

# OMAN TAX ALERT

Personal Income Tax



## Oman Introduces Personal Income Tax Law!

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**+968 9275 2109**

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# Oman Introduces Personal Income Tax Law!

Oman brings yet another major reform to its tax landscape. On Sunday, 22 June 2025, His Majesty Sultan Haitham bin Tariq issued **Royal Decree No. 56/2025**, promulgating the Personal Income Tax ('PIT') Law.

The new law is scheduled to come into effect on **1 January 2028**. Furthermore, the Oman Tax Authority ('OTA') is said to issue the Executive Regulations ('ER') to PIT Law within one year from the date of the law is published in the Official Gazette. These regulations will provide the detailed framework and procedural rules necessary for enforcement and compliance.

With the introduction of this law, Oman becomes the **first GCC country** to establish a fully integrated tax system encompassing revenue collection from individuals, businesses, and other entities. This comprehensive framework enables the government to sustainably fund public services and infrastructure.

Under the new legislation, any natural person whose annual gross income exceeds **OMR 42,000** will be subject to PIT at a rate of **5%**, after accounting for eligible exemptions, costs, and losses as outlined in the PIT Law. According to the OTA, a number of **exemptions** and **deductions** will be available to qualifying taxpayers, including the following:

- One-time exemption on income earned outside the Sultanate of Oman for a period of two years.
- Income from industrial property rights for five years from the date of registration.
- Income generated from the sale of a primary residence.
- One-time deduction for interest paid on financing the construction or purchase of a primary residence.
- One-time exemption on income from the sale of a secondary residence.
- Zakat, charitable donations, and religious endowments (waqf).
- Inherited income and gifts.
- Education and healthcare expenses.

According to the OTA, under the current annual income threshold, approximately 99% of Oman's population will not be subject to PIT. The law is therefore expected to primarily impact the **top 1%** of high-net-worth individuals in the country. Individuals are advised to closely monitor upcoming announcements from the OTA, particularly concerning the Law, ER, and additional implementation guidance.

Our team at MMJS shall continue to monitor the progress and provide with updates once the Law and ER is released. Should you need our assistance in discussing further the said update or any other tax matters, please reach us at **vat@mmjs.co** or your known MMJS contact.



# Get in Touch with Our Team

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**Surandar Jesrani**

Group CEO & Managing Partner



**Ankur Jain**

Associate Partner – Indirect Tax



**Amit Gori**

Senior Manager – Indirect Tax



**Nikunj Bhatia**

Senior Executive – Indirect Tax



**Bhavya Sheth**

Senior Executive – Indirect Tax

OMAN

2519 Way, Building Number 1197,  
Muscat 112, Oman

+968 9275 2109  
**vat@mmjs.co**