



**Islamic Republic of Afghanistan
Ministry of Finance**

ATTENTION!

**PERSONAL INCOME TAX RATES REDUCED AND WAGE
WITHHOLDING PROVISIONS RE-INTRODUCED**

Effective 1 Mizan 1384 (September 23, 2005) a business or other legal entity having two or more employees may have a withholding tax obligation under the Income Tax Law of Afghanistan. The tax is withheld from any employees receiving a monthly income equivalent to or exceeding 12,500 Afghanis. The withholding rates have been dramatically reduced from prior years, allowing for a generous exemption and reducing the highest marginal rate to from 40% to 20%.

Withheld tax is reported and paid within 10 days after the end of the month. Example: the withholding for the month of Mizan is due no later than the 10th day of Aqrab. Late filings and payments may be subject to additional tax and penalties. The tax is a credit against the employee's personal annual income tax liability. Employees with only one job and no other sources of income will not be required to file an income tax return. Those with additional sources of income will need to file an income tax return but will receive a credit for taxes withheld and paid on their behalf.

For more detailed information concerning the Wage Withholding Tax, please refer to the Guide to Wage Withholding Tax (Guide 5) or visit the Ministry of Finance website at www.mof.gov.af and click on 'Tax Information Page'. Alternatively, you may contact the Taxpayer Assistance Team located in the Headquarters of the General Presidency of Revenue, Ministry of Finance. Tax forms are also available at this location. You may also call the taxpayer information number at 079209884 or 079406050 Saturday through Wednesday from 9:00AM until 3:00PM and on Thursday from 9:00AM until 11:00AM.