



**Media Statement by the Lesotho Revenue Authority (LRA)  
Commissioner General Mr. Thabo Khasipe**

***Date: 06th April 2018***

***Venue: LRA VAT BOARD ROOM***

***Event: Media Briefing on Filing Season & Revenue Performance Report***

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On behalf of the Management and Staff of the Lesotho Revenue Authority and on my own behalf I wish to once again welcome you all to this Media Briefing organized for the purpose of launching the **2017/18 Filing Season** and presenting to you the **Revenue Performance Report** of the Lesotho Revenue Authority for the Year Ending 31<sup>st</sup> March 2018.

The 1st of April every year marks the beginning of the period whereby the Taxpayers in Lesotho prepare their tax records, do necessary calculations, prepare tax payments, fill Income Tax return forms and submit all these before the deadline which is June 30th.

This year, we are launching the Filing Season at the time coinciding with the launch of our new five year strategy covering the period 2018 - 2023. The new strategy is a direct product of a strategic shift the LRA is embarking upon in its endeavor to continuously improve the service we provide to our clientele.

Today we are launching the 2017/18 Filing Season Campaign at the backdrop of a number of initiatives we have recently introduced. You will recall the Voluntary Disclosure Programme (VDP) and the Simplified Business Tax (SBT) that we launched in February this year. The two initiatives alone demonstrate a shift in terms of approach.

With the Filing Season Campaign, we implore all our clients in their various categories: Large Businesses, Small and Medium Businesses, Partnerships, Sole Traders, Employees, and of course all individuals who have made and received an income in 2017/18 Financial Year to File and Submit their Income Tax Returns and Pay Taxes due.

Filing of Returns and Payment of taxes can be made at any of the commercial banks or at the LRA Banking Hall located here at Finance House, though we encourage our clients to make use of commercial banks for their own convenience.

We will embark on a number of initiatives aimed at reminding all residents of our country of their tax obligations, to provide tax education and to encourage them to do the right thing by filing and paying on time. These initiatives include door-to-door visits to various business places in all ten

districts and other areas such as Semonkong and Mantšonyane to assist our clients to fulfil their tax obligations such as:

- registration;
- assist them with filling of tax forms; and
- making sure that they have general appreciation of the Lesotho tax system and the role they should play as individual Taxpayers;

We are also introducing a Tax Lottery whereby all individuals and business will be entered into a competition and stand a chance to walk away with some notable prizes. The lottery is for individuals and Small and Medium business who will file a return and pay tax before the deadline. Further details pertaining to this venture will be announced in due course.

We invite everyone, individuals and businesses to Take Responsibility for a Fresh Start; it is a Right Thing to do. Paying your taxes is not only your legal obligation, but also the right thing to do.

## **The second item on today's agenda is the Revenue Performance Report for 2017/18 Financial Year.**

### **Overview of 2014/15: Overall performance.**

The LRA's combined annual revenue target for 2017/18 financial year was M 6,597 billion.

Against this target, the LRA remitted M5.989 billion and therefore missed the combined annual target by M 607. 38 million (9.2%).

### **Break-Down of the Overall Performance**

The overall tax collection is composed of collections from Income Tax and VAT. It excludes customs duties which, as you know, are remitted to the SACU's Revenue Fund.

### **Income Tax Performance**

- Income tax annual target was M4.234 billion;
- Income Tax missed its annual target by M658.73 million. (-16%)

Income tax collections comprise collections from Personal Income Tax (PIT), Corporate Income Tax (CIT), Withholding Tax (WHT) and Fringe Benefits Tax (FBT).

## **VAT Performance**

- Value Added Tax (VAT) annual target was M 2.362 billion;
- Value Added Tax (VAT) remittances stand at M 2.414 billion;
- Value Added Tax exceeded its annual target by M 51.34 million; (2.17%)

VAT comprises Inland and Import VAT.

A detailed report with full factual explanation on what could have led to the performance we have just reported shall soon be made available once it has been done.

I wish take this opportunity to thank profoundly all those clients who paid their fair share of taxes during 2017/18 financial year. It is with their sense of civic responsibility and their spirit of commitment to Lesotho's development and its future, that a better and more developed Lesotho is possible.

I furthermore wish to express my appreciation to the effort and commitment shown by the entire LRA family towards what we have remitted to the Government. Admittedly, we could have done better.

As I indicated earlier in my remarks, today we are launching a new strategy and with this strategy we are hopeful that we will be in a position to turn the corner. We missed the target by 6.7% last financial year and we have missed again and with a bigger margin. For the Financial Year 2018/19 our target is M 6, 869 billion comprising VAT at M 2, 847 billion and Income Tax at M 4, 002 billion. We will need the support of everyone as we implement the new strategy and, working together, we will succeed. We have no option but to mobilize these resources for our country to develop.

I thank you.