

1. What is Employment Income Tax (PAYE)?

Employment income tax is charged on employment earnings through the Pay As You Earn (PAYE) system. Employment income is any profit or gain arising from employment. It includes wages, salaries, bonuses, leave pay, overtime payments, fees and allowances, commissions, termination and any other form of supplemental payment. This includes payments of all types, including cash, cheques, and direct bank deposits to domestic or foreign accounts.

2. Who is Liable to Pay Employment Income Tax?

Any employee who earns incomes above D2,000 per month or above D24,000 annually arising from employment in The Gambia is subjected to employment income tax. Also, all residents in The Gambia who earns employment income outside the country are liable to pay employment income tax, subjected to the foreign source rule.

3. What are the Employment Income Tax Rates?

The employment income tax rates as at January 2018 are as follows;

| No | Annual Taxable Income | Rate |
|----|-----------------------|------|
| 1 | D0.00 – D24,000 | 0% |
| 2 | D24,001 – D34,000 | 5% |
| 3 | D34,001 – D44,000 | 10% |
| 4 | D44,001- D54,000 | 15% |
| 5 | D54,001 – D64,000 | 20% |
| 6 | Above D64,000 | 25% |

4. How is the Employment Income Tax Calculated?

The employment income tax liability for any employment income earner is the applicable rates multiplied by the total employment income. No deductions are allowed. GRA has tables available for employers to use to determine the proper amounts to withhold.

For example, if Mr. X earns employment income of D50,000 per month, then his income tax liability is computed as follows.

| Taxable Employment Income | Tax Rate | Tax Liability |
|---------------------------|----------|---------------|
| D2,000 | 0% | D0.00 |
| D833.33 | 5% | D41.67 |
| D833.33 | 10% | D83.33 |
| D833.33 | 15% | D125 |
| D833.33 | 20% | D166.67 |
| D44,666.67 | 25% | D11,166.67 |
| Total | | D11,583.34 |

For employment incomes above D64,000 per annum, the monthly tax liability could be computed using the following formula: Employment Income Tax Liability = (Gross Employment Income – D64,000)* 25% +5,000)/12.

5. How Often Should an Employer File Returns and Pay Employment Income Tax?

Employment income earners are not required to file returns unless they have other sources of taxable income.

However, their employers are required to submit a monthly return and pay the tax withheld to GRA. The closing date for payment of PAYE is the 15th of the following month.

6. How and Where to File Returns and Pay Employment Income Tax?

The payment of withheld employment income and the filing of returns are the responsibility of the employer and not the employee. Employment income tax (PAYE) returns are submitted to and payments made at the nearest DTD Tax Office. Payments can also be made at any of GRA's designated partner banks.

7. Objection & Appeal of Tax Decisions

Taxpayers not satisfied with any tax decision can within 30 days, object to such a decision through the Objection and Appeal process. The process starts with an objection through to an appeal to the Tax Tribunal and then to the Court of Appeal where necessary.

8. Who is Exempted from Filing Returns and Paying Employment Income Tax?

Employees are not required to file employment income tax returns if they have only one employment and if that is their only source of income. The following are exempted from employment income tax;

- Employment income of the President of the Republic of The Gambia

- Non-Commission officers of The Gambia Armed Forces
- Foreign diplomats
- Government pensioners
- Those exempted by the President and approved by the National Assembly
- An employee earning employment income in a foreign country and is already taxed in that country.

All other employees are deducted the employment income tax (PAYE) and the employer should file returns and make the necessary payments.

9. Is the Employment Income Tax (PAYE) Paid a Final Tax?

Employment income tax (PAYE) is a final tax unless the employee has other sources of income.

10. Offences

The following are offences punishable under the Income and Value Added Tax Act 2012.

- Failure to file Tax returns or other documents
- Giving false or misleading information
- Failure to notify the CG for a change in business or address
- Failure to recover tax from a person holding money on behalf of a taxpayer
- Improper use of TIN
- Obstructing Revenue Officers in the performance of their duty.

This brochure is not intended as an exhaustive explanation or replacement of the PAYE income tax law. If you require detail information about your PAYE income tax obligations, you should contact the nearest GRA Office.



Gambia Revenue Authority Employment Income Tax – PAYE Brochure

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