

Government of Nepal
Ministry of Finance
Inland Revenue Department

Tax Rates for Entity Fiscal Year 2077/78 (2020/21)

S. N	Annex/ section	Income Status	Tax Rate (in %)
1	Annex 1 Sub Section (1) of Section 2	Normal Business Entity	25
2	Annex 1 Sub Section (2) of Section 2	Bank, financial institutions, an entity carrying on general insurance business or telecommunication and internet service, money transfer, capital market business, securities business, merchant banking business, commodity future market, securities and commodities broker business, conducting transaction of cigarette, <i>bidi</i> , <i>cigar</i> , chewing tobacco, power tobacco, <i>gutkha</i> , <i>panmasala</i> , liquor, beer or petroleum works pursuant to Nepal Petroleum Act, 2040 (1983)	30
3	Annex 1 Sub Section (3) of Section 2	Tax rates for cooperatives registered as per Cooperative Act, 2074 and engaged in business transaction other than tax exemption are as follows: If being operated in the area of Municipality If being operated in the area of Sub Metropolitan City If being operated in the area of Metropolitan City	5 7 10
4	Annex 1 Sub Section (3b) of Section 2	Taxable income of Schools/Colleges registered under trust (<i>Guthis</i>)	20
5	Annex 1 Sub Section (6) of Section 2	Income sent abroad by any non-resident person's foreign permanent establishment situated in Nepal in any income year	5
6	Annex 1 Sub Section (7) of Section 2	Taxable Income of any non-resident person in respect of the income mentioned in section 70 in any income year, Non-Resident person providing water transport, air transport or telecommunication service that does not so depart or transmit from Nepal as not to reach another foreign country	5 2