



## NEW INCOME TAX RATES

EFFECTIVE 19<sup>TH</sup> APRIL 2024

The Eleventh Schedule to the Taxation Act has been amended and the following are the new Income Tax rates on Employment and Business Income effective 19th April 2024. Please note that Income Tax is an annual tax and monthly Pay As You Earn (PAYE) deductions are just advance payments of Income Tax. Reconciliations are done at the end of a financial year and refunds will be processed if there are over-deductions of PAYE.

### EMPLOYMENT INCOME

#### I. ANNUAL RATES

Taxable Income	Rate
First K1,800,000	0%
Next K4,200,000	25%
Next K24,600,000	30%
Excess of 30,600,000	35%

#### II. MONTHLY RATES

Taxable Income	Rates
First K150,000	0%
Next K350,000	25%
Next K2,050,000	30%
Excess of K2,550,000	35%

#### III. FORTNIGHTLY RATES

Taxable Income	Rates
First K69, 230.76	0%
Next K161, 538.46	25%
Next K946,153.84	30%
Excess of K1,176,923.06	35%

#### IV. WEEKLY RATES

Taxable Income	Rates
First K34,615.38	0%
Next K80,769.23	25%
Next K473,076.92	30%
Excess of K588,461.53	35%

### 2. BUSINESS INCOME

Annual Taxable Income	Rate
<b>a. Sole trader and partnerships</b>	
First K1,800,000	0%
Excess of K1,800,000	30%
<b>b. Companies incorporated in Malawi</b>	30%
<b>c. Companies incorporated outside Malawi</b>	35%