
131,901	132,000	24,875
132,001	132,100	24,900
132,101	132,200	24,925
132,201	132,300	24,950
132,301	132,400	24,975
132,401	132,500	25,000
132,501	132,600	25,025
132,601	132,700	25,050
132,701	132,800	25,075
132,801	132,900	25,100
132,901	133,000	25,125
133,001	133,100	25,150
133,101	133,200	25,175
133,201	133,300	25,200
133,301	133,400	25,225
133,401	133,500	25,250
133,501	133,600	25,275
133,601	133,700	25,300
133,701	133,800	25,325
133,801	133,900	25,350
133,901	134,000	25,375
134,001	134,100	25,400
134,101	134,200	25,425
134,201	134,300	25,450
134,301	134,400	25,475
134,401	134,500	25,500
134,501	134,600	25,525
134,601	134,700	25,550
134,701	134,800	25,575

Monthly Salary		TDS Amt
From	To	
134,801	134,900	25,600
134,901	135,000	25,625
135,001	135,100	25,650
135,101	135,200	25,675
135,201	135,300	25,700
135,301	135,400	25,725
135,401	135,500	25,750
135,501	135,600	25,775
135,601	135,700	25,800
135,701	135,800	25,825
135,801	135,900	25,850
135,901	136,000	25,875
136,001	136,100	25,900
136,101	136,200	25,925
136,201	136,300	25,950
136,301	136,400	25,975
136,401	136,500	26,000
136,501	136,600	26,025
136,601	136,700	26,050
136,701	136,800	26,075
136,801	136,900	26,100
136,901	137,000	26,125
137,001	137,100	26,150
137,101	137,200	26,175
137,201	137,300	26,200
137,301	137,400	26,225
137,401	137,500	26,250
137,501	137,600	26,275
137,601	137,700	26,300
137,701	137,800	26,325
137,801	137,900	26,350
137,901	138,000	26,375
138,001	138,100	26,400
138,101	138,200	26,425
138,201	138,300	26,450
138,301	138,400	26,475

Monthly Salary		TDS Amt
From	To	
140,001	140,100	26,900
140,101	140,200	26,925
140,201	140,300	26,950
140,301	140,400	26,975
140,401	140,500	27,000
140,501	140,600	27,025
140,601	140,700	27,050
140,701	140,800	27,075
140,801	140,900	27,100
140,901	141,000	27,125
141,001	141,100	27,150
141,101	141,200	27,175
141,201	141,300	27,200
141,301	141,400	27,225
141,401	141,500	27,250
141,501	141,600	27,275
141,601	141,700	27,300
141,701	141,800	27,325
141,801	141,900	27,350
141,901	142,000	27,375
142,001	142,100	27,400
142,101	142,200	27,425
142,201	142,300	27,450
142,301	142,400	27,475
142,401	142,500	27,500
142,501	142,600	27,525
142,601	142,700	27,550
142,701	142,800	27,575
142,801	142,900	27,600
142,901	143,000	27,625
143,001	143,100	27,650
143,101	143,200	27,675
143,201	143,300	27,700
143,301	143,400	27,725
143,401	143,500	27,750
143,501	143,600	27,775

Monthly Salary		TDS Amt
From	To	
145,001	145,100	28,150
145,101	145,200	28,175
145,201	145,300	28,200
145,301	145,400	28,225
145,401	145,500	28,250
145,501	145,600	28,275
145,601	145,700	28,300
145,701	145,800	28,325
145,801	145,900	28,350
145,901	146,000	28,375
146,001	146,100	28,400
146,101	146,200	28,425
146,201	146,300	28,450
146,301	146,400	28,475
146,401	146,500	28,500
146,501	146,600	28,525
146,601	146,700	28,550
146,701	146,800	28,575
146,801	146,900	28,600
146,901	147,000	28,625
147,001	147,100	28,650
147,101	147,200	28,675
147,201	147,300	28,700
147,301	147,400	28,725
147,401	147,500	28,750
147,501	147,600	28,775
147,601	147,700	28,800
147,701	147,800	28,825
147,801	147,900	28,850
147,901	148,000	28,875
148,001	148,100	28,900
148,101	148,200	28,925
148,201	148,300	28,950
148,301	148,400	28,975
148,401	148,500	29,000
148,501	148,600	29,025

138,401	138,500	26,500
138,501	138,600	26,525
138,601	138,700	26,550
138,701	138,800	26,575
138,801	138,900	26,600
138,901	139,000	26,625
139,001	139,100	26,650
139,101	139,200	26,675
139,201	139,300	26,700
139,301	139,400	26,725
139,401	139,500	26,750
139,501	139,600	26,775
139,601	139,700	26,800
139,701	139,800	26,825
139,801	139,900	26,850
139,901	140,000	26,875

143,601	143,700	27,800
143,701	143,800	27,825
143,801	143,900	27,850
143,901	144,000	27,875
144,001	144,100	27,900
144,101	144,200	27,925
144,201	144,300	27,950
144,301	144,400	27,975
144,401	144,500	28,000
144,501	144,600	28,025
144,601	144,700	28,050
144,701	144,800	28,075
144,801	144,900	28,100
144,901	145,000	28,125

148,601	148,700	29,050
148,701	148,800	29,075
148,801	148,900	29,100
148,901	149,000	29,125
149,001	149,100	29,150
149,101	149,200	29,175
149,201	149,300	29,200
149,301	149,400	29,225
149,401	149,500	29,250
149,501	149,600	29,275
149,601	149,700	29,300
149,701	149,800	29,325
149,801	149,900	29,350
149,901	150,000	29,375
150,001	150,100	29,400
150,101	150,200	29,425

Monthly Gross Salary
Subtract

XXXXX
83,333

That gives you

XXXXX —————> A

Multiply (A) by

25%

That will give you

XXXXX —————> B

Add to B

12708

Monthly TDS

XXXXX —————> 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. 3.2.2(a) of the General Provisions.

