



RWANDA REVENUE AUTHORITY
TAXES FOR GROWTH AND DEVELOPMENT

INCOME TAX

HERE FOR YOU TO SERVE

WHAT IS INCOME TAX?

Income Tax is a compulsory levy imposed on individuals and businesses based on their income or profit. In Rwanda, taxpayers are categorized into:

- **Personal Income Tax (PIT)**
- **Corporate Income Tax (CIT)**

PERSONAL INCOME TAXE (PIT):

PIT is charged on an individual's annual income, from both domestic and foreign sources.

Quarterly Prepayment

After paying the annual PIT, taxpayers must pay quarterly prepayments by:

- **30th June**
- **30th September**
- **31st December**

1. Tax Regimes for PIT

Micro-Enterprise (less or equal than Frw 12,000,000 turnover)

Annual Turnover (Frw)	Annual Tax	quarterly tax
From 1-2,000,000	No Tax	No tax
From 2,000,001-4,000,000	60,000	Based on turnover
From 4,000,001-7,000,000	120,000	Based on turnover
From 7,000,001-10,000,000	210,000	Based on turnover
From 10,000,001 - 12,000,000	300,000	Based on turnover

Quarterly Prepayment Formula:

Previous annual tax ÷ previous annual turnover × Current quarterly turnover

Flat-Rate Tax Regime (Frw 12M – 20M turnover)

- Pays **3%** of **annual** turnover
- May opt for the **Real Regime** if keeping full accounting records.
- Decision to switch is **binding for 3 years**.

Real Regime (with annual Turnover more than Frw 20,000,000)

Taxpayers should prepare their financial statements and determine the annual profit which is the basis of income tax calculation as:

Annual Taxable Profit	Tax Rate
0	0%
720,001	10%
1,200,001	20%
2,400,001	30%

CORPORATE INCOME TAX (CIT)

28% of taxable business profit

A newly listed companies on the capital market is taxed for a period of five years starting from the date of listing on the following rates:

- **20%** (if at least 40% of shares are sold to public)
- **25%** (if at least 30% of shares are sold to public)

DIGITAL SERVICES TAX

- Companies supplying digital services in Rwanda with **substantial national presence** pay **1.5%** of its gross revenues sourced from Rwanda during the tax period.

Declaration & Payment Deadlines

Period	Declaration Due
Annual Tax	By 31st March
1st Quarter	By 30th June
2nd Quarter	By 30th September
3rd Quarter	By 31st December

- A quarterly prepayment tax is calculated from tax paid for the previous annual tax period divided by the turnover of the same tax period, times the current quarterly turnover.
- A quarterly prepayment tax is reduced by the tax withheld in that quarter.

TAXATION OF INCOME FOR A COMPANY ENGAGED IN GAMING ACTIVITIES

- A company engaged in gaming activities, excluding the national lottery, is subject to a tax of 40% calculated based on the difference between the total amount wagered and the winnings awarded
- The tax is declared and paid within 15 days following the end of each month
- A company engaged in gaming activities is exempted from corporate income tax

WITHHOLDING TAXES (WHT)

1. Withholding tax on importations and Public Tenders

- **5%** on goods imported paid at customs based on CIF value
- **3%** on public tenders calculated on the sum of invoice excluding the VAT
- Taxpayers with Quitus Fiscal are exempted from this tax.

2. Employment Income

Monthly Income (Frw)	Tax Rate
0 – 60,000	0%
60,001 – 100,000	10%
100,001 – 200,000	20%
Above 200,000	30%

- **Casual labor** is taxed at **15%**, but income not exceeding Frw 60,000/month is rated at zero percent.
- An employer who is not the first employer withheld tax on employment income at 30%
- Taxpayers with annual turnover less than Frw200,000,000 declare and pay Pay as you earn on quarterly basis within fifteen (15) days following the end of each quarter.
- Taxpayers with annual turnover more than Frw200, 000,000 declare and pay Pay as you earn on monthly basis within fifteen (15) days following the end of each month.

3. Capital Gain Tax

- **10%** of capital gain on sale or transfer of shares, licenses, debt instruments, options, guarantees and similar assets
- Declared and paid within 15 days after the month in which the sale or transfer occurred

4. Other Withholding Taxes

Type	Rate
Setting allowance to a Board member	30%
Profits repatriated from Rwanda, royalties, interests on loans.	15%

On payments made to un registered person	15%
Winnings from gaming activities	25%

Withholding agents must declare and pay tax within 15 days after the month in which the taxes were withheld.

Notes:

1. Information contained in this document does not replace the law, as it is written in simplified language to make it easier for readers to understand;
2. If you need legal terms and details, read the following income tax laws; <https://www.rra.gov.rw/en/laws-policies-and-rulings>

For more information or assistance:

Call Center: 3004

Website: www.rra.gov.rw

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