

Saudi's new 'family tax' to affect 41 lakh Indian expats, many may return home

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New Delhi: Several Indians employed in Saudi Arabia are likely to return to the country soon with the kingdom all set to impose the much talked about â€˜dependant feeâ€™ for expats from July 1.

Once in force, the tax will require all expats to pay a monthly fee of 100 riyals (approx. Rs 1,700) per month for each dependant. Currently, the residents pay 50 riyals for each family member.

The â€˜dependant feeâ€™ will come as a big financial burden for the 41 lakh Indian expats living in Saudi Arabia. For instance, a person living with his wife and two children will have to shell out 300 Riyals (approx. Rs 5,100) each month.

Saudi Arabia issues family visas to people with a salary of 5,000 Riyals (approx. Rs 86,000) per month.

What adds to the woes is that the entire amount needs to be paid for the entire year in advance while renewing the residency permit.

â€œSome families I know have made plans to return to Hyderabad as they feel they cannot afford to stay there any longer,â€• Mohd Taher, a computer professional who lives in Dammam, was quoted by Times of India as saying.

Talking about how many expats have already sent their families back to India, migrant rights activist Bheem Reddy said that in the past four months â€˜the men have become forced bachelorsâ€™.

Moreover, this tax is set to go up by 100 Riyals per dependant every year till 2020. This means that, in 2020, a family would have to pay 400 Riyals (approx. Rs 6,900) for each dependant every month, and that too in advance.

For a man living with wife and two children, he will have to pay an advance tax of 3,600 Riyals (approx. Rs 62,000) per year.

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