



cutting through complexity

2015 Tax Budget Highlights

31 March 2015



- **Suspension of 15% tax on export of un-beneficiated minerals.**
 - Has been extended for another twelve months
- **Opportunity of raising funding through bonds in the domestic market e.g \$20m Bindura Nickel Corporation Bond.**
- **\$100m facility for small scale miners from Xuzhou Construction Machinery Group of China has been set up.**

- **Special economic zones legislation to be tabled in mid 2015.**
- **Suspension of duty on importation of milk products has also been extended to 31 December 2015. (SI 182)**
- **Wheat flour – approved bakers can continue to import wheat flour at a reduced duty of 5% (instead of 20%) until 31 December 2015.**

- **Rebate on imported capital goods for the Tourism industry has been extended to 31 December 2015: (SI 177)**
 - Refurbishment and modernisation of:-
 - Conference facilities
 - Hotels and lodges
- **Suspension of duty on motor vehicles imported by Safari Operators extended to 31 December 2015.**

MANUFACTURERS

- **Bottler grade sugar – importation by approved importers extended for another 6 months. (SI181)**
- **Importation of deboned chicken ring-fenced and duty at 5%.**
- **Rebate of duty on imported inputs for use in the manufacturing of clothing has been extended to 31 December 2015.**
- **Electrical manufacturers' rebate- duty free importation of components used in the manufacture of electronic appliances such as refrigerators, kettles, radios etc. SI 176**

- **Exporters will enjoy the following preferred rates of corporate tax w.e.f. 1 January 2015**

Export Threshold (%)	Corporate tax rate (%)
30-40	20
41-50	17.5
Above 51	15

FURNITURE INDUSTRY PROTECTION

Tarrif Code	Product	Current MFN duty (%)	Current SADC Duty (%)	Proposed SADC Duty (%)	Proposed MFN Duty (%)
4411.1200	Of a thickness exceeding 5mm but not exceeding 9mm	15	0	20	40
4411.1300	Of a thickness exceeding 9mm	15	0	25	40
4411.9300	Of a density exceeding 0.25g/cm ³ but not exceeding 0.8cm ³ .	15	0	25	40
4411.9400	Of a density not exceeding 0.5g/cm ³ .	15	0	25	40
3814.0000	Organic Composite	15	15	5	5
9404.1000	Mattresses Supports	40	40	15	25

- **VAT deferment period on importation of capital goods has been extended as follows: (SI 173)**

Value of equipment (US\$)	Deferment Period (Days)
100 000 – 1 000 000	90
1 000 001 – 10 000 000	120
Above 10 000 000	180

- **Sugarcane is now zero rated with effect from 1 January 2009.**
- **Livestock sales zero rated with effect from 1 January 2015.**

EXPORT MARKETING DEVELOPMENT EXPENDITURE

- **NRTF – removed.**
- **Value of fees should not exceed 5% of the value of exports.**
- **Removal of exports approved for loading should currently be taken out of Zimbabwe within 10 days.**
- **The removal period has been increased to 30 days with effect from 1 January 2015.**

■ Secured Mortgage finance

- Stamp duty removed on cession of mortgage bonds.

■ Clearing Agents

- Minimum bill deemed to be at least \$50 for VAT purposes.

■ Excise Duty on Cigarettes

- Increased from \$15 to \$20 per 1 000 sticks with effect from 1 December 2014.

■ Tobacco Levy

- Has been re-introduced at 1.5 cents per \$ of revenue to be ring-fenced for re-forestation activities. Buyers and sellers to pay the same.

■ Aids Levy

- 3% levy now payable by miners and trusts engaged in mining with effect from 1 January 2015.

■ Employment tax

- 0 % rated threshold is now \$3 600 p.a.

■ Tax Amnesty

- Settlement period of liabilities has been extended to a period of up to 15 months with early settlers enjoying a 5% discount. Settlement by 31 December 2015.

■ Excise Duty on clear beer

- Reduced to 40% from 45%. Beer prices guaranteed to come down with effect from 1 January 2015.

- **Presumptive tax on:**
omnibuses, taxi cabs, driving schools and Haulage trucks
 - ZINARA now a collection agent w.e.f 1 January 2015.
 - Collection effected on renewing licenses.

- **Information exchange**
 - RBZ and ZIMRA.

- **Tax Returns**
 - Dormant companies now not required to file, but an annual declaration to be signed.

- **Thin capitalisation deemed dividends.**
 - Dividend tax removed on deemed dividends related to loans raised for the benefit of state corporations w.e.f. 1 January 2015.
- **Telecommunications: Airtime (voice and data) sales**
 - Special excise duty 5% on airtime and data sales by licensed operators to be levied w.e.f. 1 October 2014
- **Penalty loading model to be published in the Government Gazette for transparency purposes. [Outstanding]**
- **Tobacco Auction Floors**
 - Includes public auction floors and contract floors. w.e.f 1 February 2009.

- **Filing Returns for Tobacco Levy.**
 - To be filed weekly rather than daily although remittances are daily.

- **Failure to remit taxes and levies collected.**
 - Those who retain such funds can be prosecuted. Legislation to be crafted.

TAX INCENTIVES

- Interest on approved loans to statutory corporations exempted retrospectively from 1 February 2009.
- Injections into Pension Funds are now deductible with effect from 1 January 2015? Actuarial certificate required? (s15(mm))
- Computer software – capitalised and capital allowances claimable over four years?
 - Definition of articles, implements and machinery amended to include software
- 10% WHT on tenders:
 - Contract value subject to WHT to increase to \$1 000 p.a. with effect from 1 January 2015.



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THANK YOU

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