

# Inland Revenue Department

## Mission Statement

To administer the tax laws in an efficient and effective manner to maximize State Revenue from internal taxation sources

## Contact us at the following details

Katima Mulilo T: +264 (66) 252753  
Brendan Simbwaye Complex (Midas)  
Trans Caprivi Highway

Keetmanshoop T: +264(63) 2201000  
Hampie Plitcha Street

Large Taxpayers T: +264 (61) 2092795  
Moltke Street

Oshakati T: +264 (65) 229700  
Dr Augustino Neto Street

Otjiwarongo T: +264 (67) 300 400  
C/O Dr Albertina Amathila & Dr Frans  
Indongo Street

Rundu T: +264 (66) 265 000  
Markus Siwarongo Street

Walvisbay T: +264 (64) 208 6000  
C/O Sam Nujoma & 14<sup>th</sup> Road

Windhoek T: +264 (61) 209 2460  
T: +264 (61) 209 2740  
Moltke Street

Website: <http://www.mof.na>

REPUBLIC OF NAMIBIA



MINISTRY OF FINANCE

## INLAND REVENUE DEPARTMENT



## Mining Taxation

*Strengthening Knowledge of  
Tax Laws and Procedures*

## TAXATION OF MINING ACTIVITIES

Income derived from mining operations is taxed in terms of the same rules as all the other taxpayers except in respect of capital expenditure (exploration and development expenditure) and the tax rates.

**Capital Expenditure.** The capital expenditure of a mine to be deducted from income may consist of exploration and or development expenditure.

**Exploration Expenditure** consists of all expenditure, incurred for exploration operations. Exploration expenditure is carried forward to the year in which a mine commences production for the first time and is deducted in that year.

**Development Expenditure** consists of expenditure incurred for the development of the mine. Development expenditure incurred before the commencement of production of the mine is accumulated. The accumulated development expenditure is written off in three equal installments over three years, commencing in the year of production.

"**mining operations**" and "mining" include every method or process by which any mineral (excluding petroleum) is won from the soil or from any substance or constituent thereof.

### *Tax Rates*

*Mining Companies other than  
Diamond mining companies  
->37.5 %*

*Diamond mining companies  
-> 55%*

## Operating Expenditure of a Mine

Operating expenditure not classified as exploration or development is deductible as general expenses incurred in the production of income.

## Recoupment

Any amount received from a disposal of an asset must be included in the income. Where the asset disposed of is sold of for an amount less than the fair market value of the asset, the asset must be valued at market value for the purposes of recoupment.