

Saudi Arabia: Income Tax Law

Title	Saudi Arabia: Income Tax Law
Date of adoption	6 March 2004
Entry into force	In effect
Text versions	<p>— Arabic</p> <p>— Source:</p> <p>— Kingdom of Saudi Arabia Bureau of Experts at The Council of Ministers, accessed: 21 May 2013.</p>
Abstract	<p>Art. 1 defines activity as commercial activity in all its forms that is intended to create profit.</p> <p>Art. 2 lists the persons and entities that are required to pay the income tax. Of particular relevance are b) a natural resident non-Saudi person who carries out [commercial] activity in the Kingdom.</p> <p>Art. 3A defines the concept of residence for the purpose of this law. A natural person is considered to be a resident of the Kingdom during a tax year if s/he fulfills one of the following conditions:</p> <ol style="list-style-type: none">1. To have a permanent residence in the Kingdom, and to reside in the Kingdom for a minimum of 30 days in a tax year.2. To reside in the Kingdom for a minimum of 183 days in a tax year. <p>For the purposes of this law, residence in the Kingdom for part of a day is counted as residence for a full day. This does not include a person who is only transiting through the Kingdom.</p> <p>Art. 6B defines the tax base for a natural non-Saudi resident to be his taxable income from any activity from the Kingdom's resources excluding the approved expenses per this law.</p> <p>Art. 7A sets the tax value for a natural resident non-Saudi person who carries out [commercial] activity in the Kingdom at 20%.</p>