



## Vietnam to raise taxable personal income threshold by 22% from July 1, 2020

According to Resolution No. 954/2020/UBTVQH14, starting from July 1, 2020, the government will increase the minimum taxable income threshold for personal income tax (PIT) by 22 percent, from US\$ 392 (VND 9 million) to US\$ 479 (VND 11 million) per month. The threshold will increase by further US\$ 192 (VND 4.4 million) for each dependent claimed by an individual.

### What does this mean?

This increase in PIT deduction means that a person with an income of less than US\$ 479 (VND 11 million) per month will be exempted from paying personal income tax.

The threshold will increase by US\$ 192VND (VND 4.4 million) for each dependent an individual claims, meaning that the standard for non-taxable income will be raised to US\$ 671 (VND 15.4 million) per month (with 1 dependent) and US\$ 863 (VND 19.8 million) per month (with 2 dependents).

Qualified dependents are children aged below 18 years old, or above 18 years of age who are currently in a vocational school or earning an income less than US\$44 (VND 1 million) per month. In addition, spouses or parents of taxpayers who are unable to work, have low income, or are beyond the working age are also qualified dependents.

### How will it impact you or clients?

Starting July 1, 2020, taxpayers who have paid PIT based on the previous standard deduction can recalculate their PIT payable.

### How can we help?

Should you have any concerns or questions regarding personal income tax in general and the application of this Resolution in particular, please do not hesitate to contact us.

## Contact us



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