



## GUIDANCE ON PERSONAL INCOME FINALIZATION IN 2020

According to the regulations of the Law on Tax Administration [No. 38/2019/QH14](#), [Decree No. 126/2020/ND-CP](#) and [Resolution 954/2020/UBTVQH14](#), the General Tax Department provides some guidelines for Personal Income Tax ("PIT") finalization in 2020 as follows:

### 1. Family circumstance deduction

- For taxpayer: increased to 11 million Dong/month
- For taxpayer' dependents: increased to 4.4 million Dong/dependent/month

The new family circumstance deduction is calculated from 01 January 2020 and applied for the whole year 2020

### 2. Taxpayer subjected to PIT finalization

- Taxpayer who has additional tax payables after finalization over VND 50,000, if below this level, he/she is exempted from filing PIT finalization
- Taxpayer who has tax redundant and would like to get tax refund

### 3. Authorization for PIT finalization

- The cases subjected to authorize finalization through income payer are still same as the previous years

*(Individual who has one sourced income under the labor contract; Individual who has one sourced income under the labor contract and have income in other entities which not more than 10 million Dong/month on average and has been deducted PIT at the rate of 10%; Individual is transferred from the one entity to another entity due to merger, consolidation, division, separation, converting the type of enterprise or the current entity and the other entity are within the same system, the individual can authorize such the other entity to make PIT finalization)*

- The individual who authorize PIT finalization is subjected to the incremental family circumstance deduction without conducting any procedure. Entities will automatically adjust the family circumstance deduction for employees



## GUIDANCE ON PERSONAL INCOME FINALIZATION IN 2020

### 4. Deadline for submission of PIT finalization dossier

- According to the regulations in Clause 2, Article 44 of the Law on Tax Administration [No. 38/2019/QH14](#): For income payer: No later than the last day of the third month from the end of calendar year. If the Company applies the fiscal year corresponding to the calendar year, the deadline for submission of the 2020 PIT finalization is 31 March 2021
- For individual make PIT finalization directly with the Tax Department: no later than the last day of the 4th month from the end of the calendar year (*1 month later than previous years*)

However, for individual who has tax refund after PIT finalization, there is no deadline for submission of PIT finalization dossier

### 5. PIT finalization declaration

- Use the latest version provided for free at the website: <https://thuedientu.gdt.gov.vn>
- Taxpayer can declare tax directly on the e-portal of General Tax Department

To submit tax returns electronically, taxpayer has to register an Account for Electronic Tax Transaction with the Tax Department.

### 6. Tax payment methods

- Taxpayer can transfer the PIT payables through applications such as Internet Banking, Mobile Banking
- However, the taxpayer should note the exact account number of the State Treasury, the PIT collection subsection 1001, Chapter 557 or 757 (depending the PIT finalization at Tax Department or Sub-Department)
- Taxpayer can check banks' websites to acknowledge the tax collection account information of each Tax Department and the electronic tax payment method



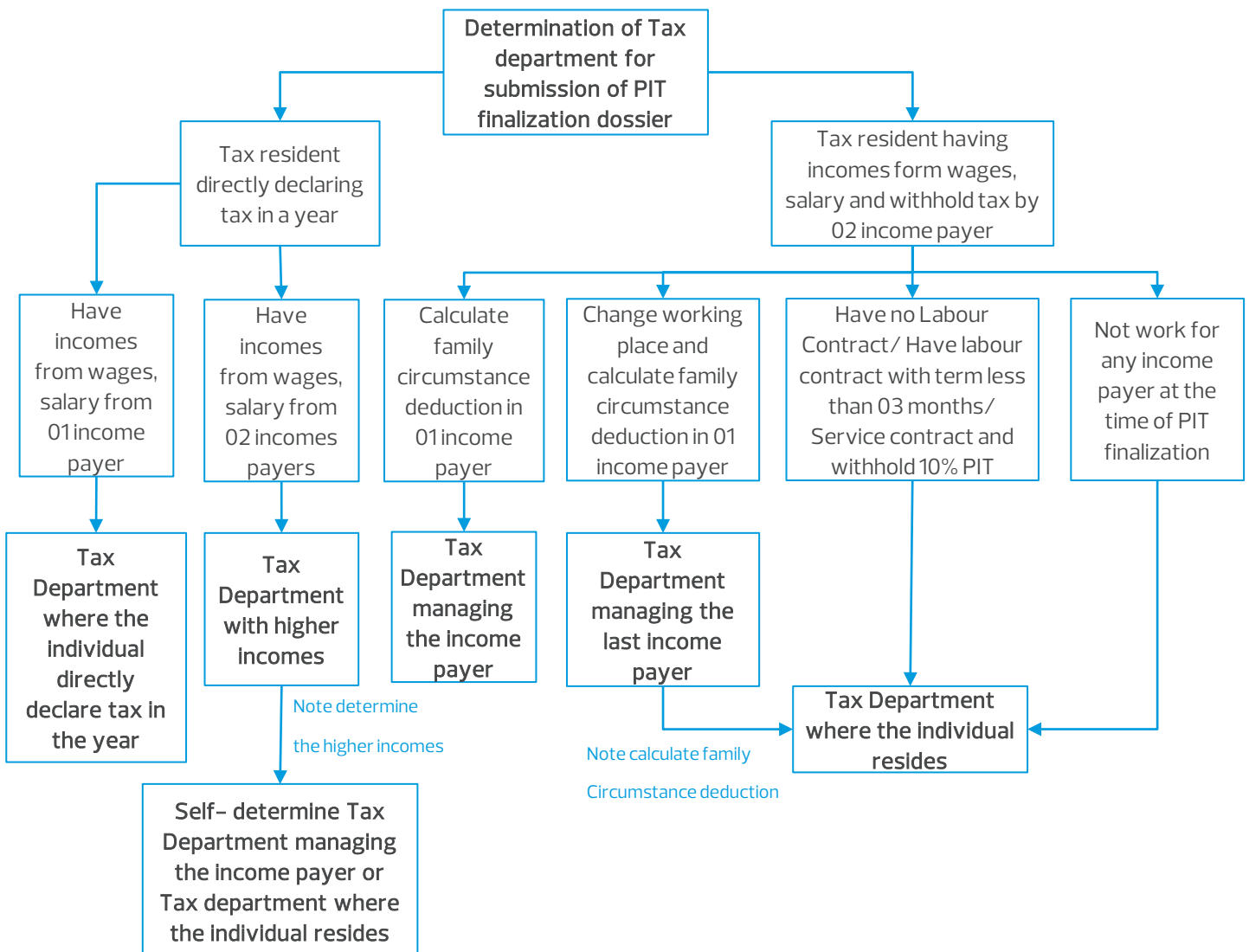
Since 2020, the e-portal of General Tax Department will support the taxpayer to determine the Tax Department for submission of PIT finalization and provide guidelines on submission of electronic PIT finalization dossiers for taxpayer who has registered tax transaction accounts.

In case the taxpayer has not yet registered for electronic tax transaction account, the taxpayer should print out the declaration form which is declared on the portal to directly submit to Tax Department.

## GUIDANCE ON PERSONAL INCOME FINALIZATION IN 2020

### 7. Place of submission of PIT finalization dossier

According to [Clause 8, Article 11 of Decree No. 126/2020/ND-CP](#), the determination of the Tax Department for submission of PIT finalization dossiers of individuals who directly declare tax are as follows:





## Contact Us

### Ho Chi Minh City

5<sup>th</sup> Floor, Sai Gon 3 Building  
140 Nguyen Van Thu Street  
Da Kao Ward, District 1  
Ho Chi Minh City, Vietnam

### Le Khanh Lam

#### Partner

Head of Tax & Consulting Services  
T: +84 28 3827 5026  
E: lam.le@rsm.com.vn

### Hanoi

25<sup>th</sup> Floor, Tower A, Discovery Complex  
302 Cau Giay Street  
Cau Giay District  
Hanoi, Vietnam

### Nguyen Thi Bich Ngoc

#### Partner

Transfer Pricing Services  
T: +84 28 3827 5026  
E: ngoc.nguyen@rsm.com.vn

### Danang

5<sup>th</sup> Floor, Dai Thang Building  
264 Xo Viet Nghe Tinh Street  
Cam Le District  
Danang, Vietnam

[rsm.global/vietnam](https://rsm.global/vietnam)

This newsletter is only intended for information about the new laws enacted, not for advice or applying to specific cases. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. RSM Vietnam as well as members in RSM network shall not be responsible for any loss whatsoever sustained by any person who relies on this communication. Please refer to your advisors for specific advice.

© RSM International Association, 2021. All rights reserved.