

Decentralized taxes

Law no 59/2011 of 31/12/2011 establishing the sources of revenue and property of decentralized entities and governing their management.

The purpose of this law is to describe and established the sources of revenue and property of decentralized entities in Rwanda and to govern their management.

Types of decentralized taxes:

Trade license tax: The trade license tax shall be paid by any person who commences a profit oriented activity in Rwanda and its tax year shall start on 1st and end on December 31st of that same year.

If taxable activities start in January, the trading license tax must be paid for the whole year. If such activities start after January, the taxpayer must pay trading license equivalent to the remaining months including the one in which the activities started.

As regards to persons conducting seasonal or periodic activities, the trading license tax must be paid for a whole year, even though the taxable activities do not occur throughout the whole year.

Declaration will be done not later than 31st March of the tax year and in case of more than one office, each branch/ office will make a declaration.

The tax declaration shall show details of the taxable activities including the self-assessed tax due.

The trade license shall be calculated on the basis of the following tables:

All value added tax registered profit oriented activities

Turnover	Tax due in Fr
From Fr 1 to Fr 40,000,000	60,000
From 40,000,001Frw to 60,000,000 Fr	90,000
From 60,000,001 Fr to 150, 000,000	150,000
Above150, 000,000	250,000

The above calculation of the trade license tax is the turnover for previous year approved by RRA not later than January 31st, RRA shall submit the necessary data to the concerned Decentralized entity.

Non profit –oriented activities

Types of activity	Rural area (fr)	Town(fr)	City of Kigali
Vendors without shops, small scale technicians who do not use machines	4,000	6,000	8,000
Transporters of people and goods on motorcycles	4,000	6,000	8,000
Traders and technicians who use machines	20,000	30,000	40,000
All other vehicles besides bicycles	40,000	40,000	40,000
For transport activities by motor boat	20,000 on each boat	20,000 on each boat	20,000 on each boat
Other profit oriented activities	20,000	30,000	40,000

It is the district responsibility to determine whether an area is rural or urban and these taxes shall be declared not later than January 31st the year.

Note: Trade license tax shall be displayed clearly at the entrance of the business premises or affixed to the car, boat or any other vehicle for which the tax was paid.

Failure to present trade license tax certificate by a competent authorized older, shall be punished by the administrative fine of ten 10,000fr and pay the due tax.

