



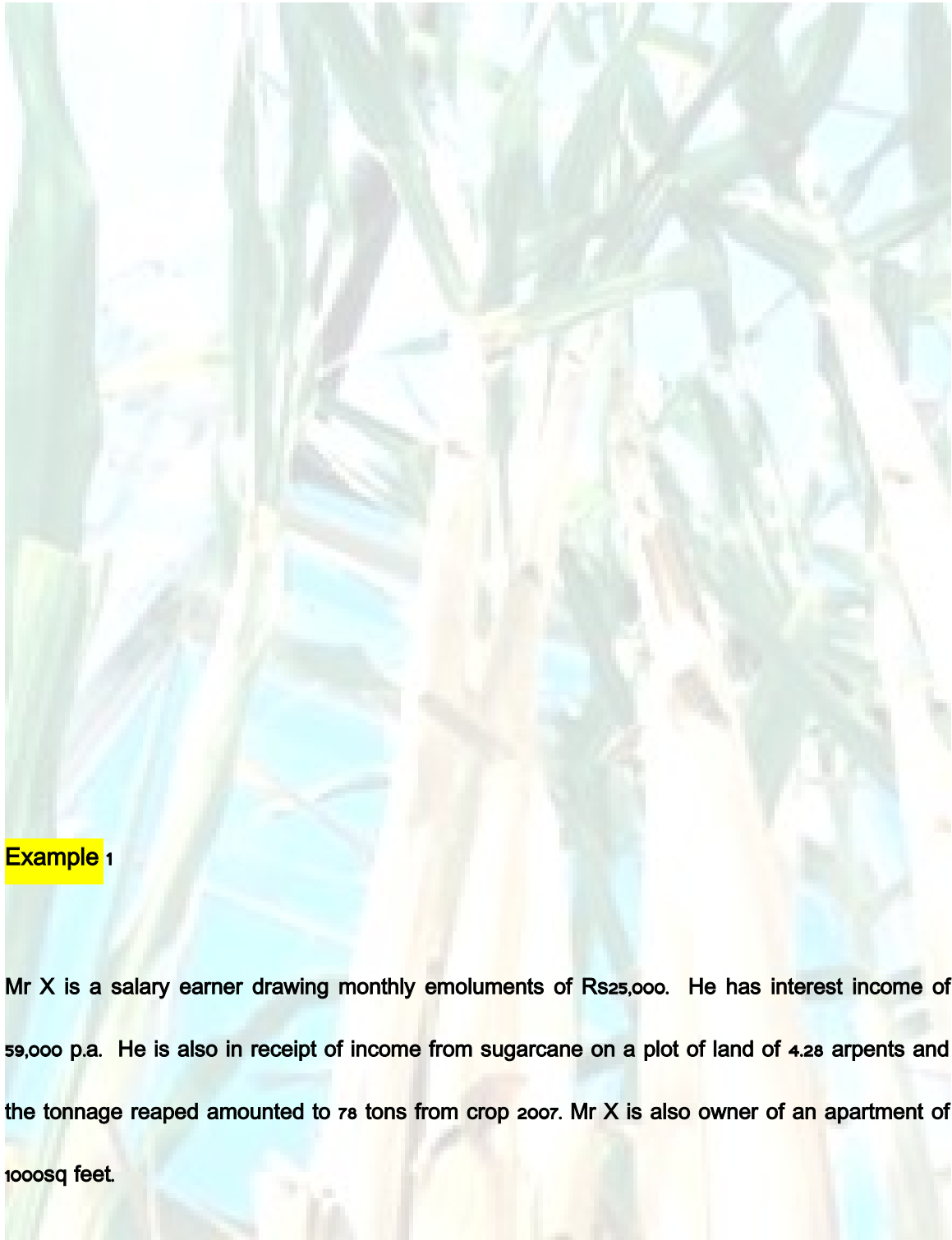
MAURITIUS REVENUE AUTHORITY

**TAXATION OF INCOME
FROM
SUGAR CANE
AND
TOBACCO CULTIVATIONS**

In consultation with the Ministry of Agro Industry & Fisheries and other stakeholders, it has been decided that the net income taxable for crop 2007 will be categorized as follows:

CATEGORY	AVERAGE YIELD PER ARPENT	PROFIT per arpent Rs
A	Less than 20 tons sugar cane per arpent	300
B	Above 20 tons up to 25 tons of sugarcane per arpent	4,000
C	Above 25 tons up to 30 tons of sugar cane per arpent	10,000
D	More than 30 tons of sugar can per arpent	14,000

In case a planter of sugarcane is not agreeable to the above proposed basis, he has the option of submitting his Income & Expenditure Account for the crop 2007 and of declaring the appropriate income or loss in accordance with the accounts.



Example 1

Mr X is a salary earner drawing monthly emoluments of Rs25,000. He has interest income of 59,000 p.a. He is also in receipt of income from sugarcane on a plot of land of 4.28 arpents and the tonnage reaped amounted to 78 tons from crop 2007. Mr X is also owner of an apartment of 1000sq feet.

Year of assessment 2008/2009

Rs

Income from Emoluments

25,000 per month x 13

325,000

Interest income

59,000

Income from - Cane Cultivation

Acreage (arpent)

Tonnage harvested

4.28

78 tons

Average yield per arpent

78 = 18.22 tons

4.28

Category (A) applies

(4.28 x Rs 300)

1,284

385,284

Less Income Exemption Threshold

(Individual with no dependent)

215,000

170,284

Tax @ 15%

25,542

Add NRPT (Apartment)

10.76 sq feet = 1sq metre

1000 sq feet $\frac{(1 \times 1000)}{10.764} = 93$ sq metres x 30

2,790

10.76

Total tax

28,332

Less PAYE withheld

16,500

11,832

Mr Y is an employee drawing monthly salary of Rs30,000 and possesses 6.75 arpent under sugarcane cultivation with a harvest of 155 tons for crop 2007. He owns a residential property on a plot of land to the extent of 100 toises.

Rs

Rs 30,000 per month x 13

390,000

Acreage (arpent)

Tonnage harvested

6.75

155 tons

Average yield per arpent

155 = 22.9 tons

Category (B) applies

(6.75 X 4000)	<u>27,000</u>
	417,000
Less Income Exemption Threshold (Individual with one dependent)	<u>325,000</u>
	92,000
Tax @ 15%	<u>13,800</u>

Add NRPT

One toise = 3.8 sq metres

100 toises = 380 x Rs10 = 3,800

Less Municipal Tax	<u>2,400</u>	<u>1,200</u>
Total tax		<u>15,000</u>
Less PAYE withheld		<u>9,750</u>
Balance of tax		<u>5,250</u>

Example 3

Mr Z is a taxpayer and his income is as follows:

- (i) Trade Rs 160,000
- (ii) Rent Rs 18,000
- (iii) Interest Rs 302,000

He owns a residential house situated on a plot of land to the extent of 10 perches. He is also engaged in sugarcane cultivation on an acreage of 3 arpents 8 perches. The tonnage reaped amounted to 103 tons.

Year of assessment 2008/2009

Rs

Income from Trade, Business, Property

160,000

Income from Agriculture

Acreage (arpent)

Tonnage harvested

2.30 (North region)

50 tons

1.50 (P. Wilhems region) 53 tons

3.80

103 tons

Average yield per arpent

103 = 27 tons

3.8

Category (C) applies

(3.8 X 10000)

38,000

Rent received

18,000

Interest income

302,000

518,000

Individual with three dependents

425,000

93,000

Tax @ 15%

13,950

Add NRPT

One perche = 42.21 sq metres

10 perches: 422.10 x Rs10

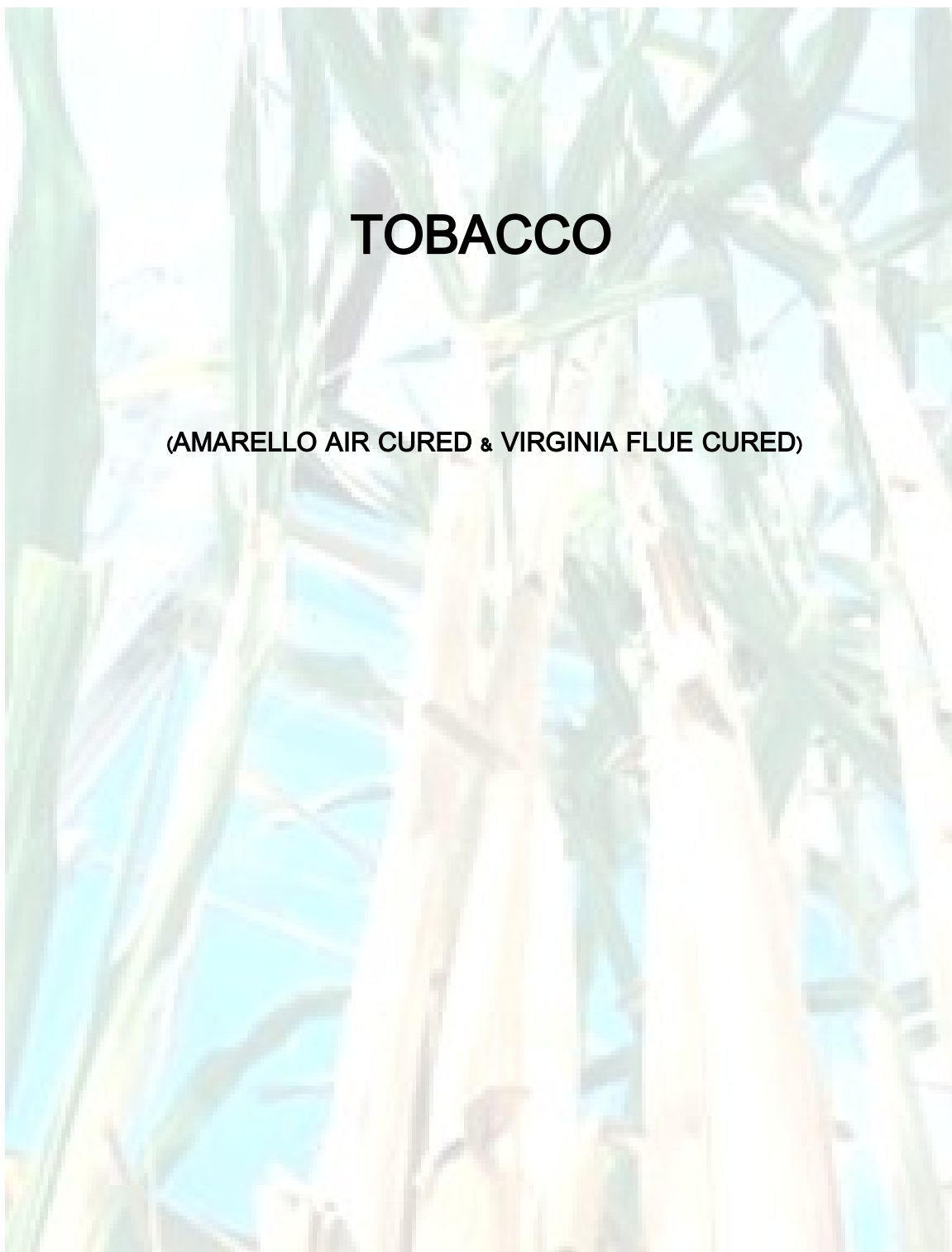
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Total tax

18,171

TOBACCO

(AMARELLO AIR CURED & VIRGINIA FLUE CURED)





COST OF PRODUCTION 2007/08 – AMARELLO AIR CURED & VIRGINIA FLUE CURED

1. Following a meeting with the Mauritius Tobacco Board and their stakeholders, it has been decided that computation of the annual net income from tobacco cultivation for 2007/2008 shall be based on the following average cultivation cost per arpent:

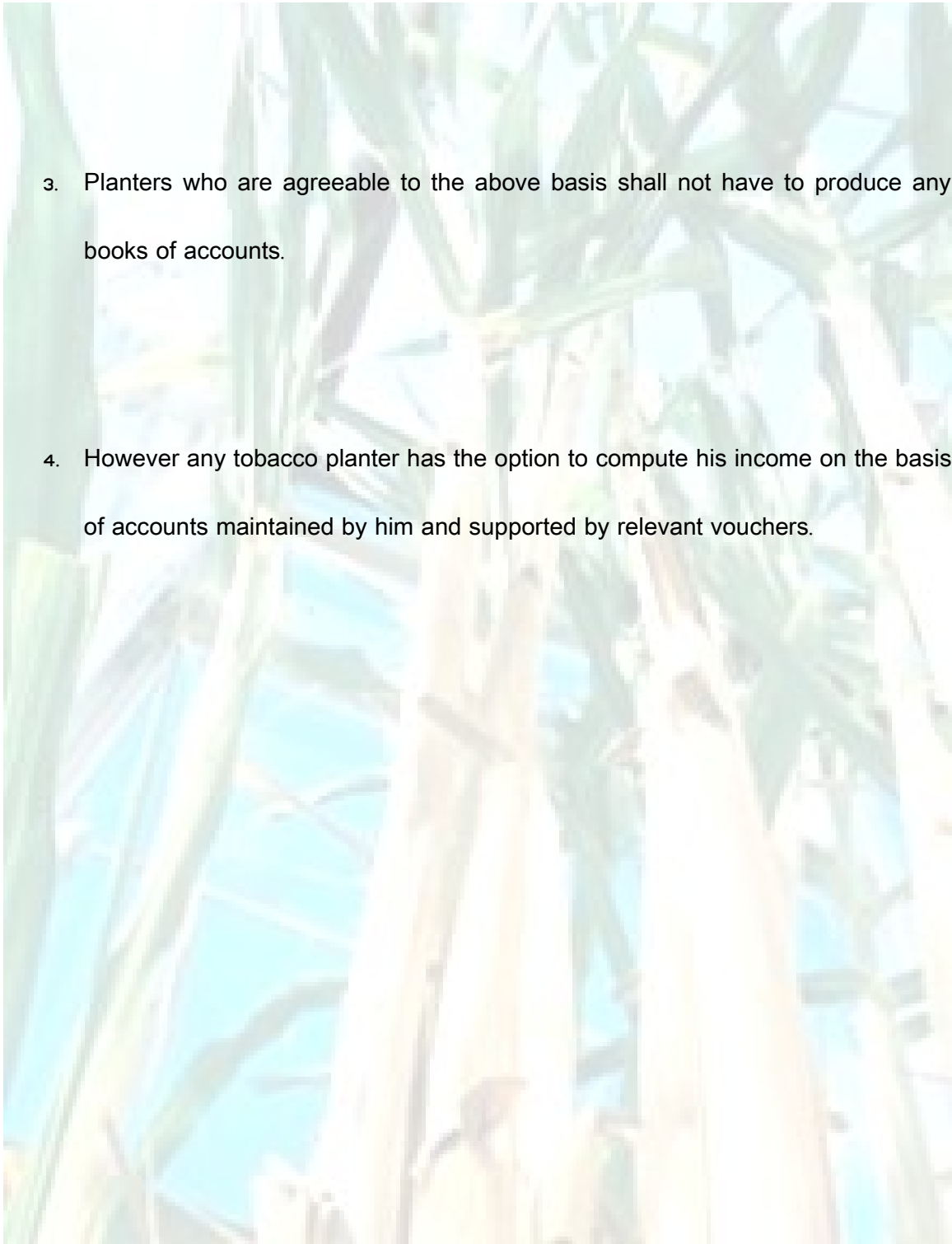
Rs 50,450.52 - Amarello Air cured

Rs 84,726.95 - Virginia Flue Cured

2. Planters will compute their net income by subtracting the cultivation cost as stated above from the total receipts from the sale of tobacco leaves.

3. Planters who are agreeable to the above basis shall not have to produce any books of accounts.

4. However any tobacco planter has the option to compute his income on the basis of accounts maintained by him and supported by relevant vouchers.



FOR ADVICE

If you want any help or advice, please call MRA help desk,

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