

GOVERNMENT OF ZAMBIA

ACT

No. 3 of 1997

Date of assent: 12th April, 1997

An Act to amend the Income Tax Act

[18th April, 1997]

ENACTED by the Parliament of Zambia.

1. (1) This Act may be cited as the Income Tax (Amendment) Bill, 1997, and shall be read as one with the Income Tax Act, in this Act referred to as the principal Act.

(2) This Act shall come into operation on the 1st April, 1997, and shall have effect in relation to assessments for the charge year which ends on 31st March, 1998, and in relation to each subsequent charge year.

2. Section *two* of the principal Act is amended by the deletion of the definition of "public entertainment fee".

3. Section *eighteen* of the principal Act is amended by the deletion of subsections (2) and (4) and by the re-numbering of subsection (3) as (2).

4. Section thirty of the principal Act is amended—

- (a) in subsection (2), by the deletion of "and so on from year to year until the loss is extinguished"; and
 (b) by the insertion of a proviso at the end of subsection (2) as follows:

Provided that:

- (i) the loss shall not be carried forward beyond five subsequent years after the charge year in which the loss is incurred; and
 (ii) losses brought forward as at 31st March, 1997, shall be deemed to have been incurred in the Charge year ending 31st March, 1997.

Enactment

Short title and commencement
Cap. 323

Amendment of section 2

Amendment of section 18

Amendment of section 30

- Amendment of section 31 5. Section *thirty-one* of the principal Act is amended by the insertion of a proviso at the end of that section as follows:
- Provided that the combined period of loss carried forward for both the old and new companies shall not exceed five years.
- Amendment of section 33 6. Section *thirty-three* of the principal Act is amended by the deletion of the proviso to subsection (b).
- Repeal of section 40 7. The principal Act is amended by the deletion of section *forty*.
- Repeal of section 42 8. The principal Act is amended by the deletion of section *forty-two*.
- Amendment of section 44 9. Section *forty-four* of the principal Act is amended by the deletion of subsections (i) and (j).
- Amendment of section 46 10. Section *forty-six* of the principal Act is amended by the deletion of subsection (4) and the substitution therefor of the following:
- (4) Where a person fails to submit a return on, or before, the date provided under subsection (3), there shall be charged a penalty of—
- (a) in the case of an individual, one hundred and seventy penalty units per month or part thereof; or
- (b) in the case of a company, three hundred and forty penalty units per month or part thereof:
- Provided that when the Commissioner-General is satisfied that due to the absence from Zambia, illness or any other reasonable cause, that person was prevented from furnishing the return on or before the due date, the Commissioner-General may remit the whole or part of any such penalty.
- Repeal of section 52 11. The principal Act is amended by the deletion of section *fifty-two*.
- Amendment of section 64 12. Section *sixty-four* of the principal Act is amended in paragraph (c) by the deletion of "ten thousand kwacha" and the substitution therefor of "two hundred and sixty-six penalty units".
- Amendment of section 78 13. The principal Act is amended in section *seventy-eighty* by the deletion of subsection (1) and the substitution therefor of the following:

(1) Subject to the provisions of subsection (5) any tax assessed under sections *forty-six, sixty-three, sixty-four* or *seventy-one* shall be overdue if the tax has not been paid on or before the dates prescribed in—

- (a) section *seventy-one*;
- (b) subsections (1) and (2) or as extended under the provisions of subsection (5) of section *seventy-seven*; or
- (c) subsection (3) of section *seventy-seven* or as extended under the provisions of subsection (5) of section *seventy-seven*;

Provided that the Commissioner-General may apply the date prescribed in subsection (3) of section *seventy-seven* to cases referred to under paragraph (b).

14. The First Schedule to the principal Act is amended in paragraph 1 by the deletion of the word "alimony".

Amendment
of First
Schedule

15. The Second Schedule to the principal Act is amended by the insertion of a new sub-paragraph (t) as follows:

Amendment
of Second
Schedule

(t) *ex-gratia* payments made to a spouse, child or dependant on the death of an employee.

16. The Fifth Schedule to the principal Act is amended in paragraph 1 by the deletion of sub-paragraph (4), and the substitution therefor of the following sub-paragraph:

Amendment
of Fifth
Schedule

(4) Any building constructed or acquired by a person for business purposes, the cost of which exceeds two million kwacha, shall be deemed to be an industrial building for the purposes of this part.

17. The Sixth Schedule to the principal Act is amended by the deletion of paragraph 4.

Amendment
of Sixth
Schedule

