



DEPARTMENT OF INLAND REVENUE

Notice to persons who are required to deduct and remit the Withholding Tax

Rates at which Withholding Tax should be deducted with effect from 1.04.2007 in terms of Section 153, 155 or 160 of the Inland Revenue Act No. 10 of 2006 are as follows:

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| 1. | Payment for construction of building, roads, bridges, water supply, drainage or sewerage system | } 1% |
| 2. | Payment of building rent (other than for residential purposes), royalties or annuities | } 10% |
| 3. | i. Payment for supply of any article in the nature of revenue or capital through tender or quotation | } 5% |
| | ii. Payment of management fees, rent on building use for residential purposes. | |
| | iii. Payment of a commission, brokerage or similar payments. | |
| | iv. Payment for obtaining any service (other than on employment) | |

The tax so deducted during any month should be remitted to the Account in favour of the Commissioner General of Inland Revenue on or before the 15th of the month immediately succeeding the said month.

Section 154 of the Inland Revenue Act read with Section 142(1) therein states that it is the responsibility of the Officers who approve payments and who make payments, to withhold tax as above and remit to the Department.

Your failure to comply with the above will result in compelling us to issue assessments to recover the tax deductible and to impose penalties on late payments in terms of the provision of the Act.

For any further clarifications, please contact:

Withholding Tax Branch - Telephone: 011-2438092,2422723
Taxpayer Service Unit - Telephone: 011-2434314, 2329116
Secretariat - Telephone : 060-2009262, 060-2009248, 060-2009238

COMMISSIONER GENERAL OF INLAND REVENUE



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