



ZAMBIA REVENUE AUTHORITY

DIRECT TAXES DIVISION

INCOME TAX (AMENDMENT) ACT 2003

PRACTICE NOTE NO. 1/2003

CONTENTS

	PAGE
1. GENERAL	3
2. SUMMARY OF THE PRINCIPAL CHANGES IN THE INCOME TAX (AMENDMENT) ACT 2003	4
3. COMMENTARY ON THE INCOME TAX (AMENDMENT) ACT 2003	7
4. SUMMARY OF PRINCIPAL CHANGES IN THE MINES AND MINERALS (AMENDMENT) ACT 2003	14
5. COMMENTARY ON THE MINES AND MINERALS (AMENDMENT) ACT 2003	15
6. SUMMARY OF THE PRINCIPAL CHANGES IN THE PROPERTY TRANSFER TAX (AMENDMENT) ACT 2003	17
7. COMMENTARY ON THE PROPERTY TRANSFER TAX (AMENDMENT) ACT 2003	18
8. INCOME TAX (PAYE) REGULATIONS	19
9. OTHER MATTERS	20
10. ZAMBIA REVENUE AUTHORITY - DIRECT TAXES DIVISION OFFICES.	30

GENERAL

This PRACTICE NOTE describes the various changes introduced by the Income Tax (Amendment) Act 2003.

The commentary is for general guidance only and is not to be taken as an authority in any particular case.

The commentary is not exhaustive and does not, therefore, affect any person's right of appeal on any point concerning their liability to tax, nor does it preclude any discretionary treatment which may be allowed under the Act.

Inquiries may be made at the nearest office of the Zambia Revenue Authority, Direct Taxes Division offices or Advice Center, Lusaka and Kitwe.

INCOME TAX (AMENDMENT) ACT 2003

A SUMMARY OF PRINCIPAL CHANGES

AMENDMENT ACT	ITA SECTION	SUBJECT	EFFECTIVE DATE
1	1	Title and Commencement.	01- 04 – 03
2	29	Clarifies the tax treatment of interest payable on a loan or advance obtained for business purposes.	01- 04 - 03
3(a)	29A	Provides for a deduction of foreign exchange losses of a capital nature on borrowings used for the building and construction of industrial or commercial buildings.	01– 04 - 03
3(b)	29A	Makes reference to the meaning of "industrial" and "commercial" buildings as defined in the 5 th schedule.	01-04– 03
4	34A	Extends the deduction of Development Allowance to the growing of rose flowers.	01-04– 03
5(a)	44	Removes reference to the repealed Section 43C.	01-04– 03
5(b,c)(i)	44	Reaffirms that incidental costs of obtaining finance are not deductible.	01-04-03
5(b,c)(ii)	44	Prohibits the deduction of Medical Levy.	01-04-03

6(a,b)(i)	63	Prohibits the assessment of income of an individual who is liable to presumptive tax.	01-04-03
6(a,b)(ii)	63	Prohibits the assessment of interest, received by an exempt person, which has been subjected to withholding tax.	01-04-03
7	64A	Introduces presumptive tax for operators of public service vehicles.	01-04-03
8(i)	81B	Introduces a requirement for a tax clearance certificate for persons applying for gemstone or small scale mining licences.	01-04- 03
8(ii)	81B	Provides for the definition of "licence" and "permit"	01-04-03
9(a)	2 nd Schedule	Provides for the taxation of the profit of a business carried on by a charitable institution.	01-04-03
9(b)	2 nd schedule	Extends the deduction of withholding tax to exempt organisations on interest earned on treasury bills or government bonds.	01-04-03
9(c)(i)	2 nd Schedule	Removes exemption on gratuities payable to contract employees of the University of Zambia, Local Authorities, National Council for Scientific Research and Government.	01-04- 03
9(c)(ii)	2 nd Schedule	Provides for the exemption of emoluments payable to a former President of the Republic of Zambia.	01-04-03
9(f)	2 nd Schedule	Deletes paragraph 9 (2)(c).	01-04-03

10	9 th Schedule	Introduces rates for presumptive tax.	01-04-03
11(a)	Charging Sch.	Increases the annual tax free income threshold for individuals from K1,800, 000 to K1,920,000.	01-04-03
11(b)	Charging Sch.	Increases the rate of tax applicable to companies listed on the Lusaka Stock Exchange from 30% to 33%.	01-04-03
11(c)	Charging Sch.	Provides for the maximum tax rate of 15% applicable to business income earned by charitable institutions.	01-04-03
11(d)	Charging Sch.	Provides a withholding tax rate of 15% on interest earned on treasury bills and government bonds by exempt organisations.	01-04-03

2.0 INCOME TAX (AMENDMENT) ACT 2003

COMMENTARY

2.1 SECTION 29: DEDUCTIONS GENERALLY

The current practice of the Zambia Revenue Authority has been to allow interest payable on a loan or advance used wholly and exclusively for business even if the loan was employed for capital purposes.

The amendment reaffirms that the interest payable on a loan or advance shall be allowed by the Commissioner- General if he is satisfied that the loan or advance was used to enable a person;

- (a) Carry on a business; or
- (b) Produce income.

2.2 SECTION 29A: FOREIGN CURRENCY EXCHANGE GAINS AND LOSSES

The amendment introduces a deduction for foreign exchange losses of a capital nature incurred on borrowings used for the building and construction of industrial or commercial buildings.

Any person who builds or constructs an industrial or commercial building is entitled to this deduction. The terms 'industrial building' and 'commercial building' are as defined in part 1 of the Fifth schedule to the Income Tax Act.

2.3 SECTION 34A: DEVELOPMENT ALLOWANCE

The section provides that where a person incurs expenditure on the growing of tea, coffee, banana plant, citrus fruit trees, or other similar plants or trees, a Development Allowance of ten percent of such expenditure shall be allowed.

The amendment extends the deduction of Development Allowance to the growing of rose flowers.

2.4 SECTION 44: CASE OF NO DEDUCTION

The section has been amended by:

- (i) The removal of reference to section 43C in paragraph (a). The section dealt with mortgage interest and was repealed by Act No. 3 of 2002.
- (ii) The insertion of paragraph "n" which reaffirms that incidental costs of obtaining finance are not deductible. This includes costs such as commitment and guarantee fees, commissions and any other similar costs.
- (iii) The insertion of paragraph "o" which prohibits the deduction of Medical Levy.

2.5 SECTION 63: COMMISSIONER – GENERAL'S POWER TO ASSESS.

Proviso to Subsection 1:

The proviso to subsection one has been amended so that the Commissioner – General is prohibited from assessing;

- (i) Income of an individual who is liable to presumptive tax under section 64A.
- (ii) Interest received by an exempt person that has been subjected to withholding tax under section 82A.

2.6 SECTION 64A: STANDARD ASSESSMENT

The amendment empowers the Commissioner – General to require any individual or partnership operating a bus, mini-bus or taxi to pay presumptive tax at the rates stipulated in the Ninth schedule to the Income Tax Act.

2.7 SECTION 81B: TAX CLEARANCE CERTIFICATE

The amendment introduces a requirement for a Tax Clearance Certificate for persons applying for gemstone or small-scale mining licences.

Under the Mines and Minerals Act, "licence" means a gemstone, small scale or large-scale mining licence; and "permit" means a prospecting licence.

A Tax Clearance Certificate will be issued by the Direct Taxes office dealing with the applicant's tax affairs. The applicant will be required to have:

- a) Registered for Tax Payer Identification Number (TPIN);
- b) Paid all tax assessed;
- c) Paid all provisional tax due;
- d) Paid all P.A.Y.E due;
- e) Submitted returns of income for all charge years prior to the year of application;
- f) Paid all other taxes that the Zambia Revenue Authority is responsible for; and
- g) Supplied any other information and documents required.

2.8 SECOND SCHEDULE - EXEMPTIONS

(a) Paragraph 6

Currently where a charitable institution carries on a business, the profits from such business are exempt from tax, provided that;

- (i) The profits are applied for the purposes the charity was established; or
- (ii) The work involved in the business is mainly carried out by the beneficiaries in line with established objectives.

Where the above conditions are not met, the profits from business are taxable at the rate of 35%.

Effective 1st April, 2003, the profits of a business carried on by a charitable institution will be taxable at the maximum rate of 15%, whether or not the conditions above have been met.

This means that charitable institutions that are liable to tax will be required to:

- (i) Register for Tax Payer Identification Number (TPIN).
- (ii) Submit returns and accounts.
- (iii) Submit provisional tax returns.
- (iv) Pay income tax.
- (v) Pay provisional tax.

(b) New Paragraph 6A:

The amendment provides that with effect from 1st April, 2003, interest on government bonds and treasury bills earned by exempt organisations referred to in sub paragraph (1) of paragraph 5 and subparagraph (1) of paragraph 6, will be subject to withholding tax at the rate of 15% and this will be final tax. The amendment affects the following organisations listed under:

(a) Sub paragraph (1) of paragraph 5;

- Local authorities
- Registered trade unions

- ❑ Agricultural society, mining society or commercial society, whether corporate or unincorporated, or any other society having similar objects, not operating for the private gain or profits of its members.
- ❑ Club, society or association organised and operated only for social welfare, civil improvement, pleasure, recreation or like purposes, if its income, whether current or accumulated, may not in any way be received by any member or shareholder.
- ❑ Approved fund or medical aid society or approved share option scheme.
- ❑ Employee's savings scheme or fund, if approved by the Commissioner-General;
- ❑ Political party registered as a statutory society under the Societies Act (Cap. 119).

(b) Subparagraph 1 of paragraph 6

All organisations which have been approved under section 41 of the Income Tax Act. The lists of these organisations are available at the Zambia Revenue Authority – Direct Tax offices and Advice Centre.

(c) New Paragraph 7

Subparagraph 'n'

This amendment deletes subparagraph 'n'. The effect is to remove the exemption on gratuities payable to contract employees of the University of Zambia, Local Authorities, National Council for Scientific Research and Government.

This means that the gratuities payable to these employees will now be liable to tax.

(d) New Subparagraph x

The new subparagraph exempts emoluments paid to a former President of the Republic of Zambia.

(e) Subparagraph 2(c) of paragraph 9

This paragraph that dealt with exemption of interest on Government Bonds has been deleted.

2.9 NINTH SCHEDULE

The new ninth schedule introduces the following rates for presumptive tax:

Type of Vehicle (Sitting Capacity)	Amount of Tax per vehicle (per annum)
64 seater and above	K7,200,000.00
50-63 seater	K6,000,000.00
36-49 seater	K4,800,000.00
22-35 seater	K3,600,000.00
18-21 seater	K2,400,000.00
12-17 seater	K1,200,000.00
Below 12 seater (including Taxis)	K 600,000.00

2.10 CHARGING SCHEDULE

(a) Subparagraph 1 of Paragraph 2

The amendment increases the annual tax free income threshold for individuals from K1,800,000 to K1,920,000. The income of an individual will now be taxed as follows:

The first	K1,920,000	@	0%
Balance over	K1,920,000	@	30%

This means that persons earning up to K160,000 per month or K1,920,000 per annum will not pay tax.

In the case of persons with disabilities, income earned up to K165,000 per month or K1,980,000 per annum will be tax free.

(b) Subparagraph 1 of paragraph 3

The amendment increases the rate of tax applicable to Companies listed on the Lusaka Stock Exchange from 30% to 33%.

(c) New Subparagraph 'e' of paragraph 5

The amendment provides for the income received by a charitable institution to be taxed at the maximum rate of 15%.

(d) New proviso to paragraph 7

The amendment provides a withholding tax rate of 15% on interest on Treasury Bills and Government Bonds earned by exempt organisations. This will be the final tax.

MINES AND MINERALS (AMENDMENT) ACT 2003

A SUMMARY OF PRINCIPAL CHANGES

AMENDMENT ACT	ITA	SUBJECT	EFFECTIVE DATE
CLAUSE	SECTION		
1	1	Title and Commencement.	01- 04 – 03
2	30	Introduces the requirement of a tax clearance certificate for prospecting licence applications.	01- 04 - 03
3	35	Introduces the requirement of a tax clearance certificate for small scale mining licence applications.	01- 04- 03
4(a)	41	Introduces the requirement of a tax clearance certificate for gemstone licence applications.	01-04-03
4(b)	41	Defines "tax clearance certificate."	01-04-03
6	66	Repeals and replaces Section 66.	01-04-03
7	98	Repeals Section 98.	01-04-03

3.0 MINES AND MINERALS (AMENDMENT) ACT 2003

COMMENTARY

3.1 SECTION 30: APPLICATION FOR PROSPECTING PERMIT

Applicants for prospecting permits will be required to have their applications accompanied by a tax clearance certificate issued under Section 81B of the Income Tax Act.

3.2 SECTION 35: APPLICATION FOR SMALL SCALE MINING LICENCE

Applicants for small scale mining licences will be required to have their applications accompanied by a tax clearance certificate issued under Section 81B of the Income Tax Act.

3.3 SECTION 41: APPLICATION FOR GEMSTONE LICENCE

Applicants for gemstone licences will be required to have their applications accompanied by a tax clearance certificate issued under Section 81B of the Income Tax Act.

3.4 SECTION 41

The clause defines tax clearance certificate as meaning a certificate issued by the Commissioner-General, valid for a specified period, stating that the person or partnership to whom or to which it is issued fulfilled all obligations imposed by the Income Tax Act.

3.5 SECTION 66: ROYALTIES ON PRODUCTION OF MINERALS

The old section 66 has been repealed and replaced by a new one, which provides that;

- i) Any holder of a mining licence will pay mineral royalty on the gross value of minerals produced at the rate of 2%. In the case of the former Zambia Consolidated Copper Mines Limited or any other Company involved in copper or cobalt production, the applicable rate will be 0.6%.

- ii) Any holder of a gemstone licence, a small scale mining licence or an artisan's mining right will pay mineral royalty on the gross value of minerals or metals produced at the rate of 5%.
- iii) Gross value has been defined to mean "the realisable price for a sale free on board at the point of export from Zambia or point of delivery within Zambia".
- iv) The proviso to this section provides that where the Minister of Mines considers that the realised price is not at "arm's length" price, then the market value shall be determined in accordance with the mechanism contained in Section 97A to 97D of the Income Tax Act (transfer pricing).

3.5 SECTION 98: RELIEF FROM MINERAL ROYALTY

Section 98 has been repealed because it is superfluous.

PROPERTY TRANSFER TAX (AMENDMENT) ACT 2003

A SUMMARY OF PRINCIPAL CHANGES

AMENDMENT ACT	ITA	SUBJECT	EFFECTIVE DATE
CLAUSE	SECTION		
1	1	Title and Commencement.	01- 04 – 03
2	4	Increases the Property Transfer Tax rate from 2.5% to 3%.	01- 04 - 03

PROPERTY TRANSFER TAX (AMENDMENT) ACT 2003

COMMENTARY

SECTION 4:

The rate of Property Transfer Tax has been increased from 2.5% to 3% with effect from 1st April, 2003.

INCOME TAX (Pay As You Earn) (Amendment) Regulations, 2003.

COMMENTARY

REGULATION 23:

The amendment introduces a penalty for failure to submit the PAYE annual return (CF P18) by an employer.

For an individual, a fine of one hundred and seventy penalty units for each month or part thereof during which the failure continues.

If the employer is a person other than an individual, the fine is three hundred and forty penalty units for each month or part thereof that the failure continues.

The penalties outlined above shall not exceed ten thousand penalty units.

4. OTHER MATTERS

4.0 TAXATION OF BENEFITS

4.1 Payment of employees' bills

Where an employer, discharges the liability of an employee by paying, his or her rent, electricity, telephones, water bills, school fees or association and club membership fees etc., the employer is required to add such payments to the employee's emoluments and deduct tax under PAYE.

4.2 Benefits that cannot be converted into Cash:

Benefits, which cannot be converted into cash, are not taxable on employees. However, no deduction in respect of the cost of providing the benefit may be claimed by the employer (section 44(L)).

- (a) In the case of free residential accommodation provided by an employer in a house owned or leased by the employer, the cost to be disallowed in the employer's tax computation is 30% of the taxable income paid to the employee.
- (b) In the case of the provision of motor vehicles to employees on a personal-to-holder basis, the benefit to be disallowed in the employer's tax computation is as follows:
 - (i) Luxury cars (1800cc and above)
K400,000 per month or K4.8 million per annum.
 - (ii) Other cars (below 1800cc):
K240,000 per month or K2,880,000 per annum.

N.B. A personal - to - holder vehicle means a vehicle provided for an employee's personal use and usually involves payment by the employer of all the expenses associated with running and maintaining the vehicle.

4.3 Cash Benefits paid in the form of Allowances.

All cash benefits paid in the form of allowances are taxable on the employee under PAYE.

Examples of such cash benefits are:

- Education allowance;
- Housing allowance;
- Transport allowance
- Domestic Utility allowances e.g. for electricity, telephone, and water.

4.4 EMOLUMENTS THAT ARE NOT SUBJECT TO PAYE

The following emoluments are exempt or otherwise not chargeable to income tax and, consequently, need not be included in the chargeable emoluments from which PAYE tax is to be deducted:

❖ **Ex – Gratia Payments:**

A voluntary, non – contractual, non – obligatory payment made by an employer to the spouse, child or dependant of a deceased employee is exempt (ITA Para. 7 (t), 2nd Schedule).

❖ **Labour Day Awards:**

Labour Day awards paid to employees either in cash or kind are regarded by ZRA as non – taxable.

❖ **Medical Expenses:**

Medical expenses paid or incurred by an employer on behalf of an employee or refunds of actual medical expenses incurred by an employee are exempt (S.I No. 104 of 1996).

❖ **Funeral Expenses:**

Funeral expenses paid or incurred by an employer on behalf of an employee are exempt (S.I. No. 104 of 1996).

❖ **Sitting Allowances for Councillors:**

Payments by Local Authorities to councillors as Sitting Allowances are exempt (ITA 2nd Schedule Para. 7(s)).

4.5 TAX TREATMENT OF EXPENSES INCURRED ON ENTERTAINMENT, HOSPITALITY AND GIFTS:

Expenses incurred in entertainment, hospitality and gifts are not allowable, subject to the following exceptions:

- a) Where the business is one whose purpose is to provide entertainment or hospitality, e.g. hotels, restaurants, cinemas and theatres, the cost of providing these services is allowable.
- b) Where the entertainment is provided free with the purpose of obtaining publicity to the general public, e.g. free seats for critics at a cinema, this is allowable.
- c) Where an employer provides entertainment or hospitality for employees, e.g. meals, accommodation etc. on business trips or a Christmas party for employees, this is allowable.
- d) Where a person gives gifts which bear an advertisement for the donor, e.g. calendars, pens, ashtrays, spirits, food, etc. and the cost of the gift to any one person does not exceed K25,000, this is allowable. Costs in excess of K25,000 to the same person would be disallowable.
- e) Employees receiving entertainment allowances would be chargeable and the amount would be disallowable to the employer. Where an employer defrays entertainment expenses directly, the cost would be disallowable to the employer but there would be no charge on the employee unless the normal rules as to benefits apply.

4.6 TAX TREATMENT OF CANTEEN EXPENSES, REFRESHMENTS, ETC.

Where the employer incurs expenditure on the provision of refreshments or canteen meals or any other meals (except on business trips) to employees, the benefit arises in the hands of the employees.

As the benefit cannot be converted into money's worth, it is not taxable on the employee.

Under the provisions of Section 44(L) of the Income Tax Act, the whole expenditure on refreshments, canteen meals, etc. is disallowable on the employer.

4.7 PAYMENTS ON CESSATION OF EMPLOYMENT:

Payments on cessation of employment fall into the following categories;

- (a) Payments made on dismissal or resignation;
- (b) Payments made to an employee at the end of a contract;
- (c) Payments made to an employee on being made redundant;
- (d) Payments made to an employee on retirement; and
- (e) Payments made on termination of employment due to death.

4.7(a) DISMISSAL OR RESIGNATION OF AN EMPLOYEE:

Where an employee has been dismissed or resigns, he may receive the following payments:

- Emolument (i.e. salary, wage, overtime, leave pay, commission, bonus, fee etc.)
- Cash in lieu of leave (leave days due but not taken)
- Salary in lieu of notice
- Severance pay

These payments are taxable by reference to the PAYE Tax Tables applicable for the month in which the payment is made and do not qualify for the K5 million exemption under Section 21(5) of the Income Tax Act.

4.7(b) EXPIRY OF EMPLOYMENT CONTRACT

Where employment ceases on the expiry of a contract, the following payments are usually made to the employee:

- (i) Final Salary
- (ii) Gratuity
- (iii) Leave pay
- (iv) Repatriation pay

These payments are taxed as follows:

- Leave pay, repatriation pay and the salary are added and taxed under PAYE with respect to the tax table applicable for the month in which payment is made.

- Gratuity paid is taxed at the graduated rates of tax, as follows;
 - Qualifying gratuity is taxed at the graduated rates of tax,
 - First K1, 920, 000 @ 0%
 - The balance @ 30% (As from 1st April 2003)
 - Non - qualifying gratuity is added to the salary for the month in which it is paid and taxed with reference to the appropriate P.A.Y.E tax table.

For more details, refer to our leaflet No. 3 on Taxation of Gratuities under PAYE.

4.7(c) REDUNDANCY /RETRENCHMENT

The following payments may be made to an employee who has either been declared redundant or has been retrenched:

- (i) Salary
- (ii) Leave pay
- (iii) Repatriation pay
- (iv) Refund of pension contributions (from an approved pension scheme)
- (v) Salary in lieu of notice
- (vi) Severance pay
- (vii) Accrued service bonuses
- (viii) Compensation for loss of office

The above payments are taxed as follows:

- Salary, Leave pay and Salary in lieu of Notice are taxed under PAYE in the month in which they are paid;
- Accrued service bonuses, repatriation pay, severance pay and compensation for loss of office are added together and taxed as follows:
 - The first K5 million is exempt from tax
 - The balance is taxed at 10%

- The refund of pension contributions is taxed as a lumpsum payment at the rate of 10% (section 82).

4.7(d) EARLY OR NORMAL RETIREMENT

Where an employee has been retired early or normally, the following payments may be made:

- (i) Salary
- (ii) Leave pay
- (iii) Repatriation pay
- (iv) Pension from an approved pension fund (Fourth Schedule)
- (v) Accrued service bonuses
- (vi) Severance Pay

The above payments are taxed as follows:

- Salary and Leave Pay are taxed under PAYE in the month in which payment is made.
- Repatriation Pay, Severance pay, Accrued Service Bonuses, and compensation for loss of office are added together and taxed as follows:
 - the first K5 million is exempt from tax (with effect from 01/04/2002)
 - the balance is taxed at 10%
- Pension is exempt from tax (2nd schedule).

4.7(e) TERMINATION OF EMPLOYMENT DUE TO DEATH

The following payments may be made upon the death of an employee:

- (i) Salary
- (ii) Leave pay
- (iii) Gratuity
- (iv) Ex-gratia payment
- (v) Accrued service bonuses

The above payments are taxed as follows:

- The salary up to date of death and leave pay are taxed under PAYE in the month in which payments are made.
- Gratuity is taxed as in paragraph 4.9.
- Exgratia payments are exempt from tax.
Where an employee dies when he is eligible for retirement, the tax treatment of payments made is the same as in 4.11 above.

4.8 TAX TREATMENT OF LEAVE PAY AND SALARY IN LIEU OF NOTICE

All employers should take note that Leave Pay and Salary in Lieu of Notice received on either resignation, dismissal, expiry of contract, redundancy or retrenchment, early retirement, or on termination of employment due to death, will not be classified as terminal benefits under section 21(5) of the Income Tax Act. Payments made in such cases should be subjected to tax under PAYE scheme in the normal way.

4.9 LUMP SUM PAYMENTS MADE ON MEDICAL GROUNDS

Where the employer, on medical advice, determines that an employee is permanently incapable of discharging his duties through infirmity of mind or body, he may terminate the services of an employee.

With effect from 1st April 2001, a lump sum payment made to an employee on termination of employment on medical grounds, is exempt from tax.

4.10 TAX TREATMENT OF SETTLING IN ALLOWANCES

Settling in allowances, or whatever name called, paid to new employees and employees on transfer constitute emoluments and should be subjected to tax under the PAYE scheme.

4.11 SEVERANCE PAY

In most cases employers make payments of "severance pay" upon the dismissal or resignation of an employee. Payments made in such cases should not be classified as terminal benefits under section 21(5) of the Income Tax Act.

However, where severance pay is paid as part of the package when an employee is retrenched, declared redundant, retires normally or opts for early retirement, the payment should be classified as terminal benefits. The tax treatment is covered under section 21(5) of the Income Tax Act Cap 323 (see pages 25,26 and 27).

4.11 INCOME TAX RATES

(a) Personal Income Tax Rates:

Personal Income tax rates, with effect from 1st April 2003, are as follows:

Chargeable Income per annum		Tax Rate
First K1,920, 000	@	0%
Balance over K1,920, 000	@	30%

(b) Company Tax Rates:

Mining companies involved in the production of copper and cobalt	@	25%
Other Mining companies	@	35%
On income from LUSE listed companies	@	33%
On income from manufacturing & other	@	35%
On income from banks registered under the Banking and Financial Institutions Act; Income up to K250,000,000	@	35%
Income in excess of K250,000,000	@	45%
On income from farming	@	15%
On income from non – traditional exports	@	15%
On income from chemical manufacture of fertilizer	@	15%
On income of Trusts, Deceased or Bankrupt Estates	@	35%
On income from rural enterprises: The tax chargeable is reduced by one seventh for a period of five years.		

(c) Charitable Organisations

On income from business	@	15%
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(d) Withholding Tax Rates:

(i) Individuals:

Dividends (final)	@	15%
Interest (final tax)	@	25%
Royalties, Management and Consultancy Fees	@	15%
Rents	@	15%
Commissions	@	15%
Interest on Government bonds (final tax)	@	15%

(ii) Persons other than individuals

Dividends (final tax)	@	15%
Interest (not final)	@	15%
Royalties, Management and consultancy Fees	@	15%
Commissions	@	15%
Interest on Government bonds (final tax)	@	15%

Other payments

Non resident contractors	@	15%
Public Entertainment Fees (Non residents only)	@	15%

(iii) Exempt Organisations

Interest on treasury bills and Government bonds (final tax)	@	15%
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(iv) Former ZCCM Companies

On payments paid by former ZCCM companies;

Dividends	@	0%
Interest	@	0%
Royalties	@	0%
Management Fees	@	0%

5.0 CONTACT US:

If you have any problems concerning your taxes, please contact the Advice Centre or your nearest Direct Tax Office at the following addresses:

1. Advice Centre
2nd Floor Revenue House
Private Bag W136
LUSAKA
Tel: 226227/236227
Fax 222717
2. Assistant Commissioner
Lusaka "A" Tax Office
P.O. Box 31026
LUSAKA
Tel: 221497
3. Assistant Commissioner
Lusaka "B" Tax Office
P.O. Box 31936
LUSAKA
Tel: 221496
4. Assistant Commissioner
Lusaka "C" Tax Office
P.O. Box 31988
LUSAKA
Telefax: 01-224935
5. Assistant Commissioner
Ndola Tax Office
P.O. Box 70181
NDOLA
Tel: 02- 614096
Fax: 02-614694
6. Assistant Commissioner
Kitwe Tax Office
P.O. Box 20855
KITWE
Tel: 02-230362
Fax:02-229942
7. Assistant Commissioner
Lusaka Taxes Central Unit
P.O Box 35710
LUSAKA
Telefax: 01-224935
Fax: 02- 614096
8. Assistant Commissioner
Direct Taxes Inv. Unit
P.O. Box 35710
LUSAKA
Telefax: 01-235252
9. Senior Inspector
Kabwe Tax Office
P.O. Box 80909
KABWE
Telefax: 05-223642
10. Senior Inspector
Chipata Tax Office
P.O. Box 510632
11. Senior Inspector
Mongu Tax Office
P.O. Box 910110

CHIPATA
Telefax: 062- 21155

MONGU
Telefax: 07-221662

12. **Senior Inspector**
Kasama Tax Office
P.O. Box 410728
KASAMA
Telefax: 04- 221810

13. **Senior Inspector**
Mansa Tax Office
P.O. Box 710112
MANSA
Telefax: 02-821147

14. **Senior Inspector**
Solwezi Tax Office
P.O. Box 110368
SOLWEZI
Telefax: 08-821633

15. **Senior Inspector**
Livingstone Tax Office
P.O. Box 60597
LIVINGSTONE
Telefax: 03-320772

16. **Advice Centre**
Nchanga House
P.o Box 20454
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