

FTX LSO**TAX RATES AND ALLOWANCES – JUNE AND DECEMBER 2014**

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 M51,670	22%
Over M51,670	35%
Personal tax credit	M6,100

Third Schedule**Resident company income tax rates****Nature of Income**

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| 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, per child	M1,000
Secondary home amount	M20,000
Vehicle amount	M20,000

Sixth Schedule

Declining Balance Depreciation Rates

Group	Asset Included	Depreciation Rate
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%