

What is the tax rate?

The tax rate applicable is 4% of the gross turnover less Mineral Royalty paid.

Is there any Provision for Tax Refunds In Case Excess Tax is Paid?

A refund of excess tax will be paid in accordance with the Income Tax Act once verified by an audit.

When can a business cease to be liable to pay presumptive tax?

A business shall cease to be liable to pay presumptive tax under any of the following circumstances:

- i. if the person is adjudged bankrupt;
- ii. in the case of a sole proprietor, upon the death of the person;
- iii. upon the winding up of the person's mining business; or
- iv. any other circumstances as may be determined by the Commissioner-General.

For more information contact:

Call Centre: 4111
Email: advice@zra.org.zm
visit www.zra.org.zm



**Artisanal-and-Small
Scale-Mining 2024**

Introduction

Effective 2023 any Persons with a mining licence carrying out artisanal mining or small-scale mining, with an annual turnover of K800,000 or less are expected to register and account for the tax under the Presumptive Tax on Artisanal and Small-Scale Mining.

Persons carrying on Artisanal or Small-Scale Mining are no longer required or mandated to register for Income Tax.

What happens to businesses that are already registered on Income Tax and are eligible for registration under Presumptive Tax on Artisanal and Small-scale Mining?

Businesses that are already registered with the Zambia Revenue Authority on Income Tax will be required to migrate to the presumptive tax regime effective 1st January 2023.

Who is liable to this tax?

Mining businesses with income earned from artisanal or small-scale mining with annual turnover of K800,000 or less per annum. The following Mining License holders fall under this category:

- Small-scale mining license;
- Small-scale gemstone license
- Artisan's mining rights

Is Mineral Royalty deductible for Artisanal and Small-scale mining businesses?

Yes. Mineral Royalty paid is deductible in computing the tax due for artisanal or small-scale mining businesses.

Are Turnover Tax Graduation Bands Applicable to Artisanal or Small-Scale Mining Businesses in Computing the Tax Due?

No. The current turnover tax graduation bands do not apply to artisanal or small-scale mining businesses in computing the tax due. This means that the K12,000 annual income threshold taxed at 0% which is applicable to the general turnover tax will not apply to the artisanal and small-scale mining sector. The tax is based on the gross turnover less mineral royalty paid and has a fixed tax rate of 4%.

What is the Due Date for Return Submission and Payment of Presumptive Tax?

The due date for return submission and payment of presumptive tax is on or before the 14th day of the month following the end of the tax period.

What are the penalties and interests for late return submission and late payment of the return?

Table XX: Penalties for incorrect returns for artisanal mining

Offence	2024	Prior to 2024
Negligence	1.5% of the under declared amount	17.5% of the under declared amount
Wilful Default	3% of the under declared amount	35% of the under declared amount
Fraud	4.5% of the under declared amount	52.5% of the under declared amount

