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BASE TAX

1. What is Base Tax?

This is a tax applicable to persons where the Commissioner-General has no information to estimate one's income as stipulated under Section 64(2) of the Income Tax Act. The amount of tax due per charge year is Three Hundred and Sixty-Five Kwacha (K365.00).

2. Who pays Base Tax?

This tax is payable by persons who are not in a position to determine their income but do earn some form of income. Base tax arises from an estimated assessment which may not be a final tax as ZRA can raise another assessment if there is information on one's actual or closer to actual tax liability.

3. When is Base Tax due?

Base tax is due by 31st December of any charge year. Further, there is currently in place a system where the base tax payable by marketeers selling for example, vegetables at a market are allowed to pay on a daily basis or quarterly basis. ZRA prints presumptive tax tickets that are required to be purchased on a daily basis or a quarterly basis to the value of K91.25

4. Is there need to maintain books of accounts when one is under Base Tax?

The Income Tax Act does not provide a basis for the determination of income for purposes of computing base tax but merely prescribes the actual amount payable. There is therefore, no need to keep any books of accounts for purposes of this tax.

5. What is the tax rate for Base Tax?

There is no tax rate applicable but only the prescribed amount as indicated in number 1 above, i.e. Three Hundred and Sixty-Five Kwacha (K365.00).

6. Are there any returns to complete at the end of the year or on a monthly basis?

No returns are required to be completed because the amount of tax payable is estimated by the Commissioner-General as prescribed in the Income Tax Act.

7. Can one remit Base Tax in one instalment covering the whole year?

The taxpayer can pay for Base tax in one instalment for the whole year. Base tax is due by 31st December of any charge year and payable by the 21st of June following the end of the charge year to which the tax relates. However, ZRA has put in place assessments in the form of daily or quarterly tickets with a tax value as indicated in number 3.

8. Where can one access the Base Tax tickets?

Base tax tickets are sold by Zambia Revenue Authority. Marketeers are required to ensure they purchase these tickets each day they are selling at the market. ZRA may also employ a Tax Agent who can sell these tickets from the market itself.

9. Can one claim a refund of Base Tax?

Yes, base tax like any other tax can be claimed but only if the taxpayer has proof to the effect that they were assessed for income tax purposes and the requisite tax was paid in excess in the charge year relating to their claim.

NOTE:

Please note that small businesses such as a grocery, curio shop, kantemba etc. are required to register for turnover tax (refer to the turnover tax leaflet for more information).

