

GOVERNMENT OF ZAMBIA

ACT

No. 4 of 1993

Date of Assent: 31st March, 1993

An Act to amend the Income Tax Act

[2nd April, 1993

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1993 and shall be read as one with the Income Tax Act, in this Act referred to as the principal Act.

Short title and commencement  
Cap. 668

(2) Subject to the other provisions of this Act, this Act shall come into operation on the 1st April, 1993, and shall have effect in relation to assessments for the charge year which ends on 31st March, 1994 and in relation to each subsequent charge year thereafter.

2. Section *two* of the principal Act is amended in subsection (1) in the definition of "emolument" by the deletion of "allowance" and the substitution therefor of "allowance, including inducement allowance;"

Amendment of section 2

3. Section *fourteen* of the principal Act is amended in subsection (2) by the deletion of "such personal allowances as, under Parts I and II of the said schedule," and the substitution therefor of "such tax credits as, under paragraphs 8A and 9 of the Charging Schedule,"

Amendment of section 14

4. Section *twenty-one* of the principal Act is amended in subsection (5) by the deletion of "K200,000" and the substitution therefor of "K400,000".

Amendment of section 21

5. Section *thirty-four* of the principal Act is amended by the deletion of subsection (2).

Amendment of section 34

6. Section *thirty-seven* of the principal Act is amended—

Amendment of section 37

(a) in sub-paragraph (ii) of paragraph (c), paragraph (d) and paragraph (e) of subsection (1) by the deletion of "twelve thousand kwacha" wherever it appears and the substitution therefor of "K36,000";

(b) in paragraph (b) of subsection (3) by the deletion of "twelve thousand kwacha" and the substitution therefor of "K36,000"; and

- (c) in subsection (4) by the deletion of "twelve thousand kwacha" and the substitution therefor of "K36,000"
- Amendment of section 43D      7. Section *forty-three D* of the principal Act is amended in subsection (2) by the deletion of "one thousand kwacha" and the substitution therefor of "K120,000".
- Amendment of section 44      8. Section *forty-four* of the principal Act is amended by the deletion of paragraph (k).
- Insertion of section 45B      9. The principal Act is amended by the insertion immediately after section *forty-five A* of the following new section:
- Tax payer identification number required for certain transactions      45B. (1) The institutions listed in column 1 of this subsection shall require a tax payer identification from any person, applying for anything listed, or engaged in the types of transactions listed, whichever is applicable, in column 2 of this section.

<i>Column 1</i> <i>Institution</i>	<i>Column 2</i> <i>Type of Transaction</i>
Commissioner of Lands	Registration of titles
Registrar of Motor Vehicles	Registration and transfer of motor vehicles
Ministry of Commerce	Import licensing and trade licensing
Zambia Electricity Supply Corporation	Payment of deposit for power connection

(2) Each institution listed in column 1 of subsection (1) shall avail the Commissioner or his authorised agent access to the documents, forms, notices, certificates, and other communications in which a tax-payer identification number is required to be used under subsection (1):

Provided that such access shall be as is necessary to assist in the enforcement of the tax laws.

(3) Any person, including a person carrying on any business in partnership, who is required under subsection (1) to furnish a tax-payer identification number and who furnishes a false number shall be guilty of an offence under this Act.

- Amendment of section 63      10. Section *sixty-three* of the principal Act is amended in the proviso to subsection (1) by the insertion in sub-paragraph (iv) of "in the case of a person who is not resident in the Republic for any charge year," immediately before the words "interest or royalties".

- 11.** Section *eighty-two A* of the principal Act is amended —
- (a) by the deletion of paragraph (b);
  - (b) by the deletion of the proviso after paragraph (c) of subsection (1) and the substitution therefor of the following proviso:  
Provided that where the interest payment to an individual during any one month on any single saving account, deposit account, or building society account does not exceed K5,000, then that interest payment shall be exempt from the requirement of this section.  
(c) by adding after subsection (6) thereof the following new subsection:  
(7) Any person who, or partnership which, receives from the Commissioner a receipt showing that such person or partnership has deducted tax under this section from any payment of rent shall, within fourteen days from the day of receiving such a receipt, furnish that receipt to the payee of the rent.
- 12.** Section *one hundred* of the principal Act is amended—
- (a) by the renumbering of subsection (2) as subsection (3) and by the insertion after subsection (1) of the following subsection:  
(2) Every person or partnership who fails to furnish a receipt to the payee within the time stipulated under subsection (7) of section *eighty-two A* shall pay a penalty equal to five per cent of the gross amount of the rent for each month or part thereof elapsing between the due date for furnishing the receipt and the date on which the receipt is furnished to the payee of the rent.
- 13.** The Second Schedule to the principal Act is amended—
- (a) in paragraph 7 of Part IV by the deletion of sub-paragraph (m); and
  - (b) in sub-paragraph (4) of paragraph 9 of Part IV by the deletion of "first twenty thousand kwacha of interest earned" and the substitution therefor of "first sixty thousand kwacha of interest earned by an individual during the charge year".
- 14.** The Fifth Schedule to the principal Act is amended in paragraph 10 by the deletion in sub-paragraph (5) of "farming" and the substitution therefor of "farming, manufacturing or tourism".
- 15.** The Charging Schedule to the principal Act is amended—
- (a) in Part I by the deletion of paragraph 8A and the substitution therefor of the following paragraph:  
**8A.** Where the individual, or the spouse of the individual who at any time during the charge year lives with that individual, is a handicapped person,

Amendment  
of section  
82A

Amendment  
of section  
100

Amendment  
of Schedule

Amendment  
of Fifth  
Schedule

Amendment  
of Charging  
Schedule

Handicapped  
person's  
allowance

there shall be an abatement of the tax due under this Act by the amount of the handicapped person's credit shown in Annexure "A";

(b) by the deletion of Parts II and IIA and the substitution therefor of the following part:

PART II

INDIVIDUAL TAX CREDIT

Individual  
tax credit

9. (1) For any individual there shall be an abatement of the tax due under this Act by the amount of the individual tax credit shown in Annexure "A".

(2) Where the individual is not a resident of the Republic for part or all of the charge year, the individual tax credit to which he is entitled shall be reduced by one-twelfth for each complete month in the charge year for which he does not reside in the Republic.

(3) For the purpose of this Part the entitlement of a husband and wife shall be separately determined.

(4) The amount of the individual tax credit provided by this Part shall be in lieu of any personal allowances;

(c) in Part III by the deletion of paragraph 14;

(d) in Part III by the deletion in paragraph 15 of "which the Commissioner is prohibited from including in an assessment under the proviso to subsection (1) of section *sixty-three*";

(e) by the deletion of Annexure "A" and the substitution therefor of the following Annexure:

ANNEXURE "A"

TAX CREDITS

TABLE 1: With effect from 1st April, 1993

(a) Individual tax credit under paragraph 9	K45,000
(b) Handicapped person's credit under paragraph 8A	K1,200

(f) in Part II of Annexure "B" by the insertion of the following new Table:

Table 14: With effect from 1st April, 1993

The balance of income that—

	<i>Rate per centum</i>
does not exceed K600,000	15
exceeds K600,000 but does not exceed K900,000	25
exceeds K900,000	35

(g) in Annexure "C" by the insertion of the following new Table:

Table 14: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
On income from manufacturing and other income	35
On income of all banks registered under the Banking Act:	
(i) on income up to K100 million	35
(ii) on income in excess of K100 million	45

(h) in Annexure "E"—

(i) by the deletion of the Annexure title and the substitution therefor of:

RATES FOR PUBLIC ENTERTAINMENT FEES

(ii) by the insertion of the following new Table:

TABLE 3: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
	10

(i) by the deletion of Annexure "F"

(j) in Annexure "G"—

(i) by the deletion of the Annexure title and the substitution therefor of:

RATES FOR INTEREST AND ROYALTIES

(ii) by the insertion of the following new Table:

TABLE 6: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
	10

(k) in Annexure "H" by the insertion of the following new Table:

TABLE 5: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
Resident shareholders	10
Non-resident shareholders not covered by treaty	10
Non-resident shareholders covered by treaty	Applicable treaty rate

(l) in Annexure "I" by the insertion of the following new Table:

TABLE 3: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
	10

(m) in Annexure "J" by the insertion of the following new Table:

TABLE 3: *With effect from 1st April, 1993*

	<i>Rate per centum</i>
	10

