

# Saudi Arabia: Income Tax Law

<b>Title</b>	Saudi Arabia: Income Tax Law
<b>Date of adoption</b>	6 March 2004
<b>Entry into force</b>	In effect
<b>Text versions</b>	<a href="#">Arabic</a> <b>Source:</b> <a href="#">Kingdom of Saudi Arabia Bureau of Experts at The Council of Ministers, accessed: 21 May 2013.</a>
<b>Abstract</b>	<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"><li>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.</li><li>2. To reside in the Kingdom for a minimum of 183 days in a tax year.</li></ol> <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>