

Tobacco and Alcoholic Products Levy

Frequently asked Questions

1. Who is liable to charging the levy?

Automatic registration will apply to already registered vendors of tobacco and alcoholic products. It is still the responsibility of a person/business to register for both taxes once the VAT registration threshold of M850 000 per annum is reached. Customs officers at the ports of entry and vendors registered to collect VAT are therefore liable to charge the levy.

2. Should SBT vendors charge levy?

Yes, they should charge Levy if they are VAT registered

3. How to Register for Levy?

Automatic registration will apply to already registered vendors, while it is still the responsibility of the person/business to register for both taxes once the VAT registration threshold of M850 000 per annum is reached.

4. Which tobacco products are referred to in the TAPL Act?

Cigarettes
Cigars
Snuff
Pipe tobacco
Other tobacco products

5. Are vaping products included in the Levy on Tobacco and alcoholic products?

Yes those vaping products that have tobacco in them.

6. Which alcoholic products are referred to in the TAPL Act?

All alcoholic products except traditional beer.

7. Suppose I bought Alcoholic products from SA and the invoice is VAT inclusive. How is levy calculated on a VAT inclusive invoice on importation?

Step 1

Customs official will deduct VAT from the total cost then

Step 2

Levy is applied on the amount exclusive of VAT

Step 3

VAT is then charged on the sum of amount exclusive of VAT + levy at 15%

8. Is levy part of cost to the vendor?

No, It doesn't form part of cost to the vendor as the levy is borne by the consumer.

9. Does levy apply to stock already on hand before levy Act was enacted?

Yes, levy applies to stock purchased prior and after the enactment of the law. Input levy was not charged on the purchase of those Tobacco and Alcoholic Products bought prior to the enactment of the law but Clients are expected to charge output levy on the units sold.

10. Will I get levy refund on damaged stock or return of expired stock?

Yes, a client will be refunded on damaged or return of expired stock; upon submission of proof certified by the Police or damage witnessed by RSL officials.

11. Is levy charged on original or discounted price of tobacco and alcoholic products?

The levy is applied on the final cost charged to the consumer. In a case where goods are discounted for example in a "month end sale", the sale/discounted price will be subjected to the levy.

12. What is the difference between Levy and VAT?

The main differences are that Levy will be charged on the selling price and claimed only on the collected levy based on goods sold. VAT will be charged on the selling price and VAT input claimed on all goods procured in that month (whether sold or not).

13. Can businesses which do not primarily trade in tobacco & alcoholic products (Retail or hospitality industries etc.) charge levy?

Yes, remember the levy is borne by the final consumer as such any vendor selling such products should ensure that they charge the levy.

14. Is it a requirement to display levy on invoices?

Yes, it is a requirement to display levy amount and rate on invoices for clarity and verification.

15. Is there a difference between VAT number and Levy number?

Yes, VAT number is obtained for VAT registration and Levy number is for registration for levy purposes.

16. Can we get Levy certificate after registration is complete?

No, only levy number is issued.

17. What attachments should accompany a levy return?

Same attachments as those attached when filing for VAT.