

## Laos

Income Tax Rate	5% - 25%
Corporate Tax Rate	28%
Value added tax	5%

### **Personal Income Tax**

Laos individual income tax rates are progressive, up to 25%.

Personal Income tax rates applicable to taxable income are as follows:

Taxable Income per year (Kip)	Tax rate
Kip 1 – 1,500,000	5%
Kip 1,500,001 – 4,000,000	10%
Kip 4,000,001 – 8,000,000	15%
Kip 8,000,001 – 15,000,000	20%
Above 15,000,000	25%

### **Corporate Tax**

The general corporate tax rate in Laos is 35%. The businesses under the Foreign Investment Law are granted a lower corporate tax rate, up to 20%.

### **Value added tax**

Laos has the lowest value added tax rate compared to other countries in the same region. This low VAT rate in Laos has induced trade incentives and also helped increase the domestic consumptions.

### **Tax Incentives for SMEs**

Tax imposed on SMEs could be a serious burden for SMEs owner in Laos. To increase the effectiveness of tax collection, Laos government shall initially improve the competitiveness of SMEs in Laos by providing fund for SMEs, establishing SMEs Bank or some related financial institutions. In addition, the stable inflation and exchange rate also play an essential for the improvement and the growth of SMEs.