

VAT payments

What payments does one need to make under VAT and when is the payment due?

A person or company registered for VAT is expected to charge and remit VAT to ZRA on or before the due date. Whether registered under Statutory or Voluntary registration the return for each monthly tax period together with any tax payable amounts are to be submitted to ZRA not later than the 18th day after a tax period. If there are no business transactions in that particular month, a nil return should be submitted by the due date and no payment is made.

If I register for VAT am I supposed to stop paying Provisional Tax?

If a person or company registers for VAT, they still continue paying provisional income tax for that charge year. It should be noted that VAT and Income Tax are two different tax types and therefore a person or business registered under both regimes is required to make payment relating to each respective tax type.

Pay As You Earn (PAYE) payments

What payments are supposed to be made under PAYE?

On any payments of any emoluments to employees (casual or permanent), employers are required to deduct PAYE in accordance with tax tables for that year. Tax deducted under PAYE must be remitted to ZRA by the 10th day following the month in which PAYE was deducted. The payment must be accompanied by a monthly PAYE return. Where no employees are liable to tax, a nil return must be submitted on a monthly basis.

Withholding Tax (WHT)

Under WHT, payments should be remitted by the 14th day of the month following the month in which the payment was made.

How then can payments be made?

Taxpayers are advised to use mobile money or online tax payment solutions. Alternatively, taxpayers can make payments at any ZRA cash office.

NOTE:

Late payment of tax attracts penalties and interest so please ensure that you pay your taxes on time and report taxes on the returns correctly.



POST REGISTRATION REQUIREMENTS

- Return filing and payments

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Introduction:

This leaflet highlights the obligations of the taxpayer with respect to the submission of returns and payment of taxes after registration for the following tax types; Income Tax, Pay As You Earn, Value Added Tax, Turnover Tax and Withholding Tax.

RETURN FILING

What returns do I need to submit after I register a company or business with the ZRA?

It depends on what tax types you registered for.

INCOME TAXES

Under Income Tax, there are two categories in which a person or company can register for. If the turnover per annum is less than K800, 000, then the taxpayer will fall under turnover tax except for Partnerships, Mining, consultancy and businesses under Voluntary VAT Registration (for these exceptions, they all fall under income tax proper). If the Turnover per annum is more than K800, 000 the taxpayer will fall under the mainstream Income Tax and this includes the exceptions under turnover tax.

What returns do I submit if I am registered under turnover tax?

Under Turnover Tax (TOT), the taxpayer is required to submit turnover tax returns monthly by the 14th day of the following month. If there are no business transactions in any month, a nil return must be submitted without fail by the due date.

What returns do I submit if I am registered under income tax?

Under this tax regime (company or self-employed business), the taxpayer is required to submit a provisional return based on the estimate of the income and tax for the current charge year, computed in accordance with the rates for that particular year. This return is due on 31st March after the start of the charge year for existing businesses. In a case where a person registers for income tax after the due date, the provisional return shall be due within 90 days of that registration.

The other return required to be submitted under this tax regime is the Annual Income Tax Return. This is a

self-assessed return of income which should be supported by a set of business accounts. The due date for submission of the annual income tax return is 21st June following the end of the charge year to which the return relates.

VALUE ADDED TAX (VAT)

What return is a taxpayer registered under VAT supposed to file in and what is the due date for submission?

Under VAT, a person or company is expected to submit a VAT return. Whether registered under Statutory or Voluntary registration, the returns for each tax period together with any tax payable are to be submitted to Zambia Revenue Authority not later than the 18th day of the following month after the end of each tax period. If there is no business in that particular month or period, a nil return should be submitted without fail by the due date.

If I register for VAT am I supposed to stop submitting income tax returns?

If a person or company registers for VAT, they still continue submitting income tax returns for that charge year. It should be noted that VAT and Income Tax are two different tax types and therefore a person or business registered under both regimes is required to submit returns relating to each respective tax type.

PAY AS YOU EARN (PAYE)

What returns are supposed to be submitted under PAYE?

A monthly PAYE return should be submitted electronically by the 10th day or manually by the 5th day of the following month after the end of each tax period.

WITHHOLDING TAX (WHT)

Under WHT, returns should be submitted electronically by the 14th day or manually by the 5th day of the month following the month in which the payment was made.

TAX PAYMENTS

What kind of payments should I remit once I register with ZRA?

It depends on which tax types you registered for.

INCOME TAX

What payments do I make under turnover tax?

Under TOT, the taxpayer is required to remit turnover tax at a flat rate of 4% of the gross turnover per month. The payment should be accompanied by a Turnover Tax return for that particular month. The payment should be made monthly by the 14th day of the month following the period in which the sales were made or income accrued.

What payments do I remit under Income Tax?

You are required to submit a provisional return based on the estimate of your income and tax for the current charge year, computed in accordance with the rates for that particular year. After the tax has been calculated, it is divided by four and paid in quarters. Provisional tax is due and payable in quarterly installments as follows:

1st installment

31st March and payable on or before 10th April

2nd Installment

30th June and payable on or before 10th July

3rd Installment

30th September and payable on or before 10th October

4th Installment

31st December and payable on or before 10th January

For balances on the account after an assessment, they are to be paid by June 21st following the end of the charge year to which the return relates.