GOVERNMENT OF ZAMBIA

ACT
No. 29 of 1990

Date of Assent: 23rd January, 1991

An Act to amend the Income Tax Act

[1st February, 1991

ENACTED by the Parliament of Zambia.   Enactment

1. (1) This Act may be cited as the Income Tax (Amendment) (No. 2) Act, 1990, 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. 668

(2) This Act shall come into operation on the 1st April, 1991, and shall have effect in relation to assessments for the charge year which ends on the 31st March, 1992, and in relation to each subsequent charge year.

2. Section *twenty-one* of the principal Act is amended in subsection (5) by the deletion, in the proviso, of "twenty thousand kwacha" and the substitution therefor of "forty thousand kwacha".

Amendment of section 21

3. The Second Schedule to the principal Act is amended in Part IV of paragraph 7 by the deletion of sub-paragraph (s) and the substitution therefor of the following sub-paragraph:

Amendment of Second Schedule

(S) subject to section *forty-three* C, by way of housing allowance equal to twenty-five per centum of the annual basic salary of an employee paid by his employer.

4. The Fifth Schedule to the principal Act is amended—

Amendment of the Fifth Schedule

(a) in paragraph 10, by the deletion of the proviso after sub-paragraph (3) and the substitution therefor of the following new proviso:

Provided that in the charge year in which the business ceases the allowance shall be the amount of the residue of the original cost referred to in sub-paragraph (4):

(*b*) by the deletion of sub-paragraph (4) of paragraph 10 and the substitution therefor of the following sub-paragraph:

(4) The wear and tear allowance for any charge year shall be calculated on a straight line basis of the original cost of the implements, machinery and plant:

Provided that in the case of any implements, machinery or plant which were acquired by a person other than for the purpose of a business, the original cost shall be the current market value of such implements, machinery or plant as determined by the Commissioner in the charge year that they are first used for the purpose of a business;

(*c*) by the deletion of sub-paragraph (2) of paragraph 13 and the substitution therefor of the following sub-paragraph:

(2) for the purposes of this part, the original cost to any person of a road vehicle used for the purpose of his business and the vehicle was acquired by the person after the commencement of this Act, whether the vehicle is a commercial vehicle or otherwise, shall be used in the calculation of the allowance;

(*d*) by the deletion of sub-paragraph (3) of paragraph 13 and the substitution therefor of the following sub-paragraph:

(3) In this paragraph " commercial vehicle " means a road vehicle of a type not commonly used as a private vehicle and unsuitable to be used as such but includes all types of road vehicles used solely for hire or carriage of the public for reward;

(*e*) In Part V of paragraph 18 by the deletion of the rates relating to paragraph 10 and the substitution therefor of the following rates:

	Rate per centum
Wear and tear for implements, machinery and plant including commercial vehicles	25

Rate per centum

Wear and tear for vehicles other
than commercial vehicles   20

5. The Charging Schedule to the principal Act is
amended:

    (*a*) by the deletion of Table 10 in Annexure "C",
and the substitution therefor of the following
new table:

Table 11: *With effect from 1st April,* 1991

                                          Rate per centum

On income from manufacturing
and other income 45

On income of all banks registered
under the Banking Act:

    (i) On income up to K10,000,000 ... 45

    (ii) On income in excess of
K10,000,000 ... ... 52.5

    (*b*) by the deletion of Table 4 in Annexure "H",
and the substitution therefor of the following
new table:

Table 5: *With effect from 1st April,* 1991:

                                        Rate per centum

Resident Companies 15

Non-resident shareholders 20

Resident individual shareholders ... 30