

- (c) if, after the passage of the Bill to which it relates, the President refuses his assent thereto; or
- (d) at the expiration of a period of four months from the date it came into operation or such longer period from that date, as may be specified in any resolution passed by Parliament, after the Bill to which it relates has been introduced.

(3) For the purposes of this section, a Finance Bill is a Bill whose principal purpose is the imposition or alteration of taxation.

Passed in Parliament this *11th day of April*, in the year of our Lord two thousand and six.

A. A. KEMOKAI,
for Clerk of Parliament.

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correct printed copy of the said Bill.

A. A. KEMOKAI,
for Clerk of Parliament.

Supplement to the Sierra Leone Gazette Vol. CXXXVII, No. 24
dated 11th May, 2006

SIGNED this *10th day of May, 2006*

ALHAJI AHMAD TEJAN KABBAH,
President.



No. 7



Sierra Leone

2006

The Finance Act, 2006.

Short title.

**Being an Act to provide for the imposition and alteration of
taxation and for other related matters.**

[1st January, 2006] Date of commencement.

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

Commen-
cement

1. Unless otherwise provided, this Act shall be deemed to have come into operation on the 1st January, 2006.

Amendment
of Act No. 8
of 2000.

2. The Income Tax Act, 2000 is amended —

(a) by the repeal and replacement of section 120 by the following:—

“Payment of
royalties

120 (1) Subject to subsections (2), (3) and the Sixth Schedule, a person resident in Sierra Leone who pays royalty shall withhold tax on the gross amount of the payment —

- (a) in the case of payment made to a person resident in Sierra Leone, at the rate prescribed in Part IV of the First Schedule; and
- (b) in the case of a payment made to a non-resident person, at the rate prescribed in Part II of the Second Schedule.

(2) Subsection (1) shall not apply to royalties—

- (a) in respect of property owned by a person or organisation referred to in section 8 or 9;
- (b) the payment of which the Commissioner-General certifies to be exempt from the requirements of this section.

(3) This section shall apply to rental income as follows:—

- (a) the rate of tax on taxable rental income shall be 10% with the taxable rental income being arrived at by granting to the landlord—

- (i) non-taxable threshold of Le1,500,000 in the aggregate ; and
- (ii) a tax deductible allowance of 20% of the gross rental income that is in excess of the non-taxable threshold;
- (b) individual tenants shall withhold tax on rents payable to non-resident landlords but not on rents payable to resident landlords;
- (c) institutional tenants paying rent to either resident or non-resident landlords shall withhold tax on the rent payable;
- (d) a landlord receiving rent above the non-taxable threshold shall provide details of the tenancy agreement to the National Revenue Authority not later than 90 days after the conclusion of the agreement, failing which he shall be liable to the prescribed penalty;
- (e) the due date for the payment of tax on rental income and the filing of the relevant returns shall be —
 - (i) the first day of each lease year (that is to say, the calendar day and month on which the lease or tenancy agreement came into force) with a grace period of 90 days;
 - (ii) in the case of a tenancy in respect of which there is no written agreement, the first day of January of each calendar year with a grace period of 90 days;
- (f) any amount in respect of tax on rental income remaining unpaid beyond the grace period of 90 days shall attract interest at the rate of 35% per annum for as long as it remains unpaid;