

FISCAL INCENTIVES IN SUPPORT
OF
THE PROGRAMME
BY
MINISTRY OF FINANCE

Mandate

- The Ministry is there to formulate Economic & Fiscal Policies that seek to manage Gvt Financial & material resources & provide strategic guidance on economic & dev planning for social economic development

- While the ministry is responsible for various taxation policies, it works with several departments in its implementation.
- For Vehicles MRA is the implementing agent.
- Powers rests with the Minister of Finance

VEHICLES

- All products with negative externalities/ effects attract exercise tax called sin tax e.g smoking
- All vehicles imported into the country are subjected to the following:
 - Custom Duty/ Import Duty
 - Import VAT
 - Exercise duty

THE PRINCIPLE

- Calculation is based two main factors
- Engine Capacity /CC
- Age of the vehicle Yrs

Note: Vehicles that cause environmental degradation/ pollution/ hazardous attract exercise duty

TABULATIONS

- Less than 1000 cc
- 0-8yrs old > 0% Excise Duty
- 8-12yrs > 30%
- Above 12yrs > 60%

Cont'

- 1000cc-1500cc
- 0-8 yrs old >0%
- 8-12yrs >30%
- Above 12yrs >60%

Cont'

- 1500cc -1999 cc
- 0-8yrs old 15%
- 8-12yrs 45%
- Above 12yrs 75%

Cont'

- 1999cc-2500cc
- 0-8yrs old 35%
- 8-12yrs old 60%
- Above 12yrs 90%

Cont'

- 2500cc -3000cc
- 0-8 yrs old 45%
- 8-12yrs 70%
- Above 12yrs 100%

Cont'

- Above 3000cc
- 0-8yrs old 55%
- 8-12yrs 80%
- Above 12yrs 110%

Fiscal Incentive to promote the initiative

- Once the current proposals come into effect then a special application has to be made to the Ministry of Finance for consideration by the Minister for special applicable tax regime.

- Thank You!