



# GOVERNMENT GAZETTE

## OF THE

# REPUBLIC OF NAMIBIA

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## Government Notice

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### OFFICE OF THE PRIME MINISTER

No. 283

2021

#### PROMULGATION OF ACT OF PARLIAMENT

The following Act which has been passed by the Parliament and signed by the President in terms of the Namibian Constitution is hereby published in terms of Article 56 of that Constitution.

No. 5 of 2021: Income Tax Laws Amendment Act, 2021.

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Act No. 5, 2021

**INCOME TAX LAWS AMENDMENT ACT, 2021****EXPLANATORY NOTE:**

- \_\_\_\_\_ Words underlined with a solid line indicate insertions in existing provisions.
- [            ] Words in bold type in square brackets indicate omissions from existing provisions.

**ACT**

**To amend the Income Tax Amendment Act, 2020, so as to delete a certain provision; to amend and repeal certain provisions of the Income Tax Act, 1981 that grant income tax incentives to registered manufacturers; to provide for the continued operation of certain repealed provisions for a certain period; and to provide for incidental matters.**

*(Signed by the President on 15 December 2021)*

**BE IT ENACTED** as passed by the Parliament, and assented to by the President, of the Republic of Namibia as follows:

**Amendment of section 1 of Act No. 2 of 2020**

1. Section 1 of the Income Tax Amendment Act, 2020 (Act No. 2 of 2020) is amended by the deletion of subsection (2).

**Amendment of section 17 of Act No. 24 of 1981, as amended by AG 10 of 1985, Act No. 12 of 1985, Act No. 8 of 1987, Act No. 9 of 1987, Act No. 25 of 1992, Act No. 10 of 1993, Act No. 22 of 1995, Act No. 12 of 1996, Act No. 5 of 1997, Act No. 21 of 1999, Act No. 7 of 2002, Act No. 5 of 2007 and Act No. 15 of 2011**

2. Section 17 of the Income Tax Act, 1981 (Act No. 24 of 1981) (hereinafter referred to as the principal Act) is amended in subsection 1 by the substitution for paragraph (f) of the following paragraph:

- “(f) in respect of buildings used by the taxpayer for the purposes of such taxpayer’s trade, an allowance equal to 20 per cent of the cost of erection of such buildings in the year of assessment during which such buildings are brought into use, and four per cent of such costs for each of the 20 years following on the year of assessment during which such buildings are brought into use: Provided that **[in respect of any such buildings of which the erection is completed after the commencement of the Income Tax Amendment Act 2010, and which are brought into use, and used solely for manufacturing purposes, by a taxpayer who is a registered manufacturer, an allowance equal to 20 per cent of the cost of erection of such buildings is deductible in the year of assessment during which such buildings are brought into use and eight per cent of such cost for each of the 10 years following on the year of assessment during which such buildings are brought into use: Provided further that]** no allowance is made under this paragraph **[or the first proviso to this paragraph] -**

**Act No. 5, 2021****INCOME TAX LAWS AMENDMENT ACT, 2021**

- (i) where any allowance in respect of such costs has already been granted under paragraph (h);
- (ii) in respect of buildings used or to be used by the taxpayer for the making available of housing or housing facilities to employees or, where the taxpayer is a company, to employees or directors or officials of such company;”.

**Repeal of sections 17A, 17B and 17D of Act No. 24 of 1981**

3. Sections 17A, 17B and 17D of the principal Act are repealed.

**Transitional provision**

4. Notwithstanding the amendment of section 17(1)(f) and the repeal of sections 17A, 17B and 17D, the special income tax incentives granted to registered manufacturers in terms of those sections shall continue to apply until the end of the 2025 tax year in respect of each registered manufacturer.

**Short title**

5. This Act is called the Income Tax Laws Amendment Act, 2021.
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