



**ZAMBIA
REVENUE
AUTHORITY** | *My Tax
Your Tax
Our Destiny*

PRESUMPTIVE TAX

**GAMING AND
BETTING
BUSINESSES**

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(a) What is Presumptive Tax?

These are estimates of tax payable that are used in dealing with income or activities that are hard to tax, e.g. the informal sector.

(b) Presumptive Tax on Betting and Gaming Businesses

Persons carrying on betting and gaming business are required to register for Presumptive Tax on Gaming and Betting.

The law makes it mandatory for a betting and gaming business to notify the Commissioner-General within thirty days of receiving income liable to tax under this Act.

(c) 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 the 14th day of the month following the end of the tax period.

(d) Is there any provision for tax refunds incase excess tax is paid?

A refund of excess tax will be paid in accordance with the Income Tax Act.

(e) What is the prescribed period for retention of records for presumptive tax?

The records should be retained in the English language, within the Republic and for a period of six years.

Examples of business records include, but not limited to:

- (i) record of initial deposits;
- (ii) record of cash payout;
- (iii) record of machine customer wins;
- (iv) machine and table reports (daily, weekly, monthly);

- (v) inventory of machines and tables;
- (vi) cash book;
- (vii) bank statements;

(f) 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 business; or
- (iv) any other circumstances as may be determined by the Commissioner-General.

(g) What are the penalties for taxpayers who commit offences against the presumptive tax regulations?

Some of the offences and corresponding penalties are as indicated in the table below:

Table: Penalties

No.	Offence	Penalty Rate
1.	Late submission of return	1,000 penalty units per month or part thereof
2.	Late payment	5% of tax payable but not paid
3.	Under-declaration of income	Negligence: half the amount of undeclared tax Willful default: equivalent to the amount of undeclared tax Fraud: one and half times the amount of undeclared tax
4.	Tax evasion (fraudulent returns)	300,000 penalty units or 3 years imprisonment, or both

(h) What specific tax rates and presumptive tax amounts apply to betting and gaming businesses?

TAX ON BETTING AND GAMING

Type of Game	Monthly Tax Rate or Monthly Tax Amount
1. Online Casino Live Games	20 percent of gross takings
2. Online Casino Machine Games	35 percent of gross takings
3. Casino Games (Brick and Mortar)	K5,000 per table
4. Online Lottery Winnings	35 percent of net proceeds
5. Lottery Winnings (Brick & Mortar)	15 percent of net proceeds
6. Online Betting	25 percent of gross takings
7. Betting (Brick and Mortar)	15 percent of gross takings
8. Gaming Machines	K500 per machine

NOTES:

1. "Net proceeds" means the gross proceeds less sums paid out for the prizes.
2. "Gross takings" means the total amount staked by players less the winnings payable and redemptions by the players.
3. The 15% tax rate on betting (Brick and Motor) is only applicable for the 2023 and 2024 charge years.
4. Tax required to be deducted from the payment of winnings from gaming, lotteries and betting shall be at the rate of twenty percent, except that the applicable rate for the 2023 and 2024 charge years shall be fifteen percent.

NOTE:

The tax payable per month for the casino live games, casino machine games, lottery winnings and betting will be computed on the net income (total takings less pay outs). The tax payable for slot machines and gaming machines is a fixed amount per machine per month.