

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

TAX AMNESTY - 2021

TAX AMNESTY

Where a taxpayer is required to pay interest on a principal tax debt in accordance with sections 97 and 101 of the Act, the Minister shall in accordance with these Regulations and pursuant to Section 112 (1) of the Act, grant tax amnesty from the payment of interest charged on an unpaid principal tax debt. **In short, tax amnesty means a limited-time opportunity for taxpayers to pay the principal tax debt in exchange for the forgiveness of interest and penalties.**

SCOPE

The tax amnesty shall cover tax liabilities for all tax years prior to and including the tax year 2020/2021. That is, all prior years' tax liabilities up to 30 June 2021.

AMNESTY PERIOD

The tax amnesty shall become available from 1st July 2021 to 31 December 2021.

PERSONS ELIGIBLE FOR TAX AMNESTY:

A person shall be eligible for tax amnesty where the person:-

- Has an outstanding principal tax debt that has a penalty or interest liability;
- Has filed a tax return but has not paid the whole or part of the tax due under the tax return;
- Has paid the principal tax debt but has an outstanding penalty or interest;
- Only has an outstanding penalty, interest or both;
- Has not filed a tax return that is due to be filed or should have been filed;
- Is eligible or was eligible to register in accordance with section 16 of the Act;
- has filed an objection with the Commissioner General; or
- Has a pending appeal case before the Board of Adjudicators, the High Court or Court of Appeal.

IMPORTANT NOTE

- The amnesty shall not cover any fines imposed under the Act.
- The amnesty shall only be granted where the taxpayer has paid the principal tax debt in full.
- There are categories of taxpayers who will not be eligible for tax amnesty under these Regulations.

A Quick Recap of Tax Changes – Effective 2021

- SALARY TAX THRESHHOLD IS INCREASED FROM P36,000 TO P48,000. EMPLOYEES EARNINGS P48,000 OR LESS WILL NOT PAY ANY TAX EFFECTIVE 1 JULY 2021.
- DIVIDEND TAX RATE IS INCREASED FROM 7.5% TO 10% EFFECTIVE 1 JULY 2021.
- DIRECTORS FEES ON NON-WORKING DIRECTORS WILL BE SUBJECTED TO FINAL TAX AT 10% FOR RESIDENT DIRECTORS AND 15% FOR NON-RESIDENT DIRECTORS.
- PLASTIC LEVY ENSUES AT P0.15 PER PLASTIC (SHOPPING BAGS AT STORES AND SUPERMARKETS) EFFECTIVE 1 JULY 2021.
- SUGAR TAX ON SUGARY DRINKS IS INTRODUCED EFFECTIVE 1 APRIL 2021. THIS RESULTED IN AN INCREASE IN PRICES ON AFFECTED DRINKS.
- FUEL LEVY IS INCREASED BY BWP1.00 PER LITRE ON PETROL AND DIESEL EFFECTIVE 1 APRIL 2021.
- VALUED ADDED TAX (VAT) RATE IS INCREASED FROM 12% TO 14% EFFECTIVE 1 APRIL 2021.
- INTRODUCTION OF TAX ON SECOND-HAND IMPORT VEHICLES IS PROPOSED BUT NOT YET IMPLEMENTED.



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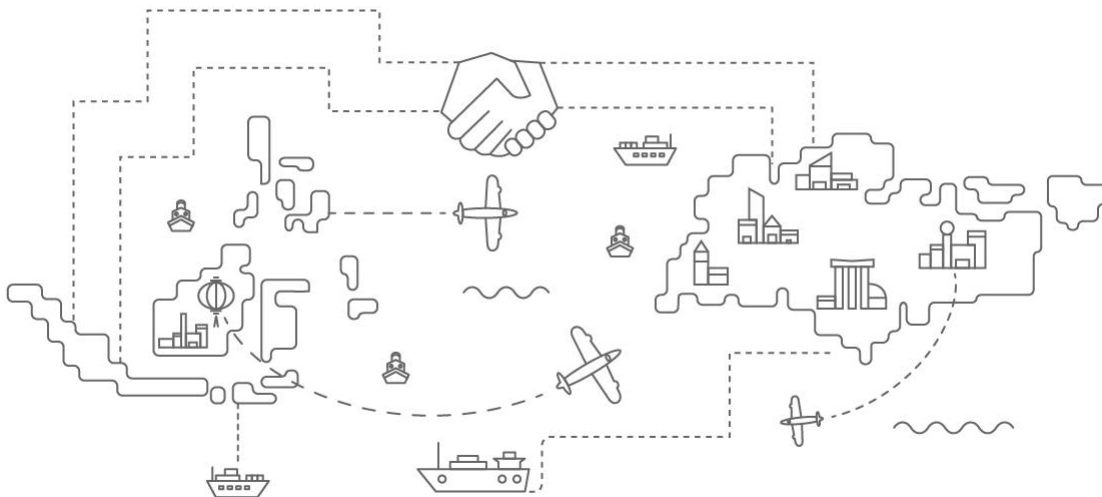
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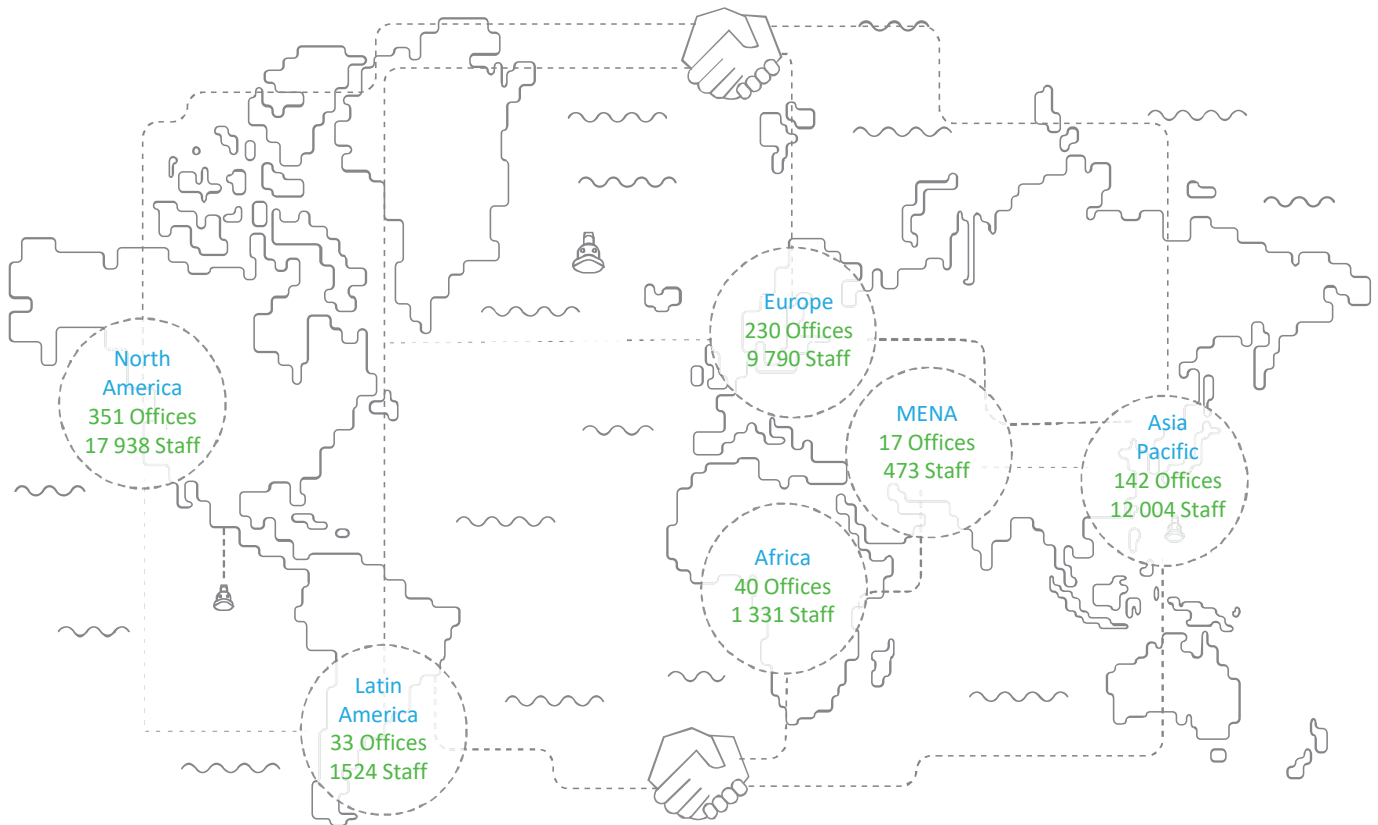
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- Family owned and managed businesses
- Estate planning and administration
- HR and labour consulting
- Trust administration
- Valuations
- Business interruption consulting
- B-BBEE consulting
- Corporate finance & transaction support
- IT consulting & special projects
- Cybersecurity

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