

FREQUENTLY ASKED QUESTIONS ON CIT/PIT





WHO ARE THE INDIVIDUALS EXEMPT FROM FILING THE ANNUAL INCOME TAX?

A person is not required to file his or her annual tax declaration if the person:

- ✓ Receives only employment income;
- ✓ Receives only income on investment that is subject to withholding tax



WHEN EXPENSES VALIDATION IS APPLIED?

Expenses validation is applied on
declaration of Personal income tax and
corporate income tax for **taxpayers filing
under real regime.**



WHAT ARE CONDITIONS TO FILE INCOME TAX UNDER REAL REGIME?

Being a person carrying out any business activity with an annual sales **over FRW 20,000,000**; a taxpayer already **registered in real regime** in the tax administration or a taxpayer who voluntarily wishes to file income tax in real regime.



WHAT IS THE PRINCIPLE OF EXPENSES VALIDATION?

During the declaration, the deductible expenses from total annual sales should be supported by **EBM Invoices, DMC and Withholding on Other Payment (WOP), Excise tax, transaction supported by VAT reverse charge, VAT inputs not claimed and tax/fees for decentralized entities, wages and salaries.**



HOW TO GET TRAINING ON INCOME TAX FILING WITH THIS EXPENSES VALIDATION?

Any request for training needed can be sent to the Office in charge of taxpayer education or to the RRA Tax centre at the level of all Districts.

You can also visit the RRA YouTube Channel and search for the video titled **"DORE UKO WAMENYEKANISHA UMUSORO KU NYUNGU WA 2024"**



HOW CAN YOU BENEFIT FROM TAX DISCOUNTS AS AN INVESTOR OR TAX DISCOUNT AS STATED IN TAX LAWS?

To benefit from tax incentives as investors or tax discounts stated in the tax laws, **you have to disclose yourself every year and have an investment incentive certificate or approved letter from RRA.** If done, the declaration form rows are active only for the taxpayers who disclosed themselves.



HOW IS TAX PAID ON SALES OF IMMOVABLE PROPERTY TREATED ON INCOME TAX?

Tax paid on sales of immovable
property is considered as deductible
expenses **for those who are in real
regime**



FOR THOSE ELIGIBLE FOR CERTIFICATION, IS A CERTIFIER ALLOWED TO SUBMIT CERTIFIED FINANCIAL STATEMENTS BEFORE THE TAXPAYER SUBMITS THEIR DECLARATION?

Yes, they can. The system will merge both submissions based on whichever is submitted first. The certifier will not request the taxpayer's credentials but will use their own credentials, provided they are disclosed first by the taxpayer.



ARE THERE ANY TAXPAYERS WITH A TURNOVER OF FRW 600 MILLION WHO ARE NOT REQUIRED TO OBTAIN CERTIFICATION?

As per article 1 of ministerial order **N°004/19/10/TC of 29/04/2019** determining the annual turnover required for certification of financial statements, **a taxpayer operating as a distributor of beer, lemonades, soda, juice, cement, petrol and petroleum products dealer and owner of a forex bureau and an audit firm** are not bound by the obligation to certify financial statements except in case they cumulate activities.



WHEN EXPENSES VALIDATION WILL YOU CONTINUE TO USE THE ANNEXURE (LEDGER) FOR UNCONTROLLED EXPENSES IN THE NEAR FUTURE?

**No, from 01/01/2025, this kind of transactions
will be captured on a daily basis in E-tax and
supporting documents will be uploaded in
E-tax as well. At the end of the period, this
capture will be deactivated.**



WHY DON'T BANKS DETAIL THE INFORMATION OF THEIR CLIENTS LIKE ON INTERESTS CHARGED DURING

**Clients should communicate with
their banks to detail their information**
during declaration so that their
expenses can be positively validated.



ARE DECENTRALIZED TAXES/FEEES ALLOWED DEDUCTIBLE EXPENSES?

Yes, they are allowed deductible expenses. This time through view purchases all paid taxes and fees will be considered and will be available for consideration.