

## 1. What is Rental Income Tax?

Rental income tax is imposed on a taxpayer who has a taxable rental income for the year. In other words, any rent income received by a taxpayer from a rented property is subject to the payment of rental income tax. Rental income tax is accounted for on a cash basis.

There are two different types of rental income;

- Residential Rental Income and
- Commercial Rental Income.

Residential property does not include hotels, guest houses, inns, boarding houses or similar establishments.

## 2. Who is Liable to Pay Rental Income Tax?

All properties owners who earn rental income from properties located in The Gambia are subjected to rental income tax.

## 3. What are the Rental Income Tax Rates?

The rental income tax rates are;

- 8% for residential rent on the gross rental income earned

- 15% for commercial rent on the gross rental income earned.

## 4. How is the Rental Income Tax Calculated?

The rental income tax liability for any rental income earner is the applicable rate multiplied by the total rental income. No deductions are allowed.

For example, if Mr. X earns residential rental income of D600,000 per annum and commercial rental income of D1,200,000 per annum, then his total rental income tax liabilities will be as follows;

Rental income Type	Annual Rental Income	Quarterly Tax Liability	Annual Tax Liability
Residential	D600,000	D12,000	D48,000
Commercial	D1,200,000	D45,000	D180,000

## 5. How Often Should a Taxpayer File Returns and Make Rental Income Tax Payment?

Filing for rental income tax is made annually in the prescribed form. However, declaration and payments are made quarterly. Taxes on rental incomes received in advance are

payable in the quarter in which the rental income is received. The due date for quarterly instalment payments are the 15<sup>th</sup> of the month following the end of the quarter. The due 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 Make Rental Income Tax Payments?

Returns for rental income tax are submitted and payments made at the nearest DTD Tax Offices. Payments can also be made at any of GRA's designated partner banks.

## 7. Objections & Appeals of Tax Decisions

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 the filing of an objection with the Commissioner General through to an appeal to the Tax Tribunal and then to the Court of Appeal where necessary.

## 8. Who is exempted from Rental Income Tax Filing and Payment?

No rental income tax earner is exempted from filing or income tax payments except rental income on properties owned by

- local authorities,
- district authorities and
- other government institutions.

## 9. Is the Payments Made a Final Tax?

Rental income tax is a final tax. The quarterly payments made by the taxpayer are subtracted from the actual total liability declared at the end of the tax year.

## 10. Offences

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

- Failure to declare and pay rental income tax
- Giving false or misleading information
- 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 rental income tax laws. If you require detail information about your rental income tax obligations, you should contact the nearest GRA Office.*



## Gambia Revenue Authority Rental Income Tax Brochure

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