

Deloitte.



2023 Tax Card

Looking towards growth

SEPTEMBER 2022



Disclaimer

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services.

This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Income tax for individuals

Monthly					
Current PAYE Bands - 2022			Proposed PAYE Bands - 2023		
From	To	Rate %	From	To	Rate %
From	To	Rate (%)	From	To	Rate (%)
K0	K4,500	0	K0	K4,800	0
K4,500.01	K4,800	25	K4,801	K6,800	20
K4,800.01	K6,900	30	K6,801	K8,900	30
K6,900	Above	37.5	K8,900	Above	37.5

- The exemption threshold is increased from K4,500 in 2022 to K4,800 per month in 2023.*
- The monthly tax credit for differently abled persons is increased from K500 to K600 per month.*

Presumptive taxes

The presumptive tax for individuals operating public service vehicles are as follows:

Category of Vehicles	2023 (p.a.)	2022 (p.a.)
64-Seater and above	K12,960	K12,960
50-63-Seater	K10,800	K10,800
36-49-Seater	K8,640	K8,640
22-35-Seater	K6,480	K6,480
18-21-Seater	K4,320	K4,320
12-17-Seater	K2,160	K2,160
Below 12-Seater	K1,080	K1,080

Corporate tax (non-Mining)

Category	2023	2022
Standard rate	30%	30%
Banks	30%	30%
Telecommunication		
• Income not exceeding K250,000	35%	30%
• Income exceeding K250,000	35%	40%
Manufacturing of organic fertiliser	15%	15%
Manufacture of chemical fertiliser	15%	15%
Manufacture of ceramic products*	0%	0%

Category	2023	2022
Tourism (accommodation and food services)	30%	15%
Agro-processing	10%	10%
Companies listed on the Lusaka Securities Exchange (2% discount in the year of first listing and 5% discount for as long as one-third of the shares are owned by indigenous Zambians)	30%	30%
Non-traditional exports**	15%	15%
Farming	10%	10%
Non-traditional exports from farming/agro-processing	10%	10%
Public Benefit Organisations	15%	15%
Profits on exports by businesses operating in Multi Facility Economic Zones (MFEZs) of Industrial Parks (IPs)***	0%	0%
Annual Rental income****:		
• Income < K12,000	0%	4%
• Income > K12,001 < K800,000	4%	4%
• Income > K800,000	12.5%	12.5%
Turnover tax	4%	4%
Advance Income Tax	15%	15%
Carry forward of tax losses:		
Electricity generation by hydro and thermal power	10 years	10 years
Electricity generation using other sources except wood	5 years	5 years
All other non-mining companies	5 years	5 years
Capital allowance deductions:		
Investment/Initial allowance on new industrial buildings	10%	10%
Industrial building allowance	5%	5%
Commercial buildings allowance	2%	2%
Development allowance*****	10%	10%
Local content allowance*****	2%	2%
Implements, plant and machinery used in manufacturing, tourism, or leasing	50%	50%
Implements, plant or machinery used in generation of electricity	50%	50%
Implements, plant or machinery used in farming and agro-processing	100%	100%

Category	2023	2022
Implements, plant or machinery other	25%	25%
Commercial motor vehicles	25%	25%
Non-commercial motor vehicles	20%	20%
Farmworks/improvements	100%	100%
Improvement allowance under MFEZ/IP	100%	100%

- * The suspension of income tax from the manufacture of ceramic products will remain in effect until 2023.*
- ** Excludes income from export of minerals, electricity, services and cotton lint exported without an export permit from Minister of Commerce.*
- ***Profits taxed at 0% for the first 10 years; 11 to 14 years only 50%; and 15 to 16 years only 75%, from the year of commencing operation in a MFEZ or IP.*
- ****Rental income Turnover Tax is computed incrementally using a stepped scale. Accordingly, the full value is subjected to the rate.*
- ***** Applies on expenditure incurred on the growing of rose flowers, tea, coffee, banana plant, or citrus fruit trees or other similar plants or trees. This can be carried forward to the following charge years up to the first year of production but not more than five consecutive years.*
- *****Applies on revenue expenditure on growing or purchase of cassava, pineapple and mangoes. The allowance can be claimed in each year the expenditure is incurred but not beyond 3 years.*

Corporate tax rates (mining)

Category	2023	2022
Mining profits:		
Base Metals/Gemstones/Precious Metals	30%	30%
Mineral Processing	30%	30%
Manufacturing - Value added to copper cathodes	15%	15%
Income earned from value addition to gemstones through lapidary and jewellery facilities	25%	30%
Mineral Royalty rates:**		
On norm value of minerals/precious metals:		
Base metals (excluding copper and cobalt)	5%	5%
Precious metals	6%	6%
Cobalt and Vanadium	8%	8%
On gross value of gemstones/energy minerals:		
Energy or industrial minerals	5%	5%
Gemstones	6%	6%

Category	2023	2022
Capital allowance deductions:		
Implements, plant and machinery used in mining	20%	20%
Other Implements, plant and machinery	25%	25%
Commercial vehicles	25%	25%
Non-commercial vehicles	20%	20%
Carry forward of tax losses:		
Mining operations	10 years	10 years
Prospecting and exploration	5 years	5 years
Other rates:		
Withholding tax on dividends***	0%	0%
Export duty on copper and cobalt concentrates	10%	10%
Import duty on copper and cobalt concentrates	0%	0%
Export duty on precious metals and gemstones	15%	15%
Export duty on manganese ores and concentrates	15%	15%
Hedging income	30%	30%
Property transfer tax (PTT) on the sale or transfer of land	7.5%	5%
PTT on sales or transfer of mining rights	10%	10%
PTT on sales or transfer of mining rights held by an exploration company	7.5%	10%
PTT on the sales or transfer of mineral processing and other mine related licenses	7.5%	10%

Mineral Royalty Tax - Copper

Current regime			Proposed regime		
Price Range	Rate	Taxable amount	Price Range	Rate	Taxable amount
Norm price < US\$4,500 per tonne	5.5 %	Full price	Norm price < US\$4,000 per tonne	4.0%	The first US\$4,000
Norm price > US\$4,500 < US\$6,000 per tonne	6.5%	Full price	Norm price > US\$4,001 < US\$5,000 per tonne	6.5%	The next US\$1,000

Current regime			Proposed regime		
Price Range	Rate	Taxable amount	Price Range	Rate	Taxable amount
Norm price > US\$6,000 < US\$7,500 per tonne	7.5%	Full price	Norm price > US\$5,001 < US\$7,000 per tonne	8.5%	The next US\$2,000
Norm price > US\$7,500 < US\$9,000 per tonne	8.5%	Full price	Norm price > US\$7,001 per tonne	10%	Balance
Norm price > US\$9,000 per tonne	10%	Full price	-	-	-

- *A presumptive tax on income earned from artisanal and small-scale mining will be applicable at the Turnover Tax rate, currently at 4%, based on the gross turnover less mineral royalty paid. .*
- **Mineral royalties are allowed as deduction for corporate income tax purposes.*
- ***Dividend paid by a mining company holding a mining license and carrying on mining operations is taxed at 0%*

Tax on casino, lottery, betting and gaming

Category	2023	2022
Online Casino Live Games	20 percent of gross takings	20 percent of gross takings
Online Casino Machine Games	35 percent of gross takings	35 percent of gross takings
Casino Games (Brick and Mortar)	ZMW5,000 per table	ZMW5,000 per table
Lottery Winnings	35 percent of net proceeds	35 percent of net proceeds
Land-based (brick and mortar) betting	15 percent of gross takings	25 percent of gross takings
Betting (other)	25 percent of gross takings	25 percent of gross takings
Gaming Machines	ZMW500 per machine	ZMW500 per machine

Withholding Tax

Category of payment	2023	2022
Dividends to residents	15%	15%
Dividends to non-residents	20%	20%
Management and consultancy fees to residents	15%	15%
Management and consultancy fees to non-residents	20%	20%
Profits distribution by branches of foreign companies	20%	20%
Reinsurance payable to non-residents	n/a	20%
Payments to non-resident contractors and hauliers	20%	20%
Public entertainment fees to non- Residents	20%	20%
Commissions to residents	15%	15%
Commissions to non-residents	20%	20%
Interest payable to residents	15%	15%
Interest payable to non-residents	20%	20%
Royalties to residents	15%	15%
Royalties to non-residents	20%	20%
Interest on Treasury Bills	15%	15%
Interest on Government Bonds (Coupon Income)	15%	15%
Interest income earned on green bonds listed on a securities exchange in Zambia with maturity of at least 3 years	Exempt	15%
Investment Income on Life Insurance Funds	n/a	15%
Withholding tax on winnings from gaming, lotteries, and betting	15%	20%

- Dividends paid from profit on exports by a company operating in a MFEZ/IP attract Withholding Tax (WHT) at 0% for the period of 10 years from the first year of commencing operations from 1st January 2022.*
- Dividends paid by companies listed on LSE to indigenous individuals (Zambians) are exempt.*
- Dividends paid from farming income for the first five years from when the distributing company commences farming are exempt from WHT.*
- Dividends paid on income from assembly of motor vehicles, motorcycles and bicycles for the first five years from the date of first declaration by the distributing company are exempt from WHT.*
- Interest paid or payable to local commercial banks and financial institutions is exempt from WHT.*

6. *Interest income earned from green bonds listed on the security exchange in Zambia with a maturity of 3 years is exempt from WHT.*
7. *Interest earned by individuals from loans advanced to members under savings groups is subject to 0% WHT.*
8. *The exemption from WHT on interest earned on individual savings and deposit accounts is extended to all payments of interest on all interest earning bank accounts held by individuals.*

Insurance Levy

Insurance Levy	2023	2022
Levy on insurance premiums	5%	5%

Value Added Tax

Nature of supply	2023	2022
Supply of goods or services in Zambia	16% or 0%	16% or 0%
Importation of goods or services into Zambia	16% or 0%	16% or 0%
Export of goods or services from Zambia	0%	0%

1. *Registration threshold is K800,000 per annum.*
2. *Gaming, betting and lotteries are exempt for VAT purposes*
3. *Services are deemed to be exports only when physically rendered/performed outside Zambia*

Property Transfer Tax (PTT)

Category	2023	2022
Transfer/sale of Land	7.5%	5%
Direct or indirect share transfers	7.5%	5%
Transfer of shares listed on the LuSE	0%	0%
Transfer/sale of mining rights	10%	10%
Transfer/sale of mining rights held by exploration companies	7.5%	10%
Transfer of a mineral processing right	10%	10%
Transfer/sale of intellectual property	7.5%	5%

Carbon Tax

Engine size	2023	2022
Below 1,800 cc	K185 p.a	K168 p.a
1,500 cc to 2,000 cc	K370 p.a	K336 p.a.
2,001 cc to 3,000 cc	K528 p.a	K480 p.a
Above 3,000 cc	K726 p.a	K660 p.a.
Motorcycles	K185 p.a	K168 p.a
Ambulances, prison vehicles and Non-polluting vehicles	n/a	n/a

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 415,000 professionals, all committed to becoming the standard of excellence.