



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Tax Administration Theme Day

Fourth Event

18 May 2023



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Iranian Tax System

Dr. Ashkan Harati, Deputy of Center for Tax Training, Research and Planning
Morteza Mollanazar, Deputy DG of Presidency and International Affairs
Iranian National Tax Administration (INTA)



CONTENTS

- 01 / Islamic Republic of Iran
- 02 / INTA & Iranian Tax System
- 03 / Tax Reforms
- 04 / Settlement of Tax Disputes
- 05 / Tax Incentives



Part 01

Islamic Republic of Iran (IRI)



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

IRI



01

IRI / Iran/Persia

02

1.64 million km²

03

86.8 million inhabitants

04

One of the World's oldest civilizations+ Religion: Islam



Part 02

INTA & Iranian Tax System



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

INTA

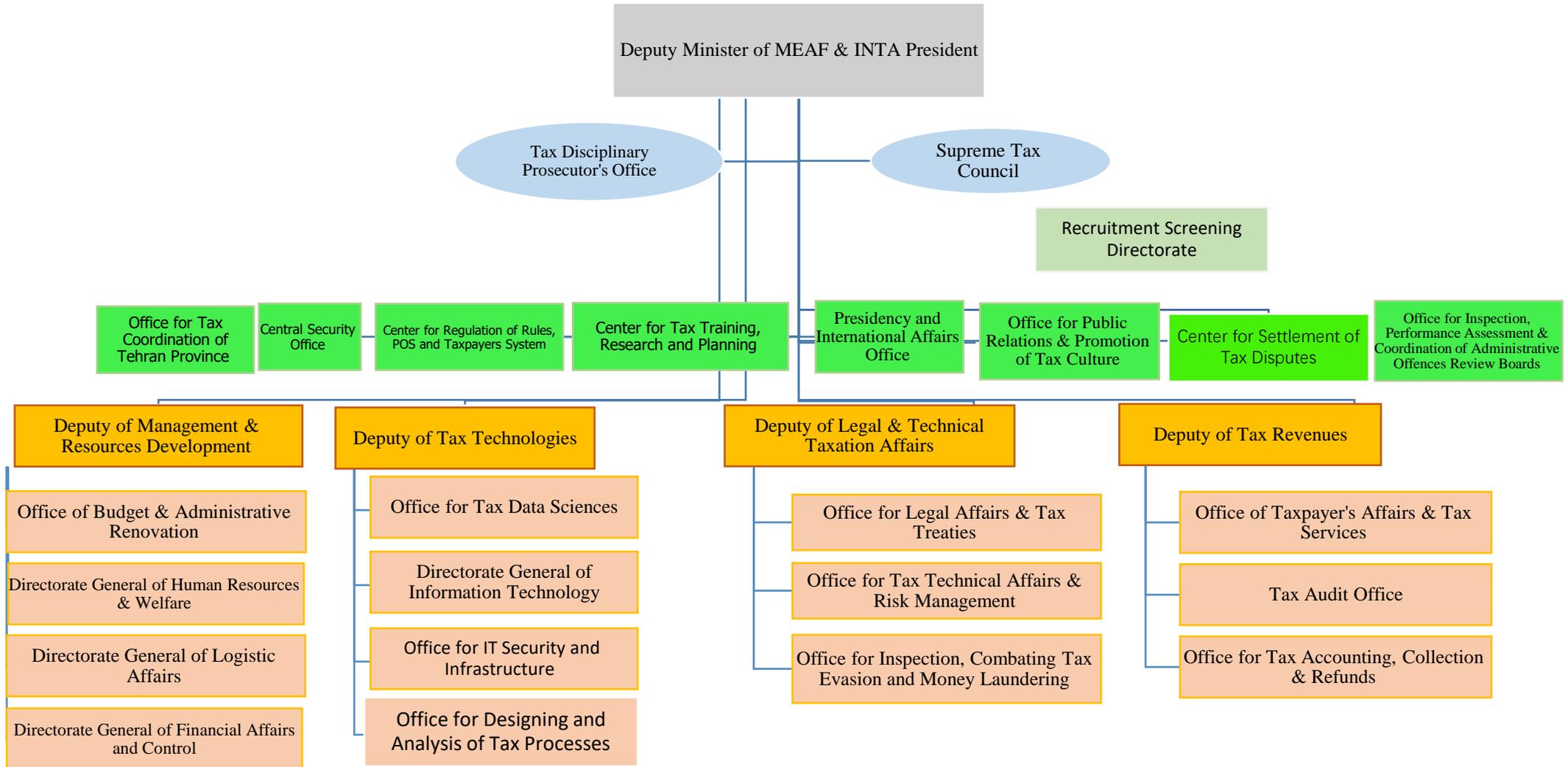
- A sub-division of Ministry of Economic Affairs
- In charge of assessing, estimating and collecting taxes (direct and indirect taxes)
- 42 Directorates General of Taxes throughout the Country (8 in Tehran)
- 26,000 employees
- HQ with 4 deputies and 22 offices and 3 Centers





BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

INTA Organizational Chart





BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

INTA President and His Goals



Dr. Seyed Mohammad Hadi Sobhanian

- ✓ **Digitalization of the Tax System**
- ✓ **Promotion of Tax Culture**
- ✓ **Establishing Tax Justice**
- ✓ **Satisfying Taxpayers**
- ✓ **Increasing Voluntary Compliance**



IRI Tax Law

❖ Direct Taxes Act (1987)

Taxable Entities

1. All owners, whether real or legal, for their properties inside Iran
2. Any real person residing in Iran for the incomes earned inside and outside the country
3. Any Iranian real person residing abroad for all the income he makes in Iran
4. Any Iranian legal entity for the incomes earned inside or outside the country
5. Any non-Iranian real or legal entities for the income earned in Iran

Types of Direct Taxes

A. Property Taxes

- Inheritance tax
- Stamp duty

B. Income Taxes

- Real Estate Income Tax
- Tax on Income from Agriculture
- Tax on Salary Income
- Tax on Individual Business Income
- Tax on the Profits of Legal Persons
- Tax on Incidental Income
- Tax on Aggregate Income Derived from Different Sources

❖ Value-Added Tax Act (2021)

- VAT is levied on sale of all goods and services and their imports
- Rate: 9%



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

INTA International Affairs





BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

DTAs

No.	Countries	Date of Entry Into Force	No.	Countries	Date of Entry Into Force
1	Germany	1968/12/20	27	Bahrain	2008/1/1
2	France	1975/4/10	28	Romania	2008/5/19
3	Armenia	1997/7/11	29	Jordan	2008/9/1
4	South Africa	1998/11/23	30	Croatia	2008/10/30
5	Kazakhstan	1999/4/3	31	Sudan	2009/6/8
6	Turkmenistan	1999/8/3	32	Oman	2009/8/5
7	Lebanon	2001/1/20	33	South Korea	2009/12/8
8	Ukraine	2001/9/26	34	Azerbaijan	2010/1/25
9	Belarus	2001/11/5	35	Algeria	2010/3/16
10	Syria	2001/12/3	36	Qatar	2010/9/21
11	Georgia	2001/12/14	37	Indonesia	2010/12/1
12	Sri Lanka	2001/12/26	38	Kuwait	2011/2/12
13	Russia	2002/4/5	39	Serbia	2011/12/16
14	China	2003/8/14	40	Tajikistan	2012/11/5
15	Switzerland	2003/12/31	41	Macedonia	2014/1/17
16	Pakistan	2004/3/4	42	Slovenia	2014/4/30
17	Austria	2004/7/11	43	Czech	2016/8/4
18	Uzbekistan	2005/1/15	44	Hungary	2016/12/30
19	Turkey	2005/2/22	45	Cyprus	2017/3/5
20	Malaysia	2005/4/15	46	Vietnam	2017/5/5
21	Tunisia	2005/6/14	47	Kenya	2017/7/13
22	Kyrgyz Republic	2005/9/16	48	Zimbabwe	2018/5/8
23	Spain	2006/1/31	49	Slovak Republic	2018/5/1
24	Bulgaria	2006/6/29	50	India	2020/9/29
25	Poland	2006/12/1	51	Bosnia and Herzegovina	2020/10/22
26	Venezuela	2007/1/13			



Part 03

Tax Reforms



Overview of Tax Reforms

➤ Moving towards
Smart Tax System

ONE

➤ Effective
Implementation of
Capital Gains Tax
(CGT)

TWO

➤ Expansion of
Using Electronic
Cash Registers

THREE



Part 04

Settlement of Tax Disputes



Process

- 1) Administrative Hierarchies;
- 2) Boards;
- 3) Boards of Appeal;
- 4) Supreme Tax Council;
- 5) Ministerial Board; and
- 6) Administrative Justice Tribunal.



Part 05

Tax Incentives



A Look at Tax Incentives

A. Incentives for Types of Income:

- 1) Agriculture,
- 2) Production,
- 3) Services,
- 4) Exports,
- 5) Investment, and
- 6) Tourism.

B. Regional Incentives:

- 1) Less Developed Regions;
- 2) Special Trade Zones; and
- 3) Free Trade Zones.



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

THANKS

Please Contact us through: m.mollanazar@tax.gov.ir