



PwC Vietnam Newsbrief

New Personal Income Tax Law

December 2025





At a glance

The National Assembly approved a new Personal Income Tax Law on 10 December. This new law makes significant changes to the Vietnam PIT regime, including changes to tax brackets, tax rates, and various deductions.

The Law is set to come into force on 1 July 2026. However, certain provisions concerning salaries, business activities will be implemented earlier, starting 1 January 2026.

As ever, details of these new rules will await the issuance of the Law's implementing decree and circular.

Key changes

01 **New progressive tax brackets**

The progressive tax structure on salaries has been simplified, reducing the number of brackets from seven to five. While the top rate remains 35%, the threshold for this highest bracket has been increased to monthly income exceeding VND 100 million (approximately USD 3,800), up from the previous VND 80 million.

02 **Important changes to the taxation of capital gains**

The taxation of transfers of capital remains 20% on the gain. However, this now applies to both residents and non-residents. Also, where the taxable gain cannot be determined, a flat rate of 2% will apply to proceeds.

Residents and non-residents transferring securities remain subject to 0.1% PIT on transfer proceeds.

03 **Some welcome new PIT exemptions**

- Earnings from overtime work are now exempt from PIT.
 - Monetary compensation provided to employees for unused annual leave is now exempt from PIT.
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04 **Changes to family and other tax reliefs**

A monthly deduction of VND 15.5 million will be granted to the taxpayer, along with an additional deduction of VND 6.2 million per month for each dependent.

Furthermore, the Law provides supplementary tax relief for healthcare, education, and training expenses for taxpayers and their dependents, subject to various limits. These expenditures must adhere to legal requirements regarding invoices and supporting documentation.

Key changes

05 **Increase of taxable revenue threshold for business income**

The annual tax-exempt revenue threshold for household businesses will rise to VND500 million, compared with the current VND100 million.

To align with this change, goods and services provided by households and individuals engaged in business with annual revenue of up to VND500 million will not be subject to Value Added Tax.

06 **Increase of threshold for other incomes**

The taxable threshold is increased from VND10 million to VND20 million for certain income categories, including prize winnings, copyright, commercial franchising, inheritance and gifts.

07 **New 5-year tax incentive for those working in the digital technology sector**

A PIT exemption is available for a 5-year period for individuals earning employment income in the digital technology sector:

- High-level digital technology industry personnel in specific cases (including digital technology projects in centralized zones; R&D and production of key digital tech, semiconductors, and AI systems; digital technology workforce training activities).
 - High-tech personnel engaged in research and development of advanced or strategic technologies. These technologies must be designated prioritized investment categories or strategic technology and product categories as defined in the high-tech regulations.
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08 **PIT now applied to gold bar transactions**

The transfer of gold bars will incur a 0.1% tax rate per transaction. The law grants the Government authority to define the taxable value threshold, determine the timing of implementation, and adjust the rate in accordance with the roadmap for regulating the gold market.

Contact us

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