



Press Release

The Internal Revenue Commission has met its mid-year tax collections target as projected by National Budget 2018.

By the end of June 2018, the IRC transferred K3.36 billion to the Government against a projected mid-year target of K3.35 billion. This is net of refunds verified to tax payers and GST transfers to the provinces. .

The IRC is on track to meet its tax revenue target of K7.39 billion which was set by Government in the 2018 National Budget projections. This is about 65% of the total revenue to fund the National Budget.

The Internal Revenue Commission attributes its performance in meeting its fiscal targets to a number of factors including improved administrative and processing capacity and increasing tax payer compliance.

Tax collections fared strongly from corporate income taxes and a resurgence of mining and petroleum taxes.

There is an increase in taxpayer compliance which is attributed to self-assessment, improved processing capacity within IRC, and compliance initiatives through co-operation with commercial banks, outreach programmes and spot check activities including media awareness about tax filing and payments obligations.

The second instalment of provisional corporate income tax is expected from large and medium sized companies by the 31st of July 2018. Companies are encouraged to file and pay early to avoid late payment charges.

The Internal Revenue Commission urges taxpayers with outstanding tax debts who are facing difficulties with paying their taxes to make contact and discuss instalment payment options. IRC is willing to facilitate tax instalment payment options within reason, for tax debts that are overdue, provided taxpayers are honest about their financial position.

Failure to settle tax debts and honestly report income may result in severe financial consequences arising from enforcement action taken by IRC such as placing administrative garnishee notices on tax payer bank accounts or on secured third party creditors as well as issuing departure prohibition orders (DPO) to company

directors to restrict international travel and prosecution before the Courts. IRC is continuously improving our efforts in this regard.

IRC is also putting into place organisational and administrative reform initiatives over the medium-term (2018-22), consistent with the Government's Medium Term Revenue Strategy (MTRS), to simplify and modernise our processes for taxpayers and we remain committed to this process of continuous change and modernisation.

As a preliminary indicator to these changes already we are seeing an increased number of tax payers filing and paying their taxes on time and are expecting to see the number of taxes paid electronically to double by the end of this year compared to last year.

IRC would like to thank those taxpayers who are making use of this new and improved ways of paying taxes and urges the rest of the taxpayers to follow suit.

AUTHORISED BY

**MANAGEMENT,
INTERNAL REVENUE COMMISSION**

Thursday 26th JULY 2018