RWANDA REVENUE AUTHORITY
TAXES FOR GROWTH AND DEVELOPMENT

# GUIDE FOR FILING INCOME TAX FOR THE YEAR 2023

## TAXPAYERS IN REAL REGIME

HERE FOR YOU TO SERVE

**1** Visit RRA website: www.rra.gov.rw , and click on DECLARE DOMESTIC TAXES or use this link: https://etax.rra.gov.rw/ enter your TIN and password. Click on **sign up** if it is your first time to use **E-tax.** Click on **Get Password** if you forgot your password.

**2** E-tax avails the total purchases (Value of EBM receipts net of VAT), total imports (CIF value) and the total expenses supported by withholding tax through **Tax declaration> View purchase/ Importation option.** Details can be accessed in excel format for verification purpose of presented figures (EBM purchases and imports). You can adjust the value on a DMC or EBM receipts to remove the value not accountable in the fiscal year, the value to be counted in the next fiscal year, or the value to be considered as non-expenses (e.g.: asset). You get the adjusted value for total EBM receipts, total DMC adjusted CIF and the total of both adjusted values (EBM&DMC) as a total supported expenses for that specific fiscal year. The provided data covers the fiscal year period 01/01/yyyy to 31/12/yyyy by default and changes according to the document number period for the taxpayers with a special calendar.

**3** Click on ANNEXURE DOWNLOAD and CIT/PIT real from 2023, open, ok, click on OPTION, click on ENABLE THIS CONTENT and fill different sheets named Balance sheet, Profit and loss account, Company representatives, ...to Ledger Account and fill the required information in each column, click VALIDATE, message, then OK. The validated data is then saved on local disk C\RRA, click ok. Note that the first page 'Instructions" contains the explanation on information to be filled on different annexures column especially for Ledger account.

**Notes:**

- **Ledger account annex (Available on Annexure download and MyRRA inbox):**

  - Ledger will be downloaded, filled and uploaded by a Taxpayer with the purchase transactions that qualify not to be supported by EBM receipt or Customs declaration (Visit Instructions Page for details).
  - Ledger will be reviewed and approved by RRA. If some evidences are requested to prove the information submitted in a Ledger account, this can be provided by the taxpayer through MyRRA and accessed by RRA Officer.
  - After approval, a taxpayer cannot delete the approved ledger
  - Also, a taxpayer cannot put amount exceeding that approved on dedicated declaration form, however, less amount is accepted.

**4** Go back to the declaration home page, click on TAX DECLARATION, choose NEW DECLARATION then SUBMIT, click on document number; Click ENTER DECLARATION; fill summarized data from annexures and other requested information if any. Click SAVE, a message will pop up, Click OK.

**Notes:**

a) **Line 17.** Expenses related to salaries and wages: consider the gross salary declared plus 5 % on pension annexures, 7.5 % of medical assurance, 0,3 of Maternity declared within the year corresponding to the period set on declaration document number (to consider taxpayers with special calendar).

b) **Line 18.** Expenses supported by the withholding: consider the amount of base of withholding declared within the year corresponding to the period set on declaration document number (to consider taxpayers with special calendar). Avoid duplication of value in expenses supported by EBM in case withholding has been operated on a transaction supported by EBM receipt.

c) **New added Lines: line 191** on CIT and **line 166** on PIT: Tax on sale of immovable property (2% tax **only** when paid).

d) Tax computation for taxpayers under real and simplified regimes:

## For CIT real regime:

Just do your accounting up to the level of determining annual profit. This annual profit is proportionated to the tax rate by 365 days of the year. The days to 13/09/2023 proportionated to 30% (256 days), and the period from 14th September 2023 is proportionated to 28% (109 days). On the declaration form, the formula is already established.

**Eg: Annual Taxable Profit: 1,000,000**

**The Tax to 13/09/2023:** 1,000,000 * 256/ 365 *30% = 210,411

**The Tax after 13/09/2023:** 1,000,000 * 109/365 * 28% = 83616

**Total annual tax:** 210,411 + 83,616 = **297,027**

## For PIT real regime:

The tax law considers 4 brackets from 2023: 0%,10%,20% and 30% respectively for the Profit between Frw 0-720,000; Frw 720001 to 1,200,000; Frw 1,200,001 to 2,400,000 and the profit over Frw 1,200,000.

**Eg: Taxable Profit of PIT: 5,000,000**

Annual Profit between 0- 720,000 * 0%: **0**

Annual Profit between 1,200,000-720,000 * 10%: **48,000**

Annual Profit between (2,400,000-1,200,000) *20%: **240,000**

Annual Profit over 2,400,000: (5,000,000-2,400,000) * 30%: **780,000**

**Annual Total Tax: 0+48,000 + 240,000 + 780,000 = 1,068,000**

e) A taxpayer with an annual turnover exceeding Frw 600,000,000 is obliged by the law to certify their financial statements. S/he must first of all disclose the company/firm that will certify his/her financial statement through **'Disclose Certifier firm'**. Certifier firm is notified. The disclosed certifying firm, after auditing the financials, will have the obligation of submitting audited financials to their client through his/her ETAX portal **Tax declaration> 'Submission of Certified Financials'** and discloser (client) will not be required to upload it again when submitting income tax. This menu works only with Approved Certifying firms.

f) The total of Line 7 and 16 on declaration form should not exceed the 'Total' amount of the View purchases/Import. If the total of Lines 7 and 16 tends to exceed, the system displays a message' **The value of expenses you tend to claim exceeds the total value of local purchases in EBM and imports on DMC'**

g) The amount on the following declaration lines will not exceed the amount on Ledger Account approved by RRA:

- **CIT:** line 19,25,60,65,70,75,80,106,116
- **PIT:** line 19,21,70,75,80,85,106,11

The value uploaded on Ledger Account annexure not approved by Tax administration will not appear on cited Declaration form lines.

h) The System will control if the amount put on the line of loss carried from previous period does not exceed the loss of previous year.

i) The system will control if the amount put on the line of "Tax paid on minerals" does not exceed the amount of "tax paid on the minerals" within the year.

j) The amount to claim on IQP captures only the **amount paid.**

**5** Click CONTINUE WITH UPLOAD ANNEXURES, UPLOAD, BROWSE, Computer, local disk C/RRA folder, choose the validated text file, double click on the file, SUBMIT, Message, OK.

**6** Click on COMPARE WITH DECLARATION: Check if figures on the left side (summarized data of declaration form) are the same compared to the figures on right side (from uploaded annexures). If not the same, correct accordingly (declaration or annexures).

**7** Disclose filer and certifier

**8** Click on submit and PRINT ACKNOLEDGEMENT RECEIPT for payment purpose.

**9** Remember to pay taxes with E-Payment. Paying cash shall limit you to some facilities granted by RRA.

RRA also reminds CIT exempted entities to submit financial statements as provided by the law.