Revenue Services Lesotho

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07 May 2025

To: All Employers, Employees and Other Individuals

Dear Clients,

<u>Re: Income Tax Structure for the Period Starting 1 April 2025 Onwards</u>

In terms of the Income Tax (Amendment of Monetary Amounts) Regulations, Legal Notice No.50, published on the 14th March 2025, the lower tax bracket has been increased from M 5 875.00 to M 6,170.00 per month while the non-refundable tax credit has been increased from M 920.00 to M 970.00 per month with effect from 1 April 2025.

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; Including 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.

Individual Income Tax Structure

Chargeable Income	Rate of Tax
First M 74 040.00 per annum or M 6 170.00 per month	20%
Above M74 040.00 per annum or M 6 170.00 per month	30%
A non-refundable tax credit of M 11 640.00 per annum or M 970.00 per month.	

Thus, where chargeable income

(a) is between M 1.00 and M 74 040.00, the tax = 20% of the amount,

(b) exceeds M 74 040.00 the tax = M 14 808.00 + 30% of excess over M 74 040.00, and

(c) the non-refundable tax credit of M 11 640.00 is applicable to each resident individual.

Table 1: Tax Calculations Based on Annual Amounts

(1) Chargeable Income	(2) Tax Credit	Tax Calculations		(5) Tax Payable = (3) +(4) – (2)
Per Annum	Per Annum	(3) 1st M 74 040.00 Taxed at 20%	(4) Over M 74, 040.00 Taxed at 30%	
M 12 000.00	M 11 640.00	M 2 400.00	M 0.00[1]	M 0.00[2]
M 58 200.00[3]	M 11 640.00	M 11 640.00	M 0.00	M 0.00
M 74 040.00[4]	M 11 640.00	M 14 808.00	M 0.00	M 3 168.00
M 114 000.00	M 11 640.00	M 14 808.00	M 11 988.00	M 15 156.00

[1] **The whole M 12 000.00 is taxable at 20% and because it is less than M74 040.00, then the 30% does not apply.**
[2] **M 2 400.00 + M0.00 is less than the tax credit, M 11 640, then no tax is payable, and no tax is refundable.**
[3] **M 11 640.00 + M 0.00 equals to the tax credit and therefore no tax is payable.**
[4] **As 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	Tax Calculation		(5) Tax Payable = (3) +(4) – (2)
Per Month	Per Month	(3) 1st M 6 170.00 Taxed at 20%	(4) Over M 6 170.00 Taxed at 30%	
M 1 000.00	M 970.00	M 200.00	M 0.00	M 0.00
M 4 850.00	M 970.00	M 970.00	M 0.00	M 0.00
M 6 170.00	M 970.00	M 1 234.00	M 0.00	M 264.00
M 9 500.00	M 970.00	M 1 234.00	M 999.00	M 1 263.00

(1) Revenue Services Lesotho (RSL) offices, including Call Centre and Digital Service Centres, can be contacted on 8002 2009 or WhatsApp us on 6221-0090 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,

Rakokoana Makoa (Mr.)
Commissioner Client Services