

Public Notice: Presumptive Rental Income Tax

The Zimbabwe Revenue Authority (ZIMRA) hereby advises property owners, tenants, agents and the general public on the introduction and application of Presumptive Rental Income Tax, with effect from 1 January 2026, in terms of the Finance Act, 2025 (Act No. 7 of 2025)

1. Who Is Liable to Presumptive Rental Income Tax?

The tax is payable by the proprietor, the landlord, owner, lessee or sub-lessee of land or premises who receives rental directly or indirectly from a tenant liable for presumptive tax must withhold the tax and remit to the Commissioner General.

- Zimbabwean citizens local and in the diaspora who own land or properties that are leased to any persons or entities that carry on trade on such premises must register.
- Non-resident registrable proprietors are required to appoint a resident representative in Zimbabwe.

2. Who is a “tenant liable for presumptive tax?”

A tenant liable for presumptive tax is a tenant who pays rent to the “registrable proprietor” in order to conduct business, trade or an occupation on such land or premises. The registrable proprietor is the landlord (owner of premises), lessee or sub-lessee to whom rent is paid.

The premises owned by an operator may be occupied for trade and other purposes. For example the same building may have offices and units used for residential purposes. The part occupied for residential premises is not liable to presumptive tax. The proprietor will not account for presumptive tax on rental from tenants on residential premises.

3. What is the rate of Presumptive Rental Income Tax?

The tax is charged at a rate of fifteen per centum (15%) of the gross rental received and it is treated as “final tax”. No deductions or allowances are permitted in determining the tax. The tax cannot be claimed as a credit, refund, or set-off against any other Income Tax.

4. Who is required to register?

Any person who leases out land or building(s) to another person carrying on trade, business or an occupation on such premises is required to register. Any lessee or sub-lessee who receives rent must also register.

The registrable proprietors must:

- Register with ZIMRA by 1 January 2026 if already receiving rent;
- Apply for registration within thirty (30) days of becoming a registrable proprietor;
- Submit a schedule of properties being leased out and details of the tenants;
- Notify ZIMRA of any change of address or cessation.

NB: Failure to register does not relieve a person from liability to pay the presumptive rental income tax.

5. When should the Payment and Returns be submitted?

The return must be submitted by the 5th day of the following month and tax must be paid by the 10th day of the month following the month in which rental was received.

6. What is the Role of Agents, or sub-lessee or trustee?

Where rental is received by an estate agent, any intermediary, or trustee, or sub-lessee, such person is deemed to be a statutory agent and is required to:

- Pay the tax where the proprietor has not done so;
- Remit the tax to ZIMRA;
- Issue a withholding certificate in the prescribed form.

NB: ESTATE AGENT MUST VERIFY BEFORE DISBURSING ANY MONEY THAT PRESUMPTIVE RENTAL INCOME TAX HAS BEEN PAID OR NOT PAID AND RETAIN PROOF ACCORDINGLY

7. What is the Tenant Liability where Tax Is Not Paid?

Where the registrable proprietor or agent fails to remit the tax, the Commissioner may appoint the tenant liable for presumptive tax to pay the tax directly to ZIMRA. In such cases, the law protects the tenant from eviction, or rental escalation for a period of three (3) months solely due to compliance with the tax obligation.

8. What's the effect of the new tax on taxpayers that were on Self-Assessment on 31 December 2025?

Registrable proprietors who were registered, submitting returns and payments up to 31 December 2025 shall continue to declare this rental income through Self-Assessment system at the normal income tax rates.

NB: The proprietors must submit schedule of properties being leased out and details of tenants.

Any operators who were not registered with Zimra before 31 December 2025 must register and pay presumptive rental income tax with effect from 1 January 2026.

Any proprietor registered from 1 January 2026 going forward shall pay and remit presumptive rental income tax.

NB:

- **Value Added Tax (VAT):** Presumptive rental income tax does not replace VAT, and where rental is subject to VAT, VAT continues to apply, at 15.5% tax calculated on rentals.
- **Other Taxes:** Presumptive rental income tax operates independently and does not affect PAYE, non-residents' tax, or any other withholding tax obligations.
- **Informal trader's Tax:** The landlords must continue collecting from eligible tenants the informal trader's tax (10% of rent). This is a tax on the income of the tenant and not a tax on the landlord
- **The proprietor must be registered for all tax types that affect him or her.**

9. What's the effect of failing to be compliant?

- Failure to remit presumptive rental income tax may result in recovery of the outstanding tax and a penalty equal to 100 per centum of the unpaid tax.
- The Commissioner may appoint a tenant of a non-compliant landlord as an agent for purposes of payment of the Presumptive rental Income Tax. The tenant shall be instructed to pay any outstanding taxes from future rentals.

10. Are there any transitional issues?

- Any taxpayers that were registered for income tax already must clear their tax debts;

Landlords, agents and tenants are encouraged to regularise their tax affairs early and seek guidance from ZIMRA offices or official communication channels.

My Taxes, My Duties: Building My Zimbabwe

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