

THE VALUE ADDED TAX (AMENDMENT) BILL, 2013

MEMORANDUM

The object of this Bill is to amend the Value Added Tax Act so as to

- (a) revise the definition of commercial building;
- (b) provide for the payment of an assessed tax within the review period;
and
- (c) provide for matters connected with, or incidental to, the foregoing.

M. MALILA,
AttorneyGeneral

N.A.B. 10, 2013
23rd October, 2013

A BILL

ENTITLED

An Act to amend the Value Added Tax Act.

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Value Added Tax (Amendment) Act, 2013, and shall be read as one with the Value Added Tax Act, in this Act referred to as the principal Act.

Short title and commencement
Cap. 331

5 (2) This Act shall come into operation on 1st January, 2014.

2. Section *two* of the principal Act is amended by the deletion of the definition of “commercial property” and the substitution therefor of the following:

Amendment of section 2

10 “commercial property” means a building that is used for commercial purposes, and includes an office building, an industrial building, a health facility, hotel, shopping mall, retail store, shopping centre, warehouse, garage, recreation centre, dwelling house used for commercial purposes and
15 multifacility building;

3. Section *nineteen* of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following:

Amendment of section 19

20 (2) Where in respect of a particular accounting period beginning on or after 1st April, 1998, a registered supplier’s allowable credits exceed what would have been the supplier’s tax liabilities for the accounting period, the Commissioner-General shall, within thirty days after the return is submitted, remit to the supplier the amount standing to the credit of the supplier by reason of the excess.

25 (2A) Where any tax is due and payable by a registered supplier to the Commissioner-General under the Income Tax Act, the Customs and Excise Act and Property Transfer Tax Act or any other written law administered by the Commissioner-General, any

Cap. 323
Cap. 322
Cap. 340

excess due to the registered supplier shall first be applied to satisfy the tax due and payable to the extent of such tax and the Commissioner-General shall give written notice to the taxable supplier of the amount so applied to meet the tax liability under the relevant tax Act and the nature of the tax. 5

Amendment
of section 21

4. Section *twenty-one* of the principal Act is amended by the deletion of subsections (8) and (9) and the substitution therefor of the following:

(8) Any tax and interest assessed under this section shall be recoverable after or within the review period immediately after the Commissioner-General determines the matter whichever occurs earlier. 10

(9) In this section, "review period" means a period of thirty days from the date of notice of assessment.

Insertion of
new section
24A

5. The principal Act is amended by the insertion, immediately after section *twenty-four*, of the following new provision: 15

Charge on
land

24A. (1) Notwithstanding anything to the contrary contained in any other written law, where a person or partnership from whom tax is due owns land in the Republic, the Commissioner-General may give notice to the person or partnership, in writing, stating that the amount of tax due shall be a charge on the land and is immediately created. 20

(2) The charge referred to in subsection (1)—

(a) is effective from the date of service of the notice;

(b) remains valid until— 25

(i) there is a change in the ownership of the land; or

(ii) the notice is withdrawn; and

(c) shall be registered in accordance with the Lands and Deeds Registry Act.

Cap. 185

(3) For the purposes of this section, "land" includes any vacant piece of land and any building or improvements on any piece of land. 30

Amendment
of Third
Schedule

6. The Third Schedule to the principal Act is amended by the insertion, immediately after paragraph 9, of the following new paragraph: 35

(10) Sugar.