



RWANDA REVENUE AUTHORITY
TAXES FOR GROWTH AND DEVELOPMENT

INCOME TAX

HERE FOR YOU TO SERVE

INTRODUCTION

This simplified tax flyer on income tax was prepared as a guide to newly registered taxpayers and other existing taxpayers seeking to better understanding their tax obligations and rights to smoothen their business operations.

The information provided in this flyer is sourced from the following tax laws:

Law N° 027/2022 of 20/10/2022 establishing taxes on income

Law n° 051/2023 of 05/09/2023 amending Law n° 027/2022 of 20/10/2022 establishing taxes on income

WHAT IS TAX ON INCOME?

Tax on income is a tax imposed on profits of an individual or a company that set up a business or other taxable activities.

TAX PERIOD

The income tax is calculated for the calendar year, which starts on 1st January and ends on 31st December unless otherwise provided by the law.

DISTINCT TYPES OF INCOME TAX

1. PERSONAL INCOME TAXE (PIT):

The personal income tax shall be levied on an individual annual income

Each tax period, a resident taxpayer is liable to personal income tax from all domestic and foreign sources

PIT REGIMES BASED ON ANNUAL TURNOVER REALIZED

1.1 PIT- Flat tax regime

Annual Turnover/ sales in (Frw)	Annual Flat Tax (Frw)	Income tax quarterly prepayment
From 1-2,000,000	No Tax	No tax
From 2,000,001- 4,000,000	60,000	A quarterly prepayment tax is calculated based on the tax paid for the previous annual tax period divided by the turnover of the same tax period, times the current quarterly turnover
From 4,000,001- 7,000,000	120,000	
From 7,000,001- 10,000,000	210,000	
From 10,000,001 - 12,000,000	300,000	

1.2 PIT - Lump sum tax regime

A lump sum tax rate of 3% is applied on a turnover by business activities which realize a turnover ranging between twelve million and one Rwandan francs (FRW 12,000,001) and twenty million Rwandan francs (FRW 20,000,000) per each tax period. They can opt to carry out accounting subject to authorization by the Tax Administration. This decision is irrevocable for a period of three (3) years starting from the date the taxpayer has informed the Tax Administration.

1.3 PIT Real regime

Taxable income is taxed following the real profit realized according to the following tables:

Annual Taxable Profit in Rwandan francs (FRW) in 2023		Tax Rate
From	To	
0	720,000	0%
720,0001	1,200,000	20%
1,200,0001	More	30%

Annual Taxable Profit in Rwandan francs (FRW) in 2024 Going forward		Tax Rate
From	To	
0	720,000	0%
720,0001	1,200,000	10%
1,200,0001	2,400,000	20%
2,400,001	More	20%

2. CORPORATE INCOME TAX (CIT)

Corporate income tax is levied on business profits received by taxpayers other than individuals

Taxable Business profit of companies is rounded down to the nearest 1000 Rwandan Francs and taxable at a rate of 28%.

However, a newly listed company on capital market in Rwanda is taxed for a period of five years starting from the date of listing on the following rates:

- 20% if that company sells at least 40% of its shares to the public;
- 25% if that company sells at least 30% of its shares to the public.

Tax declaration and tax payment:

- Annual tax declaration:** Not later than 31st March of the following tax period;
- Quarterly prepayment:** paid not later than 30th June, 30th September, 31st December and 31st of March) of the year of taxable business activities. This amount is reduced by the tax withheld in that quarter, unless the taxable income is not included in the total taxable income.

Summarized table of income tax prepayments (Corporate and individual business) is here below:

Quarter	Tax period	Declaration and Payment period
1	January 1 st to March 31 st	April 1 st to 30 th June
2	April 1 st to June 30 th	July 1 st to 30 th September
3	July 1 st to September 30 th	October 1 st to 31 st December
Annual	January 1 st to December 31 st	January 1 st to 31 st March of the following year

Note: The annual income tax is settled after deducting the quarterly prepayments tax paid in advance

For more information, please contact us on Following address:

Call Center: 3004
E-mail: info@rra.gov.rw
Website: www.rra.gov.rw



March 2024

— HERE FOR YOU TO SERVE —