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ACT NO. 1 OF 2023**Tobacco and Alcoholic Products Levy Act, 2023**

An Act to make provision for imposition and payment of levy on tobacco products and alcoholic products, and for related matters.

Enacted by the Parliament of Lesotho.

Short title and commencement

1. This Act may be cited as the Tobacco and Alcoholic Products Levy Act, 2023 and shall come into operation on the date to be appointed by the Minister by notice published in the Gazette.

Interpretation

2. In this Act unless the context otherwise requires -

“alcoholic products” means intoxicating spirits or alcoholic beverages excluding home-made brews or traditional beer;

“Commissioner General” means the Commissioner General appointed in terms of section 17 of the Lesotho Revenue Authority Act, 2001¹;

“levy” means either a levy in respect of alcoholic products or tobacco products imposed in terms of section 3;

“Minister” means the Minister responsible for finance;

“taxable import” means the import of tobacco products or alcoholic products subject to levy under this Act;

“taxable supply” means tobacco or alcoholic products subject to levy under this Act;

“taxable value” means taxable supply or import in terms of section 7 and 8 of this Act;

“tobacco products” means tobacco, cigars, cigarettes and any other

preparation or substitute; and

“vendor” means a person who is registered for value added tax under the Value Added Tax Act, 2001².

Imposition and payment of levy

3. (1) The Minister shall impose levy on taxable supply or import of -
- (a) tobacco products; and
 - (b) alcoholic products.
- (2) The rate of a levy application in subsection (1) shall be as set out in the Schedule.

Levy as a debt to the Lesotho Government

4. The levy due and payable under this Act is a debt due to the Government of Lesotho and is payable to the Commissioner General.

Taxable value of a taxable supply

5. A vendor who sells tobacco or alcoholic products or both shall charge a levy on the products -
- (a) at the rate set out in the Schedule ; and
 - (b) exclusive of value added tax.

Taxable import

6. A person who imports tobacco or alcoholic products or both shall pay a levy set out in the Schedule.

Taxable value of a taxable import

7. (1) The leviable value of -
- (a) import of tobacco or alcoholic products for which there

is no consideration; or

- (b) if consideration is less than a fair market value shall be a fair market value at the time of the importation.

(2) Subject to subsection (1), the taxable value of a taxable import of tobacco or alcoholic products shall be the sum of -

- (a) the value of the tobacco or alcoholic products ascertained for purposes of customs or excise under the Customs and Excise Act, 1982³ whether or not any other duty is payable on those products;
- (b) the amount of customs or excise duty or any other fiscal charge other than value added tax payable on these products; and
- (c) the value of any service incidental to import of tobacco or alcoholic products including any service giving rise to commission, packaging, transportation insurance or warranty expenses payable on, or by reason of the import.

Application of Value Added Tax Act

8. The provisions of the Value Added Tax Act 2001 shall apply in relation to procedure and an administration of a levy under this Act.

Regulations

9. The Minister may make regulations to -

- (a) give effect to the provisions of this Act; and
- (b) amend a Schedule to this Act.

NOTE

1. Act No. 1 of 2001
2. Act No. 9 of 2001
3. Act No. 9 of 2001

SCHEDULE**Rates of levy**

Item	Description	Rates of levy
1	alcoholic products	15%
2	tobacco products	30%

GOVERNMENT NOTICE NO. 1 OF 2023

The Parliament of Lesotho

**Statement of Objects and Reasons of the Tobacco and Alcoholic Products
Levy Act, 2023**

**(Circulated by the Authority of the Minister responsible for Finance
Honourable Dr. Retselisitsoe Matlanyane)**

The main object of the Bill is to introduce levy on tobacco and alcoholic products.

The Government of Lesotho intends to use this legislation as an instrument to influence acceptable or normal consumption of tobacco and alcoholic products.

Further, the Bill is expected to increase revenue gain in order to provide for developmental programmes.