

# Tax First Namibia Newsletter

From PwC Namibia

## National Budget 2024/25 Edition

### A look inside this issue:

By **Chantell Husselmann**  
An overview of the  
National Budget 2024/25

Page 1 - 3

By **PwC Namibia**  
Household - Individual &  
Consumption Tax  
Contribution

Page 4

Business School  
Calendar

Tax Calendar

Page 5

## An Overview of the National Budget 2024/25

The National Budget 2024/25 presented by the Finance Minister, Honourable Mr. Ipumbu Shiimi, on the 28th of February 2024 is tabled while Namibia underwent leadership changes. His Excellency President Nangolo Mbumba, was appointed on 4 February 2024, after the loss of our late President, His Excellency Dr. Hage Geingob.

The Finance Minister presented the Budget with the mindful vision aimed at “continuing the legacy of His Excellency Dr. Hage G. Geingob by caring for the Namibian child”.

..... and so to continue the legacy of His Excellency Dr. Hage G. Geingob, we reference his remarkable words of the 4th of May 2022

*“We should prioritize preparing our young people to be generational leaders and include them in leadership structures so they can be represented in the echelon and express their opinions on subjects that are important to them.”*



**Chantell Husselmann**  
PwC Namibia  
Country Senior Partner

In summary, the Budget provided sufficient importance to all sectors of the Namibian economy and strives to enhance the ease-of-doing business in Namibia. The Budget emphasized infrastructural development and tax enhancements, while keeping its focus on dealing with poverty alleviation and social inequalities.

**Cont. page 2**



# An Overview of the National Budget 2024/25 (cont.)

The 2024/25 Budget was presented during a difficult time for Namibia. However, there are various positives that allude to a better future for Namibians. This can be seen in the three reinforcing pillars that the Minister focused on, namely:



With regard to taxes, we are grateful of the fact that, amongst others, most of the 2023/24 Mid Year Budget’s tax proposals came through, which includes but is not limited to:

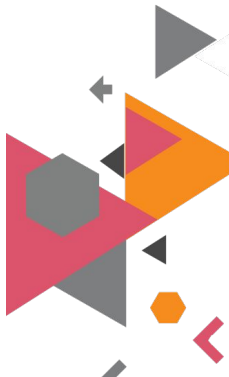
- Non-mining tax rate reduction over the MTEF by 4%;
- Tax-free threshold for individuals lifted from N\$50,000 to N\$100,000 effective 1 March 2024 (of which further adjustment is expected over the next 2 years);
- Corporate tax rate of 20% for SMEs with an annual turnover below a predefined threshold, still to be determined;
- Mandatory VAT registration threshold to increase from N\$500,000 to N\$1 million;
- Introducing of a VAT e-invoicing system which will integrate and interface cash registers of businesses with the ITAS system;
- Tax rate of 20% for SEZ entities, with normal capital allowances and VAT that will be zero-rated; and
- To improve access to housing, the brackets for transfer duties and stamp duties will be adjusted for inflation. Accordingly, the exempt level will be lifted from N\$600,000 to N\$1.1 million.

On the other hand we note the below tax proposal, in terms of which we strongly recommend due public consultation to be conducted before implemented, to prevent undesired consequences for the Namibian taxpayer(s) and/or economy -

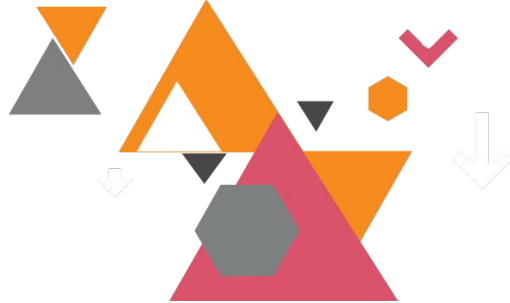
- In terms of the reduced non-mining income tax rate, the following is proposed to maintain tax neutrality -
  - replacing the 3:1 thin capitalisation ratio with a 30 percent limit on interest deductions;
  - capping assessed losses carried forward at
    - 5 years for normal companies; and
    - 10 years for companies operating in the natural resources sectors; and
  - introducing a 10 percent dividend tax effective on 01 January 2026 to address the existing disparity in the investment arena where dividends paid to non-resident shareholders is subject to tax; and
- The removal of non-resident shareholder tax (“NRST”) exemption for foreign insurance company shareholders.

In conclusion, we trust that the measures announced will be implemented within the next few months if not weeks, for the benefit of our economy and the Namibian citizens.

We want to thank the Minister for engaging us in such a high-powered outlook, whereby we encourage our Namibians to take hands and aim to grow a healthy, thriving economy that benefits all.

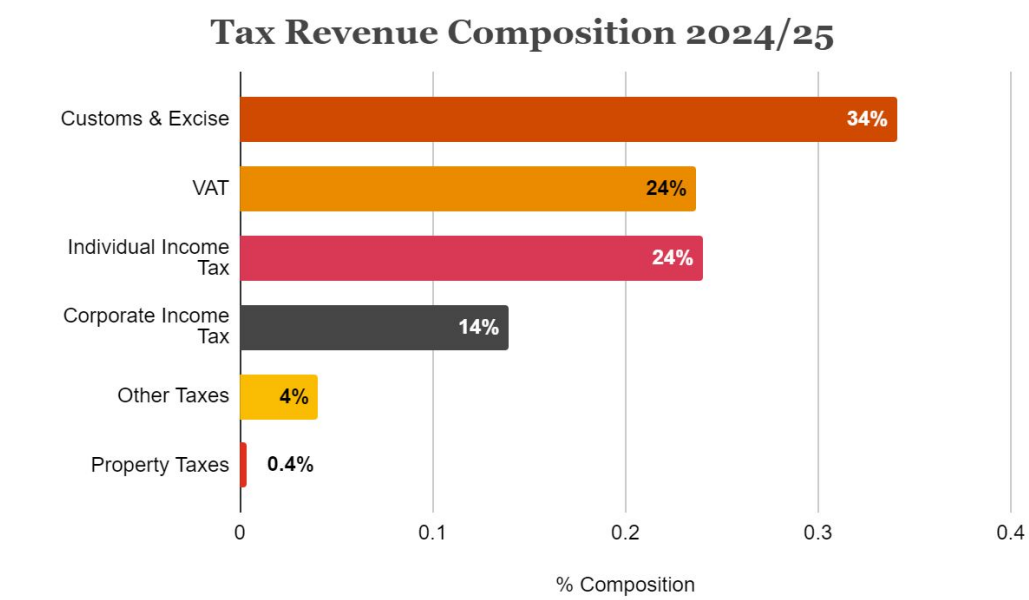
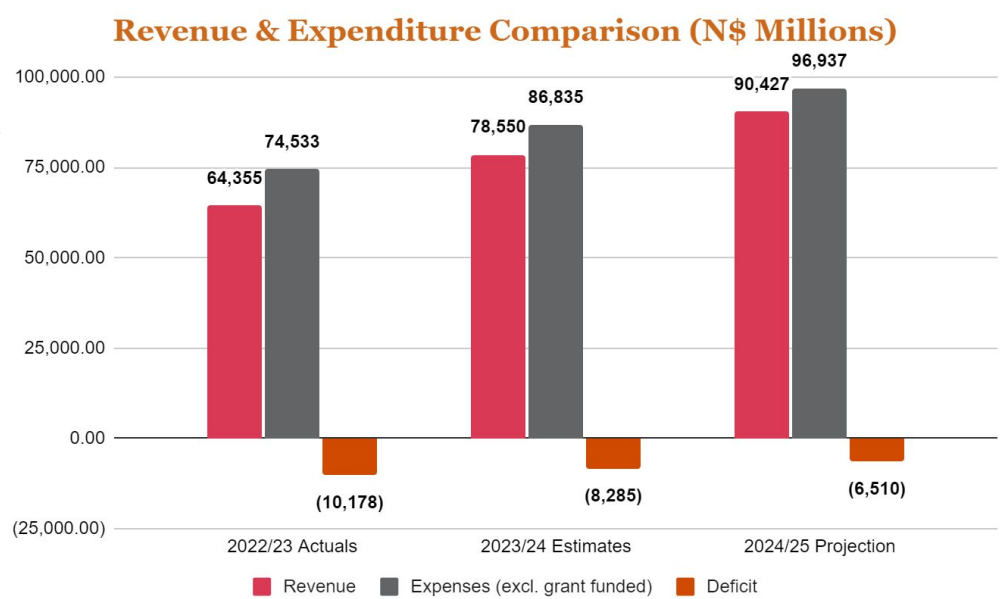


# An Overview of the National Budget 2024/25 (cont.)



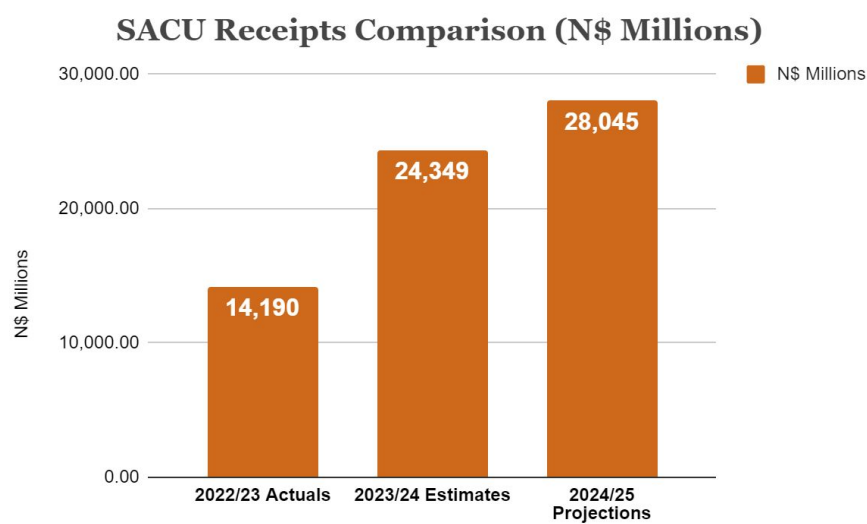
As a visual representation, the below are some highlights of the budget as announced:

We note the N\$10 billion projected increase in expenditure (excl. Grant funded), as well as an upwards projection in terms of expected revenue for the 24/25 fiscal year.



Looking at the composition of tax revenue as announced by the Hon. Minister, it is evident that Customs & Excise play a large part in contributing to overall revenue projections.

SACU receipts are expected to exceed N\$ 28 billion, a testament to improved tax administration and cooperation between member states.



Follow the below link for our in-depth analysis of the 2024/25 Budget Speech



## PwC Namibia Budget Review



A monthly newsletter published by PwC Namibia providing informed commentary on current developments in the local tax arena.  
To subscribe to this newsletter, click on the below link: <https://www.pwc.com/na/subscriptions>





# Household - Individual & Consumption Tax Contribution

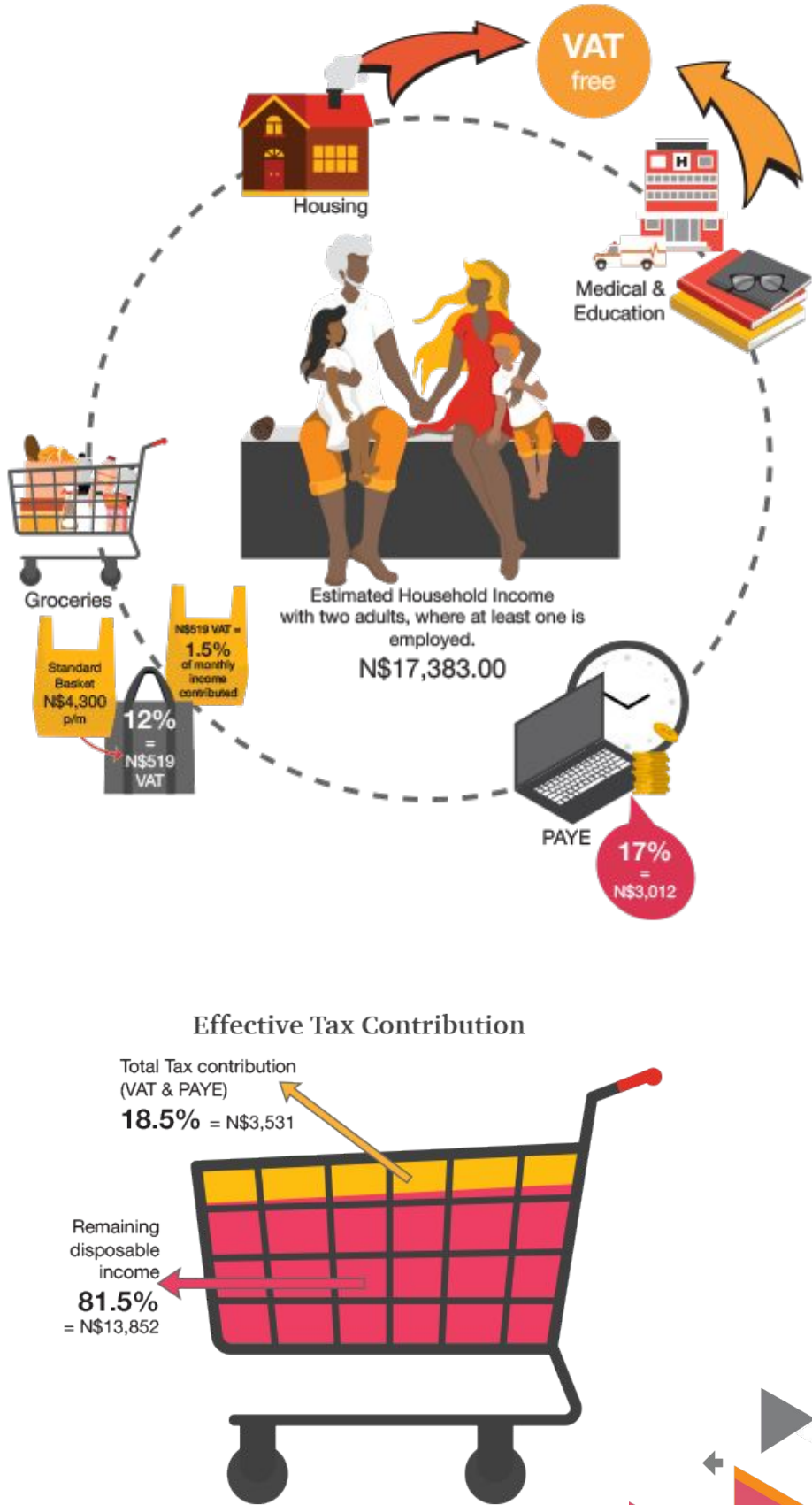
The shared visual is limited to the consumption of groceries for a salaried middle income household.

From a VAT perspective residential housing, medical aid and education tuition fees are consumed free of contribution.

Our visual is based on a salaried individual as member to a household contributing PAYE (based on sliding scales dated 28 February 2024) and expensing this monthly income on VAT inclusive good and services.

Essentially without consideration of other indirect taxes such as fuel levies, environmental levies, rates and taxes on property, VAT on clothing and furniture, and carbon emission tax, this would be the typical average monthly tax contribution in a middle income Namibian household.

Grocery Store	
ADDRESS: WINDHOEK phone: 0612841000	
No.23.2.345.678.9	
*****	
No. 242/45	Cashier: Tobi
=====	
Loaf of White Bread	13.99
Nola Sunflower Oil 2L	74.99
Champion Maize Meal 2.5kg	39.99
Marathon White Sugar 2.5kg	49.99
Real Good Chicken 1.5kg	69.99
Beef Stew 1kg	96.90
Nice Rice 10kg	192.99
Pasta Polana Macaroni 3kg	79.99
Fresh Nammilk Full Cream 1L	21.99
Twinsaver Toilet Paper 9 rolls (350 sheets)	76.99
Wellington Tomato Sauce 700ml	26.99
Sunlight Dishwashing Liquid 750ml	34.99
Sunshine Butter 500g	21.99
18 Waldschmidt Eggs (medium)	54.99
Protex Bar Soap 150g	13.99
Ground Mince (p/kg)	96.99
Sunlight Handwash Washing Powder 500g	19.99
Vaseline 100g	24.99
Toothpaste 100ml	21.99
Nina Sanitary Pads (8s)	8.99
Potatoes 2 kg	45.99
Tomatoes p/kg	34.99
Onions p/kg	19.99
Bag of Apples	29.99
Bag of Bananas	29.99
=====	
Total	1,204.66
Cash	1,220.00
Change	15.34
=====	
TAX/VAT INCLUDED IN ABOVE TOTAL	
Tax	129.75
=====	
	



Upcoming Training Dates | March 2024

Date	Training	Price per Delegate (incl VAT)	More info
5-7 March	Finance for Non-Finance Training	N\$4,500.00	<a href="#">Click for more info</a>
13-15 March	Learn 2 Lead Summit	N\$ 12,000.00	<a href="#">Click for more info</a>
25 March	Financial Wellness Series	N\$ 1,500.00	<a href="#">Click for more info</a>
27 March	Time Management Training	TBC	More info coming soon

Tax Calendar | March 2024



Important Submission Dates to note in your calendar



Contact us:

20 March	Wednesday
Import VAT Return;	
PAYE Return	
Withholding Tax Returns: Services, Royalties, Interest; NRST	
VET Levy Return	
25 March	Monday
Value Added Tax Return	

2 April	Tuesday
Social Security Return	
1st provisional for taxpayers with a September 2024 year-end;	
2nd provisional for taxpayers with a March 2024 year-end;	
Tax return for companies with a August 2023 year-end;	
Employee Compensation Fund return for 2023	



Chantell  
Husselmann

CSP/VAT Partner  
chantell.husselmann@pwc.com



Ansie  
Rossouw

Partner in Charge, W/Bay  
ansie.rossouw@pwc.com



Johan  
Nel

Tax Leader  
johan.nel@pwc.com



Anneri  
Lück

Tax Associate Director  
anneri.luck@pwc.com

