

## PIT of individual who delegates PIT finalization but terminates the labor contract

General Department of Taxation issued Official Letter No. 5742/TCT-TNCN dated 12 December 2016 in order to answer concerns about the obligation of paying personal income tax in arrears by monitoring to individual who authorizes PIT finalization but terminates the labor contract. Accordingly:

- Tax payer with income from salaries and wages shall submit 02 applications for dependent registration (using the form provided in guiding documents on tax administration) to the income payer as the basis for calculating dependent deductions. The income payer keeps 01 application and submits 01 application to the local tax authority when submitting the personal income tax declaration of that person in accordance with the Law of tax administration;
- The income payer is responsible for maintaining documents proving the dependents and presents them when the tax authority carries out the tax inspection.

Therefore, in case the enterprise which is authorized to finalize PIT by individual does not maintain and present these documents when being tax inspection, the enterprise will take the responsibility to pay the outstanding tax amount to the State Budget.

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