

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is mainly to provide for the imposition and alteration of taxation in support of the Government's fiscal policies for the year 2025.

Made this *21st day of October, 2024*

SHEKU AHMED FANTAMADI BANGURA
Minister of Finance

FREETOWN
SIERRA LEONE.

BILL

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No.



Sierra Leone

2025

A BILL ENTITLED

THE FINANCE ACT, 2025

Short title.

Being an Act to provide for the imposition and alteration of taxes, to give effect to the financial proposals of the Government and to provide for other related matters beginning in the financial year 2025.

[

] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled

Date of commencement. 1. Unless otherwise provided, this Act shall be deemed to come into operation on the 1st day of January 2025.

THE PAY-ROLL TAX ACT, 1972

Amendment of Act No 16 of 1972. 2. The Pay-Roll Tax Act, 1972 is amended by inserting the following new Section 10A immediately after Section 10

Filing of Pay-roll tax Return 10A(1) In addition to complying with the requirements of sections 10 and 11, every employer of non-citizens shall file with the Commissioner-General a corresponding pay-roll tax return in the manner and form prescribed by the Commissioner-General at the time of making payment of pay-roll tax due and payable by him.

(2) An employer of non-citizens who fails to comply with subsection (1) shall be termed a -

- (a) late pay-roll tax return filer if he files within 30 days after the due date;
- (b) non-filer of pay-roll tax return if he files after 30 days of the due date.

(3) A late pay-roll tax return filer without a good cause shall be liable to the following penalties-

- (a) large taxpayer - NLe25,000.00
- (b) medium taxpayer - NLe12,500.00
- (c) small taxpayer - NLe1,250.00

(4) A non-filer of pay-roll tax return shall be liable to the following penalties -

- (a) large taxpayer - NLe50,000.00
- (b) medium taxpayer - NLe25,000.00
- (c) small taxpayer - NLe2,500.00

(5) An employer of non-citizens who files a pay-roll tax return incorrectly stating his number of employees and their citizenships without a good cause shall be liable to a penalty of twenty five percent of the amount of pay-roll tax due and payable for each of the employee whose pay-roll tax return was incorrectly filed by the employer for that year of assessment.

THE CUSTOMS TARIFF ACT, 1978

3. Part II of Schedule A of the First Schedule of the Customs Tariff Act 1978 is amended by deleting the rate indicated under paragraph (i) and inserting the following new rate. Amendment of Schedule A of Act No 16 of 1978

HS Code	Description	Rate
7214	Bars and rods, of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling (excluding irregularly wound coils)	10%
2711	Cooking Gas	5%

THE EXCISE ACT, 1982

4. Section 5 of the Excise Act 1982 is amended by repealing and replacing that section with the following new section (5)- Amendment of Section 5 of Act No 6 of 1982

Payment of excise duty 5. The excise duty on any goods except those permitted by law to be delivered free from excise duty shall become due and payable to the Commissioner General-

- (a) within 21 days after -
 - (i) delivery of the goods for home consumption from a factory or warehouse;

(ii) withdrawal of the goods by the manufacturer from his factory or warehouse for his use other than for purposes under section 7 or for export;

(b) at the time of importation or ex-warehouse of such goods.

Insertion of new section 48A Act No 6 of 1982.

5. The Excise Act 1982 is amended by inserting the following new section 48A immediately after section 48-

Filing of excise return

48A (1) In addition to complying with the requirements under sections 47 and 48 every manufacturer or importer of excisable goods shall file with the Commissioner-General a corresponding excise return in the manner and form prescribed by the Commissioner-General at the time of paying the required of 1982 description and rates-

(2) A taxpayer who fails to file the excise return stipulated under subsection (1) shall be termed a-

(a) late excise return filer if he files within 30 days after the due date;

(b) non-filer of excise return if he files after 30 days of the due date

(3) A late excise return filer without a good course shall be liable to the following penalties -

- (a) large taxpayer- NLe5,000.00
- (b) medium taxpayer - NLe2,500.00
- (c) small taxpayer- NLe500.00

(4) A non-filer of excise return shall be liable to the following penalties-

- (a) large taxpayer- NLe10,000.00
- (b) medium taxpayer -NLe5,000.00
- (c) small taxpayer -NLe1,000.00

6. The First Schedule of the Excise Act 1982 is amended by deleting the tariff item Nos 24.01, 24.02, 24.03 and 24.04 and inserting the following new tariff item numbers, description and rates- ^{Amendment of First Schedule of Act No 6 of 1982.}

Tariff Item No.	Description/Goods specification	Excise Rate
24.01	Unmanufactured tobacco	NLe65 per kg
24.02	Cigars, cheroots, cigarillos, containing tobacco or tobacco substitutes	NLe25per packet
	Cigarette containing tobacco of 20 sticks	NLe 2.0 per packet
24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenous" and "reconstituted tobacco"; tobacco extracts and essences	NLe65 per kg
	Shisha (whether containing tobacco and herbal shisha with no tobacco or herbal molasses), hookah tobacco and other vaping and tobacco alternatives	NLe65 per kg and NLe175 per litre
24.04	Electronic cigarettes (device)	NLe0.5 per ml
	Cartridge for use in electronic cigarettes	NLe0.8 per unit

INCOME TAX ACT, 2000

- Amendment of Section 2 of Act No 8 of 2000
7. Section 2 of the Income Tax Act 2000 is amended by -
- (a) deleting the definition of large taxpayer and inserting the following new definition -
- "large taxpayer" means a taxpayer with an annual turnover of above NLe6,000,000.00 and any other additional requirements prescribed by the Commissioner-General
- (b) deleting the definition of medium taxpayer and inserting the following new definition: -
- "medium taxpayer" means a taxpayer with an annual turnover of an amount above NLe500,000.00 and not exceeding NLe6,000,000.00
- (c) deleting the definition of small taxpayer and inserting the following new definition -
- "small taxpayer" means a taxpayer with an annual turnover above NLe10,000.00 and not exceeding NLe500,000.00
- (d) deleting the definition of micro taxpayer and inserting the following new definition: -
- "micro taxpayer" means a taxpayer with an annual turnover of NLe10,000.00 and below"

- Amendment of Section 7A of Act No. 8 of 2000
8. Section 7A of the Income Tax Act, 2000 is amended by repealing and replacing subsection (4) with the following new subsection (4)
- Minimum Alternate Tax** " (4) Subsection (1) shall not apply: -

- (a) for the first three years of assessment after a company is incorporated;
- (b) for the first two years of assessment after a company goes into liquidation; and
- (c) to any existing investment agreements, including any bilateral tax agreement until their expiration or date of review, whichever comes earlier."

9. Section 97A of the Income Tax Act, 2000 is amended by repealing and replacing that section with the following new section 97A -

Amendment of Section 97A of Act No. 8 of 2000

Failure to file a return of income 97A. A taxpayer who fails to file an income tax return shall be termed a -

- (a) late filer if he files within 30 days after the due date;
- (b) non-filer if he files after 30 days of the due date.

10. Section 150 of the Income Tax Act, 2000 is amended by repealing and replacing that section with the following new section 150 -

Amendment of Section 150 of Act No 8 of 2000.

Penalty for failure to file correct returns 150. (1) Subject to section 97A-

- (a) a late filer of an annual income tax return without a good cause shall be liable to the following penalties-

- (i) large taxpayer - NLe25,000.00
- (ii) medium taxpayer- NLe12,500.00
- (iii) small taxpayer - NLe1,250.00

- (b) a non-filer of an annual income tax return shall be liable to the following penalties-
 - (i) large taxpayer - NLe50,000.00
 - (ii) medium taxpayer - NLe25,000.00
 - (iii) small taxpayer - NLe2,500.00
- (c) a late filer of a monthly income tax return shall be liable to the following penalties-
 - (i) large taxpayer - NLe5,000.00
 - (ii) medium taxpayer - NLe2,500.00
 - (iii) small taxpayer - NLe500.00
- (d) a non-filer of a monthly income tax return shall be liable to the following penalties
 - (i) large taxpayer - NLe10,000.00
 - (ii) medium taxpayer - NLe5,000.00
 - (iii) small taxpayer - NLe1,000.00

(2) A taxpayer who without a good cause files an income tax return incorrectly stating his chargeable income, shall be liable to a penalty of twenty five percent of the difference between the amount of tax payable for the year of assessment and the amount that would have been payable if the tax payable had been calculated by reference to the incorrect return.

(3) The requirement for filing referred to under subsection (1) and the penalties referred to under subsections (2) and (3) shall be applicable to capital gains, withholding and PAYE taxes".

THE FINANCE ACT, 2008

11. Section 6 of the Finance Act, 2008 is amended by repealing and replacing that section with the following new section 6 - Amendment of Section 6 of Act No 7 of 2008.

- Royalty on dimension stones marble and other stones (granite)**
- 6. An exporter of dimension stones, marbles and other stones (granite) shall pay to the National Revenue Authority the following royalties for every metric ton or 20ft container of such stone or part thereof, in United States Dollars or the equivalent in Leones before exporting the stones-
 - (a) stones other than dimension stones and marble-US\$25 per metric ton or US\$500 for every 20-ft or 33.2 cubic metres container;
 - (b) dimension stones and marble- US\$50 per metric ton or US\$1,000 for every 20-ft or 33.2 cubic metres container.

THE GOODS AND SERVICES TAX ACT, 2009

12. Section 19 of the Goods and Services Tax Act, 2009 is amended by- Amendment of Section 19 of Act No 6 of 2009.

- (a) repealing and replacing subsection (9) with the following new subsection (9) -
 - '(9) Persons and organisations outlined under the Third Schedule shall not be required to pay GST on goods and services during purchases.'
- (b) repealing subsection (10)

Time of supply of goods

Amendment of Section 37 of Act No 6 of 2009 13. Section 37 of the Goods and Services Tax Act, 2009 is amended by-

GST returns

(a) repealing and replacing subsection (1) with the following new subsection (1)-
 ". (1) A taxable person shall lodge a GST return together with a schedule detailing claims for both inputs and output GST for each tax period not later than 21 days following the tax period "

(b) repealing and replacing subsection (5) with the following new subsection (5)-

"(5) The following penalties shall apply to a -

(a) late filer of a monthly GST return without a good cause -

- (i) large taxpayer - NLe5,000.00
- (ii) medium taxpayer - NLe2,500.00
- (iii) small taxpayer - NLe500.00

(b) non-filer of a monthly GST return-

- (i) large taxpayer - NLe10,000.00
- (ii) medium taxpayer - NLe5,000.00
- (iii) small taxpayer - NLe1,000.00"

THE FINANCE ACT, 2009

Amendment of Act No. 6 of 2009. 14. The Finance Act 2009 is amended by inserting the following new section 6A immediately after section 6-

processing fee.

6A (1) The Commissioner-General shall from time to time charge a processing fee for each transaction relating to the maintenance, upgrade and management of its support systems, including but not limited to ITAS and ASYCUDA.

(2) The processing fee referred to under subsection (1) shall be approved by the Minister before it is gazetted and published

THE TAX AND DUTY EXEMPTIONS ACT, 2023

15. Section 6 of the Tax and Duty Exemptions Act, 2023 is amended in sub-section (1) by repealing and replacing paragraph (a) with the following new paragraph (a)-

Amendment of Section 6 of Act No 25 of 2023.

Responsibility of the Minister. "(a)

negotiating all exemptions on behalf of the State, provided the Minister or any person on which such powers is conferred upon pursuant to subsection (2) of Section 110 of the Constitution of Sierra Leone, 1991 shall not negotiate to grant exemptions on corporate income tax (CIT) and withholding tax (WHT) on payments to contractors on any-

- (i) new investment agreement
- (ii) existing investment agreement after expiration of the CIT and WHT exemptions or its review date, whichever comes earlier".

16. Section 13 of the Tax and Duty Exemptions Act, 2023 is amended by-

Amendment of Section 13 of Act No 25 of 2023

(a) repealing and replacing subsection (3) with the following new subsection (3)-

Donor and Charity Organisations.

"(3) A registered and reputable charitable institution, a philanthropist or any other nonprofit organisation shall be allowed to import the following number of vehicles for their charitable or philanthropic operations free from import duty and import taxes every five years-

- (a) not more than ten (10) vehicles in the case of International Non-Governmental Organisation (INGO),; and
- (b) not more than four (4) vehicles in the case of National Non-Governmental Organisation (NNGO)."
- (b) inserting the following new subsections (4) and (5) immediately after subsection (3)-
- "(4)Any vehicle importation exceeding the numbers indicated under subsection (3) as import duty and tax free vehicles, shall be subject to the applicable taxes, fees and duties"
- (5) No used vehicle shall be granted an exemption, unless it is directly donated to a charitable organisation which shall demonstrate a strong need for it and such vehicle shall not be more than 5 years old."

THE FINANCE ACT, 2024

Amendment of Schedule of Act No 8 of 2024.

17. The schedule of the Finance Act 2024 is amended by repealing and replacing item 1 relating to fees for the Petroleum Regulatory Agency (PRA) with the following new item 1:

1. PETROLUUM REGULATORY AGENCY (PRA)

A: Registration Fee (New Entrants)

No.	Category	Fees
1.	Import, refinery, offshore bunkering, bulk depot storage, OMC/traders, bunkering services, tank farm, etc	NLe150,000
2.	Gas Stations	NLe15,000
3.	Storage tank fabrication companies	NLe15,000

B: Registration Fee (Existing)

No.	Registration	Fees	Renewal
1.	Storage tank fabrication companies	NLe30,000	NLe30,000
2.	Tank farm (bulk storage depot)	NLe30,000	NLe30,000

No.	Category	New Entrants		Existing
		Provisional	Confirmation/ Authorization	Renewal
1.	Gas Station Construction Firms		NLe20,000	NLe20,000
2.	Refiners	US\$50,000	US\$100,00	US\$100,000
3.	Bunkering companies (service/agents)	NLe25,000	NLe15,000	NLe6,500
4.	Off-shore bunkering companies	US\$25,000	US\$15,000	US\$10,000
5.	Transportation by vessel (none importer/ off-shore bunker)	US\$20,000	US\$10,000	US\$10,000
6.	Bulk storage depot (Mining companies)	US\$10,000	US\$10,000	US\$10,000
7.	Bulk storage depot (Oil Marketing Companies)	NLe100,000	NLe100,000	NLe75,000
8.	Pipeline License per km	NLe20,000	NLe10,000	NLe10,000
9.	Import (Mining Companies)	NLe300,000	NLe300,000	NLe300,000
10.	Import (Other Operators)	NLe50,000	NLe20,000	NLe20,000

No.	Category	New Entrants		Existing
		Provisional	Confirmation/ Authorization	Renewal
11.	Dealers for service stations (Regional)			NLe4,200
12.	Dealers for service stations (Western Area)		NLe20,000	NLe4,200
13.	Dealers for filling stations (Regional)			NLe3,200
14.	Dealers for filling stations (Western Area)		NLe15,000	NLe4,200
15.	Provisional Petroleum Operators' license for Gas Stations, Western Area (Urban and Rural)	NLe50,000	N/A	N/A

D: Petroleum Regulatory Agency Fund

No.	Category	Fees
1.	Regulatory fees per litre	NLe0.40

E: Site Inspections Fee

No.	Category	Fees
1.	Western Area	NLe25,000
2.	Regional	NLe5,000
3.	Mining Companies-Bulk depot construction)	NLe25,000