2027 BUDGET TAX MEASURES AT A GLANCE

The Budget was presented by Finance Minister Dr. Situmbeko Musokotwane on 6 November 2026 under the theme *Grow Zambia: From Stabilisation to Unlocking Opportunities, Creating Jobs and Improving Livelihoods for All.*

The 2027 revenue measures are expected to raise a net **K10.8 billion** and take **effect on 1 January 2027.** The headline changes are Value Added Tax (VAT) up to 16.5%, a 5-point rise on all reduced corporate tax rates, a new 39.5% PAYE top band and a 15% withholding tax on mining dividends.

A:: Budget at a glance

Domestic revenue
K233.7 bn
(23.3% OF GDP; 82.1% OF THE BUDGET)
2026: K206.5 Billion

Of which tax revenue
K178.1 bn
(17.8% OF GDP)
2026: K165.8 Billion

Total expenditure
K284.8 bn
(28.4% OF GDP)
2026: K253 Billion

Borrowing / Grants
K41.9 bn/K9.2 bn
2026: K34.5 Billion / K12.1 Billion

Fiscal deficit target
3.0% OF GDP (2026 PROJECTED: 5.9%)

Growth / inflation targets
AT LEAST 4.9% / 6–8% BAND

B:: Income tax



Measure	2027 proposal
Corporate income tax on income taxed below the standard company income tax rate of 30%	Increase by 5%
PAYE top band	New 39.5% band on monthly income above K37,000. Income up to the PAYE threshold stays under the current bands; only the excess is taxed at 39.5%.
Withholding tax on dividends paid by mining companies	Previously 0% now 15%, in line with other sectors
Minimum Alternative Tax (MAT)	Now applies only to businesses with tax losses for three consecutive years
Motor vehicle fringe benefit (employer disallowed amount)	Increased by 10%

C:: VAT, Customs, Excise and Export Duty

Area	Measure
VAT	Standard rate up to 16.5% from 16%
VAT / customs	Remove customs duty exemption and VAT zero-rating on energy-saving appliances
VAT / customs	100% customs duty suspension and VAT exemption on raw materials for local manufacture of sanitary products
Customs - local industry	■ **Ceramic tiles:** duty to 40% (speech: from 25%; Annex: from 5%) ■ **Aluminium bars, rods, profiles (HS 7604):** duty to 25%, plus new 20% selected goods surtax ■ **Crude soya bean and sunflower oil:** 15% duty plus 10% surtax (Annex also lists crude palm oil for the duty) ■ **Processed meat and edible offal:** surtax to 30% from 20% ■ **Cement packaging and woven bags:** surtax harmonised at 30% ■ **Float glass:** duty harmonised at 25% from 15% (Annex only)
Customs - tourism	Duty suspended on safari vehicles, hospitality equipment and communications infrastructure
Customs - PBOs	Second-hand clothing and handbags removed from Public Benefit Organisation duty relief
Excise - plastics	Single-use plastics to 200% from 100%; new 80 ngwee per plastic bottle; selected plastic articles (HS 3918, 3919, 3923, 3926) to 30% from 15%
Excise - sugar	New K1 per kg on sugar; new 20% on chocolate and sugar confectionery
Export duty	New 5% on zinc concentrates

D:: Mineral royalty and non-tax revenues

Gold royalty relief. Artisanal and small-scale miners who sell gold to Government-approved aggregators will pay a 3% mineral royalty instead of 6%. This supports a new gold trading agency meant to formalise trading.

Fees, levies and charges:

- Mobile money levy raised across all bands.
- Passport, travel document and civil registration fees introduced or raised.
- Residence, employment, investor's, visiting, temporary permit, cross-border and study permit fees raised (Annex only).
- Mechanical horses reclassified as heavy vehicles (4 axles and above) for tolls.
- New and higher NGO registration fees.
- Higher mining, mineral processing and exploration licence fees and area charges, aligned with international practice.

