



འོང་འབབ་དང་ཅ་དམ་ལས་ཁུངས།

དངུལ་རྩིས་ལྷན་ཁག།

DEPARTMENT OF REVENUE & CUSTOMS

MINISTRY OF FINANCE

THIMPHU

DRC/TAX-M&E/NC/01/ 2494

14<sup>th</sup> December 2010

**NOTIFICATION**

**SUBJECT: INCOME FROM HIRE OF PRIVATELY OWNED VEHICLES.**

This is to notify all concerned that individuals earning income from hire of privately owned vehicles **except trucks and taxis** are subject to Personal Income Tax as per section 2.6, Chapter 3, Part III of the Rules on the Income Tax Act of the Kingdom of Bhutan, 2001. Income from hire of vehicle should be declared under "Income from Other Sources".

All the withholding agencies must deduct TDS at the rate of 5% on the gross payments made and should be deposited with the nearest RRCO in the **name of the vehicle owner (as per Blue Book issued by RSTA) as per TDS remittance Form IT-5.**

Further, all the vehicle owners are hereby requested to declare the hire income at the time of filing the tax return **and submit the TDS certificate issued by the Withholding Agency to claim TDS credit.**

Non compliance with the above requirements shall attract fines and penalties as per Chapter 5 of the General Provisions on the Income Tax Act of the Kingdom of Bhutan, 2001 and the Rules thereto.

  
Offtg. Director  
DRC

**CC:**

1. Regional Director, RRCO Thimphu, Phuentsholing, Samtse, Gelephu, Mongar, S/Jongkhar, Paro, Bumthang- For information and necessary action;
2. The Secretary General, BCCI for kind information to all corporations, companies and business units for compliance;
3. Public Information Services, DRC, for announcement in both print and broadcast media
4. The Head, PPD, MOF- to announce on the MoF web.

MINISTRY OF FINANCE  
Tax, Customs and Finance Division

15/12/10