



Tax First Namibia Newsletter

March 2014

Proposed Corporate Tax Rate reduction for 2014

During the 2014/2015 Budget Speech, the Minister of Finance announced that the corporate tax rate for non-mining companies will reduce from 33% to 32%.

Although the proposed rate reduction was made public, the rate is only effective once the Income Tax amendment is enacted. Once the adjusted rate is published in the Government Gazette, the 32% rate should be applied in your tax provisions.

It is expected that the new rate will apply to financial years starting on/after 1 January 2014, although this will only be confirmed by the final legislation.

Depending on the effective date of the legislation and the year end of your company, the tax rate on which deferred tax is provided should be adjusted accordingly.

A monthly newsletter published by PwC Namibia providing informed commentary on current developments in the local tax arena. Though analysis and comments on new law and administrative changes assists business executives to identify developments and trends in tax law and revenue practice that might impact their business.

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Progress with a Purpose—Namibia Budget 2014/15

If you missed the National Budget Speech, visit our exclusive webpage for the highlights:

<http://www.pwc.com/na/en/budget/index.jhtml>



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This newsletter and previous issues are available on
www.pwc.com/na/en/publications/tax-first

Notice:

Underestimation penalties on provisional taxes

The Inland Revenue system is **levying provisional tax under-estimation penalties on assessment of tax returns.**

In terms of the amendments made in 2011, provisional tax payments that are less than the prescribed 40% and 80% of the final tax liability, will trigger under-estimation penalties (limited to 100% of the unpaid amount).

In managing your tax risk it is important to:

- Do detailed tax calculations for first and second provisional returns;
- Monitor income tax accounts after return submissions and payments for possible penalties and interest.

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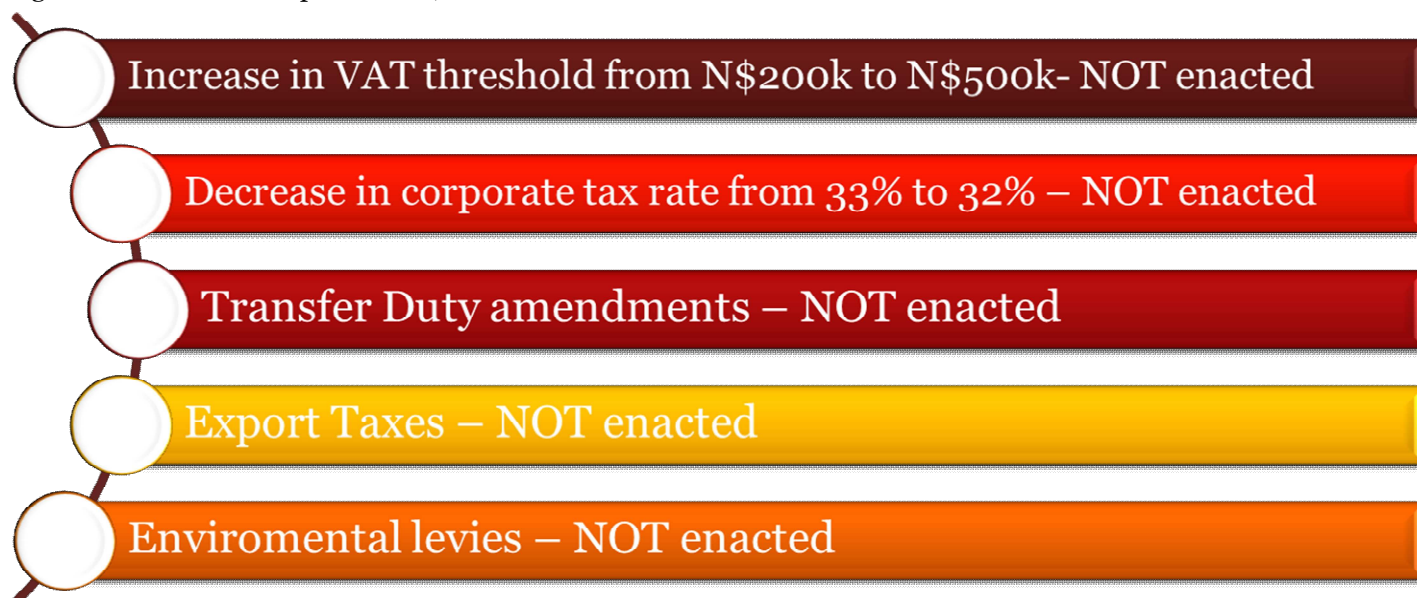


Tax Calendar - March 2014

Mon	Tue	Wed	Thu	Fri
17	18	19	20 <ul style="list-style-type: none"> • PAYE Returns • Import VAT return • Withholding Tax on Services return 	21 Independence Day
24	25 <ul style="list-style-type: none"> • VAT return (Category A) 	26	27	28
31 <ul style="list-style-type: none"> • Social Security payment • Tax return - companies with 31 August 2013 Year-End; • 2nd provisional returns - companies with March Year-End 				

New tax legislation tracker

The below diagram serves as our tracker on the progress of proposed tax legislation. The following is the status of the legislation to date of the publication, all of which were announced:



Reminder:

PAYE reconciliations 2014 | All employers

PwC wish to remind all businesses to submit their PAYE reconciliation for the tax year 01 March 2013 to 28 February 2014 by 30 March 2014. Should you not be able to meet this deadline, apply for extension timeously. Extension will only be granted if a taxpayer's tax affairs are in order.

2014/15 South African Budget Speech Highlights

The South African Minister of Finance, Mr Pravin Gordhan, delivered his annual Budget Speech on Wednesday, 26 February 2014



Highlights of the SA Budget:

The main tax proposals for 2014 include the following:

- Adjustments to tax tables relating to retirement lump-sum payments.
- Continued reform to the taxation of retirement savings;
- Individual tax breaks with additional interest and dividend exemptions;
- Measures to encourage small enterprise development;
- Clarity on valuation of company cars for fringe-benefit tax purposes;
- Government proposes an increase of 12c/litre in fuel levy
- Reforms to tax treatment of the risk business of long-term insurers;
- Amending rules for VAT input tax to combat gold smuggling;
- Measures to address acid mine drainage;
- Deferral of the introduction of the carbon tax by one year;

For more detailed information please visit the PwC SA website:

<http://www.pwc.co.za/en/tax/budget.jhtml>

2014/2015 Excise Duties announced by SACU

*The following changes in specific excise duties were announced for 2014/15
(SACU tariffs applicable in Namibia as from 27 February 2014)*

Product	Excise Duty (N\$)	% increase
Malt Beer	N\$68.92 / litre of absolute alcohol	8,0%
Unfortified wine	N\$2.87 / litre	6,2%
Fortified wine	N\$5.21 / litre	7,5%
Sparkling wine	N\$9.11 / litre	10,0%
Ciders & Alcoholic fruit beverages	N\$3.45 / litre	8,1%
Spirits	N\$137.54 / litre of absolute alcohol	12,0%
Cigarettes	N\$11.60 per packet of 20 cigarettes	6,2%
Cigars	N\$61.87 / 23grams	9,0%
Pipe tobacco	N\$3.63 / 25 grams	2,5%

For assistance or advice please contact one of our tax specialists.

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