



## QUARTERLY PAYMENTS DATES (QPDs) FOR INCOME TAX PURPOSES

Following the 2024 Mid-Term Budget Review by the Minister of Finance, Economic Development and Investment Promotion on 25<sup>th</sup> July, 2024, ZIMRA wishes to advise the public that the following guidance shall apply for QPDs:

1. Add up income in ZWG and US to obtain total income expressed in ZWG or USD;
2. Determine the proportionate contribution of the income streams;
3. Where forex income is contributing 50% or more, taxpayers be guided by Scenario 1; and where local currency income is more than 50%, taxpayers be guided by Scenario 2 below.
4. Both scenarios are for illustration purposes and are based on a taxpayer earning monthly fixed rental income in both USD and ZWG and incurring monthly fixed expenses in both currencies.
5. QPDs for Q1, Q2 and Q3 2024 will be distinguished.

**NB/ It is important to highlight that for 2024 QPDs:**

- For 1<sup>st</sup> QPD, taxpayers had to account for income tax in the currency of trade.
- For 2<sup>nd</sup> QPD, was paid on a 50-50 basis (meaning as if 50% of the income was earned in USD and 50% was earned in ZWG)
- For 3<sup>rd</sup> QPD, taxpayers with more than 50% income in forex have to account for income tax on a 50-50 basis,
- Taxpayers with 50% or more income in local currency have to account for income tax in the currency of trade.

**SCENARIO 1: TAXPAYERS WITH MORE THAN 50% IN FOREIGN CURRENCY INCOME**

Assumed Exchange rate 1USD: 14 ZWG

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Monthly	USD	ZWG
Monthly Rental Income	12,000.00	115,000.00
Monthly Maintenance expenses	100.00	30,000.00

Annual	USD	ZWG
Estimated annual income	144,000.00	1,380,000.00
Estimated annual allowable deductions	1,200.00	360,000.00
Estimated Taxable income	142,800.00	1,020,000.00

**Determination of Ratios**

	USD	USD equivalence of ZWG	Total in USD
Estimated Income	144,000.00	98,571.43	242,571.43
Estimated Ratios	<b>0.59</b>	<b>0.41</b>	

**NB: Forex Income is more than 50% of Total Income**

Estimated Tax Computation	USD	ZWG
<b>Gross income</b>	144,000.00	1,380,000.00
Less Exemptions	-	-
<b>Income</b>	<b>144,000.00</b>	<b>1,380,000.00</b>
Less Allowable Deductions: USD	712.37	6,826.86
Less Allowable Deductions: ZWG	15,265.02	146,289.75
<b>Taxable Income</b>	<b>128,022.61</b>	<b>1,226,883.39</b>
Tax at 25%	32,005.65	306,720.85
Add 3% AIDS Levy	960.17	9,201.63
<b>Total annual tax payable</b>	<b>32,965.82</b>	<b>315,922.47</b>

**a. FIRST QPD**

*Taxpayers had to account for tax based on currency of trade – tax in forex determined separately from tax in local currency.*

	<b>USD</b>	<b>ZWG</b>
Total Annual tax payable	32,965.82	315,922.47
Income Percentages	<b>0.59</b>	<b>0.41</b>
<b>Quarterly Tax due @10%</b>	<b>3,296.58</b>	<b>31,592.25</b>

**b. SECOND QPD**

*Taxpayers had an option to account on proportionate to trade basis or on a 50-50 basis.*

**Option 1: Proportionate to trade Basis**

	<b>USD</b>	<b>ZWG</b>
Total Annual tax payable	32,965.82	315,922.47
Income Percentages	<b>0.59</b>	<b>0.41</b>
<b>Quarterly Tax Due @25%</b>	<b>8,241.46</b>	<b>78,980.62</b>

**Option 2: 50-50 Basis:**

- (i) Add up income in ZWG and US to obtain total income expressed in ZWG or USD*
- (ii) Determine the proportionate contribution of the income streams;*
- (iii) Limit USD income to 50% and convert the additional USD income to ZWG.*
- (iv) Add to the total ZWG income*
- (v) Expenses should also be apportioned using the adjusted 50-50 ratios*
- (vi) Compute tax and determine the 2<sup>nd</sup> QPD at 25%*

	<b>USD</b>	<b>ZWG</b>
Annual Income before Adjustments	144,000.00	1,380,000.00
Income Ratios before Adjustments	<b>0.59</b>	<b>0.41</b>
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
Adjusted Income	121,285.71	1,698,000.00
Less Adjusted Allowable Deductions: USD	600.00	8,400.00
Less Adjusted Allowable Deductions: ZWG	12,857.14	180,000.00
<b>Adjusted Taxable Income</b>	<b>107,828.57</b>	<b>1,509,600.00</b>
Tax at 25%	26,957.14	377,400.00
Add 3% AIDS Levy	808.71	11,322.00
<b>Total annual adjusted tax payable</b>	<b>27,765.86</b>	<b>388,722.00</b>

	<b>USD</b>	<b>ZWG</b>
Total annual tax payable after adjustments	27,765.86	388,722.00
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
<b>Quarterly Tax Due @25%</b>	<b>6,941.46</b>	<b>97,180.50</b>

**c. THIRD QDP**

*Taxpayers have to account on a 50-50 basis*

- (i) Add up income in ZWG and US to obtain total income expressed in ZWG or USD*
- (ii) Determine the proportionate contribution of the income streams;*
- (iii) Limit USD income to 50% and convert the additional USD income to ZWG.*
- (iv) Add to the total ZWG income*
- (v) Expenses should also be apportioned using the adjusted 50-50 ratios*
- (vi) Compute tax and determine the 3<sup>rd</sup> QPD at 30%*

	USD	ZWG
Annual Income before Adjustments	144,000.00	1,380,000.00
Income Ratios before Adjustments	<b>0.59</b>	<b>0.41</b>
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
Adjusted Income	121,285.71	1,698,000.00
Less Adjusted Allowable Deductions: USD	600.00	8,400.00
Less Adjusted Allowable Deductions: ZWG	12,857.14	180,000.00
<b>Adjusted Taxable Income</b>	<b>107,828.57</b>	<b>1,509,600.00</b>
Tax at 25%	26,957.14	377,400.00
Add 3% AIDS Levy	808.71	11,322.00
<b>Total annual adjusted tax payable</b>	<b>27,765.86</b>	<b>388,722.00</b>

At tax payable level	USD	ZWG
Total annual tax payable after Adjustments	27,765.86	388,722.00
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
<b>Quarterly Tax Due @30%</b>	<b>8,329.76</b>	<b>116,616.60</b>

**Summary:**

Payments to end of Q3 are as follows:

	Option 1: Proportionate to Trade		Option 2: 50-50 Basis	
	USD	ZWG	USD	ZWG
<b>Q1</b>	3,296.58	31,592.25	3,296.58	31,592.25
<b>Q2</b>	8,241.46	78,980.62	6,941.46	97,180.50
<b>Q3</b>	8,329.76	116,616.60	8,329.76	116,616.60
<b>TOTAL</b>	19,867.80	227,189.47	18,567.80	245,389.35

**NB/ By end of Q3 the taxpayer should have paid 65% of the annual tax due. There may therefore be need for adjustments accordingly.**

**SCENARIO 2: TAXPAYERS WITH 50% OR MORE IN LOCAL CURRENCY INCOME**

Assumed Exchange rate 1USD: 14 ZWG

14

Monthly	USD	ZWG
Monthly Rental Income	2,000.00	115,000.00
Monthly Maintenance expenses	100.00	30,000.00

Annual		
Estimated annual income	24,000.00	1,380,000.00
Estimated annual allowable deductions	1,200.00	360,000.00
Estimated Taxable income	22,800.00	1,020,000.00

**Determination of Ratios**

	USD	USD equivalence of ZWG	Total USD
Estimated Income	24,000.00	98,571.43	122,571.43
Estimated Ratios	<b>0.20</b>	<b>0.80</b>	

<b>Estimated Tax Computation</b>			
		<b>USD</b>	<b>ZWG</b>
<b>Gross income</b>		24,000.00	1,380,000.00
Less Exemptions		-	-
<b>Income</b>		<b>24,000.00</b>	<b>1,380,000.00</b>
Less Allowable Deductions: USD		234.97	13,510.49
Less Allowable Deductions: ZWG		5,034.97	289,510.49
<b>Taxable Income</b>		<b>18,730.07</b>	<b>1,076,979.02</b>
Tax at 25%		4,682.52	269,244.76
Add 3% AIDS Levy		140.48	8,077.34
<b>Total tax payable</b>		<b>4,822.99</b>	<b>277,322.10</b>

**a. FIRST QPD**

*Taxpayers had to account on proportionate to trade basis*

	<b>USD</b>	<b>ZWG</b>
Total Annual tax payable	4,822.99	277,322.10
<b>Quarterly Tax due @10%</b>	482.30	27,732.21

**b. SECOND QPD**

*Taxpayers had an option to account on a 50-50 basis or to account on proportionate to trade basis.*

**Option 1: Proportionate to trade Basis**

	<b>USD</b>	<b>ZWG</b>
Total Annual tax payable	4,822.99	277,322.10
Ratios	<b>0.20</b>	<b>0.80</b>
<b>Quarterly Tax due @25%</b>	1,205.75	69,330.52

**Option 2: 50-50 Basis**

- (i) Add up income in ZWG and US to obtain total income expressed in ZWG or USD
- (ii) Determine the proportionate contribution of the income streams;
- (iii) Limit USD income to 50% and convert the additional USD income to ZWG.
- (iv) Add to the total ZWG income
- (v) Expenses should also be apportioned using the adjusted 50-50 ratios
- (vi) Compute tax and determine the 2<sup>nd</sup> QPD at 25%

	<b>USD</b>	<b>ZWG</b>
Tax payable before Adjustments	4,822.99	277,322.10
New ratios	<b>0.50</b>	<b>0.50</b>
Total annual tax after adjustments	12,315.86	172,422.00
<b>Quarterly Tax due @25%</b>	<b>3,078.96</b>	<b>43,105.50</b>

	USD	ZWG
Annual Income before Adjustments	24,000.00	1,380,000.00
Income Ratios before Adjustments	0.20	0.80
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
Adjusted Income	61,285.71	858,000.00
Less Adjusted Allowable Deductions: USD	600.00	8,400.00
Less Adjusted Allowable Deductions: ZWG	12,857.14	180,000.00
<b>Taxable Income</b>	<b>47,828.57</b>	<b>669,600.00</b>
Tax at 25%	11,957.14	167,400.00
Add 3% AIDS Levy	358.71	5,022.00
<b>Total annual adjusted tax payable</b>	<b>12,315.86</b>	<b>172,422.00</b>

	USD	ZWG
Total annual tax payable after Adjustments	<b>12,315.86</b>	<b>172,422.00</b>
Adjusted Income Ratios	<b>0.50</b>	<b>0.50</b>
<b>Quarterly Tax Due @25%</b>	<b>3,078.96</b>	<b>43,105.50</b>

**c. THIRD QPD**

*Taxpayers have to account on Proportionate to trade Basis*

	USD	ZWG
Total Annual tax payable	4,822.99	277,322.10
Ratios	<b>0.20</b>	<b>0.80</b>
<b>Quarterly Tax Due @30%</b>	1,446.90	83,196.63

**Summary:**

**Payments to end of Q3 are as follows:**

	Option 1: Proportionate to Trade		Option 2: 50-50 Basis	
	USD	ZWG	USD	ZWG
Q1	482.30	277,321.21	482.30	277,321.21
Q2	1,205.75	69,330.52	3,078.96	43,105.50
Q3	1,446.90	83,196.63	1,446.90	83,196.63
<b>TOTAL</b>	<b>3,134.95</b>	<b>429,848.36</b>	<b>5,008.16</b>	<b>403,623.34</b>

**NB: By end of Q3 the taxpayer should have paid 65% of the annual tax due. There may therefore be need for adjustments accordingly.**

*My Taxes, My Duties: Building My Zimbabwe.*

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