



30 March 2023

To: All Employers, Employees and Other Individuals

Dear Clients,

**Re: Income Tax Structure for the Period Starting 1 April 2023
Onwards**

In terms of the Income Tax (Monetary Amounts) (Amendment) Regulations, Legal Notice No. 32, published on the 24th March, 2023, the lower tax bracket has been increased from M 5, 620.00 to M 5,760.00 per month while the non-refundable tax credit has been increased from M 880.00 to M 902.00 per month with effect from 1 April 2023.

It is with this communique that the Revenue Services Lesotho (RSL) serves to confirm the changes to Section 73 and Second Schedule of the Income Tax Act No. 9 of 1993 and to indicate how the changes are to be effected for purposes of calculating tax liabilities for resident individuals; being sole traders (for annual tax liabilities), employees and pensioners (for PAYE).

The rates applicable for these resident individuals are shown below and they will be followed by the tables that provide examples of how the tax structure is to be applied.

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Individual Income Tax Structure

Chargeable Income	Rate of Tax
First M 69 120.00 per annum or M 5 760.00 per month	20%
Above M 69 120.00 per annum or M 5 760.00 per month	30%
A non-refundable tax credit of M 10, 824.00 per annum or M 902.00 per month.	

Thus, where chargeable income

- (a) is between M 1.00 and M 69 120.00 the tax = 20% of the amount,
- (b) exceeds M 69 120.00 the tax = M 13 824.00 + 30% of excess over M 69 120.00, and
- (c) the non-refundable tax credit of M 10 824.00 is applicable to each resident individual.

Table 1: Tax Calculations Based on Annual Amounts

(1) Chargeable Income	(2) Tax Credit Per Annum	Tax Calculations		(5) Tax Payable = (3) +(4) – (2)
		(3) 1 st M 69 120.00 Taxed at 20%	(4) Over M 69 120.00 Taxed at 30%	
M 12 000.00	M 10 824.00	M 2 400.00	M 0.00 ¹	M 0.00 ²
M 54 120.00 ³	M 10 824.00	M 10 824.00	M 0.00	M 0.00
M 69 120.00 ⁴	M 10 824.00	M 13 824.00	M 0.00	M 3 000.00
M 114 000.00	M 10 824.00	M 13 824.00	M 13 464.00	M 16 464.00

¹ The whole M 12 000.00 is taxable at 20% and because it is less than M69 120.00, then the 30% does not apply.

² M 2 400.00 + M0.00 is less than the tax credit, M 10 824, then no tax is payable, and no tax is refundable.

³ M 10 824.00 + M 0.00 equals to the tax credit and therefore no tax is payable.

⁴As indicated in the last two rows of column (5), any income level above this amount result in some tax payable.

Table 2: Tax Calculations Based on Monthly Amounts

(1) Chargeable Income	(2) Tax Credit Per Month	Tax Calculation		(5) Tax Payable = (3) +(4) – (2)
		(3) 1 st M 5 760.00 Taxed at 20%	(4) Over M 5 760.00 Taxed at 30%	
M 1 000.00	M 902.00	M 200.00	M 0.00	M 0.00
M 4 510.00	M 902.00	M 902.00	M 0.00	M 0.00
M 5 760.00	M 902.00	M 1 152.00	M 0.00	M 250.00
M 9 500.00	M 902.00	M 1 152.00	M 1 122.00	M 1 372.00

(1) Revenue Services Lesotho (RSL) offices, including Call Centre and Digital Service Centres, can be contacted for further details and clarifications.

(2) Tax Tables are available in soft copies and electronically from the RSL website; www.rsl.org.ls where there is also a tax calculator facility.

Yours Faithfully,



Mathabo Mokoko (Mrs.)

Commissioner Client Services