



TAX HIGHLIGHTS OF BOTSWANA BUDGET 2021-2022

3 February 2021

TAX HIGHLIGHTS OF BOTSWANA BUDGET 2021-2022

	Current	Proposed	Effective	Comments
Value Added Tax (VAT)	12%	14%	1 April 2021	This will slightly increase the price of vatable goods & services.
Fuel Levy	P0.12	P1.12	1 April 2021	The cost of fuel will increase as levy increases by P1.00 per litre.
Dividend Tax Rate	Generally 7.5%	10%	1 July 2021	Shareholders will take home P90 for every P100 dividend issue versus the current P92.50 for the same P100 issue.

TAX HIGHLIGHTS CONT'D...

	Current	Proposed	Effective	Comments
Income Tax Threshold - Individuals	P36,000	P48,000	1 July 2021	This change will reduce income tax obligations of all taxpayers. Those who earn P4,000 per month will not pay tax.
Sugar Tax	None	P0.02/gram in excess of 4g/100ml	1 April 2021	The price of sugary drinks will slightly increase.
Plastic Levy	P0.25 / plastic	P0.25/plastic	1 April 2021	Traders will begin to pay plastic levy to Government through filing a return.

TAX HIGHLIGHTS CONT'D...

	Current	Proposed	Effective	Comments
Levy on 2 nd Hand imported vehicles	None	To be announced once modalities have been worked out.	To be advised.	Price of imported second-hand vehicles is expected to increase once levy is imposed.

TAX HIGHLIGHTS CONT'D...

TAX AMNESTY

- Government has taken a decision to offer a tax amnesty. In this regard, taxpayers with outstanding tax amounts will be granted an opportunity to clear the principal amount owed in exchange for write off of interests and penalties charged during the previous tax periods.

A portrait of a smiling Black man in a dark pinstriped suit, light blue shirt, and teal tie. To his left is a callout box with a green border containing the text 'Questions and answers?'. A blue line connects the box to a small white box on the man's forehead.

Questions
and answers?