

GOVERNMENT OF ZAMBIA

ACT

No. 32 of 1994



Date of Assent: 29th September, 1994

An Act to provide for the imposition and payment of mineral royalty tax on the sale of certain minerals mined in Zambia; to repeal the Mineral Tax Act, 1989; and to provide for matters connected with or incidental to the foregoing.

[21st October, 1994

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Mineral Royalty Tax Act, 1994 and shall be deemed to have come into operation on 23rd August, 1994.

Short title
and
commence-
ment
Interpreta-
tion

2. (1) In this Act, unless the context otherwise requires—

"charge year" shall have the meaning ascribed to it in the Income Tax Act;

Cap 668

"Commissioner-General" means the Commissioner-General appointed under the Zambia Revenue Authority Act, 1993;

Act No. 28
of 1993

"gemstone" means amethyst, aquamarine, beryl, corundum, diamond, emerald, garnet, ruby, sapphire, topaz, tourmaline and any other non-metallic mineral substance used in the manufacture of jewellery that the Minister, by statutory instrument, declares to be a gemstone for the purposes of this Act;

"industrial mineral" means barytes, dolomite, feldspar, fluorspar, coal, graphite, guano, gypsum, ironstone, kyanite, limestone, phyllite, magnesite, mica, nitrate, phosphate, pyrophyllite, sands, clay and talc;

"mineral" means a base or precious metal, a gemstone or an industrial mineral;

"net amount" means the gross sales amount less—

(a) the cost of transport, including insurance and handling charges, from the mining area to the point of export or delivery; and

(b) the cost of smelting and refining or other processing costs, unless such other proceeds costs relate to processing normally carried out in Zambia in the mining area;

" sale " means local and export sale;

" tax " means the mineral royalty tax charged under this Act;

Cap. 668

(2) Unless the context otherwise requires, words and expressions not defined in this Act but defined in the Income Tax Act shall in this Act have the meaning assigned to them in the Income Tax Act.

Functions
and powers
Commis-
sioner-
General

3. (1) The Commissioner-General shall, subject to the direction of the Minister, be responsible for giving effect to the provisions of this Act, and shall for that purpose have all the powers conferred on him by the Zambia Revenue Authority Act.

(2) The Commissioner-General may, by writing under his hand and subject to such conditions as he may specify, delegate to any officer in the department responsible for taxes any powers conferred or any duty imposed on him by this section.

Imposition
and payment
of tax

4. (1) There shall be charged, levied and collected, from any person or partnership who sells any mineral in Zambia, a mineral royalty tax at the rates prescribed in the Schedule to this Act.

(2) The tax shall be payable on the value in kwacha of the net amount realised from the sale of any such mineral.

(3) The tax shall be levied at the end of each month during each charge year and shall be based on the total amount received during the month, less the allowable expenditures.

(4) The tax shall be due and payable within fourteen days following the end of the month to which the tax relates:

Provided that the Commissioner-General may, for sufficient cause shown, allow such longer period as he may determine either generally or in any particular case.

Returns

5. (1) A person liable to pay tax under this Act shall lodge such monthly, annual and other returns as the Minister may by statutory instrument direct.

THE MINERAL ROYALTY TAX ACT, 1994

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement
2. Interpretation
3. Functions and powers of Commissioner-General
4. Imposition and payment of tax
5. Returns
6. Exemptions
7. Recovery, etc., of tax
8. Registration of taxpayers
9. Tax not a deduction for income tax purposes
10. Offences
11. Repeal of Act No. 35 of 1989
12. Regulations





(2) Any such person who neglects or fails to furnish a return as required by this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand penalty units.

6. (1) Pursuant to the provisions of any agreement to which the Republic is a party, the Minister may, by statutory instrument, exempt any person or partnership from payment of tax.

Exemptions

(2) The Minister may, by statutory instrument, reduce, for such period and to such extent as he thinks fit, the rates of tax payable by any person.

(3) Any statutory instrument made under this section may be made with retrospective effect.

7. (1) Subject to the provisions of this Act, Parts V and VIII of the Income Tax Act shall, with any necessary modifications, apply to the recovery of tax under this Act.

Recovery etc. of tax
Cap 668

(2) The Minister may, by statutory instrument, declare that such other provisions of the Income Tax Act as may be specified in such instrument shall, with such modifications as may be so specified, apply to the recovery of tax under this Act, and such provisions shall apply accordingly.

Cap. 668

8. (1) Every person or partnership liable to tax under this Act shall register with the Commissioner-General within thirty days following the commencement of this Act or, in the case of a person or partnership becoming liable to tax after the commencement of this Act, within thirty days of so becoming liable.

Registration of taxpayers

(2) A person who is required, or is a member of a partnership which is required, to register under this section and who neglects or fails to do so shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand penalty units.

9. A tax, penalty or interest chargeable under or in accordance with this Act shall not be allowed as a deduction under the Income Tax Act:

Tax not a deduction for income tax purposes

Provided that the Minister may, by statutory instrument, exempt any person from the application of this section.

10. Subject to the provisions of this Act, the provisions of Part X of the Income Tax Act relating to contravention of the Income Tax Act and to penalties and interest in respect of any such contravention shall, with any necessary modifications, apply to any contravention of—

Offences and penalties

(a) this Act; or

(b) a provision of the Income Tax Act which, by virtue of this Act or a statutory instrument, applies to taxation under this Act.

Repeal of
Act No. 35
of 1989
Regulations

11. The Mineral (Export) Tax Act, 1989 is hereby repealed.

12. The Minister may, by statutory instrument, make regulations for or with respect to any matter that is required or permitted to be prescribed or that is necessary or expedient to be prescribed for carrying out or giving effect to this Act.

SCHEDULE

(Section 4)

RATES OF TAX

<i>Type of mineral</i>	<i>Per centum</i>
Base or precious metals	3
Industrial minerals	3
Gemstones	5