



# Changes to calculation of individual income tax (IIT)

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If you are interested in additional information, please contact us.

## In detail:

Pursuant to the amendments to the Kazakh tax code (Law # 382 dated 10 December 2020), the following changes have been introduced to calculation of IIT:

**1. As of 1 January 2018** when calculating IIT due on income paid to **civil contractors**, a tax deduction in the amount of monthly obligatory pension contribution (OPC) and monthly contributions to obligatory social medical insurance fund (COSMI), can be applied to individuals' taxable base.

No application for OSMIC and OPC tax deductions is required from individuals. The State Revenue Committee (SRC) has clarified during the conference on amendments to the TC on November 23, 2020, that there is no strict obligation for tax agents to proceed with IIT recalculation for 2018-2020 unless there is a specific request from the individual.

**2. As of 1 January 2020** upon IIT calculation from **employees'** taxable income, the tax deduction in the amount of monthly COSMI can be applied.

No application for COSMI deduction is required from employee. Currently, official letter from SRC on the necessity to recalculate employees' IIT for 2020, is expected.

**3. As of 1 January 2021**, if **employee's** income does not exceed **25 monthly coefficient indexes** (72,925 KZT / \$174), the taxable base for IIT calculation may be adjusted by 90%, i.e. IIT should apply only to 10% of employee's taxable income.

If you are interested in additional information, please contact PwC specialists working as part of a group serving your company, or to any of the persons listed.