

GOVERNMENT OF ZAMBIA

**ACT**

**No. 24 of 2022**

Date of Assent: 23rd December, 2022

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

[27th December, 2022

ENACTED by the Parliament of Zambia.

Enactment

**1.** (1) This Act may be cited as the Income Tax (Amendment) Act, 2022, 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. 323

(2) This Act shall come into operation on 1st January, 2023.

(3) Despite subsection (2), sections 55A and 55B shall come into operation on a date appointed by the Minister by statutory instrument.

**2.** Section 2 (1) of the principal Act is amended—

Amendment  
of section 2

(a) by the deletion of the definitions of “child”, “purchase price”, “royalty” and “taxpayer identification number” and the substitution therefor of the following definitions in the appropriate places in alphabetical order:

“child” for tax purposes, includes a child of family or any child to whom an individual stands in the place of a parent;

“purchase price” is the amount paid by a person or partnership to a person or partnership resident in the Republic in return for future payments of commodity royalty;

“royalty” means a payment of any kind received as a consideration for the use of, or the right to use—

- (a) any copyright of literary work;
  - (b) any artistic or scientific work, including cinematograph films, films, video tapes, sound recording or any other like medium;
  - (c) any computer programme or software;
  - (d) any patent, trademark, design or model, plan, secret formula or process;
  - (e) any industrial, commercial or scientific equipment; or
  - (f) any information concerning industrial, commercial or scientific experience;
- and

“taxpayer identification number” means a number designated and issued by the Commissioner-General to—

- (a) a corporate person or unincorporate body of persons; and
- (b) an individual who has attained the age of sixteen years; and

(b) by the insertion of the following new definitions in the appropriate places in alphabetical order;

Act No. 11  
of 2015

“artisanal mining” has the meaning assigned to the words in the Mines and Minerals Development Act, 2015;

Act No. 12 of  
2022

“child of family” has the meaning assigned to the words in the Children’s Code Act, 2022;

“electronic fiscal device” means an electronic device, approved by the Commissioner-General, which has a fiscal memory capable of generating and storing fiscal information and has the capacity to generate or record data and other reports and is capable of transmitting that data in real time to the Authority;

“gig economy” is a segment of the digital economy which involves individuals carrying out business through an online platform and under flexible or temporary conditions, and includes an independent contractor or freelancer conducting business through an online platform;

“mining licence” has the meaning assigned to the words in the Mines and Minerals Development Act, 2015; Act No. 11 of 2015

“public private partnership project” means a project that shall be transferred back to the Republic that involves the—

(a) design, finance, construction, development or operation of a new infrastructure, asset or facility;

(b) provision of social sector services; or

(c) rehabilitation, modernisation, expansion, operation or management of an existing infrastructure, asset or facility;

“savings group” includes village banking and a co operative society;

“small scale mining” has the meaning assigned to the words in the Mines and Minerals Development Act, 2015; Act No. 11 of 2015

“special purpose vehicle” means a company incorporated in the Republic by a successful bidder for the purpose of undertaking a public private partnership project in accordance with the Public Private Partnership Act, 2009;. Act No. 14 of 2009

**3.** The principal Act is amended by the insertion of the following new sections immediately after section 55: Insertion of section 55A and 55B

55A. A person or partnership carrying on a business shall submit to the Commissioner-General all business transactions in real time as prescribed. Submission of business transactions in time

55B. (1) A person and partnership carrying on a business shall use an electronic fiscal device to record sales for income tax purposes. Use of electronic fiscal device

(2) Despite subsection (1), the Commissioner-General may approve the use of a document, device or equipment, other than an electronic fiscal device, for a certain category of persons or partnerships carrying on business.

(3) A person who contravenes this section commits an offence and is liable, on conviction, in the case of—

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- (a) a first offence, to a penalty not exceeding thirty thousand penalty units;
- (b) a second offence, to a penalty not exceeding sixty thousand penalty units; and
- (c) a third offence or subsequent offence, to a penalty not exceeding ninety thousand penalty units.
- Amendment of section 64A
- 4.** Section 64A of the principal Act is amended by the insertion of the following new subsection immediately after subsection (2):
- (2A) Despite subsection (2), the Commissioner-General may make a standard assessment requiring—
- (a) a person conducting business through the gig economy, with an annual turnover of eight hundred thousand Kwacha or less, to pay tax on turnover at the rate set out in Part II of the Ninth Schedule; and
- (b) a holder of a mining licence to carry out artisanal mining or small scale mining, with an annual turnover of eight hundred thousand Kwacha or less, to pay tax on turnover as set out in Part IV of the Ninth Schedule.
- Amendment of section 77
- 5.** Section 77 of the principal Act is amended by the insertion of the following new subsection immediately after subsection (1D):
- (1E) The due date for the payment of a provisional return submitted by a person who registers after 31st March of any charge year, shall be within ninety days from the date of registration.
- Amendment of section 82A
- 6.** Section 82A (1) of the principal Act is amended by the—
- (a) deletion of paragraph (j); and
- (b) renumbering of paragraph (k) as paragraph (j).
- Amendment of section 100
- 7.** Section 100 (1) (e) of the principal Act is amended by the—
- (a) insertion of the following new subparagraph immediately after subparagraph (iii):
- (iv) in relation to a person required to pay presumptive tax under Part III of the Ninth Schedule—

- (A) half the amount of the undeclared tax, in the case of negligence;
- (B) the full amount of the undeclared tax, in the case of wilful default; and
- (C) one and half times the amount of the undeclared tax, in the case of fraud;; and

(b) renumbering of subparagraph (iv) as subparagraph (v).

**8.** The Second Schedule to the principal Act is amended— Amendment of Second Schedule

(a) in paragraph 5 (1), by the insertion of the following new item immediately after item (m):

(n) pension scheme approved under the Pension Scheme Regulation Act, 1996.; and Act No. 28 of 1996

(b) in paragraph 6A (1), by the deletion of the word “withholding”.

**9.** The principal Act is amended by the repeal of the Fourth Schedule. Repeal of Fourth Schedule

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

(a) in paragraph 1(4)(i), by the deletion of the words “twenty thousand Kwacha” and the substitution therefor of the words “one hundred thousand Kwacha”; and

(b) in paragraph 10, by the insertion of the following new subparagraph immediately after subparagraph (7):

(8) Despite the other provisions of this Act, a public private partnership project approved under the Public-Private Partnership Act, 2009, may claim on a straight line basis, wear and tear at an accelerated rate, not exceeding one hundred percent in respect of a new implement, plant or machinery acquired and used by the special purpose vehicle for the purpose of that public private partnership project. Act No. 14 of 2009

**11.** The Sixth Schedule to the principal Act is amended in paragraph 1 in the definition of “farm dwelling”, by the deletion of the words “twenty thousand Kwacha” and the substitution therefor of the words “one hundred thousand Kwacha”. Amendment of Sixth Schedule

Amendment  
of Ninth  
Schedule

- 12.** The Ninth Schedule to the principal Act is amended—  
(a) by the deletion of Part II and Part III and the substitution therefor of the following:

**PART II**

TAX ON TURNOVER

<i>Turnover per annum</i>	<i>Tax Rate</i>
K12,000 or less	0 percent
Above K12,000 and up to K800,000	4 percent

**PART III**

TAX ON BETTING AND GAMING

<i>Type of Game</i>	<i>Monthly Tax Rate or Monthly Tax Amount</i>
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 and 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 percent tax rate on Betting (Brick and Mortar) and Lottery Winnings (Brick and Mortar) is only applicable for the 2023 and 2024 charge years; and

*(b)* by the insertion of the following new part immediately after Part III:

**PART IV**

**PRESUMPTIVE TAX ON ARTISANAL AND SMALL SCALE MINING**

<i>Tax rate</i>	<i>Tax base</i>
4 percent	gross turnover less mineral royalty paid

**13.** The Charging Schedule to the principal Act is amended— Amendment  
of Charging  
Schedule

*(a)* in paragraph 1 (1) *(b)*, by the deletion of the words “six thousand Kwacha” and the substitution therefor of the words “seven thousand two hundred Kwacha”;

*(b)* in paragraph 2 (1)—

*(i)* item *(c)*, by the deletion of the words “fifty four thousand Kwacha” and the substitution therefor of the words “fifty seven thousand six hundred Kwacha”;

*(ii)* by the deletion of items *(d)* and *(e)* and the substitution therefor of the following:

*(d)* on the balance of so much of an individual’s income as exceeds fifty seven thousand six hundred Kwacha but does not exceed eighty one thousand six hundred Kwacha, at the rate of twenty percent per annum;

*(e)* on the balance of so much of an individual’s income as exceeds eighty one thousand six hundred Kwacha but does not exceed one hundred and six thousand eight hundred Kwacha, at the rate of thirty percent per annum; and

*(iii)* under item *(f)*, by the deletion of the words “eighty two thousand eight hundred Kwacha” and the substitution therefor of the words “one hundred and six thousand eight hundred Kwacha”;

(c) in paragraph 3 (1)—

(i) by the deletion of item (c) and the substitution therefor of the following:

(c) on the income of electronic communications network or service licensee, at the rate of thirty five per centum per annum;

(ii) by the deletion of item (d); and

(iii) the renumbering of item (e) as item (d);

(d) in paragraph 5—

(i) by the deletion of item (e) and the substitution therefor of the following:

(e) the maximum rate of tax for turnover received by a person or partnership from the letting of property shall be—

(i) zero percent per annum on turnover as does not exceed twelve thousand Kwacha;

(ii) four percent per annum on turnover between twelve thousand and eight hundred thousand Kwacha; and

(ii) twelve and a half percent per annum on turnover as exceeds eight hundred thousand Kwacha;;

(ii) by the insertion of the following new items immediately after item (i):

(j) the maximum rate of tax charged on the income earned by an agro processing business approved by the Zambia Development Agency and carrying on manufacturing and processing of corn starch in a multi facility economic zone or an industrial park, shall be—

(i) zero percent for the 2023 to 2032 charge years;

(ii) fifty percent of the standard income tax rate for the 2033 to 2035 charge years; and



- (iii) seventy-five percent of the standard income tax rate for the 2036 to 2037 charge years;
- (k) the maximum rate of tax charged on the income earned from value addition to gemstones through lapidary and jewellery facilities is twenty five percent; and
- (l) the tax chargeable on the income received by a special purpose vehicle undertaking a public private partnership project under the Public Private Partnership Act, 2009 for the first five years that a public private partnership project makes profit shall be fifteen percent.;
- (e) in paragraph 6(1), by the insertion of the following new item immediately after item (e):
- (f) the rate of zero percent per annum for dividends paid by agro processing business approved by the Zambia Development Agency and carrying on manufacturing of corn starch in a multi facility economic zone or an industrial park for the 2023 to 2032 charge years.; and

Act No. 14  
of 2009

(f) in paragraph 7—

- (i) by the deletion of item (viii) and the substitution therefor of the following:
  - (viii) 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;;
- (ii) by the deletion of item (x) and the substitution therefor of the following:
  - (x) tax required to be deducted from a payment of interest under section 82A arising from interest earnings by an individual with a savings group shall be deducted at the rate of zero percent per annum;;
- (iii) by the insertion of the following new items immediately after item (x):

- (xi) tax required to be deducted from a payment of interest under section 82A arising from green bonds listed on a securities exchange in the Republic with maturity of at least three years shall be at the rate of zero percent per annum; and
  - (xii) tax required to be deducted from the payment of interest to individual life insurance policy holders shall be at the rate of zero percent.
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