

- a. Any portable liquid containing more than two per centum of alcohol by volume
- b. All types of spirits and wines
- c. Opaque beer in containers exceeding twenty-three dekalitres
- d. Cigarettes, cigarette tobacco, pipe tobacco, cigar and sniff
- e. Electrical energy
- f. Cosmetics
- g. Plastic Carrier bags

6. How to apply

Application forms can be obtained from the Zambia Revenue Authority (ZRA) website or any ZRA office. The following guide applies:

- A. An applicant for a license should state the following:
 - the nature of goods to be manufactured;
 - the process of manufacture;
 - the premises and equipment to be used in manufacturing of excisable goods;
 - the cost structure and selling price of the goods;
 - The business, its shareholding, assets, related businesses and accounting practices; and
 - Such other matters as the Commissioner General may require.
- B. Approval of an application for a license is at the discretion of the Commissioner General. The Commissioner-General may refuse or grant a license if the manufacturer's premises are sixty kilometers from where any Zambia Revenue Authority offices are located.

7. Right to appeal

Any person whose application has been rejected or whose license has been revoked has the right to appeal to the Tax Appeals Tribunal.

8. Obligations of a licensee

A licence holder has the following obligations:

- Submit returns on or before the 15th day and make payment by the 20th day of the month following the month to which the return relates.
- Keep books of Accounts recorded in the English language for a period not less than 6 years.

Display the license at the manufacturing premises.

Notify the Commissioner General of any changes and additions to the plant, equipment and products.

Renew the license every 31st December each year by submitting an application for renewal before or on 30th September each year.

9. Suspension/Cancellation of License

A license may be suspended or cancelled if a licensee fails to comply with the requirements of the law, the license may be suspended or cancelled.

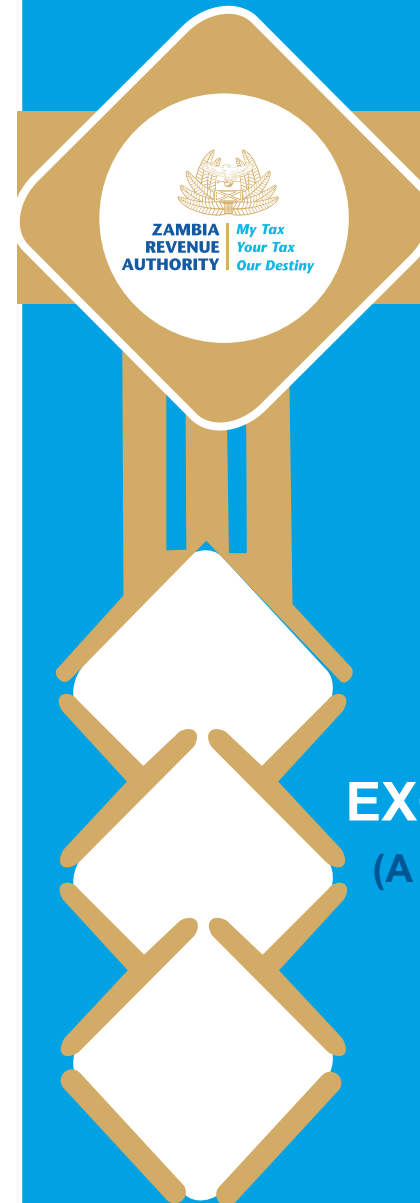
10. Penalties

Late payment of tax and late submission of returns will attract interest at the prevailing Bank of Zambia rate plus (2%) per centum per annum and penalties of 1000 penalty units with an additional 1000 penalty units for each day the return is late respectively. A penalty unit is equivalent to K0.30 or 30 ngwee.

For more information contact:

**+260 211 381111/ 0971-281111/
5972 / 0962251111**

**Email us at: advice@zra.org.zm
Website: www.zra.org.zm**



EXCISE DUTY (A Brief Guide)

Introduction

The aim of this leaflet is to explain what Excise duty is, registration and licensing procedures and the obligations of manufacturers of excisable goods.

1. What is Excise Duty?

Excise Duty is a tax on particular goods or products whether imported or produced domestically, imposed at any stage of production or distribution, by reference to weight, strength or quantity of the goods or products, or by reference to their value.

2. On what goods is Excise Duty levied?

- Cigarettes
- Pipe tobacco
- Clear Beer
- Opaque Beer
- Hydrocarbon oils such as petrol, diesel
- Fuel oils and gases
- Ethyl alcohol and spirits
- Wines
- Electrical energy
- Airtime
- Beauty make-up kits, body and hair creams and perfumes
- Plastic Bags
- Cement

3. Excise Duty Rates

The following duty rates apply to the respective items listed in the Table below:



	ITEM/GOOD	EXCISE DUTY RATE
a.	Clear beer	
	• Malted Barley	40%
	• Sorghum	20%
	• Cassava	10%
b	Opaque beer	K0.15 or 15 ngwee per litre
c	All type of wines	60%
d	Spirits, liqueurs' and other spirituous beverages	60%
e	Cigars, cheroots, cigarillos and cigarettes of tobacco substitutes	K145% or K240.00/Mille whichever is greater
f	Other manufactured tobacco substitutes "homogenized" or reconstituted tobacco extracts and essences.	K145% or K240.00/kg whichever is greater
g	Hydrocarbon Oils:	
	• Petroleum spirit (petrol)	K11.43 Excise Duty per decalitre; K 8.27 Fuel Levy per decalitre.
	• White spirit	15%
	• Other light oils	15%
	• Kerosene (Domestic)	0%
	• Kerosene (Industrial)	0%
	• Low sulphur gas oil	K6.20
	• Automotive gas-oils (diesel)	K6.20 Fuel Levy per decalitre
	• Fuel oils –Heavy Fuel Oils (H.F.O)	K8.70 per 10 kg
	• Petroleum gases and other gaseous hydro-carbons	15%
h	Electrical energy	3%
i	Airtime	
	• Voice Calls	17.5%
	• SMS and MMS	17.5%
	• Data	17.5%
j	Beauty make -up kits, body and hair creams and perfumes	20%
k	Plastic bags	20%
l	Portland cement, aluminous cement	K40/tonne
m	Undenatured Ethyl Alcohol of alcoholic strength by volume of 80% or greater	125%
n	Methylated Spirits (spirits rendered unpotable in a manner approved by Commissioner)	125%
o	Other Ethyl alcohol and other spirits, denatured of any strength	125%



NOTE: A Mille is a unit of measurement representing 1,000 sticks of cigarette

4. Licensing

In order for any person to manufacture any of the goods set out in the Excise Tariff, i.e. the Second Schedule to the Customs & Excise Act, in quantities specified thereunder, such person must apply to the Commissioner General for a license. However, a person may produce the goods listed/described below without a license if the goods are for domestic use and not for sale or disposal to any other person for a profit:

- Fermented liquor, other than opaque beer, containing not more than 2% of alcohol by volume.
- Tobacco in form of cigars, cigarettes, pipe tobacco or snuff when made from manufactured tobacco on which duty has been paid or from raw tobacco.
- Opaque beer being not more than twenty-three decalitres in volume in any period of four consecutive days.

5. Who applies for license?

Any person manufacturing, distilling, mixing or brewing the following: