

THE UNITED REPUBLIC OF TANZANIA

***ACT SUPPLEMENT***

***No. 4***

***30<sup>th</sup> June, 2017***

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THE FINANCE ACT, 2017

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## THE UNITED REPUBLIC OF TANZANIA



NO.4 OF 2017

I ASSENT

JOHN POMBE JOSEPH MAGUFULI,  
*President*[30<sup>th</sup> June, 2017]

**An Act to impose and alter certain taxes, duties, levies, fees and to amend certain written laws relating to the collection and management of public revenues.**

**ENACTED** by Parliament of the United Republic of Tanzania.

PART I  
PRELIMINARY PROVISIONS

- Short title                    **1.** This Act may be cited as the Finance Act, 2017.
- Commencement            **2.** This Act shall come into operation on the 1<sup>st</sup> day of July, 2017.

PART II  
AMENDMENT OF THE BANK OF TANZANIA ACT,  
(CAP.197)

- Construction  
Cap.197                    **3.** This Part shall be read as one with the Bank of Tanzania Act, hereinafter referred to as the “principal Act”.
- Amendment of            **4.** The principal Act is amended in section 32 by-

section 32

(a) deleting the word “may” appearing in subsection (1) and substituting for it the word “shall”; and

(b) adding immediately after subsection (2) the following:

“(3) All Government and public authorities shall open and deposit all their moneys with the Bank.

(4) The Bank may make regulations for the better carrying out of the provisions of this section.”.

PART III  
AMENDMENT OF THE ELECTRONIC AND  
POSTAL COMMUNICATIONS ACT,  
(CAP.306)

Construction  
Cap. 306

**5.** This Part shall be read as one with the Electronic and Postal Communications Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 3

**6.** The principal Act is amended in section 3 by deleting the interpretation of the word “local shareholder”.

Amendment of  
section 26

**7.** Section 26 of the principal Act is amended-

(a) in subsection (1), by deleting paragraph (a) and substituting for it the following:

“(a) in the case of a holder of network facilities or network services licence, have a minimum of public shareholding of twenty five percent of its issued and paid up share capital, as an ongoing obligation throughout the life of its licence; and”;

(b) in subsection (2), by deleting the word “local” and substituting for it the word “public”;

- (c) by deleting the words “ application services” wherever they appear in subsections (3), (4) and (5);
- (d) by inserting a new subsection (6) as follows:
- “ (6) Where after conducting an initial public offer a licensee referred to in section 26(1)(a) does not attain the prescribed threshold of twenty five percent of its issued and paid up share capital, the Capital Markets and Securities Authority shall, upon consultation with the Minister responsible for Capital Markets and after taking into account conditions prevailing in the market, issue directives on how the licensee may obtain the twenty five percent.”.

PART IV  
AMENDMENT OF THE EXCISE (MANAGEMENT  
AND TARIFF) ACT, (CAP.147)

Construction  
Cap.147

**8.** This Part shall be read as one with the Excise (Management and Tariff) Act, hereinafter referred to as the “principal Act”.

Amendment of  
Fourth Schedule

**9.** The principal Act is amended in the Fourth Schedule by introducing new rates in respect of excisable items as follows:

**“FOURTH SCHEDULE**

(Made under section 124(2))

Heading	H.S. Code No.	Description	Unit	Old Excise Rate	New Excise Rate
20.09		<b>Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.</b>			
		Locally produced fruit juices manufactured from domestic fruits under heading 20.09		Tshs. 9.50 per litre	Tshs. 9.00 per litre
		Other fruit juices under the heading 20.09		Tshs. 210.00 per litre	Tshs. 221.00 per litre
22.01		<b>Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter or flavoured; ice and snow.</b>			
	2201.10.00	-Mineral waters and aerated waters			
		Locally produced, bottled	<i>l</i>	Tshs. 58.00 per litre	Tshs. 58.00 per litre
		Imported, bottled	<i>l</i>	Tshs. 58.00 per litre	Tshs. 61.00 per litre
	2201.90.00	-Other			
		Locally produced, bottled	<i>l</i>	Tshs. 58.00 per litre	Tshs. 58.00 per litre
		Imported, bottled	<i>l</i>	Tshs. 58.00 per litre	Tshs. 61.00 per litre
22.02		<b>Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit vegetable juice of heading 20.09</b>			
	2202.10.00	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	<i>l</i>	Tshs. 58.00 per litre	Tshs. 61.00 per litre
		- Other			
	2202.91.00	-- Non-alcoholic beer		Tshs. 534.00 per litre	Tshs. 561.00 per litre
	2202.99.00	-- Other		Tshs. 534.00 per litre	Tshs. 561.00 per litre
22.03		<b>Beer made from malt</b>			
	2203.00.10	---Stout and porter		Tshs. 729.00 per litre	Tshs. 765.00 per litre
	2203.00.90	---Other		Tshs. 729.00 per litre	Tshs. 765.00 per litre

22.04		<b>Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09</b>			
	2204.10.00	- Sparkling wine			
		With the domestic grapes content exceeding 75%		Tshs. 202.00 per litre	Tshs. 200.00 per litre
		Other		Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
		-Other wine; grapes must with fermentation prevented or arrested by the addition of alcohol:			
	2204.21.00	-- In containers holding 2 litres or less			
		With the domestic grapes content exceeding 75%	<i>l</i>	Tshs. 202.00 per litre	Tshs. 200.00 per litre
		Other		Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
	2204.22.00	-- In containers holding more than 2 litres but not more than 10 litres			
		With the domestic grapes content exceeding 75%	<i>l</i>	Tshs. 202.00 per litre	Tshs. 200.00 per litre
		Other	<i>l</i>	Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
	2204.29.00	-- Other			
		With the domestic grapes content exceeding 75%	<i>l</i>	Tshs. 202.00 per litre	Tshs. 200.00 per litre
		Other	<i>l</i>	Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
	2204.30.00	- Other		Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
22.05		Vermouth and wine of fresh grapes flavoured with plants or aromatic substances			
	2205.10.00	- In containers holding 2 litres or less			
		With the domestic grapes content exceeding 75%		Tshs. 202.00 per litre	Tshs. 200.00 per litre
		Other		Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre
	2205.90.00	- Other	<i>l</i>	Tshs. 2,236.00 per litre	Tshs. 2,349.00 per litre

22.06		<b>Other fermented beverages (for example, cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.</b>			
	2206.00.10	--- Cider		Tshs. 2,236.00 Per litre	Tshs.2,349.00 Per litre
	2206.00.20	--- Opaque beer (for example Kibuku)			
		Beer made from 100% local unmalted cereals	<i>l</i>	Tshs. 429.00 per litre	Tshs.450.00 per litre
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.			
	22.08	All locally produced products of this heading		Tshs. 3,315.00 per litre	Tshs. 3,315.00 per litre
		Other imported products of this heading as follows:			
	2208.20.00	-Spirits obtained by distilling grape wine or grape marc		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.30.00	-Whiskies		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.40.00	-Rum and other spirits obtained by drilling fermented sugar – cane products		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.50.00	- Gin and Geneva		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.60.00	- Vodka		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.70.00	- Liqueurs and cordials		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
		-Other			
	2208.90.10	--- Distilled Spirits ( e.g. Konyagi, Uganda Waragi)		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre
	2208.90.90	--- Other		Tshs. 3,315.00 per litre	Tshs. 3,481.00 per litre



24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.				
	2402.10.00	- Cigars, cheroots and cigarillos, containing tobacco -Cigarettes containing tobacco	kg	30%	30%	
	2402.20.10	--- Of length not exceeding 72mm length including the filter tip				
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 11,854.00 per mil	Tshs. 12,447.00 per mil	
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 28,024.00 per mil	Tshs. 29,425.00 per mil	
		Other	mil	Tshs. 50,700.00 per mil	Tshs. 53,235.00 per mil	
	2402.20.90	---Other				
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 11,854.00 per mil	Tshs 12,447.00 per mil	
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 28,024.00 per mil	Tshs. 29,425.00 per mil	
		Other	mil	Tshs. 50,700.00 per mil	Tshs. 53,235.00 per mil	
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted" tobacco; tobacco extracts and essences.				
	2403.19.00	- Smoking tobacco, whether or not containing tobacco substitutes in any proportion: -- Other (for example cut rag/filler)	kg	Tshs. 25,608.00 per kg	Tshs. 26,888.00 per kg	

27.10		Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils :			
		-- Light oils and preparations:			
	2710.12.10	--- Motor Spirit (gasoline) regular	<i>l</i>	Tshs. 339.00 per litre	Tshs. 379.00 per litre
	2710.12.20	--- Motor Spirit (gasoline) premium	<i>l</i>	Tshs. 339.00 per litre	Tshs. 379.00 per litre
	2710.19.22	---- Illuminating Kerosene (IK)	<i>l</i>	Tshs. 425.00 per litre	Tshs. 465.00 per litre
	2710.19.31	---- Gas oil (automotive, light, amber for high speed engines)	<i>l</i>	Tshs. 215.00 per litre	Tshs. 255.00 per litre"

PART V  
AMENDMENT OF THE GAMING ACT,  
(CAP.41)

Construction  
Cap.41

**10.** This Part shall be read as one with the Gaming Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 31

**11.** The principal Act is amended in section 31 by-

- (a) deleting the word “Board” wherever it appears in subsections (4), (5), (6) and (8) and substituting for it the word “Commissioner”;
- (b) deleting subsections (7) and (9); and
- (c) renumbering subsection (8) as (7).

Amendment of  
section 31A

**12.** The principal Act is amended in section 31A by-

- (a) deleting the word “Board” appearing in subsections (3) and substituting for it the word “Commissioner”; and
- (b) deleting subsection (4).

Amendment of  
section 32

**13.** The principal Act is amended in section 32 by deleting the word “Board” wherever it appears in subsections (1) and (2) and substituting for it the word “Commissioner”.

Amendment of  
section 63

**14.** The principal Act is amended in section 63 by-

- (a) deleting paragraph (d); and
- (b) renaming paragraph (e) as paragraph (d).

Repeal of  
section 64A

**15.** The principal Act is amended by repealing section 64A.

PART VI  
AMENDMENT OF THE INCOME TAX ACT,  
(CAP.332)

Construction  
Cap. 332

**16.** This part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 3

**17.** The principal Act is amended in section 3-

- (a) in the definition of the term “business”, by deleting the phrase “and any activity that, having regard to its nature the principal occupation of its owners or underlying owners, is not carried on with a view to deriving profits” appearing in paragraph (b);
- (b) in the definition of the term “licence area”, by deleting the word “mineral” appearing in the first line of paragraph (a) and substituting for it the word “mining”;
- (c) in the definition of the term “rehabilitation fund”, by deleting the word “mineral” appearing in the opening phrase and substituting for it the word “mining”; and
- (d) by adding in the appropriate alphabetical order the following new definitions:

“licenced dealer” has a meaning ascribed to it in the Mining Act;

“an entity of a public character” means an entity established and functions solely for a public purpose and which operates in such a way that:

- (a) its membership is open to the general public or an identifiable group of a community with common interests;
- (b) it operates for purposes other than deriving profit or gain;
- (c) it does not allow any distribution or deemed distribution of profit generated out of its charitable business; and

- (d) its profit is ploughed back and used solely for improving or expansion of the original charitable purpose or function;”.

Amendment  
of section 11

**18.** The principal Act is amended in section 11(4) by adding immediately after paragraph (e) the following:  
“(f) withholding tax paid by a withholder.”.

Amendment  
of section 14

**19.** The principal Act is amended in section 14(2) by deleting reference to section 36 and substituting for it reference to section 37.

Amendment  
of section 19

**20.** The principal Act is amended in section 19-

(a) in subsection (2), by adding immediately after paragraph (d) the following:  
“(e) in the case of loss incurred in dealing with a speculative transaction, only in calculating the person’s income derived from a speculative transaction.”; and

(b) in subsection (4), by inserting in its alphabetical order the following new definition:  
“speculative transaction” means-

(a) a transaction which is a contract for sale or purchase of a commodity including stocks and shares settled otherwise than actual delivery or transfer of the commodity; or

(b) any agreement for repurchase or resale, forward sale or purchase, futures contract, option or swap contract;”.

Amendment  
of section 69

**21.** The principal Act is amended in section 69 by deleting paragraph (f) and substituting for it the following-  
“(f) premiums for general insurance or re-insurance paid to, and proceeds from general insurance or re-insurance paid by a resident person in respect of the insurance or re-insurance of any risk in or outside the United Republic;”.

Addition of  
section 83B

**22.** The principal Act is amended by adding immediately after section 83A the following:

“Withholding of  
income tax on sale  
of minerals

**83B.**-(1) Any person who makes a payment in respect of specified mineral or minerals supplied by a resident person in the course of conducting business shall withhold income tax at the rate specified under paragraph 4(d) of the First Schedule.

(2) For the purpose of this section-

“specified mineral or minerals” means mineral or minerals that a licenced dealer is authorised to deal in, including gold, metallic minerals,

coloured gemstones, coal and industrial minerals; and

“industrial minerals” has the meaning ascribed to it under the Mining Act save for salt, sand, beach sands and stone aggregates.”.

Cap.123

Amendment  
of section 86

**23.** The principal Act is amended in section 86(1) by adding immediately after paragraph (f) the following:

“(g) payment made to a resident person as specified under section 83B(1).”.

Amendment  
of section 88

**24.** The principal Act is amended in section 88(5) by inserting immediately after the word “other” appearing in third line the word “business,”.

- Amendment of section 90
- 25.** The principal Act is amended in section 90(4) by inserting immediately after the word “fish” the words “or horticulture products”.
- Amendment of section 91
- 26.** The principal Act is amended in section 91(2)(e) by-
- (a) deleting the word “and” appearing at the end of item (ii);
  - (b) inserting immediately after item (ii) the following new item:  
“(iii) certified financial statements; and”;  
and
  - (c) renumbering item (iii) as item (iv).
- Amendment of the First Schedule
- 27.** The First Schedule of the principal Act is amended-
- (a) in paragraph 3, by-
    - (i) deleting subparagraph (2) and substituting for it the following:  
“(2) Notwithstanding subparagraph (1)-
      - (a) a newly listed company with the Dar es Salaam Stock Exchange with at least thirty percent of its equity ownership issued to the public shall be taxed at a reduced corporate rate of twenty five percent for three consecutive years from the date of listing; and

- (b) a corporation with a newly established plant for assembling motor vehicles, tractors, fishing boats or out boats engine and having a performance agreement with the Government shall be taxed at a reduced corporate rate of ten percent for five consecutive years from the year of commencement of production;”.
- (ii) deleting the word “five” appearing in paragraph 3(3) and substituting for it the word “three”. ; and
- (b) in paragraph 4, by adding immediately after item (c) the following item:
- “(d) in the case of payment referred to under section 83B (1), five per centum.”.

Amendment  
of the Third  
Schedule

**28.** The principal Act is amended in the Third Schedule by deleting the figure “15,000,000” appearing in paragraph 3(9)(b) and substituting for it with figure “30,000,000”.

**PART VII**  
**AMENDMENT OF THE LOCAL GOVERNMENT FINANCE ACT,**  
**(CAP.290)**

Construction  
Cap.290

**29.** This Part shall be read as one with the Local Government Finance Act, hereinafter referred to as the “principal Act”.

Amendment  
of section  
31A

**30.** Section 31A of the principal Act is amended -

(a) in subsection (1), by adding the words “and advertisement fees for billboards, poster and hoarding” immediately after the words “property rate”;



(b) in subsection (2), by inserting the words “and advertisement fees for billboards, poster and hoarding” immediately after the words “property rate”; and

(c) by adding a new subsection (6) as follows:

“(6) The Minister responsible for finance may, by Order published in the *Gazette*,-

(a) prescribe fees for advertisement through billboards, posters or hoarding for local government authorities; and

(b) provide for the management and disbursement of fees and property rates under this section.”.

Repeal of section 67

**31.** The principal Act is amended by repealing section 67 and replacing for it the following:

“General penalty

**67.** A person who contravenes any provision of this Act for which no specific penalty is provided, commits an offence and shall, upon conviction, be liable to a fine of not less than two hundred thousand shillings but not exceeding one million shillings or to imprisonment for a term of not less than twelve months but not exceeding twenty four months or to both.”.

Amendment of Schedule

**32.** The Schedule to the principal Act is amended-  
(a) by deleting the contents of item 1 and substituting for them the following:

<p>“ Produce cess on buyers: (a) crop cess –cap 3% of farm gate price on cash crops</p>	<p>• a cess in excess of 3%</p>
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(b) crop cess – cap 3% of farm gate price on food crops	<ul style="list-style-type: none"> <li>• a cess in excess of 3%</li> </ul>
(c) forest produce cess- cap 5% of farm gate price or by volume at source on sales of timber, charcoal, logs, <i>mirunda</i> , firewood, poles and thieses ( <i>fito</i> )	<ul style="list-style-type: none"> <li>• cess on sellers cess on timber products eg. furniture and the like.</li> </ul>
	<ul style="list-style-type: none"> <li>• Plying fee for transportation of crops not exceeding one tonne from one district to another.</li> </ul>

(b) in item 2, by adding in the third column of paragraph (i), the following:

“ • Abattoir use charges”;

(c) in item 3-

(i) by adding in the third column of paragraph (c) the following:

“ • Posters that give direction to areas that provide social services such as school, dispensary and hospital.”

(ii) by adding in the third column of paragraph (q) the following:

“ • Pharmacies and drug shop establishment fee”; and

(d) in item 4 by inserting immediately after paragraph (d) the following:

“ (e) service levy	• Guest houses charged with hotel levy.”
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**PART VIII**  
**AMENDMENT OF THE MINING ACT,**  
**(CAP.123)**

Construction and commencement Cap.123

**33.** This Part shall be read as one with the Mining Act, hereinafter referred to as the “principal Act” and shall come into operation on such a date as the Minister may, by Notice published in the *Gazette*, appoint.

Amendment of section 18

**34.** The principal Act is amended in section 18(3) by-

(a) inserting immediately after paragraph (a) the following:

“(b) has paid the inspection fee due on such mineral or minerals.”; and

(b) renaming paragraphs (b) and (c) as paragraphs (c) and (d) respectively.

Addition of section 18A

**35.** The principal Act is amended by adding immediately after section 18 the following-

“Restriction on exportation or domestic use of minerals	<b>18A.</b> Notwithstanding any provision of this Act, no person shall remove or cause to be removed mineral or minerals from a mine for the purpose of export or domestic use unless that person fulfills the conditions specified under section 90A.”.
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Amendment of section 19

**36.** The principal Act is amended in section 19(3) by inserting between the word “mines” and “and other public” the words “mineral and minerals”.

Addition of  
section 90A

**37.** The principal Act is amended by adding immediately after section 90 the following:

“Clearance  
Centres

**90A.**-(1) The Minister shall, for the purposes of regulating the transportation or domestic use of mineral or minerals, establish mineral clearance centres.

(2) Save as provided in subsection (1), clearance centres shall be established within mining areas, ports, airports, border posts and any other areas as the Minister may prescribe.

(3) There shall be clearance fee payable to the Government by any person in possession of mineral or minerals prior to clearance for domestic use or export.

(4) The clearance fee shall be one per centum of the gross value of mineral or minerals.

(5) In this section, “gross value” means the market value of mineral or minerals at the point of refining or sale or, in the case of consumption within Tanzania, at the point of delivery within Tanzania.”.

Amendment  
of section  
112

**38.** The principal Act is amended in section 112(2) by adding immediately after paragraph (s) the following:

“(t) operationalisation of inspection of mineral or minerals as required under this Act.”.

PART IX  
 AMENDMENT OF THE OCCUPATIONAL HEALTH AND SAFETY  
 ACT  
 (CAP. 297)

Construction  
 Cap. 297                    **39.** This Part shall be read as one with the Occupational Health and Safety Act, hereinafter referred to as the “principal Act”.

Amendment  
 of section 17            **40.** The principal Act is amended in section 17 by-  
 (a) inserting immediately after subsection (3) the following:  
                                          “(4) Notwithstanding subsection (3), the requirement for payment of the prescribed compliance licence fees shall not apply to private schools.”; and  
 (b) renaming subsections (4) and (5) as subsections (5) and (6) respectively.

PART X  
 AMENDMENT OF THE PORTS ACT,  
 (CAP.166)

Construction  
 Cap.166                    **41.** This Part shall be read as one with the Ports Act, hereinafter referred to as the “principal Act”.

Amendment  
 of section 67            **42.** The principal Act is amended in section 67 by adding immediately after subsection (2) the following:  
                                          “(3) The Tanzania Revenue Authority shall collect wharfage revenue and deposit the same in a bank account opened at the Bank of Tanzania, and the revenue shall be disbursed to the Authority by the Paymaster General.”.

PART XI  
AMENDMENT OF THE PUBLIC FINANCE ACT,  
(CAP. 348)

Construction  
Cap.348                    **43.** This Part shall be read as one with the Public Finance Act, hereinafter referred to as the “principal Act”.

Addition of  
section 6A                    **44.** The principal Act is amended by adding immediately after section 6 the following:

“Collection  
system for  
public moneys                    **6A.**-(1) For the purpose of section 8, all public moneys shall be collected through Government e-payment Gateway system or its acronym “GePG”.

(2) The accounting officer shall ensure that all public moneys are collected through Government e-payment Gateway system in a manner prescribed in the regulations made under this Act.”.

PART XII  
AMENDMENT OF THE TANZANIA REVENUE AUTHORITY  
ACT,  
(CAP.399)

Construction  
Cap.399                    **45.** This Part shall be read as one with the Tanzania Revenue Authority Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 16                    **46.** The principal Act is amended in section 16 by adding immediately after subsection (7) the following:

“(8) Where a judicial body or any other investigative body summons the Commissioner General to appear or show cause in any matter relating to tax administration, the Commissioner General or

any officer of the Authority with the rank of or above a principal officer may appear or show cause as the case may be.”.

“Amendment  
of First  
Schedule

**46A.** The principal Act is amended in Part B of the First Schedule by adding item 50 as follows:

**“50.** The Ports Act, Cap.166.”.

### PART XIII

#### AMENDMENT OF THE TAX ADMINISTRATION ACT, (CAP. 438)

Construction  
Cap.438

**47.** This Part shall be read as one with the Tax Administration Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 8

**48.** The principal Act is amended in section 8(1) by deleting the words “this Act” appearing in the second line of the closing statement and substituting for them the words “a tax law”.

Addition of  
section 22A

**49.** The principal Act is amended by adding immediately after section 22 the following:

“Registration of  
small vendors and  
service providers

**22A.**-(1)The Commissioner General shall recognise and register small vendors and service providers conducting business in an informal sector.

(2) A person registered under subsection (1), shall be issued with an identification card by the Commissioner General.

(3) For purposes of this section, “small vendors and service providers” include hawkers (*machinga*), caterers, event managers, masters of ceremony and such other small vendors or service providers as the Minister may prescribe.”.

Amendment  
of section 47

**50.** The principal Act is amended in section 47(1) by deleting the reference to section 40(3) and substituting for it a reference to section 37(3).

Amendment  
of section 52

**51.** The principal Act is amended in section 52-

- (a) by adding immediately after the word “assessment” wherever it appears in that section, the words “or other tax decisions”
- (b) in subsection (5)(a), by deleting a full stop at the end of paragraph (b) and substituting for it a semicolon; and
- (c) by adding immediately after paragraph (b) the closing words to subsection (5) as follows:  
“and proceed to issue a notice of final determination of objection.”.

Amendment  
of section 54

**52.** The principal Act is amended in section 54(1)-

- (a) in paragraph (d), by deleting a reference to section 68(2) and substituting for it a reference to section 67(2);
- (b) in paragraph (f), by deleting a reference to section 67(3) or (4) and substituting for it a reference to section 66(3) or (4); and
- (c) in paragraph (g), by deleting a reference to section 68(5) and substituting for it a reference to section 65(7).

Amendment  
of section 64

**53.** The principal Act is amended in section 64(2)-

- (a) by deleting the word “or” appearing at the end of paragraph (d);
- (b) by adding immediately after paragraph (d) the following:  
“(e) section 36(1) or a provision of any tax law has been breached; or”; and
- (c) by renaming paragraph (e) as (f).



Repeal of  
section 70

**54.** The principal Act is amended by repealing section 70 and replacing it with the following:

“Remission  
of interest  
and penalty

**70.** Where the Commissioner General is satisfied that there is good cause to remit interest or penalty imposed under any tax law, he may remit the whole or part of the interest or penalty payable by that person, except that in the case of interest, the remission shall not exceed fifty percent of the total interest amount.”.

Amendment  
of  
section 71

**55.** The principal Act is amended in section 71 by adding immediately after subsection (2) the following:

“(3) An application under this section shall, except where a tax law provides otherwise, be made within a period not exceeding three years from the date of payment of tax in excess.”.

Amendment  
of  
section 75

**56.** The principal Act is amended in section 75 by deleting subsection (1) and substituting for it the following:

“(1) The amount of interest that an installment payer shall pay for each period under subsection (4) shall be calculated at the statutory rate compounded monthly, applied to the excess of-

- (a) the total amount of income that would have been paid by way of installments during the year of income to the start of the period had the person's estimate or revised estimate equaled the correct amount; over
- (b) the amount of income tax paid by installments during the year of income to the start of the period.”.

Amendment  
of  
section 76

**57.** The principal Act is amended in section 76 by-  
(a) deleting subsection (1) and substituting for it the following:

“(1) Where any amount of tax imposed under a tax law remains unpaid after the due date prescribed in a tax law, the interest at the statutory rate compounded monthly shall be payable to the Commissioner General.”; and

(b) adding immediately after subsection (3) the following:

“(4) Interest payable under this section or under any other tax law shall not be affected or waived for the reason of delay due to court proceedings or any other dispute resolution process.”.

Amendment  
of  
section 81

**58.** The principal Act is amended in section 81(4) by deleting the words “one tax law only” appearing in subsection (4) and substituting for them the words “a tax law”.

Addition of  
new section  
92A

**59.** The principal Act is amended by adding immediately after section 92 the following new section:

“Collection of  
fine

**92A.** Any amount of penalty or fine imposed against any person under this Act or under any tax law by a court in a criminal proceeding or by the Commissioner General, such amount of penalty or fine shall be collected and deposited by the Commissioner General as a tax revenue in the same manner as other taxes and Government debts.”.

Amendment  
of  
section 95

**60.** Section 95 of the principal Act is amended-

(a) in subsection (3), by deleting a reference to section 94(3) and substituting for it the reference to section 94(4); and

(b) by adding immediately after subsection (3) the following:

“(4) The powers provided for under subsection (3)(a) to (e) of section 94 shall apply to a search conducted under this section as if an order of the court has been obtained.”.

Amendment  
of the First  
Schedule

**61.** The First Schedule to the principal Act is amended-

- (a) in paragraph 1(b), by deleting a reference to section 26 and substituting for it a reference to section 66;
- (b) in paragraph 2(1), -
  - (i) by deleting the word “and” appearing at the end of item (d);
  - (ii) by adding immediately after item (d) the following:
    - “(e) in relation to property rate, a demand or a demand note issued by the Commissioner General under the Urban Authorities (Rating) Act;”;
  - (iii) renaming item (e) as item (f); and
  - (iv) in item (f), as renamed, by deleting reference to sections 55, 56 and 88 and substituting for them reference to sections 47, 48 and 81 respectively.; and
- (c) in paragraph 3(3), by deleting a reference to paragraph 1(b) to (f) and substituting for it a reference to paragraph 1(b) to (e).

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**PART XIV**  
**AMENDMENT OF THE URBAN AUTHORITIES (RATING) ACT,**  
**(CAP. 289)**

Construction  
Cap. 289

**62.** This Part shall be read as one with the Urban Authorities (Rating) Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 3

**63.** The principal Act is amended in section 3 by inserting in the appropriate alphabetical order the following new definitions:

“rate” means a levy on a rateable property;

“rateable area” means an area declared under section 6 of this Act; and

“rateable property” means all houses within a rateable area which are in actual occupation and all improvements on, in or under any such houses excluding mud huts, thatched houses, mud houses and such other similar houses;”.

Amendment  
of section 6

**64.** The principal Act is amended by repealing section 6 and replacing it with the following:

“Declaration of rateable area **6.**-(1) An Area declared as City Council, Municipal Council or Town Council shall be a rateable area for purposes of this Act.

(2) The Authority shall assess, collect and account for property rate in the area mentioned under subsection (1).”.

Amendment  
of section 16

**65.** The principal Act is amended in section 16 by-

(a) inserting immediately after subsection (1) the following subsection:

“(1A) Notwithstanding subsection (1), a building which is not valued in accordance with this Act, shall be charged property rate at the rate of-

(a) ten thousand shillings for ordinary building; and

(b) fifty thousand shillings for each storey in a storey building:

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Provided that a fraction of a building belonging to one or several co-owners in accordance with the Unit Titles Act shall be treated as a separate building.”;

- (b) deleting the proposed subsection (2) and substituting for it the following subsections:

“(2) The property rate collected under this section shall be deposited in the Consolidated Fund.

(2A) The apportionment and disbursement of the proceeds collected under this section shall be made to a local government authority based on its budget.”;and

- (c) inserting in the proposed subsection (9) the following definition in its alphabetical order-

““ordinary building” excludes mud huts, thatched houses, mud houses and such other similar houses ordinarily used for residential purposes.”.

PART XV  
AMENDMENT OF THE VALUE ADDED TAX ACT,  
(CAP.148)

Construction  
Cap. 148

**66.** This Part shall be read as one with the Value Added Tax Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 59

- 67.** The principal Act is amended in section 59-
- (a) by deleting the words “international transport” wherever it appears in that section and substituting for it the words “international transport services”; and
- (b) in subsection (3), by adding immediately after paragraph (d) the following:

- “(e) a supply of ancillary transport services of goods in transit through Mainland Tanzania in circumstances where the service is-
- (i) an integral part of the supply of an international transport services; and
  - (ii) in respect of goods stored at the port, airport, or a declared customs area for not more than thirty days while awaiting onward transport.”.

Amendment  
of section 66

**68.** The principal Act is amended in section 66 by adding immediately after subsection (6) the following:

“(7) For the purpose of subsection (1), where the 20<sup>th</sup> day falls on a Saturday, Sunday or a public holiday, the value added tax return shall be lodged on the first working day following a Saturday, Sunday or public holiday.”.

Amendment  
of section 74

**69.** The principal Act is amended in section 74(2) by deleting the words “twelve months” appearing between the words “than” and “and” and substituting for them the words “eighteen months”.

Amendment  
of Part I of  
the Schedule

**70.** The principal Act is amended in Part I of the Schedule -

(a) in item 3, by-

(i) deleting sub item 19 and substituting for it the following-

19	Tobacco, not stemmed/stripped	2401.10.00
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(ii) adding immediately after sub-item 31 the following new sub-items:

32	Preparations of a kind used in animal feeding	23.09
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33	Fertilized eggs for incubation	0407.11.00 0407.19.00 0407.21.00	”
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(b) in item 8 by adding immediately after sub-item 9 the following new sub-item:

“	10.	Motor vehicle specifically designed for use by persons with disability.	87.03	”
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Amendment  
of Part II of  
the Schedule

**71.** The principal Act is amended in Part II of the Schedule by adding immediately after item 16 the following-

“	17.	An import of machinery of HS Codes 8479.20.00, 8438.60.00, 8421.29.00, 8419.89.00 by a local manufacturer of vegetable oils for exclusive use in manufacturing vegetable oil in Mainland Tanzania.
	18.	An import of machinery of HS Code 8444.00.00, 8445.11.00, 8445.12.00, 8445.13.00, 8445.19.00, 8445.20.00, 8445.30.00, 8445.40.00, 8445.90.00, 8446.10.00, 8446.21.00, 8446.29.00, 8446.30.00, 84.47, 8448.11.00, 8448.19.00, 8449.00.00, 8451.40.00 or 8451.50.00 by a local manufacturer of textiles for exclusive use in manufacturing of textiles in Mainland Tanzania.

19.	An import of machinery of Chapter 84 by a local manufacturer of pharmaceutical for exclusive use in manufacturing pharmaceutical products in Mainland Tanzania.
20.	An import of machinery of HS Code 8453.10.00 by a local manufacturer of hide and skins for exclusive use in manufacturing leather in Mainland Tanzania.
21.	Import of ambulance of HS Code 8703.90.10 by a registered health facility other than a pharmacy, health laboratory or diagnostic centre.

PART XVI  
AMENDMENT OF THE VOCATIONAL EDUCATION  
AND TRAINING ACT,  
(CAP.82)

Construction  
Cap.82

**72.** This Part shall be read as one with the Vocational Education and Training Act, hereinafter referred to as the “principal Act.”.

Amendment  
of section 19

**73.** The principal Act is amended in section 19(1) by-

(a) adding immediately after paragraph (f) the following:  
“(g) registered educational institutions, including-

(i) nursery, primary and secondary schools;  
(ii) vocational, educational and training schools; and  
(iii) universities and higher learning institutions;”;

(b) renaming paragraph (g) as (h).



PART XVII  
AMENDMENT OF THE RAILWAYS ACT,  
(CAP.170)

Construction  
Cap.170

**74.** This Part shall be read as one with the Railways Act, herein referred to as the “principal Act.”.

Amendment of  
section 20

**75.** The principal Act is amended in section 20A by deleting the “full stop” appearing at the end of subsection (3) and substituting for it the following:

“and Kerosene type Jet Fuel (Jet A1) classified under HS Code 2710.19.21.”.

Passed by the National Assembly on the 22<sup>nd</sup> June, 2017.

THOMAS DIDIMU KASHILILAH  
*Clerk of the National Assembly*