

Law on Tax

Promulgated on 24 April 1997

Article 46: Monthly Taxable Salary

The monthly taxable salary shall be determined as follows:

1. Monthly taxable salary for a resident employee includes:
 - a. salary received from Cambodian sources;
 - b. salary received from foreign sources;
 - c. advance money, loan or installment made by the employer to the employee which shall be added to the taxable salary of the month in which they are paid out and shall be deducted from salary in the month of any repayment made by the employee.
2. Based on the evidence of family situation, any resident employee with:
 - a. minor dependent children at the time of tax payment is allowed a reduction in the tax base of seventy-five thousand Riels per each child per month,
 - b. spouse having only an occupation as housewife is allowed a reduction in the tax base of seventy-five thousand Riels for one person only per month.
3. For a non-resident taxpayer taxable salary includes salary from Cambodian sources taxable according to the provisions of this chapter.

Article 47: Determination of the Monthly Tax of an Employee

For a resident employee the tax to be paid must be determined on the monthly taxable salary and must be withheld by the employer according to the progressive rates by tranche as follows:

Taxable Parts of the Monthly Salary	Tax Rate
From 0 to 500,000 Riels	0%
From 500,001 to 1,250,000 Riels	5%
From 1,250,001 to 8,500,000 Riels	10%
From 8,500,001 to 12,500,000 Riels	15%
Over 12,500,000 Riels	20%

Article 48: The Determination of the Tax on Fringe Benefits

For fringe benefits, every month, the employer shall withhold and pay tax by the time specified at the rate of 20 percent of the total value of fringe benefits given to all employees. The value of fringe benefits is the fair market value inclusive of all taxes.