


PERSONAL INCOME TAX

UPDATE 2026



 Vietnam pottery  N2NC

PIT COMPUTATION

Personal Income Tax (PIT) is withheld from the income earned by the employee in Vietnam from providing works under labor contract or agreement.

PIT is calculated on assessable income with **progressive rate from 5% to 35%** or by **flat rate at 10%**, depending on each type of employment.

For non-tax resident, **flat rate 20%** is applicable on all sources of income without deduction.

$$\text{Assessable income} = \text{Taxable Income} - \text{Deductible items}$$

DEDUCTIBLE ITEMS



Resolution 110/2025/QH15 dated 17 Oct 2025



Effective from **1 Jan 2026**, applicable for the tax period 2026



Increasing personal relief when calculating PIT, comprising of:

- Personal relief **VND15.5 million** per month (equal to **USD585**)
- Dependent relief **VND6.2 million** per dependent per month (equal to **USD235**)

From 1 Jan 2026, deductible items when calculating PIT include:

- Personal relief **VND15.5 million** per month (equal to **VND 186 million per annum**)
- Dependent relief **VND6.2 million** per registered dependent per month
- Monthly SHUI contribution
- Other deduction under tax laws (charity contribution etc.)

DEPENDENT REGISTRATION

Individuals with certain conditions are subject as dependent:

- Children
- Parents, parent in law
- Relatives

Supporting document for dependent registration include: ID, household book, birth certificate and other document subject to specific cases.

(to be continued)

PROGRESSIVE TAX RATE

On 10 December 2025, Vietnam National Assembly has passed Law on Personal Income Tax 2025, reducing tax brackets when computing PIT under progressive rate from seven (7) to five (5) ones, will take effective from 1 July 2026.

CURRENT



Circular 111/2013/TT-BTC



From 1 October 2013
To 30 June 2026



There are seven (7) tax brackets in progressive rate ranging from 5% to 35%, applicable on assessable income to calculate PIT.

1 JULY 2026



Law on Personal Income
Tax 2025



From **1 July 2026 onwards**



Reducing the tax brackets from seven (7) to five (5) rate, while keeping the top rate of 35% unchanged applying to income exceeding VND 100 million per month.

TABLE OF PROGRESSIVE RATE

Million dong

Annual assessable income	Monthly assessable income	Rate %
Up to 60	Up to 5	5%
Over 60 to 120	Over 5 to 10	10%
Over 120 to 216	Over 10 to 18	15%
Over 216 to 384	Over 18 to 32	20%
Over 384 to 624	Over 32 to 52	25%
Over 624 to 960	Over 52 to 80	30%
Over 960	Over 80	35%

Million dong

Annual assessable income	Monthly assessable income	Rate %
Up to 120	Up to 10	5%
Over 120 to 360	Over 10 to 30	10%
Over 360 to 720	Over 30 to 60	20%
Over 720 to 1200	Over 60 to 100	30%
Over 1200	Over 100	35%

These changes mark a significant advancements in the tax system. The broader range of assessable income tied to progressive rates is designed to make PIT calculations more reasonable and to ease the tax burden on taxpayers who experience substantial or occasional spikes in taxable income.

PIT FILINGS

- PIT return is declared on monthly or quarterly basis together with payment.
- PIT finalization return is submitted to the tax office within 90 days from ending of calendar year, e.g 31 March 2026 is deadline for 2025 PIT finalization (for the employer)

