

30NGWEE TAX, TARIFF OR LEVY ON INTERNET CALLS?

There has recently been an uproar regarding the government's decision to introduce a levy on internet calls. This has been after the Minister of Information and Broadcasting Services, who is also the chief government's spokesperson, Ms Dora Siliya, announced in Mid-August that government had introduced a 30ngwee charge a day on internet calls. According to government, this introduction was in a bid to save jobs in telecommunication companies like MTN, Airtel, Zamtel that are under threat from internet telephone calls. This, however, has not been received well by the citizens with many accusing the government of attempting to stifle freedom of expression and access to information amidst lack of Access to Information Law.

The JCTR's position on this matter is two-fold. Firstly, government has the mandate to raise revenue by way of taxation, for the purposes of fulfilling its financial and social obligations to its people and those it has borrowed money from. While taxes are necessary and inevitable, a country never successfully develops by overtaxing its citizenry as this always acts to stifle economic growth and investment, leading to paralysis and stagnation. Secondly, not only does the government ensure that the collected revenue is utilised to improve service delivery but also that its citizenry has the ability to pay. The cry for broadening the tax base is a long enduring one. From an economic point of view, introduction of levy on mobile internet calls is one way of broadening the tax base. It must however be said that Zambians are overwhelmed by so many taxes and tariffs that are coming all at once and seemingly in an uncoordinated fashion. These taxes should have been included in the 2018 budget that was presented to parliament. The time appears to be completely off. Already reeling from 37.5% PAYE and 16% VAT, Zambians appear perplexed at the blatant departure from the promised lower taxes in 2011 by the Patriotic Front (PF).

However, the JCTR also realizes that civil authority have a duty to enact just laws and taxes so that taxes do not burden the ability of households and individuals to pay. Whether the 30ngwee on whatsapp is a tax, tariff or levy, the government should take into account the taxes that citizens are already paying to avoid burdening them and leaving them with less income. From a social justice perspective, JCTR is in favour of minimizing tax burden on the population, especially those in the low income bracket, to avoid wiping out the income they rely on to meet their household needs.

The JCTR therefore, urges the Ministry of Finance to revisit the tax regime and adjust the PAYE's non-taxable income threshold upward. If government has to widen its tax base, they should consider tax collection from medium sized enterprises. As seen from the foregoing, mobile internet levy cannot be discussed in isolation of the larger tax objectives of the government. Nonetheless, clarity is required in terms of showing a system in which the 30ngwee levy will be used to save mobile telecommunication companies like Zamtel, Airtel and MTN who already charge users for airtime and data usage. It would be very sad to see a well-intended levy diverted to unclear ends.

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