

## FTX LSO

### TAX RATES AND ALLOWANCES – JUNE AND DECEMBER 2012

The following tax rates and allowances are to be used when answering the questions:

#### Second schedule

##### Resident Individual Income Tax Rates

Chargeable Income	Rate of Tax
First M 40,368	22%
Over M 40,368	35%
Personal tax credit	M 5,000

#### Third Schedule

##### Resident Company Income Tax Rates

Nature of Income

- |  |     |
|--|-----|
| 1. Manufacturing income derived from a manufacturing activity of an industrial, scientific or educational nature which promotes industrial, scientific, educational or other development within Lesotho. | 10% |
| 2. Other manufacturing income  | 10% |
| 3. Other income  | 25% |
| 4. Commercial farming income   | 10% |

#### Fourth Schedule

Tax rates for trustees, minors, fringe benefits and electing non – residents	35%
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#### Fifth Schedule

##### Minimum Chargeable Income

The multiplication factors are

Air travel	100%
Electricity amount	100%
Principal – residence amount	5%
Schooling amount	100%
Secondary home amount	5%
Vehicle amount	25%

The amounts specified are

Air travel	M2,500
Electricity amount	M3,000
Principal – residence amount	M150,000
Schooling amount	M1,000
Secondary home amount	M20,000
Vehicle amount	M20,000

**Sixth Schedule**  
**Declining Balance Depreciation Rates**

<b>Group</b>	<b>Asset Included</b>	<b>Depreciation Rate</b>
1	Automobiles; taxis; light general purpose trucks; tractors for use over-the-road; special tools and devices	25 %
2	Office furniture, fixtures, and equipment; computers and peripheral equipment and data handling equipment; buses; heavy general purpose trucks; trailers and trailer mounted containers; construction equipment	20%
3	Any depreciable asset not included in another group	10%
4	Railroad cars and locomotives and railroad equipment; vessels, barges, tugs and similar water transportation equipment; industrial buildings; engines & turbines; public utility plant	5%
5	Mining	100%

**Value Added Tax (VAT)**

Standard rate (All other taxable supplies and services)	14%
Supplies of electricity and telephone calls	5%
Basic foods and agricultural inputs	0%