FISCAL INCENTIVES IN SUPPORT OF THE PROGRAMME BY MINISTRY OF FINANCE
Mandate

• The Ministry is there to formulate Economic & Fiscal Policies that seek to manage Gvt Financial & material resources & provide strategic guidance on economic & dev planning for social economic development
• While the ministry is responsible for various taxation policies, it works with several departments in its implementation.
• For Vehicles MRA is the implementing agent.
• Powers rests with the Minister of Finance
VEHICLES

• All products with negative externalities/effects attract exercise tax called sin tax e.g smoking
• All vehicles imported into the country are subjected to the following:
  ➢ Custom Duty/ Import Duty
  ➢ Import VAT
  ➢ Exercise duty
THE PRINCIPLE

• Calculation is based two main factors
• Engine Capacity /CC
• Age of the vehicle Yrs

Note: Vehicles that cause environmental degradation/ pollution/ hazardous attract exercise duty
TABULATIONS

• Less than 1000 cc
• 0-8yrs old > 0% Excise Duty
• 8-12yrs > 30%
• Above 12yrs > 60%
Cont’

- **1000cc-1500cc**
- 0-8 yrs old  >0%
- 8-12yrs  >30%
- Above 12yrs  >60%
• 1500cc - 1999 cc
• 0-8 yrs old 15%
• 8-12 yrs 45%
• Above 12 yrs 75%
Cont’

- **1999cc-2500cc**
- 0-8yrs old      35%
- 8-12yrs old     60%
- Above 12yrs     90%
Cont’

• 2500cc - 3000cc
• 0-8 yrs old 45%
• 8-12yrs 70%
• Above 12yrs 100%
• Above 3000cc
• 0-8yrs old 55%
• 8-12yrs 80%
• Above 12yrs 110%
Fiscal Incentive to promote the initiative

- Once the current proposals come into effect then a special application has to be made to the Ministry of Finance for consideration by the Minister for special applicable tax regime.
• Thank You!