



**Revenue  
Services**  
Lesotho

**TAX GUIDE ON  
PROVISIONAL TAX**

“Rea Aha”

| QUESTIONS   | ANSWERS  |
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| 1. What is <b>Provisional Tax</b> ?                                     | It is an instalment of tax paid by the Client during the year of assessment in terms of which Clients are obliged to pay their income tax liability in three (3) equal instalments based on their actual income tax liability for the preceding year.  |
| 2. Who should pay <b>provisional tax</b> ?                              | <b>Provisional tax</b> is paid by companies and individuals carrying on income generating businesses in Lesotho.   |
| 3. Why should I pay <b>provisional tax</b> ?                            | <p>It is a mandatory requirement under section 150 of Income Tax Act, of 1993 that, every Client should pay provisional tax.</p> <p>It helps the Client to spread the tax over the year of assessment, thereby preventing the accumulation of large amount of tax liability at the end of the year.</p>  |
| 4. How is <b>provisional tax</b> calculated?                            | The amount of each instalment of tax is 30% of the Client's income tax liability for the preceding year of assessment.   |
| 5. When do I have to pay <b>provisional tax</b> ?                       | <p>The provisional tax or quarterly instalments are due for payment on the following dates:</p> <ul style="list-style-type: none"> <li>• 30<sup>th</sup> September,</li> <li>• 31<sup>st</sup> December, and</li> <li>• 31st March</li> </ul> <p>Where the Client has been granted permission to use a substituted accounting period, the instalments of tax become due on the last day of the 6th, 9th and 12th months of the substituted year/accounting period.</p> |
| 6. What documents do I fill when making <b>provisional tax</b> payment? | The documents required for paying <b>provisional tax</b> are <b>pay advice form</b> obtainable at RSL Digital Service Centre – Maseru and there are <b>deposit slips</b> with RSL - Income Tax Account number obtainable at the banks for the Clients who choose to make payments at the banks.  |
| 7. Where do I pay <b>provisional tax</b> ?                              | The <b>Provisional tax</b> is paid through:<br>e-Payments platform (Online available on RSL website under E-SERVICES & mobile money  |

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|  | <p>currently with M-Pesa). Payments can also be made through commercial banks (EFT/physically), mainly:</p> <ul style="list-style-type: none"> <li>• Nedbank Lesotho</li> <li>• Standard Lesotho Bank</li> <li>• First National Bank</li> <li>• RSL banking (Maseru only)</li> </ul> <p>Proof of payment should be send to <a href="mailto:receipts@rsl.org.ls">receipts@rsl.org.ls</a> and you will be receipted through the same email address. This applies only to Clients who made payments using the commercial banks and RSL banking hall.</p> |
| <p>8. What are the consequences for failure to pay <b>provisional</b> tax?</p> | <p>A person who fails to pay any instalment of tax due is liable for additional tax at 3% on the amount of tax due. The additional tax is compounded monthly and it is calculated from the date on which the payment became due.</p>  |

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