

Rents (section 120)	10%
Royalties (section 120)	25%
Pensions and annuities (section 121)	25%
Natural resource payments (section 122)	25%
Payments to or applications for the benefit of non-resident beneficiaries (section 123)	25%”

- (e) by the repeal and replacement of item 2 of the Ninth Schedule by the following item—

**“2 Redundancy and termination payment**

The maximum redundancy or termination payment which is to be excluded from employment income under paragraph (h) of subsection (3) of section 23 shall be Le10,000,000.00”.

OBJECTS AND REASONS

The object of this Bill is to rationalize the income tax regime and make it more attractive to private sector development and investment promotion.

J. B. DAUDA,  
*Minister of Finance.*

FREETOWN,  
SIERRA LEONE  
FEBRUARY, 2004

ACT

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No.



Sierra Leone

2004

**A BILL ENTITLED**

**The Income Tax (Amendment) Act, 2004.**

Short title.

**Being an Act to amend the Income Tax Act, 2000.**

[

] Date of commencement.

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

1. This Act shall—

Commencement.

- (a) in respect of paragraphs (a) (b) (c) and (d), be deemed to have come into force on the 7th day of December, 2001; and
- (b) in respect of paragraph (e), be deemed to have come into force on the 29th day of November, 2002.

Amendment Act No. 2. The Income Tax Act, 2000 is hereby amended as follows:—  
of Income Tax No. 8 of  
Act, 2000. 2000.

- (a) by the repeal and replacement of paragraphs (f) and (g) of section 31 by the following paragraphs—

“(f) the income of an individual derived from any agricultural activity involving rice farming and tree crop farming such as cocoa, coffee and oil- palm for a period of ten years from the commencement of the agricultural activity;

(g) the income of a company incorporated in Sierra Leone derived from any agricultural activity involving rice farming and tree crop farming such as cocoa, coffee and oil-palm for a period of ten years from the commencement of that activity and fifty percent of any dividend paid in that period provided the company maintains full records of all transactions relevant to the agricultural activity”.

- (b) by the repeal and replacement of subsection (5) of section 117 by the following subsection—  
“(5) Subsection (4) does not apply to

payments made by a person to a contractor during a month in which the person pays a total of Le500,000.00 or less to the contractor”.

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

“Payments of rents and royalties.

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

(a) in the case of a payment made to a person resident in Sierra Leone, at the rate prescribed in Part IV of the First Schedule, and the tax withheld on the rent payment shall be a final tax;

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

(c) in the case of a body corporate, a trust or an individual whose source of income is the holding and letting of properties, the amount withheld shall not be a final tax”.

- (d) by the repeal and replacement of Part II of the Second Schedule by the following Part—

“Part 11

(Sections 116,117, 118,119,120,121,122 and 123)-

Employment income (section 116)	25%
Payment to contractors (section 117)	10%
Dividends (section 118)	10%
Interest(section 119)	15%