

GOVERNMENT OF ZAMBIA

ACT

No. 6 of 1980

Date of Assent: 4th April, 1980

An Act to amend the Income Tax Act

[11th April, 1980

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Income Tax (Amendment) Act, 1980, and shall be read as one with the Income Tax Act, hereinafter referred to as the principal Act.

Short title
and com-
mencement.
Cap. 668

(2) The provisions of this Act set out in—

- (a) Part I of the Schedule hereto shall be deemed to have come into operation on the 1st April, 1979, and shall have effect in relation to assessments for the charge year ending on the 31st March, 1980, and in relation to each subsequent charge year;
- (b) Part II of the Schedule hereto shall come into operation on the 1st April, 1980.

2. Section *forty-one* of the principal Act is amended—

Amendment
of section 41

- (a) in subsection (1), by the insertion after “exclusively established for” of “the use of the Republic or for”;
- (b) in subsection (2)—
 - (i) by the deletion of the full stop at the end thereof and the substitution therefor of a colon; and
 - (ii) by the insertion of the following proviso:

Provided that there shall be exempt from the provisions of this subsection any amount paid to any fund established for the use of the Republic and approved by the Minister.

Repeal and
replacement
of section 90A

3. The principal Act is amended by the repeal of section *ninety A* and the substitution therefor of the following:

Job credits

90A. The Minister may, by statutory order, provide for the granting of job credits in such amounts, for such periods and for such employees of such businesses as may be prescribed therein:

Provided that any such order may be made with retrospective effect.

Amendment
of section 95

4. Section *ninety-five* of the principal Act is amended by the deletion of subsections (1), (2) and (3) and the substitution therefor of the following subsections:

(1) For the purposes of this section—

“taxed profits” means the balance of a company’s trading, and profits and loss accounts, after any adjustments thereto as determined by the Commissioner and after subtraction therefrom of the tax charged under the other provisions of this Act;

“undistributed profits” means such part of the taxed profits of a company as remains undistributed as dividends after nine months starting from the end of the charge year or, as the case may be, from the end of the period for which the accounts prepared by such company are accepted by the Commissioner in accordance with the provisions of section *sixty-two*.

(2) Subject to the provisions of subsection (3), a company shall be charged additional tax at the rate of thirty-five per centum of the amount of its undistributed profits.

(3) In determining the amount of undistributed profits of a company for the purposes of this section, the Commissioner may take into account such of the company’s expansion or other needs as, to his satisfaction, are normal business practice and reasonable in the particular circumstances.

Amendment
of Fifth
Schedule

5. The Fifth Schedule to the principal Act is amended in sub-paragraph (2) of paragraph 13 by the deletion of “four thousand kwacha” wherever it occurs and the substitution therefor of “six thousand kwacha”.

Amendment
of Sixth
Schedule

6. The Sixth Schedule to the principal Act is amended in paragraph 1 by the deletion in the definition of “farm dwellings” of “six thousand kwacha” and the substitution therefor of “eight thousand kwacha”.

SCHEDULE
(Section 1)

PART I

Sections 2 and 4

PART II

Sections 3, 5 and 6
