
THE UNITED REPUBLIC OF TANZANIA

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THE FINANCE ACT, 2016

ARRANGEMENT OF PARTS

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NOTICE

This Bill to be submitted to the National Assembly was published as Bill Supplement No.9 of 3rd June, 2016 and was First Read in the National Assembly on 10th day of June, 2016. This Bill is now re-published for purposes of Second Reading and Third Reading.

Dar es Salaam,
30th May, 2016

JOHN W. H. KIJAZI
Secretary to the Cabinet

A BILL

for

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, 2016. |
| Commencement | 2. This Act shall come into operation on the 1 st day of July, 2016. |

PART II
AMENDMENT OF THE BANKING AND FINANCIAL INSTITUTIONS ACT,
(CAP.342)

Construction
Cap. 342

3. This Part shall be read as one with the Banking and Financial Institutions Act, hereinafter referred to as the “principal Act”.

Amendment of
section 42

4. The principal Act is amended in section 42(1) by deleting the word “three” and substituting for it the word “six”.

PART III
AMENDMENT OF THE BUSINESS LICENSING ACT,
(CAP.208)

Construction
Cap.208

5. This Part shall be read as one with the Business Licensing Act, herein after referred to as the “principal Act”.

Addition of
section 23A

6. The principal Act is amended by adding immediately after section 23 the following new section:

“Failure to use
fiscal receipt
or invoice

23A.-(1) Notwithstanding the provisions of section 23, any person who is a holder of a business licence granted under this Act and fails to acquire, use, issue fiscal receipt or invoice through electronic fiscal device as required by a tax law, shall have his business license revoked, upon failure of showing good cause, for a period of not less than two years.

(2) The provision of subsection (1) shall not apply to a person who is exempted by any tax law to acquire or use an electronic

fiscal device.”

**PART IV
AMENDMENT OF THE COMPANIES ACT,
(CAP.212)**

Construction
Cap. 212

7. This Part shall be read as one with the Companies Act, hereinafter referred to as the “principal Act”.

Amendment of
section 458

8. The principal Act is amended in section 458 by adding immediately after subsection (5) the following new subsection-

“(6) Notwithstanding the preceding provisions of this section, the Registrar shall, upon request by the Commissioner General of Tanzania Revenue Authority, supply any information as may be requested for the purposes of carrying out the provisions of any tax law.”

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

Construction
Cap. 306

9. 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

10. The principal Act is amended in section 3 by deleting the definition of the word “local shareholder” and substituting for it the following:

“local shareholder” means a person who is a Tanzania citizen and who, pursuant to section 26, own shares in a company listed under this Act”

Amendment of
section 6

11. The principal Act is amended in section 6(2) by deleting paragraph (d) and substituting for it the following:

“(d) memorandum and articles of association evidencing shareholding structure as prescribed under section 26;”

Amendment of section 21

12. The principal Act is amended in section 21 by-
(a) inserting immediately after paragraph (b) the following new paragraph:

“(c) failure to comply with requirements of section 26;

(b) renaming paragraphs (c) to (j) as paragraphs (d) to (k).

Amendment of section 26

13. The principal Act is amended in section 26 by deleting the whole of that section and substituting for it the following-

“Shareholding requirements

26.-(1) Notwithstanding the provisions of any other law, a company incorporated in the United Republic holding an individual or class license under this Act shall-

(a) in the case of Network Facilities, Network Services or Application Services licensee, have a minimum local shareholding of twenty five percent of its authorized share capital, as an ongoing obligation throughout the life of its license; and

(b) in the case of a content service licensee, have a minimum local shareholding of fifty one percent of its authorized share capital as an ongoing obligation throughout the life of its license.

(2) The minimum of twenty five percent local shareholding requirement under paragraph (a) of subsection (1) shall be obtained through a public offer in accordance with the Capital Markets and Securities Act.

(3) A person licensed to provide Network Facilities, Network Services or Application Services before 1st July, 2016, notwithstanding the provisions of any other written law to the contrary and in accordance with the Capital Markets and Securities Act shall, within six months from 1st July 2016, be required to offer shares to the public and subsequently list its shares on a the stock exchange in Tanzania.

(4) Any person licensed to provide Network Facilities, Network Services or Application Services from 1st July 2016 shall be required to offer shares to the public and subsequently list its shares on a stock exchange in Tanzania in accordance with the requirements of the Capital Markets and Securities Act within two years from the date of grant of license.

(5) A company licensed to provide Network Facilities, Network Services or Application Services that intends to transfer shares shall comply with the Capital Markets and Securities Act.”

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

Construction
 Cap 147

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

Amendment of
 section 124

15. The principal Act is amended in section 124(6A) by deleting the word “transfer” appearing in paragraph (b) and substituting for it the words “transfer and payment”.

Amendment of
 section 125

16. The principal Act is amended in section 125(1) by deleting the word “transfer” appearing in paragraph (f) and substituting for it the words “transfer and payment”.

Amendment of
 Fourth Schedule

17. The principal Act is amended in the Fourth Schedule by introducing new excisable rates and items as follows:

“
FOURTH SCHEDULE
 (Made under section 124(2))

Heading	H.S. Code No.	Description	Unit	Old Excise Rates	New Excise Rates
20.09	20.09	Locally produced fruit juices (including grape must) and vegetables juices, unfermented and not containing added spirit, whether or not containing	l	Tshs. 9.00 per litre	Tshs. 9.50 per litre

		added sugar or other sweetening matter			
20.09	2009.11.00 2009.12.00 2009.19.00 2009.21.00 2009.29.00 2009.31.00 2009.39.00 2009.41.00 2009.49.00 2009.50.00 2009.61.00 2009.69.00 2009.71.00 2009.79.00 2009.81.00 2009.89.00 2009.90.00	Imported fruit juices (including grape must) and vegetables juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	/	Tshs. 200.00 per litre	Tshs. 210.00 per litre
22.02		Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09			
	2202.10.00	- Waters, including mineral waters and aerated	/	Tshs. 55.00 per litre	Tshs 58.00 per litre

		waters, containing added sugar or other sweetening matter or flavoured			
	2202.90.00	---Other	/	Tshs. 55.00 per litre	Tshs. 58.00 per litre
22.03		Beer made from malt	/		
	2203.00.10	--- Stout and porter	/	Tshs. 694.00 per litre	Tshs. 729.00 per litre
	2203.00.90	--- Other	/	Tshs. 694.00 per litre	Tshs. 729.00 per litre
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.			
		- -Sparkling wine			
	2204.10.10	---With the domestic grapes content exceeding 75%	/	Tshs. 192.00 per litre	Tshs. 202.00 per litre
	2204.10.90	--Other	/	Tshs. 2,130.00 per litre	Tshs.2,236.00 per litre
		- Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:			
	2204.21.00	---With the domestic grapes	/	Tshs. 192.00 per	Tshs. 202.00 per litre

		content exceeding 75%		litre	
	2204.21.00	---Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
	2204.29.00	--- Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
	2204.30.00	-- With the domestic grapes content exceeding 75%	/	Tshs. 192.00 per litre	Tshs. 202.00 per litre
	2204.30.00	--Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.			
	2205.10.00	---With the domestic grapes content exceeding 75%	/	Tshs. 192.00 per litre	Tshs. 202.00 per Litre
	2205.10.90	---Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
		--Other			
	2205.90.10	---With the domestic grapes content exceeding 75%	/	Tshs. 192.00 per litre	Tshs. 202.00 per litre
	2205.90.90	--- Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
22.06		Other fermented beverages (for example, cider, Perry, mead); mixtures of			

		fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.			
	2206.00.10	--- Cider	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
	2206.00.20	---Beer made from 100% local unmalted cereals	/	Tshs. 409.00 per litre	Tshs. 429.00 per litre
	2206.00.90	--- Other	/	Tshs. 2,130.00 per litre	Tshs. 2,236.00 per litre
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.			
	2208.20.00	- Spirits obtained by distilling grape wine or grape marc	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
	2208.30.00	- Whiskies	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
	2208.40.00	- Rum and other spirits obtained by distilling fermented sugar-cane products	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
	2208.50.00	- Gin and	/	Tshs.	Tshs. 3.315.00

		Geneva		3,157.00 per litre	per litre
	2208.60.00	- Vodka	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
	2208.70.00	- Liqueurs and cordials	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
		- Other:			
	2208.90.10	--- Distilled Spirits (e.g., Konyagi, Uganda Waragi)	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
	2208.90.90	--- Other	/	Tshs. 3,157.00 per litre	Tshs. 3,315.00 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.			
		- Cigarettes containing tobacco:			
	2402.20.10	---Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 11,289.00 per mil	Tshs. 11,854.00 per mil.
	2402.20.90	--- With filter tip and containing domestic tobacco exceeding 75%	mil.	Tshs. 26,689.00 per mil	Tshs. 28,024.00 per mil.
		---Other	mil	Tshs. 48,285.00 per mil	Tshs. 50,700.00 per mil.
		-Other	mil	Tshs. 48,285.00 per mil	Tshs. 50,700.00 per mil.

24.03		Other manufactured tobacco and manufactured tobacco substitutes; “homogenized” or “reconstituted” tobacco; tobacco extracts and essences.			
		-- Smoking tobacco, whether or not containing tobacco substitutes in any proportion			
	2403.10.10	---cut rag/filler	kg	Tshs. 24,388.00 per kg	Tshs. 25,608.00 per kg
24.03		Other manufactured tobacco and manufactured tobacco substitutes; “homogenized” or “reconstituted” tobacco; tobacco extracts and essences.			
		-Smoking tobacco, whether or not containing tobacco substitutes in any production.			

	2403.11.00	--Water pipe tobacco specified in Subheading Note 1 to this Chapter	kg		30%
	2403.19.00	--Other	kg		30%
		--Other			
	2403.91.00	--homogenised or reconstituted tobacco	kg		30%
	2403.99.00	--Other	kg		30%
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				
	--- Other				
	2710.19.51	--- Lubricants in liquid form	<i>l</i>	Tshs. 665.50 Per cubic meter	Tshs. 669.00 Per cubic meter
	2710.19.52	--- Lubricating greases	<i>kg</i>	Tsh. 0.75 per kg	Tsh. 0.79 per kg
27.11		Petroleum gases and other gaseous hydrocarbons			
		-Liquefied			
	2711.11.00	--Natural gas	kg	Tshs. 0.43 per cubic feet	Tshs. 0.45 per cubic feet
		-In gaseous state	kg		
	2711.21.00	--Natural gas	kg	Tshs. 0.43 per cubic feet	Tshs. 0.45 per cubic feet
34.03		Lubricating preparations, but excluding preparations containing, as basic constituents, 70% or more by weight of petroleum oils			

		or of oils obtained from bituminous minerals.			
		-Containing petroleum oils or oils obtained from bituminous minerals:			
	3403.19.00	- -Other - - -Lubricating oils preparations	<i>l</i>	Tshs. 665.50 per cubic meter	Tshs. 699.00 per cubic meter
		Greases preparations	<i>kg</i>	Tsh. 0.75 per kg	Tsh. 0.79 per kg
		-Other			
	3403.99.00	- -Other - - - Lubricating oils preparations	<i>l</i>	Tshs. 665.50 per cubic meter	Tshs. 669.00 per cubic meter
		---greases preparations	<i>kg</i>	Tsh. 0.75 per kg	Tsh. 0.79 per kg
85.23		Disc and tape, solid state non-volatile storage devices, “smart cards” and other media for the recording of sound or other phenomena, whether or not recorded, including matrices and master for the production of discs, but excluding products of			

		Chapter 37			
		-Magnetic media			
		--unrecorded			
	8523.29.90	---recorded video and audio tape	u	Tshs. 48.00 per unit	Tshs.50.00 per unit
		Optical Media			
	8523.40.90	Recorded DVD, VCD, CD	u	Tshs. 48.00 per unit	Tshs. 50.00 per unit
88.02		Other aircraft (for example, helicopter, aeroplanes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles for private use excluding commercial aircraft.			
		-Helicopters			
	8802.11.00	--Of an unladen weight not exceeding 2,000kg	u	20%	20%
	8802.12.00	--Of an unladen weight exceeding 2,000kg	u	20%	20%
	8802.20.00	-Aeroplanes and other aircraft, of an unladen weight not exceeding 2,000kg	u	20%	20%
	8802.30.00	-Aeroplanes and other aircraft, of an unladen	u	20%	20%

		weight exceeding 15,000kg			
	8804.40.00	-Aeroplanes and other aircraft, of an unladen weight exceeding 2,000kg but not 15,000kg	u	20%	20%
94.01		Imported seats (other than those of heading 94.02), Whether or not convertible into beds, and parts thereof.			
	9401.30.00	-Swivel seats with variable height adjustment	u	15%	20%
	9401.40.00	-Seats other than garden seats or camping equipment , convertible into beds	u	15%	20%
		-Seats of cane, osier, bamboo or similar materials:			
	9401.51.00	--Of bamboo or rattan	u	15%	20%
	9401.59.00	--Other	u	15%	20%
		-Other seats, with wooden frames:			
	9401.61.00	--Upholstered	u	15%	20%
	9401.69.00	--Other	u	15%	20%
		-Other seats, with metal			

94.03		frames:			
	9401.71.00	--Upholstered	u	15%	20%
	9401.79.00	--Other	u	15%	20%
	9401.80.00	-Other seats	u	15%	20%
	9401.90.00	Parts	kg	15%	20%
		Other imported furniture and parts thereof			
	9403.10.00	-Metal furniture of kind used in offices	kg	15%	20%
	9403.20.00	-Other metal furniture	kg	15%	20%
	9403.30.00	-Wooden furniture of a kind used in offices	u	15%	20%
	9403.40.00	-Wooden furniture of a kind used in the kitchen	u	15%	20%
	9403.50.00	-Wooden furniture of a kind used in the bedroom	u	15%	20%
	9403.60.00	-Other wooden furniture	u	15%	20%
	9403.70.00	-Furniture of plastics	kg	15%	20%
		-Furniture of other material, including cane, osier, bamboo or similar materials:			
	9403.81.00	--Of bamboo or rattan	kg	15%	20%
	9403.89.00	--Other	kg	15%	20%
9403.90.00	-Parts	kg	15%	20%	

”

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

Construction
Cap. 332

18. This Part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

Amendment of
section 3

- 19.** The principal Act is amended in section 3 by-
- (a) deleting paragraph (d) appearing in the definition of the term “investment asset”;
 - (b) deleting the definitions of the following terms “contract area”, “mining area”, “mineral”, “mining operations”, “petroleum”, “petroleum agreement”, “technical services”;
 - (c) adding immediately after paragraph (b) in the definition of the term “business” the following new paragraph-
 - “(c) granting of gifts, benefits in cash, kind or any other way as a source of income received by any person.”
 - (d) deleting the definition of the term “depreciable asset” and substituting for it the following-
 - “depreciable asset” means an asset employed wholly and exclusively in the production of income from a business, and which is likely to lose value because of wear and tear, obsolescence or the passage of time but excludes goodwill, mineral or petroleum rights and other interest in land, a membership interest in an entity and trading stock;
 - (e) adding in its alphabetical order the following new definitions-
 - “decommissioning fund” with respect to petroleum operations means a fund established under the Petroleum Act;
 - “development area” has the meaning ascribed to it

Cap. 392

- under the Petroleum Act;
- “development licence” has the meaning ascribed to it under the Petroleum Act;
- “development operations” has the meaning ascribed to it under the Petroleum Act;
- “downstream activities” has the meaning ascribed to it under the Petroleum Act;
- “exploration area” has the meaning ascribed to it under the Petroleum Act;
- “exploration licence” has the meaning ascribed to it under the Petroleum Act;
- “exploration operations” has the meaning ascribed to it under the Petroleum Act;
- “farm-out arrangement” with respect to a mineral right or a petroleum right includes an arrangement for the transfer of part of the right in return for consideration that includes in whole or in part an obligation on the part of the transferee to meet a disproportionate amount of future expenditure with respect to mineral operations or petroleum operations conducted with respect to the right, as the case requires;
- “financial cost” means any amount payable under a financial instrument or a loss from the realisation of a financial instrument, includes the payment of interest but excludes a distribution by an entity;
- “licence area”-
 - (a) with respect to mineral operations, means the area covered by the mineral right in question; and
 - (b) with respect to petroleum operations, means the exploration or development area with respect to which the operations are conducted;

- Cap. 123 “midstream activities” has the meaning ascribed to it under the Petroleum Act;
- Cap. 123 “mineral” has the meaning ascribed to it under the Mining Act;
- “mineral rights” has the meaning ascribed to it under the Mining Act;
- “mining” means intentionally winning minerals and every method or process by which mineral is won;
- Cap.123 “mining licence” means special mining licence, mining licence or primary mining licence defined as such under the Mining Act;
- Cap. 123 “mining operations” means prospecting, mining or operations connected with prospecting or mining carried out pursuant to mineral rights granted under the Mining Act;
- “National Oil Company” has the meaning ascribed to it under the Petroleum Act;
- “perpetual loss corporation rules” means those rules set up by the definition of “income” in section 3 and sections 4(1)(a) and 6(1)(c) and paragraph 3(3) of the First Schedule;
- “petroleum” has the meaning ascribed to it under the Petroleum Act;
- “petroleum operations” has the meaning ascribed to it under the Petroleum Act;
- “petroleum right” means an exploration licence or a development licence granted under the Petroleum Act and includes-
- (a) separately, the interest of a contractor under a Production Sharing Agreement with respect to each exploration licence granted with respect to the contract area;
 - (b) separately, the interest of a contractor under a Production Sharing Agreement with

respect to each development licence granted with respect to the contract area; and

(c) data or information pertaining to petroleum operations;

“production operations” has the meaning ascribed to it under the Petroleum Act;

“Production Sharing Agreement” means-

(a) an agreement concluded under section 47 of the Petroleum Act between the Government of the United Republic, the National Oil Company and another person “the contractor”; and

(b) a tripartite agreement between the Government of the United Republic, the National Oil Company and a contractor under which the National Oil Company engages the contractor to carry out on its behalf petroleum operations in an exploration or development area with respect to an exploration or development licence held by the National Oil Company;

“prospecting” with respect to mineral right means prospecting operations as provided for under section 4 of the Mining Act and includes retention under retention licence;

“prospecting” with respect to a mineral right, has the meaning given in section 4 of the Mining Act and includes retention under a retention licence;

“rehabilitation” with respect to a mineral operation or with respect to processing, smelting or refining minerals means abandonment activities and includes reclamation, rehabilitation, restoration and closure of the operation as required by law or under the terms of the relevant mineral right or

development agreement;

“rehabilitation fund” with respect to mineral operations or with respect to processing, smelting or refining minerals means a fund-

(a) required by law, a mineral right or under a development agreement and approved for that purpose by the Minister responsible for mining;

(b) which is established to meet expenses to be incurred in the course of rehabilitation of the operations including expenses under an approved mine closure plan; and

(c) where contributions to the fund are placed beyond the control of the person conducting the operations;

“rehabilitation bond” with respect of mining operation has the meaning ascribed to it by the Mining Act;

Cap. 123 “retention licence” has the meaning ascribed to it under the Mining Act;

“separate mining operation” has the meaning ascribed to it under section 65C;

“separate petroleum operation” has the meaning ascribed to it under section 65L;

“service rendered” means transmitting or delivering of service in the United Republic of Tanzania irrespective of the place of performance of service;

Cap. 123 “special mining licence” has the meaning ascribed to it under the Mining Act;

“technical service” in respect of mining or petroleum operations, means services in respect of earthmoving, engineering and construction and includes geological, geotechnical and metallurgical services,

seismic survey, data interpretation, drilling or any such services;
“upstream activities” has the meaning ascribed to it under the Petroleum Act.”

Amendment of section 11

- 20.** The principal Act is amended in section 11, by-
- (a) deleting subsection (4);
 - (b) deleting the definition of the term “expenditure of a capital nature” appearing in subsection (5) and substituting for it the following; ““expenditure of capital nature” means expenditure that secures a benefit lasting longer than twelve months;”
 - (c) deleting paragraph (f) in the definition of the term “excluded expenditure”, appearing in subsection (5);
 - (d) renumbering subsection (5) as subsection (4).

Amendment of section 15

- 21.** Section 15 of the principal Act is amended-
- (a) in subsection (2) by deleting the definition of the word “environmental expenditure” and substituting for it the following-
““environmental expenditure” means expenditure incurred by the owner or occupier of farmland for prevention of soil erosion”; and
 - (b) by deleting subsections (3), (4) and (5).

Amendment of section 19

- 22.** Section 19 of the principal Act is amended-
- (a) in subsection (2) by-
 - (i) deleting paragraphs (d) and (e);
 - (ii) designating paragraph (f) as (d);
 - (b) in subsection (4) by deleting the words “extraction of natural resources or” appearing in the definition of the words “agricultural business”.

Amendment of section 33

- 23.** The principal Act is amended in section 33 by deleting the words “comparative turnover” appearing in subsection (2)(b) and substituting for it the words “comparability analysis”.

Amendment of section 37

24. The principal Act is amended in section 37(7) by deleting the phrase “and, in the case of a person carrying on a mining business, expenditure on earth work incurred wholly and exclusively for developing the mine” appearing under the definition of the word “factory over head cost.”

Amendment of section 39

25. The principal Act is amended in section 39(c) by deleting figure “4”.

Amendment of section 54

26. The principal Act is amended in section 54 by deleting subsection (3) appearing immediately after subsection (2).

Amendment of section 56

27. The principal Act is amended in section 56(1)(i) by deleting the words “two years” appearing immediately after the word “previous” and substituting for them the words “three years”.

Addition of new Division

28. The principal Act is amended by adding at the end of Part V the following new Division-

“Division IV: Minerals

Subdivision A: Prospecting and Mining

“Application of the subdivision

65A. This subdivision applies where a person is conducting mining operations without a separate license solely for processing, smelting or refining of minerals.

Principles of Taxation

65B.-(1) A person conducting mining operations shall be subject to income tax with respect to those operations as provided by this Act, and as modified by this subdivision.

(2) The income tax payable in respect of mining operations for a year of income shall be calculated by

applying the rate set out in paragraph 3(5) of the First Schedule to a person's total income from mineral operations for the year of the income.

(3) Subject to subsection (2), where a person has other total income, that income shall be charged at the appropriate rate under the First Schedule.

(4) For the purposes of calculating a person's total income from mining operations-

(a) all mineral operations conducted by a person shall be treated as business activities save as arrangement referred to under section 65H of this Act;

(b) each separate mining operation shall be treated as an independent business and the person must prepare accounts for that business separate from any other activity of the person; and

(c) the person shall calculate chargeable income and income tax liability for the business independently for each year of income.

(5) The provisions of section 33 shall apply-

(a) to arrangements between a separate mining operation

and other activities of the person conducting the mineral operation including mining operations under a different mineral rights or processing, smelting or refining operations of the person;

(b) as though the arrangements were conducted between associated persons; and

(c) so as to treat the transfer of an asset to or from a separate mining operation as an acquisition and disposal of the asset.

(6) Where subsection (5) applies, section 33 shall apply to arrangements between the persons with respect to the mineral operations as though they were associated persons.

Separate mining operations

65C.-(1) Subject to this section, each mineral right shall constitute a separate mining operation.

(2) Where a person holding a prospecting licence is granted a mining licence and the mining licence area falls wholly within the prospecting licence area, the following conditions shall apply:

(a) mining operations

conducted by the person with respect to the prospecting licence to the date of grant of the mining licence shall be treated as conducted with respect to the separate mining operation; and

- (b) from the date of grant of the mining licence, mining operations conducted with respect to the new prospecting licence outside the mining licence area shall be treated as a new separate mining operation.

(3) Where a person holds a mining licence in relation to mining area and such mining area is extended mining operations conducted by the person with respect to the mining licence in both the original area and the extended area shall be treated as conducted with respect to the same mining operation.

(4) For purposes of clarity, the prospecting and mining ring fencing set up by this section and section 65B-

- (a) starts with the grant of a prospecting licence and prospecting operations conducted with respect to that licence;
- (b) may, subject to the

limitations in this section, continue into a mining licence granted with respect to the prospecting licence and mining operations conducted with respect to that licence; and

- (c) ends at the point minerals from the mining operations are sufficiently processed to produce a first saleable product.

(5) The Minister may, after consultation with the Minister responsible for mining, make regulations as may be necessary for the better carrying out the provisions of this section.

Income from
minerals

65D. In calculating a person's income from a separate mining operations for a year of income, there shall be included, together with any other amounts required to be included under other provisions of this Act, the following:

- (a) incomings derived from the disposal of minerals produced from the licence area;
- (b) amounts received in respect of the sale of data or information pertaining to the operations or mineral reserves;
- (c) amounts required to be

included under paragraph 5 of the Third Schedule including from the assignment or other disposal of an interest in the mineral right with respect to which the operation is conducted after commencement of production; and

- (d) amounts required to be included under section 65I in respect of a surplus in a rehabilitation fund.

Deduction for
mineral
operations

65E.-(1) In calculating a person's income from a separate mining operation for a year of income, there shall be deducted, together with any other amounts deductible under other provisions of this Act, the following:

- (a) annual charges and royalties incurred by the person under the Mining Act or Mining Development Agreements with respect to the mineral rights;
- (b) depreciation allowances granted with respect to the mining operation and calculated in accordance with paragraph 5 of the Third Schedule;
- (c) contributions to and other

expenses incurred in respect of a rehabilitation fund for the operation as required by the law or approved under Mining Development Agreements by the Minister responsible for mining; and

(d) expenses incurred in respect of acquisition of rehabilitation bond.

(2) No deduction shall be allowed in calculating income from a separate mineral operations-

(a) under sections 15, 16, 17 or 26;

(b) for an unrelieved loss under section 19, except as permitted by section 65F;

(c) for a bonus payment referred to in section 65G; or

(d) for expenses incurred by the person in implementing an approved mine closure fund in excess of the amount contributed to the approved rehabilitation fund.

Losses from
mineral
operations

65F.-(1) The provisions of section 19 shall apply to unrelieved losses of a person from a separate

mining operation with the following conditions:

- (a) losses from the separate mineral operations may be deducted only in calculating future income from that operation and not income from any other activity whether a mining operation under a different mineral right, processing, smelting, refining or a non-mineral activity; and
 - (b) income from the separate mining operations may not be reduced by a loss from any other activity whether a mining operation under a different mineral rights, processing, smelting, refining or a non-mineral activity; and
 - (c) income from the separate mining operation for any year of income may be reduced by reason of the use of unrelieved losses from that operation subject to other limitations imposed by section 19 but not below 30 per centum of that income before any reduction for losses.
- (2) The perpetual loss making corporation rules shall not apply in conducting mining operations under a

prospecting licence or a special mining licence.

Bonus payments

65G.-(1) Bonus payments for the grant, transfer or assignment of a mineral rights, whether in form of a lump sum or dependent on or calculated by reference to specific production targets, are not deductible in calculating income from a separate mining operation.

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(2) In this section, “bonus payment” shall not include annual charges and royalties paid under the Mining Act or Mining Development Agreements.

Realisation of mineral rights

65H.-(1) Mineral rights shall be an asset which is separate from any other interest in the land that constitutes the license area and separate from any other asset employed in mining operations.

(2) For the purpose of farm-out, arrangement mineral rights shall be deemed as investment asset when realized before commencement of production.

(3) Where mineral right is realized in terms of subsection (2), relevant provisions under this Act in respect of realization of investment or business asset shall apply.

(4) Where mineral right is realised together with other assets used in mining operations or where a

mineral right is realised in part, the provisions of section 47 shall apply for purposes of apportionment of expenditure, costs and amounts derived from the realisation.

(5) Incomings from the realisation of mineral rights include amounts derived by the holder of the right from the realisation and also include amounts to be derived in the future from the realisation in accordance with section 38(b).

(6) For the purposes of section 38(b), an amount including any form of payment or benefit to be derived in the future from the realisation of an asset shall be taken into account as an incoming at its market value at the time of the realisation or in any other case, in accordance with section 27(1)(d).

(7) In calculating the market value of an obligation to pay a future amount, there shall apply present value of a reasonable estimate of the amount of the future payment.

(8) An amount taken into consideration under subsections (6) and (7) as incoming from the realisation of mineral rights shall be included in the cost of the asset for the acquirer.

(9) The right to receive a future amount shall be realised in a different amount to the extent that the provisions of section 25 and 41 shall

apply to make adjustments.

(10) The provisions of this section shall apply to the realization of mineral rights where the incomings from the realization include an overriding royalty.

Rehabilitation
fund

65I.-(1) A rehabilitation fund shall be exempt from tax.

(2) Amounts paid from a rehabilitation fund to meet expenses of activities authorised by an approved mine closure plan for which the fund was established are not income of the mineral right holder which is otherwise required to meet those expenses.

(3) Any amounts in a rehabilitation fund which are paid to or come under the control of a mineral right holder and which are not referred to in subsection (2) are included in calculating income of the mineral rights holder from the associated mineral operations.

Subdivision B: Processing, Smelting and Refining

Licensee
conducting
processing,
smelting or
refining

65J.-(1) A licensee conducting processing, smelting or refining with respect to minerals shall be subject to income tax with respect to the activities as provided by this Act, and as modified by this subdivision to the extent that there is no modification, the standard rules in

this Act shall apply.

(2) In calculating a licensee's income from a business which includes processing, smelting or refining of minerals, there shall be deducted amounts deposited in respect of a rehabilitation fund established for the licence.

(3) There shall be no deduction allowed in calculating income from a separate mineral operation-

(a) under sections 15, 16, 17 or 26;

(b) for an unrelieved loss under section 19, except as permitted by section 65F;

(c) expenses incurred by the person in implementing the rehabilitation plan for the operation in excess of deposits in the rehabilitation fund.

(4) Unrelieved losses of a licensee arising from conducting a business that includes processing, smelting or refining may be deducted under section 19 so as to reduce total income of the licensee but not below 30 per centum of total income before any deduction for such an unrelieved loss.

(5) In applying the perpetual loss corporation rules to a licensee-

(a) for the purposes of

determining whether there is a perpetual loss, ignore any loss incurred from a business that includes processing, smelting or refining with respect to the licence; and

(b) for the purposes of determining turnover giving rise to chargeable income, ignore any turnover from such a business.

(6) The provisions of section 65I shall apply to a rehabilitation fund established for a processing, smelting or refining licence as though a reference to “mineral rights holder” were a reference to the holder of that licence.

(7) For the purpose of this section, “licence” means a licence granted in respect to processing, smelting or refining under respective Mining Act.

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Division V: Petroleum

Subdivision A: Petroleum Operations

Principles of
Taxation

65K.-(1) A person who conducting petroleum operations pursuant to licence granted under the Petroleum Act shall be subject to income tax with respect to those operations as prescribed by this Act and as modified by this division.

(2) Income tax payable in respect to petroleum right for a year of income shall be calculated by applying the rate set out in paragraph 3(6) of the First Schedule to a person's total income from petroleum right for the year of income.

(3) Subject to subsection (2), where a person has other total income, that income shall be charged at the appropriate rate under the First Schedule.

(4) For the purposes of calculating a person's total income from petroleum right-

(a) all petroleum right conducted by a person shall be treated as business activities save as arrangement referred to under section 65Q of this Act;

(b) each separate petroleum right shall be treated as an independent business and the person shall prepare accounts for that business separate from any other activity of the person; and;

(c) a person shall calculate chargeable income and income tax liability for the business independently for each year of income.

(5) The provisions of section 33 shall apply-

- (a) to arrangements between a separate petroleum right and other activities of the person conducting the petroleum right including other petroleum right or midstream or downstream activities of the person;
- (b) as though the arrangements were conducted between associated persons; and
- (c) so as to treat the transfer of an asset especially petroleum to or from a separate petroleum right as an acquisition and disposal of the asset.

(6) Where subsection (5) applies, section 33 shall apply to arrangements between the persons with respect to the petroleum right as though they were associated persons.

(7) The Minister may, after consultation with the Minister responsible for mining, make regulations as may be necessary for the better carrying out the provisions of this section.

Separate
petroleum rights

65L.-(1) Subject to this section, petroleum operations pertaining to each petroleum right shall constitute a separate petroleum operations.

(2) Where a person holding

an exploration petroleum right which is partly converted into a development petroleum right, the following conditions shall apply-

(a) petroleum operations conducted by the person in respect of the exploration licence to the date of grant of development licence are treated as conducted with respect to the development licence, and so are treated as conducted with respect to the same petroleum right; and

(b) from the date of grant of the development licence referred to in paragraph (a), exploration operations conducted with respect to the area outside the development area but within the exploration right shall be treated as separate petroleum operation.

(3) For the purposes of subsections (2), a person holds an exploration petroleum right that is partly converted into a development petroleum right, where-

(a) the person holds a petroleum right which is or is dependent on an

exploration licence including by reason of a Production Sharing Agreement;

(b) a development licence is subsequently granted and the development area falls wholly within the exploration area; and

(c) as a consequence, the person holds a different petroleum right with respect to the development area.

(4) For purposes of this section and section 65K the upstream ring fencing set up-

(a) all petroleum rights held by a person who conducts petroleum operations shall be treated as business activities save as arrangement referred to under section 65Q of this Act;

(b) subject to the limitations in this section, may continue into a development licence granted with respect to the exploration licence and development and production rights conducted with respect to that licence; and

- (c) ends at the delivery point identified in the Production Sharing Agreement.

Income from
petroleum rights

65M.-(1) Subject to this section, in calculating a person's income from a separate petroleum rights for a year of income, there shall be included, together with any other amounts required to be included under other provisions of this Act, the following:

- (a) incomings derived from the disposal of petroleum obtained from the licence area valued at the delivery point identified in the Production Sharing Agreement;
- (b) amounts received in respect of the sale of data or information pertaining to the operations or petroleum reserves; and
- (c) amounts required to be included under paragraph 5 of the Third Schedule including from the assignment or other disposal of an interest in the petroleum right with respect to which the operation is conducted after commencement of production.

(2) In the case of a contractor

under a Production Sharing Agreement, in calculating inclusions under subsection (1)(a), include the contractor's full share of petroleum, whether from cost oil, cost gas, profit oil or profit gas.

Deductions for petroleum rights

65N.-(1) In calculating a person's income from a separate petroleum right for a year of income, there shall be deducted, together with any other amounts deductible under other provisions of this Act, the following:

- (a) royalties and annual fees incurred by the person with respect to the petroleum right under sections 113 and 114 of the Petroleum Act;
- (b) depreciation allowances granted with respect to the operation and calculated in accordance with paragraph 6 of the Third Schedule; and
- (c) amounts deposited in respect of the decommissioning fund for the petroleum operation.

(2) There shall be no deduction allowed in calculating income from a separate petroleum right-

- (a) under sections 15, 16, 17 or 26;

- (b) for an unrelieved loss under section 19, except as permitted by section 65O;
- (c) any bonus payment;
- (d) expenses incurred by the person in implementing the decommissioning plan for the operation in excess of deposits in the decommissioning fund.

Losses from
petroleum rights

65O.-(1) The provision of section 19 shall apply to unrelieved losses of a person from a separate petroleum right with the following modifications:

- (a) losses from the separate petroleum right may be deducted only in calculating future income from that operation and not income from any other activity, whether an upstream, midstream or downstream petroleum activity or a non-petroleum activity; and
- (b) income from the separate petroleum right may not be reduced by a loss from any other activity whether an upstream, midstream or downstream petroleum activity or a non-petroleum activity; and

(c) income from the separate petroleum right for any year of income may be reduced by reason of the use of unrelieved losses from that operation, subject to other limitations imposed by section 19 but not below 30 per centum of that income before any reduction for losses.

(2) The perpetual loss corporation rules shall not apply to the conduct of petroleum rights.

Bonus Payments

65P. Bonus payments made with respect to a petroleum right, whether in form of a lump sum or otherwise, shall not deductible in calculating income from a separate petroleum right:

Provided that, bonus payments shall neither included in the cost of the petroleum right nor depreciated over the term of the right.

Realisation of petroleum rights

65Q.-(1) A petroleum right shall be an asset separate from any other interest in the land that constitutes the license area and separate from any other asset employed in petroleum operations.

(2) For the purpose of farm-out arrangement, petroleum rights shall be deemed as investment asset

when realized before commencement of production.

(3) Where petroleum rights is realized in terms of subsection (2), relevant provisions under this Act in respect of realization of investment or business asset shall apply.

(4) Where a petroleum right is realised together with other assets used in petroleum operations or where a petroleum right is realised in part, the rules in section 47 shall apply for purposes of apportionment of expenditure, costs and amounts derived from the realisation.

(5) The incomings from the realisation of a petroleum right which include amounts derived by the holder of the right from the realization, shall include amounts to be derived in the future from the realisation.

(6) For the purposes of section 38(b), an amount including any form of payment or benefit to be derived in the future from the realisation of an asset, shall be taken into account as an incoming at its market value at the time of the realisation or in any other case, in accordance to section 27(1)(d).

(7) In calculating the market value of an obligation to pay a future amount, there shall apply present value of a reasonable estimate of the amount of the future payment.

(8) An amount taken into consideration under subsections (6) and (7) as incomings from the realisation of a petroleum right shall be included in the cost of the asset for the acquirer.

(9) The right to receive a future amount shall be realised in a different amount to the extent that the provisions of section 25 and 41 shall apply to make adjustments.

(10) The provisions of this section shall apply to the realization of a petroleum right where the incomings from the realization include an overriding royalty.

Decommissioning
Funds

65R.-(1) A decommissioning fund shall be exempt from tax.

(2) Amounts paid from a decommissioning fund to meet expenses of activities authorised by the decommissioning plan for which the fund was established shall not be an income of the petroleum right holder which is otherwise required to meet those expenses.

(3) Any amounts in a decommissioning fund which are paid to or come under the control of a petroleum right holder and which are not referred to in subsection (2) shall be included in calculating income of the petroleum rights holder from the associated petroleum rights.

Subdivision B: Midstream and Downstream Activities

Midstream and
downstream
activities

65S.-(1) A licensee conducting midstream or downstream activities with respect to petroleum shall be subject to income tax with respect to the activities as prescribed by this Act, and as modified by this Subdivision.

(2) In calculating a licensee's income from a business which includes conducting midstream or downstream activities with respect to petroleum, there shall be deducted amounts deposited in and other expenses incurred in respect of the decommissioning fund established for the licence.

(3) There shall be no deduction allowed in calculating income from a separate petroleum right-

- (a) under sections 15, 16, 17 or 26;
- (b) for unrelieved losses under section 19, except as permitted by section 65O;
- (c) expenses incurred by the person in implementing the decommissioning plan for the operation in excess of the amount contributed in the decommissioning fund.

(4) Unrelieved losses of a licensee arising from conducting a business that includes midstream or downstream activities may be deducted under section 19 so as to reduce total income of the licensee but not below 30 per centum of total income before any deduction for such an unrelieved loss.

(5) In applying the perpetual loss corporation rules to a licensee-

(a) for the purposes of determining whether there is a perpetual loss, ignore any loss incurred from a business that includes midstream or downstream activities with respect to the licence; and

(b) for the purposes of determining turnover giving rise to chargeable income, ignore any turnover from such a business.

(6) The provisions of section 65R applies to a decommissioning fund established under section 197 of the Petroleum Act as though a reference to “petroleum right holder” were a reference to the holder of a midstream or downstream licence.

(7) In this section, “licence” means a licence granted in respect to

Cap.392 midstream and downstream activities under the Petroleum Act.

Amendment of section 82

29. The principal Act is amended in section, section 82(2)(c) by deleting the phrase “or paid to approved retirement funds”.

Amendment of section 83

30. The principal Act is amended in section 83(1) by:

(a) deleting paragraph (c) and substituting for it the following-

“(c) pays to-

- (i) a non-resident a service fee with a source in United Republic; or
- (ii) a resident person a service fee for provision of a professional services.”

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

“(3) For the purposes of subsection (1)(c)(ii), “professional service” means services rendered by a person licensed as a practitioner by any recognized professional body and shall include other services or activities of an independent business character including consultancy, legal, architectural, engineering, supervisory, accounting, auditing, medical artistic, survey, theatrical performance, sports, exhibition, private security services, private investigation and consultancies in various disciplines or any entertainment held or given other than those for remuneration under contract of employment:

Provided that, where the service referred in subsection (1)(c)(ii) involves construction works, the payment which is subject to withholding shall be based on the ratio of 3:2 for materials and services respectively.”

Amendment of

31. The principal Act is amended in section 90-

section 90

- (a) by inserting the word “petroleum or mineral rights” between word “land” and the word “or”.
- (b) by inserting a new paragraph (b) immediately after paragraph (a) as follows:
 “(b) in case of realization of mineral rights under section 65H, thirty per centum and petroleum rights under section 65Q, thirty per centum.”
- (c) re-naming paragraph (b) as paragraph (c).

Amendment of section 91

32. The principal Act is amended in section 91(1) by deleting the word “three” appearing before the word ‘month’ and substituting for it the words “six”.

Repeal of section 145

33. The principal Act is amended by repealing section 145.

Amendment of First Schedule

34. The First Schedule to the principal Act is amended-
 (a) by deleting the table appearing in paragraph 1(1) and substituting for it the following:

	TOTAL INCOME	RATE PAYABLE
1.	Where the total income does not exceed 2,040,000/=	NIL
2.	Where the total income exceeds 2,040,000/= but does not exceed Tsh.4,320,000/=	9% of the amount in excess of Tshs. 2,040,000/=
3.	Where the total income exceeds 4,320,000/= but does not exceed 6,480,000/=	Tshs.205,200/= plus 20% of the amount in excess of 4,320,000/=
4.	Where the total income exceeds 6,480,000/= but does not exceed 8,640,000/=	Tshs.637,200 plus 25% of the amount in excess of 6,480,000/=
5.	Where the total income	Tshs. 1,177,200 plus

	exceeds 8,640,000/=	30% of the amount in excess of 8,640,000/=
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(b) by adding immediately after subparagraph (4) the following new subparagraphs-

“(5) The total income of a person from conducting mining operations shall be taxed at the rate of thirty percent.

(6) The total income of a person from conducting petroleum operations shall be taxed at the rate of thirty percent.”

Amendment of
Second Schedule

35. The principal Act is amended in the Second Schedule by deleting paragraphs 1(l) and (r).

Amendment of
Third Schedule

36. The principal Act is amended in the Third Schedule:

(a) in sub-paragraph (1)-

(i) by deleting the phrase “plant and machinery used in agriculture manufacturing or mining operations” appearing in the second column and substituting it with the words “plant and machinery used in agriculture or manufacturing”;

(ii) in subparagraph (1) by deleting the row for Class 4.

(b) in subparagraph (2) by delete the figure “4,”

(c) in paragraph 3 by-

(i) deleting figure “4” appearing in subparagraphs (2)(b), (4) and (8);

(ii) deleting the row for Class 4 in subparagraph (6);

(d) in paragraph 4 by-

(i) deleting figure “4” in subparagraphs (1)(a), (1)(b)(ii) and (4)(b);

(ii) deleting subparagraph (3).

(e) by insert at the end of paragraph 4 the following new paragraphs.

Depreciation
allowances for

5.-(1) The whole of
depreciation allowance expenditure

mineral or
petroleum
operations

incurred in respect of mineral or petroleum operations during a year of income shall be placed in a separate pool.

(2) Subject to paragraph (1), the depreciation allowances shall be granted with respect to each pool at the rates provided for in subparagraph (3).

(3) Depreciation allowance shall be granted for expenditure pooled under subparagraph (1) for a year of income at the following rates:

Year of Income	Depreciation Allowance
First Year	20% of expenditure
Second Year	20% of expenditure
Third Year	20% of expenditure
Fourth Year	20% of expenditure
Fifth Year	20% of expenditure

(4) The depreciation allowance granted with respect to a particular year of income shall be taken in that year and shall not be deferred to a later year(s) of income.

(5) Where an asset for which depreciation allowance have been or may be granted under this paragraph realised during a year of income-

- (a) if the incomings derived from the realisation of an asset(s), exceed the written down value of the pool of depreciable assets, the excess shall be included in calculating income from the mineral or petroleum operations for the year; and

(b) if the written down value of the pool of depreciable assets exceed the incomings derived from realisation of all assets in the pool, the excess of written down value in the pool of assets may be granted for that year of income and the pool shall be dissolved.

(6) Where incomings are derived by a person during a year of income with respect to a depreciable asset employed by the person in mineral or petroleum operations but the asset is not realised at that time in whole or in part, the incomings shall be included in calculating income from the mineral or petroleum operations for the year.

(7) In this paragraph-
“depreciation allowance expenditure” means-

- (a) additions to the cost of depreciable assets owned and employed by a person wholly and exclusively in mineral or petroleum operations; and
- (b) expenditure other than financial costs incurred in respect of mineral operations wholly and exclusively on reconnaissance, appraisal and prospecting or exploration operations or

in developing mineral or petroleum operations and infrastructure, including as may be prescribed by regulations, where-

- (i) the expenditure is not directly deductible in calculating income from the operations; and
- (ii) does not otherwise fall to be included in the cost of an asset;

“written down value of a pool of depreciable assets at a particular time during a year of income” means-

- (a) the written down value of the pool at the end of the previous year of income; plus
- (b) expenditure incurred prior to the time, which is added to the depreciation basis of the pool during the year of income or to be added during the following year of income; less

(c) incomings derived during the year of income or to be derived with respect to a realisation occurring prior to the time in respect of assets that are or have been in the pool;

“written down value of an asset” means the cost of the asset less all depreciation allowances granted with respect to expenditure included in that cost.

PART VIII
AMENDMENT OF THE JUDICIARY ADMINISTRATION ACT,
(CAP. 237)

Construction
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37. This Part shall read as one with the Judiciary Administration Act, hereinafter referred to as the “principal Act”.

Amendment of
section 59

38. The principal Act is amended in section 59(3) by deleting the phrase “Minister responsible for Finance” and substituting for it the word “Minister”.

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

Construction of
Cap. 290

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

Repeal of sections
31A and 31B

40. The principal Act is amended by repealing sections 31A and 31B and replacing them with the following:

“TRA to collect
property rate

31A.-(1) Notwithstanding the provisions of this Act, the Tanzania Revenue Authority shall have the obligation to evaluate, assess, collect and account for property rate.

(2) In the enforcement or recovery of property rate, the Tanzania Revenue Authority shall apply mutatis mutandis the powers of recovery stipulated under the provisions of the Tax Administration Act and the Urban Authorities (Rating) Act.

(3) Where the Minister responsible for finance has declared a township authority, urban authority or as the case may be, geographical area, the Tanzania Revenue Authority shall make valuation of all rateable properties for purposes of establishing the rate payers and rates collectables and prepare a rates payers list thereof.

(4) The rates payers list shall show in respect of each rate payer:

(a) the name and address of

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- the rate payer;
- (b) the area and situation of the rateable property, matter or activity;
- (c) any other information as the authority may consider necessary.

Cap.289 (5) In preparing the rates payers list under this section, the Tanzania Revenue Authority shall have regard to the provisions of the Urban Authorities (Rating) Act relating to the preparation of rates.”

PART X
AMENDMENT OF THE MOTOR VEHICLES
(TAX ON REGISTRATION AND TRANSFER) ACT,
(CAP. 124)

Construction
Cap. 124

41. This Part shall be read as one with the Motor Vehicles (Tax on Registration and Transfer) Act, hereinafter referred to as the “principal Act”.

Amendment of the
First Schedule

- 42.** The principal Act in amended in the First Schedule-
- (a) in sub paragraph (3) by deleting-
 - (i) the phrase “one hundred fifty thousand shillings (150,000/=)” and substituting for it the phrase “two hundred fifty thousand shillings (250,000/=)”; and
 - (ii) the words “five million shillings” appearing in the proviso and substituting with the words “ten million shillings”;
 - (b) by deleting the phrase “forty five thousand shillings (45,000/=) appearing in sub paragraph (4) and substituting for it the phrase “ninety five thousand shillings (95,000/=).

PART XI
AMENDMENT OF THE NATIONAL ASSEMBLY (ADMINISTRATION) ACT,
(CAP. 115)

Construction
Cap.115

43. This Part shall be read as one with the National Assembly (Administration) Act, hereinafter referred to as the “principal Act”.

Amendment of
section 29

44. The principal Act is amended in section 29(3) by deleting the phrase “Minister responsible for Finance” and substituting for it the word “Minister”.

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

Construction
Cap. 170

45. This Part shall be read as one with the Railways Act, hereinafter referred to as the “principal Act”.

Amendment of
section 20A

46. The principal Act is amended in Section 20A by deleting subsection (3) and substituting for it the following;

“(3) Subsection (1) shall not apply to exemptions provided for under the Fifth Schedule of East African Community Customs Management Act, 2004; Pharmaceutical goods and equipment of chapter 30 and 90 of the East African Community Common External Tariff and Fertilizers as defined under the East Africa Community Common External Tariff”.

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

Construction
Cap. 399

47. This Part shall be read as one with the Tanzania

Revenue Authority Act, hereinafter referred to as the “principal Act”.

Amendment of
section 3

48. The principal Act is amended in section 3 by deleting the definition of the words “revenue” and “Revenue Commissioner” and substituting for them the following:

““revenue” means taxes, duties, fees, fines, rates or any other monies imposed by or collected under the laws or the specified provisions of the laws set out in the First Schedule;

“Revenue Commissioner” means a person appointed to act on behalf of the Commissioner General for the purpose of administering tax laws and non tax revenues provided for under the laws specified in the First Schedule to this Act;”.

Amendment of
section 5

49. Section 5 of the principal Act is amended -

(a) in subsection (2), by deleting paragraph (e) and substituting for it the following:

“(e) assess, collect and account for all revenues imposed and charged under the non tax laws specified in Part B of the First Schedule;”

(b) by deleting subsection (4) as proposed and substituting for it the following new subsections-

“Cap.438 (4) In the course of administering the
Cap.408 provisions of subsection (2)(e), the relevant provisions of the Tax Administration Act on revenue recovery measures, tax objections and offences, together with the provisions on appeals as provided for in the Tax Revenue Appeals Act, shall apply *mutatis mutandis*.

(5) Where any conflict arises between the provisions of this Act and the provisions of the non tax laws specified under Part B of the First Schedule, the provisions of this Act shall

take precedence.

(6) The Minister may, after consultation with a Minister responsible for non tax law and by Order published in the *Gazette*, amend the First Schedule by adding, altering or deleting any law specified therein.

(7) Subject to the subsection (8), subsections (2)(e), (4) and (5) shall come into operation on such date as the Minister may, by an Order published in the *Gazette*, appoint.

(8) The Minister may, in the Order under subsection (7) or by any other subsequent Order published in the *gazette*, designate and declare a non tax law for commencement of the functions under subsection 2(e).

(9) A non tax law that has not been *gazetted* in terms of subsection (8) shall continue to be administered by the respective authority until such time when the Order of the Minister is issued.”

Addition of
section 5A

50. The principal Act is amended by adding new section 5A as follows:

“Consultations
and coordination

5A.-(1) The Minister shall, prior to the coming into operation of the provisions of section 5(2)(e), make consultation with the Minister responsible for non tax law.

(2) The Authority may, in discharging its functions under section 5(2)(e), make consultations with the relevant authority responsible for the administration of a non tax law.

(3) The Minister may, in

consultation with the Minister responsible for non tax law make Regulations for the proper discharge of coordinated administration of the respective non tax laws.”

Amendment of section 14

51. The principal Act is amended in section 14 by deleting subsections (8) and (9).

Repeal of section 20A

52. The principal Act is amended by repealing section 20A.

Amendment of First Schedule

53. The First Schedule is amended-

(a) by designating the whole of its contents as Part A;

(b) by adding immediately after Part A as designated, the following new Part:

“Part B

1. The Local Government Finance Act, (Cap. 290).
2. The Oil and Gas Revenue Management Act, (Cap. 328).
3. The Rural Energy Act, (Cap. 321).
4. The Treasury Registrar (Powers and Functions) Act, (Cap. 370).
5. The Urban Authorities (Rating) Act, (Cap. 289).
6. The Petroleum Act, (Cap. 392).
7. The Immigration Act, (Cap. 54).
8. The Tanzania Citizenship Act, (Cap. 357).
9. The Police Force and Auxiliary Services Act, (Cap. 322)
10. The Motor Vehicle Driving Schools Act, (Cap. 163).
11. The Arms and Ammunition Act, (Cap. 223).
12. The Tanzania Passports and Travel Documents Act, (Cap. 42).
13. The Registration of Documents Act, (Cap. 117).
14. The Land Registration Act, (Cap. 334).
15. The Chattel Transfer Act, (Cap. 210).
16. The Unit Titles Act, (Cap. 416).
17. The Land Act, (Cap. 113).
18. The Land Survey Act, (Cap. 324).
19. The Mining Act, (Cap. 123).
20. The Explosives Act, (Cap. 45).
21. The Electronic and Postal Communications Act, (Cap. 302).

22. The Tourism Act, (Cap. 65).
23. The Deep Sea Fishing Authority Act, (Cap. 388).
24. Tourist Agents (Licensing) Act, (Cap. 65).
25. Transport Licensing Act, (Cap. 317).
26. The Forest Act, (Cap. 389).
27. The Beekeeping Act, (Cap. 224).
28. Antiquities Act, (Cap. 333).
29. Civil Aviation Act, (Cap. 80).
30. Aerodromes Control and (Licensing) Act, (Cap. 92).
31. The Road Traffic Act, (Cap. 168).
32. The Airport Services Act, (Cap. 365).
33. The Executive Agency Act, (Cap. 245).
34. The Ferries Act, (Cap. 173).
35. The Land Dispute Court Act, (Cap. 216).
36. Surface and Marine Transport Regulatory Authority Act, (Cap. 413).
37. Energy and Water Utilities Regulatory Authority Act, (Cap. 414).
38. Tanzania Communications Regulatory Authority Act, (Cap. 172).
39. The Tanzania National Parks Act, (Cap. 282).
40. The Fire and Rescue Force Act, (Cap. 427).
41. The Fisheries Act, (Cap. 279).
42. The Fair Competition Act, (Cap. 285).
43. Business Activities Registration Act, No. 1 of 2007.
44. Business Licensing Act, (Cap. 208).
45. Social Security (Regulatory Authority) Act, (Cap. 135).
46. Tanzania Investment Act, (Cap. 38).
47. The Business Names (Registration) (Cap. 213).
48. The Standards Act, (Cap. 130).
49. Food, Drugs and Cosmetics Act, (Cap. 219).
50. Insurance Act, (Cap. 394).”

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

Construction
Cap.438

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

Amendment of
section 8

55. The principal Act is amended in section 8 by-
(a) adding immediately after subsection (2) the following

new subsection:

“(3) Where the Commissioner General, after making findings that in a particular area or locality within a local government authority area, lease agreement between landlords and tenants do not reflect authentic or actual transactional values, the Commissioner General shall publish in the *Gazette* predetermined minimum rental values for such locality or area based on actual average rental values obtained in the locality or area:

Provided that,

- (a) such predetermined rental values shall only apply to properties considered to be of the same quality or standard; and
- (b) independent valuers were involved in advising the Commissioner General.”

(b) renumbering subsection (3) as subsection (4).

Amendment of section 41

56. The principal Act is amended in section 41(1) by adding immediately after the word “assessment” the words “or for confirmation on the tax payable, paid or to be paid in a specified accounting period”.

Addition of new section 44A

57. The principal Act is amended by adding immediately after section 44 the following new section:

“Disclosure of information on contracted services

44A.-(1) Any entity engaged in the construction and extractive industry shall disclose to the Commissioner General the names of all persons contracted and sub-contracted in the course of performance of their duties or business or carrying out of any project.

(2) For the purpose of this section, the entity referred to under

subsection (1) shall disclose, names of the persons and nature of the sub contracted works together with the duration of carrying out the works.

(3) Any entity which fails to comply with the provisions of this section shall be liable to a fine not exceeding 25% of the quantum payable under the project or a fine of not exceeding 4000 currency points whichever is greater.”

Amendment of section 51

58. The principal Act is amended in section 51 by-
(a) deleting subsection (5) and substituting for it the following:

“(5) An objection to any tax decision shall not be admitted unless the taxpayers has, within a period of thirty days from the date of service of tax decision, paid the amount of tax which is not in dispute or one third of the assessed tax decision whichever amount is greater.”

(b) adding immediately after subsection (8) the following new subsection:

“(9) Where the taxpayer fails to pay the amount stated under subsection (5) within the time provided therein, the assessed tax decision shall be confirmed as final tax assessment in terms of section 15(1)(a) of the Tax Revenue Appeals Act.”

Amendment of section 70

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

“Remission of interest and penalty

70.-(1) Where the Minister in consultation with the Commissioner General is satisfied that there is good cause to remit interest imposed under any tax

law, he may remit the interest up to an amount not exceeding 50 percent of the interest payable by a person.

(2) Where the Commissioner General is satisfied that there is good cause to remit penalty imposed under any tax law, he may remit the whole or part of the penalty payable by that person.”

Amendment of
section 84

- 60.** Section 84(1) of the principal Act is amended-
- (a) by deleting the words “the excise duty” appearing in the opening words and substituting for them the words “any tax laws set out under the Part A of the First Schedule to the Tanzania Revenue Authority Act”;
 - (b) by deleting paragraphs (d), (e), (f), (g) and (h), and substituting for them the following new paragraphs:
 - “ (d) is in any way involved in any fraudulent evasion of the payment of any tax;
 - (e) obtains any remission, rebate or refund of tax which he is not entitled to obtain;
 - (f) makes any false statement or false representation in order to obtain any remission, rebate, refund of tax or any tax benefit;
 - (g) acquires possession of, keeps, conceals, removes or in any way deals with, any excisable goods or any taxable goods which have been manufactured or supplied without payment of the full tax;
 - (h) counterfeits or in any way falsifies or uses when counterfeited or in any way falsified, any document required or issued by or used for the purpose of the tax;

- (i) omits or fails to make or cause to be made any declaration, certificate, application, return, account, or other documents, which is true or correct in any material particular; or
 - (j) acquires, possess, keeps or conceals, or in any way deals with, any fiscal receipt or fiscal document which is false or incorrect in any material particular;
- commits an offence and upon conviction is liable for payment of twice of the amount of the tax evaded.”

Repeal of
section 86

61. The principal Act is amended by repealing section 86 and replacing it with the following:

“Offence for
failing to use
electronic fiscal
device

86.-(1) A person who:

- (a) fails to acquire and use an electronic fiscal device upon commencement of business operations or expiry of the period specified by the Commissioner;
- (b) fails to issue fiscal receipt or fiscal invoice upon receiving payment for sale of goods or service;
- (c) issues a fiscal receipt or fiscal invoice that is false or incorrect in any material particulars;
- (d) uses electronic fiscal device in any manner that misleads the system or the Commissioner;
- (e) tempers with or causes electronic fiscal device to

work improperly or in a manner that does not give a correct or true document,

commits an offence and shall be liable on conviction to a fine not less than 200 currency points and not more than 300 currency points or to imprisonment for a term not exceeding three years or to both.

(2) Where any amount of tax has been evaded in any of the offence referred to in subsection (1), a person involved shall be liable upon conviction in addition to a fine under subsection (1), a fine twice the amount of tax evaded or imprisonment for a term not exceeding three years.

(3) A person who fails to demand or report a denial of issuance of a fiscal receipt or fiscal invoice upon payment for goods or service, commits an offence and shall be liable on conviction to a fine not less than 2 currency points and not more than 100 currency points or to imprisonment for a term not exceeding six months.”

Addition of sections 88A and 88B

62. The principal Act is amended by adding immediately after sections 88 the following new sections:

“Obligation to pay tax not affected by conviction or compoundment

88A. Payment of fine upon conviction by the court or compoundment of an offence under this Act, shall not affect an obligation

of a person to pay such tax.

General penalty

88B.-(1) Any person who commits an offence under this Act for which no specific penalty is provided, is liable upon conviction to a fine of not less than 200 currency points and not more than 300 currency points or to imprisonment for a term not exceeding three years or to both.

(2) Where any amount of tax evaded in any of the offence referred to in subsection (1), a person involved shall be liable upon conviction, in addition to a fine under subsection (1), a fine twice the amount of tax evaded or imprisonment for a term not exceeding three years.”

Amendment of
section 92

63. The principal Act is amended in section 92 by deleting subsection (1) and substituting for it the following new subsection:

“(1) Where a person commits an offence under a tax law, the Commissioner General may compound the offence and may order a person to pay the fine that would have been paid had such person been prosecuted and convicted for the offence or order forfeiture of any goods related to the offence or both”.

Amendment of
section 93

64. The principal Act is amended in section 93 by adding immediately after subsection (3) the following new subsections:

“(4) In any criminal proceeding under this Act or any other tax law any document, statement or a copy of or extract from any document or

statement, relating to the affairs of any person that has been seized or obtained by the Commissioner General shall be admissible in evidence.

(5) A document, statement or copy of or extract referred to in subsection (4) shall be admissible irrespective of whether any person was-

(a) induced to provide or make it; or

(b) led to believe that criminal proceedings would not be instituted.

(6) No witness on behalf of the prosecution shall be compelled to disclose the fact that he received any information or document relating to any tax matter or the nature of the information or document or the name of the person who gave that information or document.

(7) Where a person is charged for an offence under this Act which is similar to an offence in any other tax law, the provisions of the tax law related to criminal proceedings shall apply *mutatis mutandis* with the provisions of this Act.”

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

Construction
Cap. 289

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

General
Amendment

66. The principal Act is amended generally by deleting the word “Director” wherever it appears and substituting for it the words “Commissioner General”.

Amendment of
section 2

67. The principal Act is amended in section 2 by deleting subsection (2) and substituting for it the following:

“(2) The Minister or council, as the case

may be, may exempt any part of the areas of their jurisdiction from the application of all or any, of the provisions of this Act.”

Amendment of
section 3

- 68.** The principal Act is amended in section 3 by-
- (a) adding in the appropriate alphabetical order, the following new definitions-
 - “Tanzania Revenue Authority” has the meaning ascribed to it under the Tanzania Revenue Authority Act;
 - “Commissioner General” has the meaning ascribed to it under the Tanzania Revenue Authority Act;
 - (b) deleting the definition of the word Minister and substitute for it the following new definition-
 - “Minister” means Minister responsible for finance”

Repeal of
section 4

- 69.** The principal Act is amended in section 4 by-
- (a) deleting the words “appointed as agent” appearing at the end of subsection (1A) and substituting for them the words “authorised in terms of this Act to value properties, assess, collect and account for revenue”
 - (b) deleting the opening words of subsection (2) and substituting for it the following-
 - “(2) The Valuation Surveyor shall be a person who possess the necessary qualification as a valuer and may be-”
 - (c) by adding a new subsection (3) as follows-
 - “(3) The Tanzania Revenue Authority, in consultation with respective local government authority, may appoint valuation surveyor for preparing roll or supplementary roll for respective local government authority.”

Amendment of
section 6

- 70.** The principal Act is amended in section 6 by adding immediately after subsection (3) the following new subsections:

“(4) The Minister, in consultation with the Minister responsible for local government and for purposes of imposing rates in the areas where the Tanzania Revenue Authority is mandated to collect rate, may by Order in the Gazette,

- (a) declare any municipal city, municipal council, municipal town or township in any Region within mainland Tanzania to be a rateable area for purposes of the Authority to exercise its powers under this Act;
- (b) declare any other area within a district in any Region within mainland Tanzania to be a rateable area for purposes of the Authority to exercise its powers under this Act;
- (c) alter the area of any rateable area;
- (d) appoint areas where the Authority shall assess and collect rates; or
- (e) issue regulations to empower and guide Councils to declare other areas other than those declared under paragraphs (a), (b) and (d) to be rateable areas for purposes of Councils in those areas to value, assess, collect and account for rate and revenue collected in the areas where the Authority is not empowered to assess and collect rates.”

(5) Subject to the provisions of subsection (1), the Council at any area where the Authority has not been authorised to collect property rate revenue may declare any of its area as rateable area by publishing a *by law* to that effect.

(6) The declaration made under subsection (4) shall cease to apply immediately after the Minister declares such area to be rateable area for

purposes of the Authority to exercise its power under this Act.”

Amendment of
section 7

- 71.** The principal Act is amended in section 7(1) by-
- (a) deleting paragraph (c) and substituting for it the following new paragraph:
 - “(c) properties owned by religious organizations which are not used for commercial purposes or economic profits gain;”
 - (b) inserting immediately after paragraph (h), the following new paragraphs:
 - “(i) properties used and registered as orphanage centers;
 - (j) properties owned by Government, government agencies and other similar institutions which are not used for commercial purposes or economic profit gain;
 - (k) properties owned by a local government authority and its institutions, which are not used for commercial purposes or economic profit gain;
 - (l) one residential ratable properties which is owned and resided by a person of above sixty years or a person living with disabilities who has no source of income.”
 - (c) renaming paragraph (i) as paragraph (m).

Amendment of
sections 8, 9, 10
and 11

72. The principal Act is amended by adding words “or the Commissioner General as the case may be” immediately after the words “rating authority” wherever they appear in sections 8, 9, 10 and 11.

Amendment of
section 11

73. Section 11 of the principal Act is amended by adding the words “or Commissioner General” immediately after the word “Director” appearing in subsection (1).

Amendment of
section 13

74. Section 13(2) of the principal Act is amended by adding immediately after the words “rating authority” appearing in paragraph (c) the words “or Commissioner General”

Amendment of
section 14

75. Section 14 of the principal Act is amended-

- (a) in the opening words of section 14 by adding the words “or Commissioner General” immediately after the words “rating authority”
- (b) by adding the words “or decree issued under the Tax Revenue Appeals Act or by a court of law” immediately after the word “Tribunal” appearing in paragraph (d).

Repeal of
section 16

76. The principal Act is amended by repealing section 16 and replacing it with the following new section:

“Power to
impose rates

16.-(1) The Minister shall, in consultation with the Minister responsible for local government authorities and after obtaining representations from a relevant Council, impose rates in respect of those areas within Mainland Tanzania where the Tanzania Revenue Authority has been authorised to perform its functions under this Act and published such rates in the *Government Gazette*”

(2) The revenue collected under this Act shall be deposited in a special account to be opened by the minister at the Bank of Tanzania for the benefits of Local Government Authorities.

(3) The apportionment and distribution of the proceeds kept in the account referred under subsection (2) shall be made to local government authorities in accordance with prescribed

regulations issued by the Minister after consultation with the Minister responsible for local government authorities.

(4) The Minister shall, upon rating any properties pursuant to subsection (1) and prior to publication in the *Gazette*, ensure that the respective Council is fully involved in representing concerns of residents of the area regarding the rate to be applied.

(5) The Minister may, in the exercise of his powers under subsection (1) and section 17, make general or special rates of such amounts as he may consider necessary.

(6) The Council shall have powers to impose, value, collect and distribute rates and property rate revenue at any area where the Tanzania Revenue Authority has not been authorised to perform its functions under this Act by issuing by laws.

(7) The powers of the Council under subsection (6) shall cease to apply immediately after the Minister declares the area under which the Council exercises the power as rateable area for the Tanzania Revenue Authority to exercise its functions under this Act.

(8) The Minister, in consultation with the Minister responsible for local government authorities, shall prescribe regulations to guide the manner in which subsection (6) shall be carried out.

(9) For purposes of this section-
“general rate” as used in this section

means a rate made and collected in the area of the Council for the general purposes of the Council; and

“special rate” means a rate made and collected in a specified area of the Council for purposes of a specified project approved by the Council or the Minister responsible for local government.”

Repeal and replacement of section 18

77. Section 18 of the principal Act is amended by deleting the marginal notes and substituting for it the following “Methods of rating authority”

Addition of section 18A

78. The principal Act is amended by adding a new section 18A as follows-

“Methods of rating by Tanzania Revenue Authority

18. The Minister may, subject to provisions of this Act and in consultation with the Minister responsible for local government, make Regulations prescribing methods of rating properties and collecting property rates.”

Amendment of section 19

79. The principal Act is amended in section 19- (a) by deleting subsection (1) and substituting for it the following-

“Making and levying of special rate

19.-(1) where in the opinion of the rating authority or Commissioner General a capital works scheme executed by a local government authority or the government has benefited owners of ratable area-

(a) in the case of local

government authority, with the prior consent of the Minister responsible for local government, the rating authority may make and levy a special rate on the rateable property under its jurisdiction in order to defray the capital cost of the scheme;

(b) in the case of rateable area under the mandate of Tanzania Revenue Authority, the Minister, in consultation with the Minister responsible for local government, may make special rate on the rateable property under the mandate of Tanzania Revenue Authority in order to defray the capital cost of the scheme;

(b) deleting the word “Minister” wherever it appears in subsections (2) and (3) and substituting for it the words “Minister and Minister responsible for local government, as the case may be”

(c) in subsection (4) by deleting the word “Minister’s” and substitute for it the word “ministerial”

Amendment of
section 22

80. The principal Act is amended in section 22 by deleting the word “Minister” appearing in subsection (3) and substituting for it the words “Minister, or as the case may be, Minister responsible for local government”.

Amendment of
section 23

- 81.** The principal Act is amended in section 23 by-
- (a) deleting the words “rating authority” wherever they appear in subsections (1) and (2) and substituting for them the words “Minister, after consultation with the Minister responsible for local government or, as the case may be, the rating authority”.
 - (b) deleting subsections (3), (4), (5) and (6).

Amendment of
section 29

- 82.** The principal Act is amended in section 29 by inserting the words “or Commissioner General” after the word “Council” wherever it appears in that section.

Amendment of
section 32

- 83.** The principal Act is amended in section 32 by deleting the phrase “a fine not exceeding two thousand shillings or to imprisonment not exceeding six month, or to both” and substituting for it the phrase “relevant penalty as provided for under the Tax Administration Act”.

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Repeal of
section 43

- 84.** The principal Act is amended in section 43 by adding new subsections (6) and (7) as follows-

“(6) Any person who is aggrieved by the decision, act or omission of the Commissioner General in the course of assessing, valuating, collecting or recovering rate revenue, may lodge an objection to the Commissioner General pursuant to the relevant provisions in the Tax Administration Act, Cap 438

(7) The provisions of subsection (1), (2), (3) and (4) shall not apply to those areas to which Tanzania Revenue Authority is authorized to collect rates.”

Repeal of
section 45

- 85.** The principal Act is amended by repealing the section 45.

Repeal of section 47

86. The principal Act is amended by repealing section 47 and replacing it with the following:

“Recovery of interest

Cap. 438

47. Where any rate remains unpaid after the date on which the same becomes due and payable, interest rate provided under the relevant provisions of the Tax Administration Act shall be charged and recovered thereon with effect from fourteen days after the same becomes due and payable.”

Repeal of section 49

87. The principal Act is amended by repealing section 49 and replacing it with the following:

“Refusal by occupier to disclose name of owner

Cap. 438

49. If, on the request of the Authority, the occupier of any rateable property refuses or willfully omit to disclose or wilfully misstates to the Authority, the name of the owner of such property, or of the person receiving or authorized to receive the rents, such occupier commits an offence and on conviction is liable to the relevant penalty as provided under the Tax Administration Act.”

Addition of section 50A

88. The principal Act is amended by adding immediately after section 50 a new section 50A as follows-

“Appeals to the Tax Revenue Appeals Board

50A. Any person who is aggrieved by the decision of the Commissioner General on the objection lodged under section 43 may appeal to the Tax Revenue Appeals Board in accordance with the procedures provided for under the

Tax Revenue Appeals Act.

Amendment of
section 51

- 89.** Section 51 of the principal Act is amended-
- (a) by deleting subsection (1) and substituting for it the following:
- “(1) The Minister may, in consultation with the Minister responsible for finance, make regulations generally for the better carrying out of the purposes and provisions of this Act.”
- (b) in subsection (2), by deleting the words “in consultation with the Minister responsible for finance,” appearing immediately before the words “the Minister” and substituting for them the phrase “in exercise of his powers under subsection (1),”

Repeal of
section 56

- 90.** The principal Act is amended in section 56 by-
- “Transitional and savings
- 56.**-(1) As soon as the rateable property in respect of every local government authority has been prepared a valuation roll shall be prepared in accordance with the provisions of this Act.
- (2) Notwithstanding the repeal of the Land (Rent and Service Charges) Act, the Authority shall demand and collect the land rent and service charge arrears from all those who defaulted to pay prior to repeal of the Act.
- (3) The rates currently applicable and which were issued by various Local Government authorities shall continue to be enforce until such time when the Minister shall prescribe new rates.
- (4) The Authority shall

Acts. No. 8 of
1983 and 19 of
1974

access, collect and account for the revenue based on the rates under subsection (3) until such time when the Minister shall prescribe new rates.

(5) The Authority shall carry out and administer all the regulations made under this Act in place and in the same manner as if it is the respective local government authority referred in the respective regulations, until such regulations are replaced by new regulations.”

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

Construction
Cap. 148

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

Amendment of
section 2

92. The principal Act is amended in section 2 by deleting paragraph (h) of the definition of the term “financial services” and substituting for it the following:

“ (h) foreign exchange transactions, including the supply of foreign drafts and international money orders,

but does not include supply of the services of arranging for or facilitating any of the services specified under paragraphs (a) to (h).”

Amendment of
section 5

93. The principal Act is amended in section 5 by adding immediately after subsection (3) the following new sub section:

“(4) Where the supply is both exempt and taxable at standard rate, the supply shall be taxable at standard rate as specified under this section.”

Amendment of section 9

94. The principal Act is amended in section 9, by deleting paragraph (c) and substituting for it the following:

“(c) the amount of any tax, levy, fee or fiscal charge other than customs duty and value added tax payable on the import of the goods”.

Amendment of section 11

95. Section 11 of the principal Act is amended-

(a) in subsection (2), by-

(i) deleting paragraph (d); and

(ii) renaming paragraph (e) as paragraph (d);

(b) by deleting subsection (4);

(c) by renumbering subsections (5) to (11) as subsections (4) to (10);

(d) in subsection 8 as renumbered by-

(i) deleting paragraph (b); and

(ii) renumbering paragraph (c) as paragraph (b).

Addition of section 55A

96. The principal Act is amended by adding immediately after section 55 the following new section:

“Zero rating of supply of goods to Tanzania Zanzibar

55A. A supply of locally manufactured goods by a local manufacturer shall be zero rated if the goods are supplied to a taxable person registered under the Value Added Tax law administered in Zanzibar and such goods are removed from Mainland Tanzania without being effectively used or enjoyed in Mainland Tanzania.”

Amendment of section 61

97. The principal Act is amended in section 61 by-

(a) re-designating the contents of subsection (1) as section 61; and

(b) deleting subsection (2) and subsection (3).

Addition of
section 61A

98. The principal Act is amended by adding immediately after section 61 the following new section:

“Zero rating of
supply of
service

61A.-(1) Supply of service shall be zero rated if-

(a) the customer is outside the United Republic at the time of supply and effectively uses or enjoys the services outside the United Republic; and

(b) the service are neither directly related to land situated in the United Republic nor physically performed on goods situated in the United Republic at the time of supply.

(2) A supply of service is not zero- rated in accordance with the provision of subsection (1), if-

(a) the supply is of a right or option to receive a subsequent supply of something else in the United Republic; or

(b) the services are supplied under an agreement with a non-resident but are rendered to a person in the United Republic who is not a registered person.”

Amendment of section 65

99. The principal Act is amended in section 65(1) by deleting the word “Tanzania” appearing in paragraph (a) and substituting for it the words “Mainland Tanzania”.

Amendment of section 66

100. The principal Act is amended in section 66 by deleting the words “last working” which appears in subsection (1) and substituting for them figure “20th”.

Amendment of section 94

101. The principal Act is amended in section 94(2) by adding after paragraph (f) the following new paragraph:

“(g) prescribing for the manner value added tax for goods manufactured in Tanzania Zanzibar and brought in Mainland Tanzania by registered value added tax person be accounted.”

Amendment of Part I of the Schedule

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

(a) in item 1 by-

(i) deleting sub-items 2,3,4,5,6 and 7 of and substituting for them the following;

2	Agricultural, horticultural or forestry machinery for soil preparation or cultivation except lawn mower or sports ground rollers and parts.	84.32
3	Harvesting or threshing machinery except machines under Hs code 8433.11.00, 8433.19.00, 8433.90.00	84.33

(ii) renumbering item 8 to 26 as item 4 to 22;

(b) deleting item 3 and substituting for it with the following:

“**3:** Livestock basic agricultural products and

food for human consumptions

1.	Live cattle	0102.21.00
2.	Live swine	0103.10.00
3.	Live sheep	0104.10.10
4.	Live goats	0104.20.10
5.	Live poultry	0105.11.10
6	Unprocessed edible animal products	Chapter 2
7.	Unprocessed edible eggs	0407.29.00
8.	Unpasteurized or pasteurized cow milk except with additives and long life milk”	04.01
9.	Unpasteurized or pasteurized goat milk except with additives and long life milk”	04.01
10.	Unprocessed fish	03.02
11.	Unprocessed edible vegetables	Chapter 7
12.	Unprocessed fruits	08.10
13.	Unprocessed nuts	08.02
14.	Unprocessed bulbs	0601.10.00
15.	Unprocessed tubers	0601.20.00
16.	Unprocessed cereals	Chapter 10
17.	Wheat or meslin flour	11.01

18.	Maize flour	11.02
19.	Unprocessed tobacco	2401.
20.	Unprocessed Cashew nuts	0801.31.00
21.	Unprocessed coffee	0901.11.00
22.	Unprocessed tea	0902.10.00, 0902.20.00
23.	Soya beans	12.01
24.	Ground nuts	12.02
25.	sunflower seeds	12.06
26.	Oil seeds	12.07
27.	Unprocessed pyrethrum	1211.90.20
28.	Unprocessed cotton	1207.21.00
29.	Unprocessed sisal	5303.10.00
30.	Unprocessed sugarcane	1212.93.00
31.	Seeds and plants thereof	12.09

”

(c) in Item 7 by deleting the whole words appearing in that item and substituting for them the following words-

“Medicine or pharmaceuticals products, including food supplements or vitamins supplied to the Government entities.”;

(d) in item 9 by-

(i) deleting HS code ‘4901.10.00’ appearing in the third column of sub item 2 and substituting for it the tariff heading ‘4901;

(ii) adding immediately after sub item 7 the following new item:

“ 8.	Examination answer sheet	4911.99.90
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”

(e) deleting item 13 and substituting for it the

following:

“13: Intermediary Services

1	supply of financial services supplied free of charge.
2	Insurance premiums for aircraft.
3	Life insurance or health insurance.

”

(f) in item 15 by-

- (i) deleting HS Code 27.14 appearing in third column of sub item 7 and substituting it HS Codes “2713.20.00 and 2715.00.00”;
- (ii) deleting sub-items 8 , 9, 10 and 11 and substituting for them the following:

“

8	Liquefied petroleum and Natural gases	2711
9	Compressed Petroleum and Natural gases	2711
10	Compressed or liquefied gas cylinders for petroleum and Natural gases for cooking	7311.00.00

”

(g) deleting item 21 and renumbering items 22 to 23 as items 21 to 22.

PART XVII

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

Construction
Cap. 82

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

Amendment of
section 14

104. The principal Act is amended in section 14(2), by deleting the words “five percentum” and substituting for them the words “four point five percentum”.

OBJECT AND REASONS

The Bill proposes for enactment of Finance Act, 2016. The Bill provides for amendment of various laws with a view to impose and alter certain taxes, duties, levies and fees. Further, it proposes to amend other written laws relating to the collection and management of public revenues.

The Bill is divided into XVII Parts.

Part I provides for Preliminary Provisions.

Part II of the Bill proposes amendment to the Banking and Financial Institution Act, Cap. 342. It is proposed to amend section 42, the purpose of this amendment is to require the Deposit Insurance Board to submit its annual report of operations to the Minister within six months. This amendment is intended to set time limit for submission of annual report in line with requirements provided for under the Public Audit Act, Cap. 418.

Part III of the Bill proposes to amend the Companies Act, Cap. 212. The Bill proposes to amend section 458 by adding new subsection (6) which requires the Registrar of Companies to supply any information to the Commissioner General of Tanzania Revenue Authority when carrying out the provisions of any tax law regarding the exchange of information in tax matters.

Part IV of the Bill proposes amendment to the Electronic and Postal Communications Act, Cap. 309. Section 26 is amended to require Electronic and Telecommunication providers to list shares in the stock exchange market with a view to float its shares to the public.

Part V of the Bill proposes to amend the the Excise Management Act, Cap. 147. The Bill intends to amend specific rates for some excisable items in order to protect our currency. The rates are proposed to be amended in accordance to the

prevailing inflation rate. The rate for imported furniture is also increased in order to protect our local industry and increases job creation.

Part VI of this Bill proposes to amend the Income Tax Act, Cap. 332. It is proposed to amend section 3 by deleting some of the terms and introducing new terms for clarifications of new terms and terminologies introduced in this Act. Sections 11, 12, 15, 19, 33 and 37 are amended to enable smooth implementation of the newly introduced taxation regime of extractive industry. Furthermore the Bill intends to introduce at the end of Part IV the new Divisions immediately after section 65 to cater for taxation of minerals and petroleum sub sectors. The aim of this amendment is to introduce special income taxation regime for the extractive industry to cater for uniqueness of the industry and increase the Government revenue. Also the Bill proposes to amend the First Schedule to reduce PAYE from 11% to 9% for purposes of reducing tax burden to employees. The Second Schedule is amended to remove tax exemption on gratuity payable to Members of Parliament at the end of each term of five years, the purpose of this amendment is to make payment of tax to everyone to be fair and just.

Part VII proposes amendment to section 53(3) of the Judiciary Administration Act, Cap. 237. The amendment aims to empower the Minister responsible for Judiciary to submit before the National Assembly the Estimates of Revenue and Expenditure of the Judiciary Fund.

Part VIII of the Bill proposes to amend the Local Government Finance Act, Cap. 290. The amendment aims at enabling Tanzania Revenue Authority to assess, value, collect and account for property rate revenue for the benefit of local government authorities.

Part IX of the Bill proposes to amend Motor Vehicles (Tax on Registration and Transfer) Act, Cap. 124, firstly, to amend the rate of registering motorvehicles and motorbikes in order to compensate the revenue which was chargeble each year under this Act. Secondly, to increase registration fee rate of personal plate numbers.

Part X proposes to amend section 29(3) of the National Assembly Administration Act, Cap. 115. The intention of that amendment is to enable the Minister responsible for Parliament to Submit to the National Assembly, the Estimates of Revenue and Expenditure of the National Assembly Fund instead of the Minister for Finance.

Part XI of the Bill proposes to amend the Railways Act, Cap. 170 in order to include other goods in the exemption made on East Africa Communities on the pharmaceutical goods and equipments, fertilizers and goods manufactured in East Africa Country so as to enline with the policy objectives which was not reflected in the Act.

Part XII of the Bill proposes to amend the Tanzania Revenue Authority Act, Cap. 399. Generally, the major aim of the proposed amendment is to enable the Tanzania Revenue Authority to collect property taxes and non-tax revenues for the better administration of non-tax revenues. In this regard, Clause 50 of the Bill proposes amendments to section 5(1) of the Act with a view to empowering the Tanzania Revenue Authority to monitor and ensure collection of fees, levies, charges, property rates and any other tax or revenue paid to or collected by any Ministry, local government authority or department or division of the Government.

Moreover, in furthering to this spirit, the First Schedule to the Tanzania Revenue Authority Act is proposed to be amended so as to introduce a new Part B that contains a list of non tax laws in which the Authority shall have powers to assess, collect and account for revenues derived from implementation of those laws.

Part XIII of the Bill proposes to amend the Tax Administration Act, Cap. 438. The proposed amendments aim at facilitating the acquisition and enhancing transparency of tax information on contracted or subcontracting services in the extractive and construction sector, discouraging delays in paying taxes by limiting the Minister's powers of granting waiver on requirement to pay interest on delayed tax payments together with introducing a new compound rate of interest at 5 percent per each month of delayed payment, and finally, improving provisions relating to offences and penalties with a view to keeping paces with the current changes for purposes of boosting tax compliance.

Part XIV of the Bill proposes to amend the Urban Authorities (Rating) Act, Cap. 289. Generally, these amendments aim at empowering Tanzania Revenue Authority to collect property tax revenue for the benefit of Local Government Authorities, as well as creating conducive environment for charging and collecting more property tax revenue. Moreover, the proposed amendments seeks to empower the Tanzania Revenue Authority to value, assess, collect and account for property tax revenue in the same manner as in other tax laws. This measure will widen the area to be covered with a view to ensuring optimum collection of property tax revenue for the benefit of local government authorities.

Part XV of the Bill proposes to amend the Value Added Tax Act, Cap. 148. The proposed amendments aim to recognize and honour agreements concluded between the Government and various stakeholders, to remove value added tax exemptions on tourist services thus expanding tax base and introduce value added tax on paid for financial services to curb distortion in the sector.

Part XVI of the Bill proposes to amend section 14(2) of the Vocational Educational and Training Act, Cap. 82. The amendements intends to decrease the skills levy from 5 percent to 4 percent.

Part XVII of the Bill proposes to amend the Business Licensing Act, Cap 208 by introducing new section 23A so as to penalise licensed traders who fail to acquire, use, issue fiscal receipt or invoice through electronic fiscal devices as required by tax laws. The amendment proposes a penalty of revocation of business licences for those who fail to comply with the law. This measure is expected to enhance compliance with tax laws.

MADHUMUNI NA SABABU

Muswada unapendekeza kutungwa kwa Sheria ya Fedha ya mwaka 2015. Muswada unaweka masharti kuhusu marekebisho ya sheria mbalimbali kwa lengo la kuweka, kutoza au kubadilisha baadhi ya kodi, tozo au ada. vilevile, Muswada

unapendekeza kurekebisha sheria nyingine zinazohusu ukusanyaji na usimamizi wa mapato ya umma.

Muswada huu umegawanyika katika Sehemu ya Kumi na Sita.

Sehemu ya Kwanza ya Muswada inaainisha masharti ya Utangulizi.

Sehemu ya Pili ya Muswada inapendekeza kufanya marekebisha kwenye Sheria ya Mabenki na Taasisi za Fedha, Sura ya 342. Inapendekezwa kufanya marekebisho kwenye kifungu cha 42, madhumuni ya marekebisho hayo ni kuitaka Bodi ya Bima ya Amana kuwasilisha taarifa za mwaka za mfuko kwa Waziri wa Fedha ndani ya kipindi cha miezi sita. Marekebisho haya yanalenga kuweka utaratibu ndani ya sheria kwa kuwasilisha taarifa zake za mwaka kwa mujibu wa matakwa ya Sheria ya Ukaguzi, Sura ya 418.

Sehemu ya Tatu ya Muswada inapendekeza kurekebisha Sheria ya Makampuni, Sura ya 212, ili kuweka sharti kwa Msajili wa Makampuni kuwasilisha taarifa kwa Kamishna Mkuu wa Mamlaka ya Mapato Tanzania pale anapobadilishana taarifa zinazohusiana na Kodi.

Sehemu ya Nne ya Muswada inapendekeza marekebisho ya Sheria ya Posta na Mawasiliano ya Kielektroniki, Sura ya 306. Kifungu cha 26 kinafutwa na kuandikwa upya ili kuweka masharti kwa watoa huduma za mawasiliano ya kielektroniki kujisajili katika soko la hisa kwa lengo la kutoa fursa kwa wananchi kununua hisa hizo na kuwa sehemu ya umiliki wa kampuni hizo.

Sehemu ya Tano ya Muswada inapendekeza marekebisho kwenye Sheria ya Ushuru wa Bidhaa, Sura ya 147 ili kurekebisha viwango maalum (specific rates) vya ushuru wa bidhaa vinavyotumika kwenye baadhi ya bidhaa. Viwango hivi vinarekebishwa kwa mujibu wa Sheria hiyo na kwa kiwango cha mfumuko wa bei. Aidha, viwango kwa samani zizazotoka nje vinarekebishwa ili kulinda viwanda vya ndani na kuongeza ajir kwa vijana.

Sehemu ya Sita inapendekeza marekebisho ya Sheria ya Kodi na Mapato, Sura ya 332. Inapendekezwa kufanya marekebisho katika kifungu cha 3 kwa kufuta baadhi ya tafsiri ya maneno yaliyotumika katika Sheria na kupendekeza

tafsiri mpya kwa ufafanuzi wa maneno yaliyotumika katika Sheria hii. Vifungu vya 11, 12, 15, 19, 33 na 37 vinafanyiwa marekebisho kuwezesha utekelezaji bora wa kodi ya mapato kwenye madini na mafuta. Aidha Muswada huu unakusudia kuongeza sehemu ndogo ya nne (Division IV) mwishoni mwa Sehemu ya V ambayo itajumuisha utozaji kodi katika madini na mafuta. Madhumuni ya marekebisho haya ni kuleta kodi maalum katika shughuli za utafiti na uchimbaji wa madini na mafuta ili kuongeza pato la Serikali. Vilevile Muswada unapendekeza marekebisho ya Jedwali la Kwanza kwa ajili ya kupunguza kiwango cha chini cha kutoza kodi ya mapato yatokeanayo na ajira kutoka asilimia 11 hadi 9. Marekebisho hayo ni sehemu ya dhamira ya Serikali ya muda mrefu ya kupunguza mzigo wa kodi kwa wafanyakazi. Jedwali la Pili linafanyiwa marekebisho kwa ajili ya kuondoa msamaha wa malipo ya kiinua mgongo kinacholipwa kwa Wabunge kila mwisho wa muhula wa miaka mitano kwa lengo la kujenga misingi ya usawa na haki katika utozaji wa kodi kwa kila anayestahili kulipa kodi.

Sehemu ya Saba inapendekeza marekebisho ya kifungu cha 53(3) cha Sheria ya Utawala na Mahakama, Sura ya 237. Lengo la Marekebisho haya ni kumpa mamlaka Waziri mwenye dhamana na masuala ya Mahakama, kuwasilisha Bungeni bejeti ya Mfuko wa Mahakama na sio Waziri wa Fedha.

Sehemu ya Nane ya Muswada inapendekeza kurekebisha Sheria ya Fedha ya Mamlaka ya Serikali za Mitaa, Sura ya 290. Marekebisho hayo yanalenga kuondoa migongano ya kisheria baina ya Sheria hiyo na mapendekezo mapya ya Sheria ya Tozo za Majengo ya Miji, Sura ya 289 yanayohusu uhamishaji wa mamlaka ya kukusanya kodi za majengo kutoka kwa mamlaka za serikali za mitaa kwenda kwa Mamlaka ya Mapato Tanzania.

Sehemu ya Tisa ya Muswada inapendekeza kurekebisha Sheria ya Magari (Kodi ya Usajili na Uhamisho wa Umiliki), Sura ya 124 ili kwanza, kurekebisha viwango vya usajili wa magari na pikipiki ili kufidia sehemu ya mapato yaliyopotea kutokana na kufutwa kwa ada ya leseni ya magari ya kila mwaka. Pili, kupandisha ada za usajili wa namba binafsi za magari kwa kila baada ya miaka mitatu ili kuhuisha viwango hivyo ili kulingana na thamani halisi ya fedha.

Sehemu ya Kumi ya Muswada inapendekeza marekebisho kwenye Sheria ya Utawala wa Bunge katika kifungu cha 29 kifungu kidogo cha 3. Lengo la

marekebisha haya ni kuwezesha bajeti ya mfuko wa Bunge kuwasilishwa Bungeni na Waziri mwenye dhamana na masuala ya Bunge na sio Waziri wa Fedha.

Sehemu ya Kumi na Moja inapendekeza kurekebisha Sheria ya Reli, Sura ya 170 ili iweze kuongeza vitu vingine ambavyo vimetoa msamaha kwenye Jumuiya ya Afrika Mashariki kwenye madawa na vifaa vya madawa, mbolea na vitu vinavyozalishwa na nchi wanachama wa Jumuiya ya Afrika Mashariki ili kuendana na sera ambapo hapo awali ilikuwa haijajionyesha kwenye Sheria.

Sehemu ya Kumi na Mbili ya Muswada inapendekeza kurekebisha Sheria ya Mamlaka ya Mapato Tanzania, Sura ya 399. Kwa ujumla, lengo kuu la mapendekezo hayo ni kuiwezesha Mamlaka ya Mapato Tanzania kukusanya kodi za majengo na mapato yasiyo ya kodi kwa madhumuni ya usimamizi bora wa mapato yasiyotokana na kodi. Kwa hali hiyo, Ibara ya 50 ya Muswada inapendekeza marekebisha kwenye kifungu cha 5(1) cha Sheria kwa madhumuni ya kuiwezesha Mamlaka ya Mapato Tanzania kusimamia na kukusanya tozo, ada, ushuru, kodi za majengo na kodi nyingine yoyote au mapato yanayolipwa au yanayokusanywa na Wizara, mamlaka za serikali za mitaa au idara au divisheni ya Serikali.

Aidha, kwa madhumuni hayo, Jedwali la Kwanza la Sheria ya Mamlaka ya Mapato Tanzania linapendekezwa kurekebisha kwa lengo la kuongeza Sehemu B inayoainisha orodha ya sheria zisizo za kodi ambazo Mamlaka itakuwa na nguvu ya kisheria ya kutathmini, kukusanya na kuwajibika kuhusiana na mapato yatokanayo na utekelezaji wa sheria hizo.

Usimamizi wa Kodi, Sura ya 438. Marekebisha haya yana lengo la kuwezesha ukusanyaji wa taarifa za kikodi zinazohusu makandarasi kwenye sekta za uziduaji madini na mafuta pamoja na sekta ya ujenzi, kuiwezesha mamlaka kutoza kodi sahihi zitokanazo na mikataba ya pango, kuzuia ucheleweshaji wa ulipaji kodi kwa kumwekea Waziri ukomo wa kisheria wa kusamehe riba ya kodi inayotokana na walipakodi kuchelewa kulipa kodi na mwisho kuboresha masharti yote yanayohusu makosa na adhabu ili yaendane na wakati na kuimarisha mwitikio wa ulipaji kodi.

Sehemu ya Kumi na Nne ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Majengo ya Mamlaka za Miji, Sura ya 289. Kwa ujumla, lengo kuu la mapendekezo hayo ni kuiwezesha Mamlaka ya Mapato Tanzania kukusanya mapato yatokanayo na kodi za majengo kwa niaba ya mamlaka za serikali za mitaa na pia kujenga mazingira rafiki ya kutoza na kukusanya mapato zaidi yatokanayo na kodi za majengo. Aidha, marekebisho yanayopendekezwa yana lengo la kuiwezesha Mamlaka ya Mapato Tanzania kuthamini, kutathmini, kukusanya na kuwajibika kutokana na mapato yatokanayo na kodi za majengo katika namna ile ile kama inavyofanyika kwenye sheria nyingine za kodi. Hatua hii itapanua eneo la kodi na kuongeza makusanyo ya kodi za majengo kwa faida ya mamlaka za serikali za mitaa.

Sehemu ya Kumi na Tano ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Ongezeko la Thamani, Sura ya 148. Mapendekezo ya marekebisho haya yana lengo la kusahihisha makosa ya kiuandishi, kutambua mikataba iliyofungwa kati ya Serikali na wadau mbalimbali, kuondoa msamaha wa kodi ya Ongezeko la Thamani kwenye huduma za utalii na kuanza kutoza kodi ya ongezeko la thamani kwenye huduma za kifedha ambazo hutozwa ada ili kuwezesha taasisi za kifedha kujirudishia kodi ya VAT kwenye manunuzi.

Sehemu ya Kumi na Sita inapendekeza kurekebisha Sheria ya Elimu na Mafunzo ya Ufundi Stadi, Sura ya 82 ili kupunguza tozo ya kuendeleza ufundi stadi kutoka kiwango cha sasa cha asilimia 4 hadi asilimia 4.

Sehemu ya Kumi na Saba inapendekeza kurekebisha Sheria ya Leseni ya Biashara, Sura ya 208 ili kutoa adhabu kwa wafanyabiashara walioshindwa kutii sheria za kodi zinazowataka kutumia mashine za kielektroniki za utoaji risiti. Marekebisho yanapendekeza kuwafungia leseni za biashara wale wote wanaoshindwa kutumia mashine hizo katika biashara zao kwa mujibu wa sheria za kodi.

Dodoma,
26 Mei, 2016

PHILIP I. MPANGO
Waziri wa Fedha na Mipango