

Current Tax System (2023)

Serial Number	Taxes	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Goods and Services Taxes				
1	Value-Added Tax	Taxpayers engaged in the sale or import of goods; providing the use or franchise of goods; transmission or provision of heat, electricity, gas, or water; and the provision of services.	Sale or import of goods; providing the use or franchise of goods; transmission or provision of heat, electricity, gas, or water; and the provision of services.	Standard rate: 15%
2	Excise Tax	Licensed taxpayers engaged in the production or import of excisable goods within Ethiopia.	Ethiopia's excise tax is a type of tax levied on specific goods. Excisable goods manufactured by licensed manufacturers in Ethiopia and excisable goods imported into Ethiopia.	Ad valoren, specific duty, or combination of both
3	Turnover Tax	Taxpayers with the annual turnover of less than 1 million Ethiopian Birr from the provision of goods or services and are not eligible for VAT registration.	The same as "Value-Added Tax".	Sales of goods: 2% Supplies of services: 2%/10%
4	Customs Duty	Taxpayers engaged in imports and export business.	Except for goods exempted by law, all imported goods into Ethiopia are subject to Customs Duty. Hides and skins exports are subject to Customs Duty.	Import: 0%, 5%, 10%, 20%, 30% and 35% Export: Ranging from 5% to 150%
5	Import Surtax	Taxpayers who imports goods into Ethiopia.	Except for goods exempted by law, all imported goods into Ethiopia are subject to Import Surtax.	10%
Income Taxes				
6	Corporate Income Tax	Any enterprise that earns income within Ethiopia, including resident and non-resident enterprises.	Enterprises resident in Ethiopia are subject to tax on a worldwide basis.	Schedule B/C: 30% Schedule D: 5%, 10% Schedule E: Exemption
			Non-resident enterprises are subject to tax in Ethiopia on a source basis.	Note1: Schedule B: Income from Rental of Buildings; Schedule C: Income from Business; Schedule D: Other Income; and Schedule E: Exempt Income. Note2: Schedule A: Income from Employment, mainly related to Individual Income Tax
7	Individual Income Tax	An individual person is regarded as resident for Ethiopian income tax purposes if he: - has domicile within Ethiopia; - is a citizen of Ethiopia and is a consular, diplomatic or similar official of Ethiopia posted abroad; or - stays in Ethiopia for more than 183 days in a period of 12 calendar months, either continuously or intermittently.	Resident individuals in Ethiopia are subject to tax on a worldwide basis.	Schedule A/B/C: progressive rates from 0% to 35%; Capital gains on the disposal of real estate: 15%; Income from stocks and bonds: 30%. Note: Schedule A: Income from Employment; Schedule B: Income from Rental of Buildings; Schedule C: Income from Business; Schedule D: Other Income; and

		An individual is non-resident in Ethiopia if he or she is not a resident individual.	Non-resident individuals are subject to tax in Ethiopia on a source basis.	Schedule E: Exempt Income.
8	Withholding tax	Individuals or entities obligated to withhold income tax under the current income tax law.	Income derived from Ethiopia by non-resident enterprises.	Insurance premium and Royalties: 5%; Dividends, Interest (except for deposit interest), non-resident entertainment income, repatriated profits, etc.: 10%; Income from games of chance and casual rental of property: 15%.
Property and Behavior Taxes				
9	Stamp Duty	Entities and individuals who conclude or receive taxable documents.	Legal instruments and documents listed in the Stamp Duty Proclamation of 1998, such as execution of a memorandum and articles of association, bonds and deeds, contracts, collective agreements, etc.	Different rates apply depending on the type of document, for example: (1) The first execution of a memorandum and articles of association of any company: ETB 350; any subsequent execution: ETB 100; (2) Bonds and security deeds: 1%.