

Jordan Tax System

1. THE TAX LAW

The Income Tax Law No. 38 of 2018 and the General Sales Tax Law No. 29 of 2009 constitute the Kingdom of Jordan's legal taxation framework. These laws are implemented by the Income and Sales Tax Department.

INCOME TAXES

A. Corporate Income Taxes:

Any (foreign) company registered in Jordan is considered a resident and is taxable on income sourced in Jordan. Taxable income is defined as income derived from Jordan or from Jordanian sources through income derived from dividends.

Jordan's standard Corporate Income Tax rate is 20%, though rates ranging from 20% to 35% apply to different sectors and operating branches. Losses may be carried forward up to five (5) years though require approval from the tax authorities.

Taxes	Rate
Corporate Income Taxes	
Banks	35%
Primary telecommunication companies, electricity generation and distribution companies, mining companies, insurance and reinsurance companies, financial brokerage companies, and financial institutions including money exchange companies and financial lease companies.	24%
Standard (All Other)	20%
Industrial Sector (excluding Pharmaceutical & Textile)	
Year 2019	15%
Year 2020	16%
Year 2021	17%
Year 2022	18%
Year 2023	19%
Industrial Sector (Pharmaceutical & Textile)	
Year 2019	10%
Year 2020	14%
Year 2021	16%
Year 2022	18%
Year 2023	19%
Withholding Taxes	
Interest	10% - Levied on amounts paid to a non-resident
Royalties & Franchise	
Services	
Capital Gains	Exempt
Dividends	Exempt
Branch Remittances	None

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B. Personal Tax

Both residents and non-resident individuals are taxed on income sourced from employment in Jordan. A progressive tax rate is levied on taxable income, ranging from 7% to 20%. A number of deductions and allowances are available. There is no personal taxation on capital gains, capital duty, capital acquisition, stamp duty, inheritance, estate, net worth, and net wealth.

Taxes	Rate
Personal Income Taxes	
< 5,000 JOD	5%
5,001 – 10,000 JOD	10%
10,001 – 15,000 JOD	15%
15,001 – 20,000 JOD	20%
20,001 – 1,000,000 JOD	25%
> 1,000,000 JOD	30%
Deductions & Allowances	
Single Person	
2019	10,000
2020 and forward	9,000
Family	
2019	20,000
2020 and Forward	18,000
Additional Exemptions - Medical, housing loan interest, education	
Personal - Starting Year 2020	1,000
Spouse - Starting Year 2020	1,000
Each child - with a maximum JOD 3000	1,000

Sales Tax

General Sales Tax (GST) is levied on importers, traders, and services. The standard GST rate is 16%, and some specific products are subject to Zero-rate as energy-saving products and pharmaceutical industry inputs.