



Cambodia tax alert

New TOS threshold and rebate effectively from 1 January 2017 onward

To lighten the tax burden for low income earners, the Ministry of Economy and Finance (MEF) has issued a notification 017 dated 27 December 2016 for implementation of new Tax on Salary (TOS) threshold and rebates for dependents including the method, which will be effective from 1 January 2017 onward.

The summary of new threshold and accumulated deduction are shown below:

Monthly salary		Tax Rate	Accumulative deducted threshold	
KHR	USD*		KHR	USD*
below 1,000,000	0 - 250	0%	0	0
1,000,001 to 1,500,000	251 - 375	5%	50,000	13
1,500,001 to 8,500,000	376 - 2,125	10%	125,000	32
8,500,001 to 12,500,000	2,126 - 3,125	15%	550,000	138
More than 12,500,000	Over 3,125	20%	1,175,000	294

* Assumption: USD1 = KHR4,000

In addition, the rebate for dependents shall be increased from KHR75,000 (~USD19) to KHR150,000 (~USD38) for each dependent (i.e. a housewife spouse and a child of less than 14 years of age; or up to 25 years of age if he/she is a full time student at an officially recognized educational institution).

Should you have any questions, please contact us our tax director, Ms Kimsroy CHHIV, via kchhiv@deloitte.com.

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