



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

NMAC 402: TAX LAW AND PRACTICE

END OF FIRST SEMESTER EXAMINATION

NOVEMBER 2022

LECTURER: DR P KORERA

DURATION: 3 HOURS

TAX TABLES

tax bands USD (monthly)	tax rate (%)	cumulative tax USD
1 - 70	0	0
71 - 300	20	46
301- 1 000	25	221
1 001 - 2 000	30	521
2 001- 3 000	35	871
3 001+	40	

The tax is exclusive of 3% Aids Levy which is calculated on after credit tax payable.

MOTOR VEHICLE BENEFIT

Engine Capacity	Deemed (annual) Cost
Up to 1500cc	\$675
Over 1,500cc to 2,000cc	\$900
Over 2,000cc to 3,000cc	\$1 350
Over 3,000cc	\$9800

TAX CREDITS

Elderly person	\$90 per annum
Mentally or physically disabled	\$90 per annum
Blind person	\$90 per annum
Medical expenses	50% of medical expenses paid

PENSION AND RETIREMENT ANNUITY FUND CONTRIBUTIONS RESTRICTIONS

- Contributions to one Pension fund (plus NSSA) –\$720 per annum.
- Contributions to one Retirement annuity fund –\$720 per annum.
- Contributions to two or more Pension funds –\$720 per annum.
- Contributions to two or more Retirement annuity funds –\$360 Per annum.
- Contributions to Pension fund(s) and Retirement annuity fund(s) –\$720 Per annum.

Bonus exempt portion \$700 per annum

Corporate income tax rate

24 %

Aids levy

3%

Restrictions on assets

Passenger Motor Vehicle

\$10 000

Staff housing

\$25 000

School, hospital, nursing home, clinic for farm

\$80 000

House for staff at a school, hospital, nursing home, clinic.

\$80 000

Special Initial Allowance

25%

Rates of Wear & Tear on Assets

<u>Movable asset</u>	<u>W & T Rate</u>
Bicycles	25%
Bulldozers	25%
Caravans	20%
Carpets (not fitted)	25%
Combine harvesters	25%
Computers	10%
Cranes (mobile)	15%
Fans	20%
Heavy lorries (rough roads)	25%
Library books	33⅓%
Machinery <i>which works:</i>	
☞ 1 shift per day	10%
☞ 2 shifts a day	17½%
☞ 3 shifts per day	25%

Motor Cars	20%
Portable electric organ	20%
Tractors	20%
TV Sets	20%
Commercial building	2,5%
Other qualifying immovable assets	5%

Accelerated wear and tear	25%
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