



Sabarm
Tax Solutions

June 2020

Newsletter

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The Youth Employment Credit Explained

A tax credit is a type of tax incentive that reduces the tax liability of qualifying taxpayers as it is deducted from the income tax with which such a person is chargeable.

Tax credits are provided for in the Finance Act [Chapter 23:04] under Sections 5, 10, 11, 12 and 13. The common types of credits currently available for individual taxpayers are the elderly credit, blind person credit, medical expenses credit and the mentally or physically disabled person credit.

Finance Act (No.3), 2019 introduced an additional tax credit under Section 13A also known as the Youth Employment Tax Incentive (YETI). This incentive is aimed at stimulating employment of young people in Zimbabwe and it shall be enjoyed by employers.

What you need to know

- For purposes of the tax incentive "Employee" excludes a trainee, intern, apprentice and a managerial employee.
- A company or trust or individual taxpayer engaged in trade or investment who qualifies for a credit in terms of Section 13A of the Finance Act [Chapter 23:04], who employs an additional employee aged thirty (30) years or less during the year of assessment qualifies for the Youth Employment Tax Incentive (YETI).
- The credit is \$500 per month for each additional employee. However, the aggregate amount to be granted as a credit for all additional employees shall not exceed \$60,000.00 per year.

Conditions to be fulfilled

- The taxpayer claiming the credit should be a registered taxpayer and compliant for the preceding year of assessment. All returns and taxes due should have been paid and if on payment plan client must be adhering to the same.
- The tax credit will only be claimed after the additional employee has served a period of 12 consecutive months and should be earning at least \$2,000.00 per month.
- The tax credit will not apply to companies or trusts or individual taxpayers whose annual turnover is equal to or exceeds an equivalent of US\$1 million.

Lets Continue the conversation.

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PRAZ Registration and why you may need it for your business

PRAZ stands for the Procurement Regulatory Authority of Zimbabwe formerly called SPB or State Procurement Board. In order to be able to participate in public tenders and to do business with the government and or any agencies or institutions that the government controls, you need to have registered with PRAZ for the category of goods/services under which that tender falls. The following are the benefits of PRAZ registration.

- PRAZ enables your business to be listed in the suppliers list.
- PRAZ enables you to apply for tenders.
- Government tenders represent bigger business opportunities that will promote growth and increased revenue.

Requirements for PRAZ registration

- Company profile
- Copy of CR 5 (formerly known as Cr6)
- Copy of CR 6 (formerly known as CR14)
- Copy of Certificate of Incorporation
- Copy of Memorandum & Articles of Association

“We take your business to places you want it to reach !!”



FOR ALL YOUR:

- Tax planning
- Tax computations
- Tax consultancy
- Company registration
- Secretarial services
- PRAZ registration
- Vendor Number registration

Contact Sabarm Tax Solutions today.



“Take the right steps...
Formalise your business today.”

We promise to deliver. We deliver our promise.

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