

GOVERNMENT OF ZAMBIA

**ACT**

No. 11 of 1985

Date of Assent: 2nd April, 1985

**An Act to amend the Income Tax Act**

[12th April, 1985

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1985, and shall be read as one with the Income Tax Act, hereinafter referred to as the principal Act.

Short title and commencement.  
Cap. 668

(2) (a) The provisions of this Act, other than paragraphs (a) and (b) of subsection (2) of section *nine*, shall be deemed to have come into operation on the 1st April, 1985, and shall have effect in relation to assessments for the charge year ending the 31st March, 1986, and in relation to each subsequent charge year.

(b) The provisions of paragraphs (a) and (b) of subsection (2) of section *nine* shall be deemed to have come into operation on the 1st April, 1984.

2. Section *two* of the principal Act is amended in subsection (1) by the insertion, in the appropriate place, of the following new definition:

Amendment of section 2

“ non-traditional product ” means anything, other than electricity, produced or manufactured in the Republic, and includes any semi-precious mineral if exported through the Reserved Minerals Corporation Limited, a company registered under the Companies Act;.

Cap. 686

3. Section *thirty-four* of the principal Act is amended in subsection (2) by the deletion of the words “ in such manufacturing process ” in the last line.

Amendment of section 34

Insertion  
of new  
sections  
43D and  
43E

4. The principal Act is amended by the insertion after section *forty-three C* of the following new sections:

Deduction  
for  
employing  
handi-  
capped  
person

43D. (1) A deduction shall be allowed in ascertaining the gains or profits of a business in respect of each handicapped person who has been employed full-time by such business for the whole or substantial part of the charge year for which the deduction is claimed.

(2) The amount of the deduction referred to in subsection (1) shall be one thousand kwacha.

Deduction  
for mineral  
export tax

43E. In ascertaining the gains or profits of any person for a charge year, a deduction of the mineral export tax, or penalty thereon, shall be allowed in accordance with any orders made under section *nine* of the Mineral (Export Tax) Act, 1983.

Act No. 8  
of 1983

Amendment  
of section  
63

5. Section *sixty-three* of the principal Act is amended in the proviso to subsection (1)—

(a) by the deletion of "and" at the end of paragraph (ii);

(b) by the deletion of paragraph (iii) and the substitution therefor of the following:

(iii) in the case of a person who is not resident in the Republic for any charge year, public entertainment fees from which tax, in respect of that charge year, has been deducted under section *eighty-two A*; and;

(c) by the insertion of the following new paragraph:

(iv) interest or royalties from which tax, in respect of that charge year, has been deducted under section *eighty-two A*

Amendment  
of section  
81A

6. Section *eighty-one A* of the principal Act is amended in subsection (1) by the deletion of "twenty-five per centum" and the substitution therefor of "forty-five per centum".

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 making a payment of—

(a) a public entertainment fee; or

(b) a management or consultancy fee; or

(c) interest and 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) interest, in excess of the first five hundred kwacha, earned on any sum deposited or invested in a building society registered under any law relating to the registration of building societies for the time being in force in the Republic or deposited in a savings or deposit account with a commercial bank registered under the Banking Act, by an individual ordinarily resident in the Republic; or

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(e) rent from a source within the Republic;

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), (d) and (e) 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 a bill of exchange drawn for one hundred and eighty days or less.

8. The Second Schedule to the principal Act is amended in paragraph 9 by the deletion of sub-paragraph (4) and the substitution thereof of the following:

Amend-  
ment of  
Second  
Schedule

(4) (a) Interest earned on any sum deposited in a savings account with the National Savings and Credit Bank of Zambia (established under the National Savings and Credit Bank Act) shall, if received by an individual ordinarily resident in the Republic, be exempt;

Cap. 586

(b) Interest, up to the first hundred kwacha, earned on any sum deposited or invested in a building society registered under any law relating to the registration of building societies for the time being in force in the Republic, or deposited in a savings or deposit account with a commercial bank registered under the Banking Act, shall, if received by an individual ordinarily resident in the Republic, be exempt.

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9. The Fifth Schedule to the principal Act is amended in Part VI by the insertion of the following new paragraph:

Amendment  
of Fifth  
Schedule

Petroleum operations

28. (1) Nothing in this Part shall apply to petroleum operations.

(2) The Minister may, by statutory instrument, make provisions regulating deductions in connection with petroleum operations.

Amendment of Charging Schedule

10. (1) The Charging Schedule to the principal Act is amended in paragraph 10 by the renumbering of sub-paragraph (1) as paragraph 10, and by the deletion of sub-paragraph (2).

(2) The Charging Schedule to the principal Act is amended in the proviso to paragraph 11—

(a) by the deletion, in paragraph (i), of “one-third” and the substitution thereof of “two-fifths”;

(b) by the addition of the following new paragraph (iii):

(iii) the maximum rate of tax on that portion of income which is determined by the Commissioner as originating from export of non-traditional products shall be fifteen per centum.

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

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

TABLE 10: *With effect from 1st April, 1985*

(a) Married Allowance under paragraph (2)	K2,100
(b) Single Allowance under paragraph (4) .. .. .	K900
(c) Child Allowance under paragraph (5)	K325
(d) Insurance Allowance under paragraph (6) .. .. .	the amount of premium up to a maximum of K400
(e) Handicapped Person's Allowance under paragraph 8A .. .. .	K600

(b) by the insertion in Annexure “G” of the following additional Table:

TABLE 4: *With effect from 1st April, 1985*

Royalties .. .. .	Rate per centum
Interest .. .. .	30
	15

(c) by the insertion in Annexure “H” of the following additional Table:

TABLE 4: *With effect from 1st April, 1985*

Companies and non-resident Shareholders .. .. .	Rate per centum
Resident Shareholders .. .. .	20
	30

(d) by the insertion in Annexure “I” of the following additional Table:

TABLE 2: *With effect from 1st April, 1985*

Rate per centum
15

THE COLD STORAGE BOARD OF ZAMBIA  
(DISSOLUTION) ACT, 1985

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ARRANGEMENT OF SECTIONS

*Section*

1. Short title and commencement
2. Interpretation
3. Winding-up of affairs of Board and its dissolution
4. Vesting in Company of assets and liabilities of Board
5. Registration of property to be transferred by the Board
6. Transfer of service of employees
7. Legal proceedings
8. Repeal and savings