



Who is Subject to Business Receipts Tax?

All legal persons, regardless of income level, and natural persons with gross receipts of 750,000 afghani per quarter are subject to business receipts tax.

Note

Hotels, restaurants, wedding halls, and similar establishments, as well as providers of communications services and international airline services are subject to business receipts tax at all income levels regardless of whether they are legal or natural persons.

What are the Tax Rates?

There are three tax rates for business receipts tax: 2%, 5%, and 10%.

2% is assessed on gross receipts from the sale of goods and provision of services by legal persons (including hotel and restaurant services below the 750,000 afghani per quarter threshold) and on gross receipts from natural persons with receipts for hotel, guesthouse, and restaurant services below the 750,000 afghani per quarter threshold.

5% is assessed on gross receipts from the provision of hotel and restaurant services of 750,000 afghani per quarter and above and services of halls and clubs where events are held (such as wedding halls).

10% is assessed on the gross receipts of communications and air transport providers and luxury/premium hotels and restaurants.

When are the Tax Return and Tax Due?

Tax forms and payments are due on a quarterly basis using the solar calendar. Tax payments should be made in afghani at Da Afghanistan Bank no later than the fifteenth (15th) day following the end of the solar quarter in which the sales were made.

Quarter	Due Date
Hamal – Jowza	15 Saratan
Saratan – Sunbala	15 Mizan
Mizan – Qaus	15 Jeddi
Jeddi – Hut	15 Hamal

Example: ABC Company received 200,000 afghani in commissions and 100,000 afghani from the sales of products. ABC Company would add the receipts from commissions to the receipts from sales (200,000 + 100,000 = 300,000) and calculate its tax due at the 2% rate (300,000 x 2% = 6000). It would file this return and pay the tax at Da Afghanistan Bank no later than 15 Jeddi.

What If You Do Not File and Pay on Time?

The Income Tax Law provides for penalties for late filing and late payment.

Where Should You File and Pay?

You must file this form and make your payment at the Da Afghanistan Bank. The cashier will keep two copies of the form (white and green) and give you two copies (yellow and blue). You should keep the blue copy for your records and give the yellow copy to the tax office.

Line by Line Instructions for the Business Receipts Tax Form

Section 1: Taxpayer Information

Line 1 – Taxpayer Identification Number

Enter your Taxpayer Identification Number (TIN). If you do not have a TIN, visit your Afghanistan Revenue Department or local Mustufiat office to apply for one.

Line 2 – Name of Business

Enter your business name as it appears on your Taxpayer Identification Number (TIN) certificate.

Line 3 – Address of Taxpayer

Enter your street address.

Line 4 – Telephone Number

Enter the telephone number where we can easily reach you if we need to.

Line 5 – E-mail address

Enter your e-mail address if you have one.

Line 6 – Type of Taxpayer

Check the appropriate box to indicate whether you are a legal person (corporation, limited liability company, registered organization, agency, etc.) or a natural person (individual, sole proprietor).

Section 2: Tax Calculation

Line 10 – Quarterly Tax Period

Enter the beginning month ('from') and ending month ('to') of the quarterly tax period.

Quarterly Income by Business Activity Type

2% Business Receipts Tax.

Line 11 – Gross receipts of goods and services of legal persons

If you are a legal person, enter the gross amount you received (before expenses) for sales of goods and provision of services, except for hotel, restaurant, guesthouse, airline, and communications services and services of halls and clubs where events are held (such as wedding halls). These receipts will be reported elsewhere.

Line 12 – Gross receipts of goods and services of 750,000 afghani or more of natural persons

If you are a natural person, enter the gross amount you received (before expenses) for sales of goods and provision of services, except for hotel, restaurant, guesthouse, airline, and communications services and services of halls and clubs where events are held (such as wedding halls). These receipts will be reported elsewhere.

Line 13 – Gross receipts of hotels, restaurants, and guesthouses with total quarterly receipts below 750,000 afghani

If your gross receipts for hotel, guesthouse, and restaurant services was below 750,000 afghani for the quarter, enter the gross amount you received (before expenses) for provision of those services here.

- Line 14** – Total Income Subject to 2% Tax (add lines 11, 12, and 13)
Add the amounts on lines 11, 12, and 13 and enter the total here. This is your total income subject to 2% business receipts tax.
- Line 15** – Total Tax Due for Quarter at 2% (Multiply line 14 by 2%) Multiply line 14 (total income subject to 2% BRT) by 2% (.02) and enter the amount here. This is your total tax at 2%.

5% Business Receipts Tax

- Line 16** – Gross receipts of hotels, restaurants, and guesthouses (see instructions)
Enter the gross amount you received (before expenses) for services provided by hotels, restaurants, or guesthouses, if the total receipts for the quarter are 750,000 afghani or more. If the gross receipts are less than 750,000 afghani, show the amount on line 13 above.
- Line 17** – Gross receipts of halls and clubs where events are held
Enter the gross receipts (before expenses) for halls and clubs where events are held (such as wedding halls).
- Line 18** – Total Income Subject to 5% Tax (add lines 16 and 17)
Add the amounts on lines 16 and 17 and enter the total here. This is your total income subject to 5% business receipts tax.
- Line 19** – Total Tax Due for Quarter at 5% (Multiply line 18 by 5%)
Multiply line 18 (total income subject to 5% BRT) by 5% (.05) and enter the amount here. This is your total tax at 5%.

10% Business Receipts Tax

- Line 20** – Gross receipts of luxury or premium hotels and restaurants (Article 66(5) of the Income Tax Act 2009)
Enter the gross amount you received (before expenses) for services provided by luxury or premium hotels and restaurants.
- Line 21** – Gross receipts for provision of services (communications and air transport)
Enter the gross amount you received (before expenses) for communications and air transport services (passenger air transport originating in Afghanistan) provided during the quarter.
- Line 22** – Total Income Subject to 10% Tax (add lines 20 and 21)
Add the amounts on lines 20 and 21 and enter the total here. This is your total income subject to 10% business receipts tax.
- Line 23** – Total Tax Due for Quarter at 10% (Multiply line 22 by 10%)
Multiply line 22 (total income subject to 10% BRT) by 10% (0.1) and enter the amount here. This is your total tax at 10%.
- Line 24** – Total Tax Due for Quarter (add lines 15, 19, and 23)
Add lines 15 (total tax due at 2%), 19 (total tax due at 5%), and 23 (total tax due at 10%) to determine your total tax due for the quarter and enter the total here.
- Line 25** – Total Business Receipts Tax Paid During Quarter
Enter the total amount of any business receipts tax payment you have made during the quarter, such as the 2% BRT paid on imports. (Note: In order to claim this credit, you must have documentary evidence that you have made payments or otherwise have a credit of BRT paid. In addition, you must make this evidence available if required to by the tax office.)
- Line 26** – Total Payment Due for Quarter (subtract line 25 from line 24)
Subtract line 25 (total tax paid) from line 24 (total tax due) and enter the amount here. This is your total payment due for the quarter.

Signature and Date

The taxpayer (or authorized officer if a legal person) must sign and date the tax form. By signing the taxpayer or authorized officer acknowledges that all information is true and accurate to the best of

his knowledge and that penalties may be assessed if any information is later found to be untrue or inaccurate.

Section 3: Bank Deposit Form

Enter your Taxpayer Identification Number in the space indicated. Also enter the withholding amount (in afghani) in figures and words. Enter the total deposit amount in the box in the lower right corner (cash total).