

GOVERNMENT OF ZAMBIA

ACT

No. 11 of 1984

Date of Assent: 29th March, 1984

An Act to amend the Income Tax Act

[30th March, 1984

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1984, and shall be read as one with the Income Tax Act, hereinafter referred to as the principal Act.

Short title
and
commence-
ment.
Cap. 668

(2) (a) The provisions of this Act, other than paragraph (b) of section *ten*, shall be deemed to have come into operation on the 1st April, 1984, and shall have effect in relation to assessments for the charge year ending the 31st March, 1985, and in relation to each subsequent charge year.

(b) The provisions of paragraph (b) of section *ten* shall be deemed to have come into operation on the 1st April, 1981.

2. Section *two* of the principal Act is amended in subsection (1) by the deletion of the definition of "farming" and the substitution therefor of the following definition:

Amendment
of section 2

"farming" means any husbandry, pastoral, poultry, fish rearing, or agricultural activity and includes the letting of any property for any such purpose.

3. Section *thirty* of the principal Act is amended in subsection (2)—

Amendment
of section 30

(a) by the deletion of the colon immediately preceding the proviso and the substitution therefor of a full-stop; and

(b) by the deletion of the proviso.

4. Section *thirty A* of the principal Act is amended in subsection (6)—

Amendment
of section
30A

(a) by the deletion of the colon immediately preceding the proviso and the substitution therefor of a full-stop; and

(b) by the deletion of the proviso.

Amendment
of section 37

5. Section *thirty-seven* of the principal Act is amended in subsection (1)—

- (a) by the deletion, in paragraph (d), of “ twelve hundred kwacha ” and the substitution therefor of “ two thousand four hundred kwacha ”; and
- (b) by the deletion, in paragraph (e), of “ twelve hundred kwacha ” and the substitution therefor of “ two thousand four hundred kwacha ”.

Amendment
of section 63

6. Section *sixty-three* of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following subsection:

(1) Subject to the provisions of sections *seventy-five* and *ninety-three*, the Commissioner shall assess every person who is liable to tax under this Act or who claims, or is entitled to, a deduction under section *thirty*, *thirty A*, *thirty-one*, *thirty-two* or *thirty-six*:

Provided that the Commissioner shall take into account the provisions of any agreement made under section *seventy-four*, if applicable, and shall not include in any such assessment for any charge year—

- (i) dividends from which tax in respect of that charge year has been deducted under section *eighty-one*;
- (ii) a lump sum payment from which tax in respect of that charge year has been deducted under section *eighty-two*; and
- (iii) in the case of a person who is not resident in the Republic for any charge year, public entertainment fees, management or consultant fees, or interest or royalties, from which tax in respect of that charge year has been deducted under section *eighty-two A*.

Amendment
of section
82A

7. Section *eighty-two A* of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following subsection:

(1) Every person or partnership on making a payment of—

- (a) a public entertainment fee; or
- (b) a management or consultant fee deemed under section *eighteen* to be from a source within the Republic; or
- (c) interest or royalties from a source within or deemed under section *eighteen* to be within the Republic to, or on behalf of, a person or persons in partnership not resident in the Republic; or

(d) rent from a source within the Republic:

Provided that the Commissioner may determine that the provisions of this paragraph shall not apply in any particular case and shall, in writing, direct the person or partnership concerned in that behalf; and the provisions of this paragraph shall not apply to such person or partnership to the extent and for the period specified in such direction;

irrespective of whether such payment is made outside the Republic, shall, before making any other deductions deduct tax from the payment referred to in paragraphs (a), (b), (c) and (d) at the rate specified in Annexures E, F, G and I respectively of Part III of the Charging Schedule or as the Commissioner directs to give effect to the provisions of any agreement made under section *seventy-four* or the provisions of the Second Schedule and that person or partnership shall account for such tax as if that payment were subject to Part VI (which relates to Pay As You Earn) and for the purposes of this subsection payment shall be deemed to be made when the income is received by the recipient as provided in section *five*:

Provided that this section shall not apply to interest payable on bills of exchange drawn for one hundred and eighty days or less.

8. Section *ninety-five B* of the principal Act is amended by the deletion of subsection (2).

Amendment
of section
95B

9. The Second Schedule to the principal Act is amended in paragraph 11 by the deletion in sub-paragraph (2) of—

Amendment
of Second
Schedule

(a) “ 12½ per centum ” and the substitution therefor of “ 25 per centum ”; and

(b) “ K1,500 ” and the substitution therefor of “ K4,000 ”.

10. The Fifth Schedule to the principal Act is amended—

Amendment
of Fifth
Schedule

(a) by the deletion of paragraph 7 and the substitution therefor of the following paragraph:

7. Notwithstanding the definition of “ business ” as contained in section *two*, for the purposes of this Part “ business ” includes employment and the letting of property.

(b) in paragraph 10, by the insertion in sub-paragraph (5) of “ exclusively ” immediately after “ which has been ”.

11. (1) The Charging Schedule to the principal Act is amended in paragraph 10—

Amendment
of Charging
Schedule

(a) in sub-paragraph (b), by—

- (i) the deletion, in paragraph (i) of the proviso, of “one-third” and the substitution therefor of “two-fifths”; and
- (ii) the addition of the following new paragraph (iii) to the proviso:
 - (iii) the maximum rate of tax on that portion of income which is determined by the Commissioner as originating from the export of non-traditional products shall be fifteen per centum;

(b) in sub-paragraph (c), by—

- (i) the deletion, in paragraph (i) of the proviso, of “one-third” and the substitution therefor of “two-fifths”; and
- (ii) the addition of the following new paragraph (iii) to the proviso:
 - (iii) the maximum rate of tax on that portion of income which is determined by the Commissioner as originating from the export of non-traditional products shall be fifteen per centum;

(c) by re-numbering the existing paragraph 10 as paragraph 10 (1); and

(d) by the addition of the following new sub-paragraph:

(2) For the purposes of this paragraph, “non-traditional products” means anything produced or manufactured in the Republic other than electricity, and includes any semi-precious and precious minerals if the same are exported through the Reserved Minerals Corporation Limited, a company registered under the Companies Act.

Cap. 686

(2) The Charging Schedule to the principal Act is amended—

(a) by the insertion in Annexure “A” of the following additional Table:

TABLE 9. *With effect from 1st April, 1984*

(a) Married Allowance under paragraph 2	K1,700
(b) Single Allowance under paragraph 4	K650
(c) Child Allowance under paragraph 5	K325

- (d) Insurance Allowance under paragraph 6 the amount of premiums up to a maximum of K400
- (e) Handicapped Person's Allowance under paragraph 8A K600
- (b) by the insertion in Annexure "C" of the following additional Table:

TABLE 7. *With effect from 1st April, 1984* *Rate per centum*
50

- (c) by the insertion in Annexure "H" of the following additional Table:

TABLE 3. *With effect from 1st April, 1984* *Rate per centum*

Companies and non-resident shareholders	20
Resident shareholders	35

- (d) by the insertion at the end of the Charging Schedule of the following new Annexure:

Annexure "I"

RATES FOR DEDUCTION OF TAX FROM RENT UNDER
SECTION 82A

TABLE 1. *With effect from 1st April, 1984* *Rate per centum*
35

