

**THE PROPERTY TRANSFER TAX (AMENDMENT) BILL, 2010**

MEMORANDUM

The object of this Bill is to amend the Property Transfer Tax Act so as to—

- (a) increase the property transfer tax rate from three percent to five percent;
- (b) prohibit the avoidance of payment of property transfer tax; and
- (c) provide for matters connected with, or incidental to, the foregoing.

M. M. KONDOLO,  
*Solicitor-General*

# A BILL

ENTITLED

## An Act to amend the Property Transfer Tax Act.

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Property Transfer Tax (Amendment) Act, 2010, and shall be read as one with the Property Transfer Tax Act, in this Act referred to as the principal Act.

Short title and commencement  
Cap. 340

5 (2) This Act shall come into operation on 1st April, 2011, and subject to any provisions to the contrary, shall have effect in relation to the charge of tax for the charge year ending on 31<sup>st</sup> March, 2012, and in relation to each subsequent charge year.

10 2. Section *four* of the principal Act is amended in subsection (2) by the deletion of the words “three percent” and the substitution therefor of the words “five percent”.

Amendment of section 4

3. The principal Act is amended by the insertion immediately after section *nine A* of the following new section:

Insertion of new section 9B

15 9B. (1) Where the Commissioner-General has reasonable grounds to believe that the main purpose or one of the main purposes for which any transaction was effected was the avoidance or reduction of liability to tax for any charge year, or that the main benefit which might have been expected to accrue from the transaction within the three years immediately following the completion thereof, was the avoidance or reduction of liability to tax, the Commissioner-General may, if the Commissioner-General determines it to be just and reasonable, direct that such adjustments shall be made as respects liability to tax as the Commissioner-General considers appropriate to counteract the avoidance or reduction of liability to tax which would otherwise be effected by the transaction.

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Transactions designed to avoid tax liability

(2) Without prejudice to the generality of the powers conferred by subsection (1), the powers conferred thereby extend to—

30 (a) the charging with tax the income of persons who, but for the adjustments, would not be chargeable with any tax or would not be chargeable to the same extent; and  
(b) the charging of a greater amount of tax than would be chargeable but for the adjustments.

35 (3) Any direction of the Commissioner-General under this section shall specify the transaction giving rise to the direction and adjustments as respects liability to tax which the Commissioner-