1. What is Personal Income Tax?

Personal income tax is tax charged on the earnings of an individual and their businesses other than companies and partnerships. This could be based on the turnover or net profits.

2. Who is Liable to Pay Personal Income Tax?

All individuals engaged in economic or income generating activities in The Gambia are required to be registered and pay Personal income tax.

3. What are the Personal Income Tax Rates?

The rates of income tax imposed on the chargeable income of an individual or body of persons is as at 2018.

No	Annual Taxable Income	Rate
1	D0 – D24,000	0%
2	D24,001 – D34,000	5%
3	D34,001 – D44,000	10%
4	D44,001- D54,000	15%
5	D54,001 – D64,000	20%
6	Above D64,000	25%

However, the actual tax liability is the higher of:

- The tax on chargeable income of individuals, including business income tax as per the above table or
- 1% of turnover for audited accounts (2% of turnover in any other case).

However, if business turnover is under D500, 000 per annum, then the tax liability is 3% of turnover. This is a final tax, and businesses under this category are not required to file annual returns. However, a quarterly declaration and payment is required.

4. How is Personal Income Tax Calculated?

The Personal income tax liability for any Personal is the applicable rate multiplied by the chargeable income. All taxpayers must maintain proper accounts, retain relevant documents and records, and issue proper invoices and receipts for all transactions. In determining chargeable income, the following items are not allowed as deduction:

- The closing value of stock-in-trade at year-end
- Fines and penalties for violating the laws, rules and regulations
- Personal expenditures
- Taxes, except those on fringe benefits
- Bribes, tips and kick-backs
- Business and personal entertainment
- Depreciation and capital expenditure
- Gifts and Donations
- Losses carried back

However, the following are allowable expenditures:

- The cost of stock-in-trade disposed in the year
- Business expenditures
- Contribution to qualified pension schemes
- Initial and annual allowance and amortisation
- Pre-commencement expenditure
- Bad debts relating to the business line
- Losses carried forward within six years

If the Personal owner earns other taxable incomes, then it should be added to the business income before computing the tax liability. For example, if XX Enterprise's turnover in 2018 is D1 million and the business's net profit is D200, 000, then XX Enterprise's tax liability will be D39, 000 as computed below;

Tax Base	Tax Base Amount	Tax Rate	Tax Liability
Turnover (Audited)	D1,000,000	1%	D10,000
Turnover (Unaudited)	D1,000,000	2%	D20,000
Profit	D200,000	-	D39,000

For Personal profits above D64, 000 per annum, the annual Personal income tax liability could be computed using the following formula: Personal income tax Liability =((Profit – D64,000) * 25%) + 5,000).

5. How Often Should a Taxpayer File Returns and Pay Personal Income Tax?

The tax year is the Calendar Year. However, a Personal can apply to the Commissioner General for a Special Tax Year. Personal Income Taxpayers are required to file returns annually. They are also required to make quarterly payments on account of their annual tax liabilities. The quarterly payments are credited to their tax liability at the end of the year. The closing dates for the payments of quarterly instalments are the 15th of the month following the end of the quarter. The closing date for filing and payment of final tax liability is 3 months after the end of the tax year.

6. How and Where to File Returns and Pay Personal Income Tax?

Personal Income Taxpayers under the Large Taxpayer Unit (LTU) should submit their Personal Income Tax returns at the Kanifing Revenue Office. All other Personal Income Taxpayers should submit their Personal tax returns at the nearest DTD office. Payments may be made at any DTD office or at any of GRA's designated partner banks.

7. Objections & Appeals of Tax Decisions

Personal Income Taxpayers not satisfied with any tax decision can, within 30 days, object to such decision through the Objection and Appeal process. The process starts with an objection through to the Tax Tribunal and then to the Court of Appeal.

8. Is the Payments Made a Final Tax?

The instalment/quarterly payments made by Personal Income Taxpayers are not a final tax. However, these quarterly payments are credited to the actual tax liability for the tax year. Any shortfall is settled within 3 months after the end of the tax year. Any excess is applied to other tax obligations and the balance, if any, can be refunded if claimed. In the allocation of tax credit, foreign tax credits are utilised first, followed by instalments paid during the tax year and then taxes withheld which are not final taxes. Credits not utilised or refunded can be carried forward for a maximum of 3 years and used on a first-in first-out basis.

9. Offences

The following are offences punishable under the Income and Value Added Tax Act 2012.

- Failure to lodge Tax returns or other documents
- Giving false or misleading information
- Failure to notify the CG for a change in business or address
- Failure to recover tax from a person holding money on behalf of a taxpayer
- Improper use of TIN
- Obstructing revenue officers in the performance of their duty.

This brochure is not intended as an exhaustive explanation or replacement of the Personal income tax laws. If you require detail information about your individual income tax obligations, you should contact the nearest GRA Office.

Gambia Revenue Authority

Personal Income Tax Brochure

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