

THE UNITED REPUBLIC OF TANZANIA

***SPECIAL BILL SUPPLEMENT***

***No. 5***

***10<sup>th</sup> June, 2014***

*to the Gazette of the United Republic of Tanzania No. 24 Vol. 95 dated 13<sup>th</sup> June, 2014*

Printed by the Government Printer, Dar es Salaam by Order of Government

---

THE FINANCE ACT, 2014

ARRANGEMENT OF PARTS

<i>Part</i>	<i>Title</i>
PART I	PRELIMINARY PROVISIONS
PART II	AMENDMENT OF THE BUSINESS LICENSING ACT, [NO. 25 OF 1972]
PART III	AMENDMENT OF THE CUSTOMS (MANAGEMENT AND TARIFFS) ACT, (CAP.403)
PART IV	AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFFS) ACT, (CAP.147)
PART V	AMENDMENT OF THE EXECUTIVE AGENCIES ACT, (CAP.245)
PART VI	AMENDMENT OF THE EXPORT TAX ACT, (CAP.196)
PART VII	AMENDMENT OF THE INCOME TAX ACT, (CAP.332)
PART VIII	AMENDMENT OF THE PUBLIC FINANCE ACT, (CAP.348)

- PART IX AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,  
(CAP.220)
- PART X AMENDMENT OF THE TANZANIA INVESTMENT ACT,  
(CAP.38)
- PART XI AMENDMENT OF THE TREASURY REGISTRAR  
(POWERS AND FUNCTIONS) ACT, (CAP.370)
- PART XII AMENDMENT OF THE VOCATIONAL EDUCATION AND  
TRAINING ACT, (CAP.82)

**NOTICE**

This Bill to be submitted to the National Assembly is published for general information to the public together with a statement of its objects and reasons.

Dar es Salaam,  
10<sup>th</sup> June, 2014

OMBENI Y. SEFUE  
*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, 2014.
- Commence-  
ment                            **2.** This Act shall come into operation on the 1<sup>st</sup> day of July, 2014.

PART II  
AMENDMENT OF THE BUSINESS LICENSING ACT,  
[No 25 of 1972]

- Construction  
Act No. 25  
of 1972                        **3.** This Part shall be read as one with the Business Licensing Act, hereinafter referred to as the “principal Act”.
- Amendment of  
section 2                      **4.** The principal Act is amended in section 2 by inserting the following definition in its alphabetical order-  
““subsidiary licence” means a licence for the same

kind of business carried on by the same entity at any other place other than the principal place of business”.

Amendment of section 3

**5.** The principal Act is amended in section 3 by deleting subsection (4) and substituting for it the following-  
“(4) Every business licence granted under this Act shall expire on the 30<sup>th</sup> day of June of each year”.

Amendment of section 8

**6.** The principal Act is amended in section 8 by deleting subsection (1) and substituting for it the following-  
“(1) The fees structure payable as business licence under this Act shall be as specified in the First Schedule to this Act”.

Amendment of the First Schedule

**7.** The principal Act is amended by deleting the First Schedule and substituting for it the following-

S/N	COLLUMN I	COLLUMN II	PRINCIPAL	SUBSIDIARY
	BUSINESS CATEGORY	DESCRIPTION OF THE BUSINESS	FEE FOR PRINCIPAL LICENCE	FEE FOR SUB-LICENCE FINANCE
1	Agency Business	1. Commision Agent	300,000/=	200,000/=
		2. Travel agent	200,000/=	200,000/=
		3. Air Charter Agent		
		(i ) Local	300,000/=	200,000/=
		(ii ) Foreign owned	3000 USD	1500 USD
		4. Shipping agent	1,000,000/=	400,000/=
		5. Foreign owned	10,000 USD	6000 USD
		6. Any other agent		
		Local	200,000/=	200,000/=
Foreign owned	2000 USD	1,000 USD		
2	Broker Business	1. Insurance Broker		
		Local	200,000/=	200,000/=
		Foreign owned	3000 USD	1500 USD
		2. Stock exchange broker		
		Local		
		Foreign owned	3000 USD	1500 USD
		3. Shipping broker		
		Local	1,000,000/=	600,000
		Foreign owned	5000 USD	3000 USD

*Finance*

		4. Trade broker	400,000	200,000/=
		5. Court broker	400000/=	200000/=
		Municipality	300000/=	100000/=
		Town/District	200000/=	100000/=
		Any other place	200000/=	200000/=
3	Banking	1. Banking Service		
		Locally owned	1,000,000/=	600,000/=
		Foreign owned	5,000 USD	3,200 USD
		2. Bureau De Change		
		Local owned	600,000/=	400,000/=
		Foreign owned	3,000 USD	1,000 USD
		Co-operative banks	200,000/=	100,000/=
4	Financial Institutions & Capital Markets	1. Capital Markets & Stock Exchange	500,000/=	300,000/=
		2. Social security provider	1,000,000/=	600,000/=
		3. Mortgage & Hire Purchase [other than those operating under micro enterprise schemes/programmes]	600,000/=	400,000/=
		4. Mortgage & hire purchase for micro enterprise scheme/programme	100,000/=	50,000/=
		5. Credit Card Management	400,000/=	300,000/=
		6. Micro financing investments local	600,000/=	400,000/=
5	Clearing & Forwarding	1. Clearing & forwarding local	400,000/=	200,000/=
		2. Freight forwarding		
		Local	300,000/=	200,000/=
		Foreign owned	2,000 USD	1,000 USD
		3. Warehousing	300,000/= New	150,000/= New
6	Cargo Valuation and Superintendence	1. Pre-shipment inspection		
		Local	300,000/=	200,000/=
		Foreign [owned]	3000 USD	2000 USD
		2. Cargo valuation or cargo survey		
		Local	400,000/=	400,000/=
		Foreign owned	3000 USD	15000 USD
		3. Cargo sourcing local	300,000/=	200,000/=

*Finance*

		4.Cargo superintendence		
		Local	400,000/=	400,000/=
		Foreign owned	3000 USD	1500 USD
		5.Cargo handling		
		Local	1,000,000/=	800,000/=
		Foreign owned	5000 USD	3000 USD
7	Shipping Business	1. Harbours/airport management		
		Local	1,000,000/=	800,000/=
		Foreign [owned]	4,000/= USD	2,000 USD
		2. Miscellaneous port services	200,000/= New	150,000/=
		3.Ship Chandelling	200,000/=	100,000/=
		4 Maritime transportation	600,000/= New	300,000/=
		5.Shipping protective or ship charter	800,000/=	600,000/=
		6.Stevedoring lighter rage		
		Bagging	300,000/= For Dar es Salaam Port	200,000/=
		Services	200,000/= New	100,000/= New
			For Tanga, Mtwara, Lindi, Mafia, Lake Victoria	
8	Insurance	1.General insurance and assurance		
		Local	1,000,000/=	800,000/=
		Foreign owned	10,000 USD	4,000/=
		2 Underwriting and loss assessment		
		Local	600,000/=	300,000/=
		Foreign owned	3,000/=	1500USD
		3. Re-Assurance & endowment		
		Local	800,000/=	400,000/=
		Foreign owned	10,000/=	400 USD
9	Manufactures Representative	1. Representative franchise holder	500,000/=New	200,000/=New
		2. Sole Distributor or supplier	400,000/=	200,000/=
10	Estate	1. Real estate		
		Local	600,000/=	400,000/=

*Finance*

		Foreign owned	2000 USD	1,000 USD
		2. Property management		
		Local	500,000/=	300,000/=
		Foreign owned	3,000 USD New	1500 USD
		3. Estate Agent		
		Local	400,000/=	300,000/=
		Foreign owned	1,000 USD	1000 USD
		4. Property development		
		Local	400,000/=	200,000/=
		Foreign owned	2,000 USD	1,000 USD
11	Commercial Traveler	Local	400,000/=	400,000/=
12	Postal Services	1. Postal Services		
		[a]Head quarters	300,000/=	200,000/=
		[b]Municipal/HQS	2,000,000/=	100,000/=
		[c]Town/District	100,000/=	50,000/=
		[d]H/Quarters		
		[e] Rural	NIL	
		2. Courier services or mailing agent		
		Local	400,000/=	400,000/=
		Foreign owned	3,000 USD	1,500 USD
		3. Expedited mail service		
		Local	400,000/=	400,000/=
		Foreign owned	2,000 USD	1,000 USD
13	Electricity Power and Energy Supply	1.Urban Water Supply		
		Local	200,000/=	200,000/=
		2. Electricity production and or distribution		
		Local	1,000,000/=	600,000/=
		Foreign owned	5,000 USD	2,000 USD
		3. Refining of crude oil		
		Local	600,000/=	400,000/=

*Finance*

		4. Supply of marine and aviation fuel		
		Local	500,000/=	400,000/=
		Foreign owned	3,000 USD	1500 USD
		5. Production and Distribution of gas Products local	500,000/=	300,000/=
14	Telecommunication Business	1. Internet Services provider		
		Local	600,000/=	400,000/=
		Foreign owned	3000 USD	1500 USD
		2. Internet services provider agent	400,000/=	200,000/=
		3. Internet Surfing/café	200,000	100,000/=
		4. Attended telephone officers	200,000	100,000/=
		5. Telecommunication services including fax email & phones	300,000	200000/=
		6. Selling accessories	300,000/=	200,000/=
		7. Cellular telephone operators; Local	600,000	400000/=
		Foreign owned	5,000 USD	2,000USD
		8. Payphone operators	400,000/=	200,000/=
		9. 1-8 above (if operated in rural districts and villages)	25% of the respective fee	25% of the respective fee
15	Passengers and goods transportation	By Railways		
		1. Local	500,000/=	80,000/=
		2. Foreign owned	5,000USD	2,000 USD
		By Air		
		Local	400,000/=	200,000/=
		Foreign	2000 USD	1,500USD
16	Electronic Media	1. Radio and Television	400,000/=	300,000/=
		2. Broadcasting television provider	400000/=	250,000/=
		3. Radio/television Transmission station	300,000/=	200,000/=



*Finance*

17	Processing and Manufacturing of goods and Selling	1. Small scale industry	50,000/=	20,000/=
		2. Medium scale industry	400,000/=	400,000/=
		3. Large scale industry	600,000/=	600,000/=
18	Hunting	Local	1000USD	1000USD
		Foreign owned	3000USD	3000USD
		2. Professional hunters		
		local	1000 USD	1000 USD
		Foreign owned	3000USD	3000USD
19	Lotteries, Games and Amusement	1. Casino		
		(a) City of DSM	40,000USD	40,000USD
		(b) other towns	15,000USD	15,000USD
		2. Slot machines per station		
		Local	300,000/=	150,000
		Foreign owned	1,000USD	800USD
		3. Night clubs	500,000/=	200,000/=
20	Tourists Businesses	1. Tourist hotels	150,000/=	150,000/=
			plus2000	plus2000
			per bedroom	per bedroom
		2 lodge	150,000/=	150,000/=
		3 camp	100,000/= plus	100,000/= plus
			3,000 per hut/cottage	3,000 per hut/cottage
		4 tourist operator		
		local	200,000/=	200,000/=
21	Non Tourists Business Hotel	1. With liquor licence	100,000/=	100,000/=
			plus 1500/= per bedroom	plus 1500/= per bedroom

*Finance*

		2. Without liquor licence	80,000/=	80,000/=
			plus 2000/=	plus 2000/=
			per bedroom	per bedroom
		3. Lodgoing houses	100,000/=	100,000/=
			plus shs 2000	plus shs 2000
			per bedroom	per bedroom
		4. Catering services		
		Take away	100,000	50,000/=
		Mobile catering	100,000	50,000/=
22	Exportation	1. cattle	300,000/=	200,000/=
		2. other livestock	250,000/=	150,000/=
		3. Raw material	300,000/=	200,000/=
		4. Agriculture goods	100,000/=	80,000/=
		5. Finished goods and other commodities	100,000/=	80,000/=
		6. Transit trade local	300,000/=	100,000/=
23	Importation	Merchandizing	400,000/=	200,000/=
24	Dealership/franchise	1. Motor vehicle	400,000/=	200,000/=
		2. Motor vehicle assembling	500,000/=	200,000/=
		3. Dealers of broadcasting apparatus	400,000/=	300,000/=
		4. Dealers in arms and ammunition	1,000,000/=	200,000/=
		5. Dealers in explosive for mining purposes		
		Local	1,000,000/=	500,000/=
		Foreign owned	5,000USD	3,000USD
25	Regional Trading Companies	City/ Municipal town	100,000/=	100,000/=
		district	50,000/=	50,000/=
26	Cooperative Societies		40,000/=	20,000/=
27	Building	1. Building society	100,000/=	100,000/=

*Finance*

	Contractors			
		2. Contractor Class i	1,000,000/=	800,000/=
		3. Contractor Class ii	800,000/=	750,000/=
		4. Contractor Class iii	700,0000/=	700,0000/=
		5. Contractor Class iv	650,000/=	650,000/=
		6. Constructor Class v	500,0000/=	500,0000/=
		7. Control class vi	400,000/=	400,000/=
		8. Contractors Class viii	300,000/=	200,000/=
		All Foreign - owned	20,000USD	10,000USD
28	Specified Profession	1 Business consultancy		
		Local	200,000/=	200,000/=
		Foreign owned	2,000USD	1000USD
		2 Lawyer		
		Local	300,000	200,000/=
		Foreign owned	5,000USD	2,500 USD
		3 Tax practitioner		
		Local	300,000/=	200,000/=
		Foreign owned	3,000 USD	1,500 USD
		4 Quantity surveyor		
		Local	300,000/=	200,000/=
		Foreign owned	3,000 USD	1,500 USD
		5 Engineers		
		Local	300,000/=	200,000/=
		Foreign owned	3,000 USD	1,500 USD
		6 Auditor / Accountant		
		Local	300,000=	200,000/=
		Foreign Owned	3,000 USD	1,500 USD
		7 Medical Practitioner		
		Local	150,000/=	150,000/=
		Foreign	1,000 USD	1,000 USD
		8.Any other consultancy		
		Local	200,000/=	100,000/=
		Foreign owned	3,000 USD	2,000 USD

*Finance*

		9. If employees of government, parastatal organization	NIL	NIL
		Religious owned, institution or Private companies		
29	General Trading	1 Caring on dispensary, health centre and laboratory		
		Clinic	80,000/=	50,000/=
		2 Hospital	150,000/=	100,000/=
		3 Selling medicines retail		
		(a) Part i poison shop	200,000/=	100,000/=
		(b) Part ii poison shop	100,000/=	80,000/=
		4 Hardware and building materials retail		
		(a) City / Municipal	200,000/=	150,000/=
		(b) District	150,000/=	100,000/=
		(c) Minor settlement and village	60,000/=	50,000/=
		5 Workshop & Garages		
		(a) City / Municipal	150,000/=	100,000/=
		(b) District	120,000/=	100,000/=
		(c) Minor settlement and village	100,000/=	100,000/=
		6 Bakeries		
		(a) City / Municipal	100,000/=	50,000/=
		(b) District	80,000/=	30,000/=
		(c) Minor settlement and village	30,000/=	30,000/=
		7 Timber and furniture retail		
		(a) City / Municipal	200,000/=	100,000/=
		(b) District / town	100,000/=	50,000/=
		8 Bookstore and stationery retail		
		(a) City / Municipal	100,000/=	80,000/=
		(b) District / town	80,000/=	50,000/=
		(c) Minor settlement and village	20,000/=	20,000/=

	9 Textile and garments retail		
	(a) City / Municipal	150,000/=	100,000/=
	(b) District / town	100,000/=	50,000/=
	(c) Minor settlement and village	50,000/=	50,000/=
	10 Silver and gold smith / dealer		
	(a) City / Municipal	300,000/=	200,000/=
	(b) District / town	250,000/=	200,000/=
	(c) Minor settlement and village	100,000/=	80,000/=
	11 Flour / oil milling		
	(a) City / Municipal	50,000/=	50,000/=
	(b) District / town	30,000/=	20,000/=
	(c) Minor settlement and village	20,000/=	15,000/=
	12 Livestock trading		
	(a) City / Municipal	150,000/=	100,000/=
	(b) District / town	80,000/=	40,000/=
	(c) Minor settlement and village	25,000/=	10,000/=
	13 Butchers		
	(a) City / Municipal	80,000/=	50,000/=
	(b) District / town	60,000/=	40,000/=
	(c) Minor settlement and village	10,000/=	10,000/=
	14 Printing and publishing of books and newspaper		
	(a) City / Municipal	400,000/=	250,000/=
	(b) District	250,000/=	200,000/=
	(c) Minor settlement and village	100,000/=	80,000/=
	15 Petrol and filling stations		
	(a) City / Municipal	200,000/=	200,000/=
	(b) District	150,000/=	100,000/=
	(c) Minor settlement and village	100,000/=	50,000/=
	16 Kiosks / Groceries		
	(a) City / Municipal	60,000/=	40,000/=
	(b) District	40,000/=	20,000/=

*Finance*

	(c) Minor settlement and village	10,000/=	5,000/=
	17 Hair Saloon / barber shop		
	(a) City / Municipal	40,000/=	20,000/=
	(b) District	20,000/=	10,000/=
	(c) Minor settlement and village	5,000/=	5,000/=
	18 Beauty clinics machinery tools		
	(a) City / Municipal	40,000/=	20,000/=
	(b) District	30,000/=	15,000/=
	(c) Minor settlement and village	10,000/=	5,000/=
	19 Machinery tools		
	(a) City / Municipal	300,000/=	200,000/=
	(b) District	200,000/=	80,000/=
	(c) Minor settlement and village	80,000/=	50,000/=
	20 Motor oils and lubricants		
	(a) City / Municipal	120,000/=	100,000/=
	(b) District	100,000/=	80,000/=
	(c) Minor settlement and village	50,000/=	50,000/=
	21 Selling of fish		
	(a) City / Municipal	40,000/=	30,000/=
	(b) District	30,000/=	10,000/=
	(c) Minor settlement and village	10,000/=	10,000/=
	22 Tea Room		
	(a) City / Municipal	50,000/=	40,000/=
	(b) District	25,000/=	15,000/=
	(c) Minor settlement and village	5,000/=	5,000/=
	23 Second based clothes (mitumba) dealers		
	(a) Wholesale	300,000/=	200,000/=
	(b) Sub-wholesale	200,000/=	100,000/=
	Retail		
	1 City / Municipal	50,000/=	30,000/=
	2 Polity	30,000/=	20,000/=
	3 District	15,000/=	10,000/=

*Finance*

		4 Minor settlement and village	5,000/=	0
30	Auctioneers		150,000/=	150,000/=
31	Selling spare parts	1 Motor vehicle		
		(a) City / Municipal	300,000/=	200,000/=
		(b) District	250,000/=	150,000/=
		(c) Minor settlement and village	30,000/=	30,000/=
		2 Motor cycles		
		(a) City / Municipal	120,000/=	100,000/=
		(b) District	80,000/=	50,000/=
		(c) Minor settlement and village	40,000/=	30,000/=
		3 Bicycle		
		(a) City / Municipal	50,000/=	30,000/=
		(b) District	30,000/=	20,000/=
		(c) Minor settlement	10,000/=	10,000/=
		(d)Village	5,000/=	5,000/=
		4 Industrial spare and tools		
		(a) City / Municipal	300,000/=	200,000/=
		(b) District	250,000/=	150,000/=
		(c) Minor settlement and village	100,000/=	50,000/=
		5 Agricultural implements, flour mills, machines spares		
		(a) City / Municipal	150,000/=	100,000/=
		(b) District	60,000/=	30,000/=
		(c)Minor settlement and village	20,000/=	10,000/=
		6 Marine spares and tools		
		(a) City / Municipal	250,000/=	150,000/=
		(b) District	200,000/=	100,000/=
		(c) Minor settlement and village	50,000/=	25,000/=
		7 Domestic appliances retail		
		(a) City / Municipal	200,000/=	150,000/=
		(b) District	100,000/=	50,000/=
		(c) Minor settlement and village	50,000/=	25,000/=

*Finance*

		8 Electrical pause and or household items retail;		
		(a) City / Municipal	150,000/=	100,000/=
		(b) District	100,000/=	50,000/=
		(c) Minor settlement	50,000/=	25,000/=
		(d)Village	10,000/=	10,000/=
32	Electrical Contractors	Local		
		1 class A	500,000/=	300,000/=
		2 class B	300,000/=	200,000/=
		3 class C	200,000/=	100,000/=
		4 class C	100,000/=	50,000/=
		5 All foreign owned	6,000 USD	3,000 USD
33	General Merchandizing	(a) Wholesale	300,000/=	200,000/=
		(b)Sub-wholesale	200,000/=	150,000/=
		(c)Retail shops		
		1 City / Municipal	70,000/=	40,000/=
		2 District	50,000/=	30,000/=
		3 Minor settlement	20,000/=	15,000/=
		4 Village	8,000/=	8,000/=
		(d) Super markets		
		1 City / Municipal	500,000/=	300,000/=
		2 District	200,000/=	150,000/=
		3 Minor settlement	100,000/=	100,000/=
		4 Village	5,000/=	75,000/=
		(e)Departmental stores		
		1 City / Municipal	400,000/=	300,000/=
		2 District	200,000/=	200,000/=
34	Endorsement on Transfer	City, Municipal, District, minor settlement and villages	10,000/=	10,000/=
	licences			
35	Duplicate licence for lost one	City, Municipal, District, minor settlement and villages	20,000/=	10,000/=



36	Any other business not of national or international nature	City / Municipality	80,000/=	60,000/=
		At District headquarter	50,000/=	40,000/=
		In Minor settlement	15,000/=	15,000/=
		At village	5,000/=	5,000/=
37	Any other business	Local (Tanzania)	200,000/=	100,000/=
	national or international nature	Foreign owned	2,000 USD	1,000 USD

**PART III  
AMENDMENT OF THE CUSTOMS (MANAGEMENT AND  
TARIFFS) ACT,  
(CAP.403)**

Constructi-  
on  
Cap.403

**8.** This Part shall be read as one with the Customs (Management and Tariffs) Act, hereinafter referred to as the principal Act.

Amendment  
of section  
194

**9.** The principal Act is amended in section 194(4) by deleting the word “telecommunication” appearing in paragraph (b).

Amendme-  
nt of the  
Fourth  
Schedule

by-

**10.** The principal Act is amended in the Fourth Schedule

(a) deleting item 10; and  
(b) renumbering items 11 and 12 as items 10 and 11.

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

Construction  
Cap 147

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

Amendme-  
nt  
of section 8

**12.** Section 8 of the principal Act is amended by-

- (a) deleting subsection ( 2) and substituting for it the following-

“(2) Any person who contravenes this section commits an offence and shall be liable to imprisonment for a term of not less than three years or to a fine of not less than five million shillings, or to both, for the first time offender.”; and

- (b) inserting subsection (3) immediately after subsection (2) as follows-

“(3) For the purpose of subsection (2), a subsequent offender shall be liable to imprisonment for a term of not less than five years or to a fine of not less than ten million shillings, or to both.”.

Repeal and substitution of section 9

- 13.** The principal Act is amended by repealing section 9 and substituting for it the following new section-

“Licensing Authority

**9.** For the purpose of this Act, the Licensing Authority shall be such authority as may be designated for that purpose by a resolution of the National Assembly:

Provided that until any such authority is designated, the Tanzania Revenue Authority shall be deemed to be the Licensing Authority.”.

Amendment of section 10

- 14.** The principal Act is amended in section 10 by-

- (a) deleting the words “ without assigning any reason” appearing in subsection (1); and

- (b) adding immediately after subsection (3) a new subsection (3A) as follows-

“(3A) Notwithstanding the provisions of section 9, the application and issuance of licence with respect to films and music products shall be made and issued with the respective Licencing Authority.”.

Repeal and substitution of section 122

- 15.** The principal Act is amended by repealing section 122 and substituting for it the following-

“Regulations

**122.** The Minister may after consultation with the Tanzania Revenue Authority make regulations generally for the better carrying out of the provisions of this Act and for the conduct of any business relating to the excise duty and without prejudice to this generality with respect to regulating the manufacturing and distribution of films and music products.”.

Amendment  
of section  
124

**16.** The principal Act is amended in section 124-

- (a) in subsection (1), by deleting the words “Second”, “Third” and “Fourth” and substituting for them the words “Third”, “Fourth” and “Fifth” respectively;
- (b) by deleting subsections (5A), (5B), (5C) and (5D) and substituting for them the following provisions-

“(5A) There shall be charged in addition to any other rates imposed under the law, a duty at a rate of 25% in respect of the imported vehicle aged more than eight years from the year of its manufacture excluding bus under HS Code 8702.10.22, 8702.10.29, 8702.10.99, 8702.90.29, 8702.90.99.

(5B) There shall be charged in addition to any other rates imposed under the law, a duty at a rate of 10% in respect of the imported bus under HS Code 8702.10.22, 8702.10.29, 8702.10.99, 8702.90.29, 8702.90.99 aged more than five years from the year of its manufacture.

(5C) There shall be charged an excise duty at the rate of 25% on imported used tyres, spare parts for motor vehicles, motorcycles and bicycles, used domestic appliances including refrigerators, washing machines, electric cookers, microwave ovens, vacuum cleaners, electric fence, air conditioners, electric radiators and all other related products, electric appliances including TVs, PCs, monitors, laptops, cartridges, printers, photocopiers,

mobile phones and all other related products.

(5D) The excise duty charged under subsection (5C) shall apply to the importation with CIF Value USD 5000 and above.”.

(c) by deleting subsection (6A) and substituting for it the following new subsection-

“(6A) There shall be charged an excise duty at the rate of 10% on charges or service fees payable to financial institutions and telecommunication service provider on money transfer service.”; and

(d) by deleting subsection (6B).

Amendment  
of section  
125

**17.** The principal Act is amended by deleting section 125(1)(f) and substituting for it the following -

“(f) charges or service fees by financial institutions and telecommunication service provider on on money transfer service.”.

Amendment  
of section  
127

**18.** The principal Act is amended in section 127 by adding immediately after subsection (2) the following new subsection (2A)-

“(2A) Notwithstanding the provisions of subsection (2), the Minister shall not remit any excise duty payable by any person on imported or purchased fuel except for fuel for use in projects funded by the Development Partners under agreement with the Government.”.

Repeal and  
substitution  
of section  
137

**19.** The principal Act is amended by repealing section 137 and substituting for it the following-

“Information and  
documents

**137.**-(1) Every manufacturer of the scheduled article or excisable service shall, within twenty one days –

(a) of commencing manufacturing of the scheduled article or producing excisable service; or

(b) of an article manufactured or excisable service produced by him becoming liable to duty,

whichever is the earliest, submit to the

Commissioner a return giving details of the manufacture of the scheduled article or excisable service produced by him , its price and all other particulars as may be prescribed.

(2) Where a manufacture of the scheduled article or producer of excisable service has submitted a return under subsection (1) and any change occurs in any of the facts the particulars of which have been given in the return the manufacture or producer shall, within fifteen days following the change, notify the Commissioner in writing of the change.

(3) Every manufacturer of a scheduled article or producer of excisable service shall submit to the Commissioner a monthly return giving particulars of -

- (a) the quantity or the number of scheduled articles sold by him during one month; and
- (b) any other matters as may be prescribed.

(4) Every return required by subsection (3) shall be submitted not later than the last working day of the month following the month to which the return relates:

Provided that the Commissioner may where he is satisfied that it is reasonable so to do, permit, the manufacturer or producer to submit his return in respect of any month to which the return relates.

(5) Any person who fails to submit a return within the time allowed under this Act, shall pay a penalty of one hundred thousand shillings or one percentum of the tax payable in respect of the period covered by the return, whichever is greater and a further two hundred thousand shillings or

two percentum of the tax payable in respect of the period covered by the return, whichever is greater shall be payable for each month or part of a month thereafter.”.

Amendment  
of section  
138

**20.** The principal Act is amended by repealing section 138 and substituting for it the following -

“Manufacturer to keep records

**138.** Every manufacturer of a scheduled article or provider of excisable service shall keep records relating to manufactured scheduled articles or excisable service produced and sold by him as may be prescribed, or as the Commissioner may direct.”.

Amendment  
of section  
142

**21.** The principal Act is amended in section 142 by inserting at the chapeau the words “or excisable service” between the words “article” and “but”.

Amendment  
of section  
149

**22.** The principal Act is amended in section 149 by-

- (a) deleting the words “in the Sales Tax Regulations and” appearing in subsection (1) of that section; and
- (b) deleting the words “as prescribed in the Sales Tax Regulations” appearing in subsection (2) of that section.

Repeal of  
section 150

**23.** The principal Act is amended by repealing section 150.

Amendment  
of section  
151

**24.** The principal Act is amended in section 151 by-

- (a) deleting the words “ sections 147 and” appearing in the chapeau and substituting for them the word “section”;
- (b) deleting the figure “147” appearing in the definition of the word “registered dealer” and substituting for it the figure “148”; and
- (c) deleting the words “section 147 of this Act and regulation 8 of the Sales Tax Regulations” and substituting for them the words “section 148 of this Act”.

Amendment  
of the  
Fourth  
Schedule

**25.** The Fourth Schedule to the principal Act is amended by deleting the rates of excise duty specified in the Fifth Column which are currently imposed on items specified in the Third Column and substituting for them the rates specified in the Sixth Column as follows:

—————  
**FOURTH SCHEDULE**  
—————

Made under section 124(1)  
—————

FOURTH SCHEDULE TO THE EXCISE (MANAGEMENT AND TARIFFS) ACT, CAP 147

HEADING	HS CODE	DESCRIPTION	UNIT	<i>NEW EXCISE RATES</i>
20.09		Locally produced fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	<i>l</i>	<i>Tshs. per 10 Litre</i>
	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 vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	<i>l</i>	<i>Tshs. 121 per Litre</i>

*Finance*

22.02		Water, 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 No.20.09		
	2202.10.00	-Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured.	<i>l</i>	Tshs. 100.00per Litre
	2202.90.00	---Other	<i>l</i>	Tshs.100.00 per Litre
22.03		<i>Beer made from malt</i>		
	2203.00.10	---Stout and porter	<i>l</i>	Tshs 635.00 per Litre
	2203.00.90	---Other		Tshs 635.00 per Litre
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading No.20.09		
		--Sparkling wine		
	2204.10.10	--- With the domestic grapes content exceeding 75%	<i>l</i>	Tshs. 176.00 per litre
	2204.10.90	--Other	<i>l</i>	Tshs. 1,952.00 per Litre
		--Other wine; grape must with fermentation prevented or arrested by the addition of alcohol.	<i>l</i>	Tshs 1,952.00 per Litre
	2204.21.10	---With the domestic grapes content exceeding 75%	<i>l</i>	Tshs 176.00 per
	2204.21.90	---Other	<i>l</i>	Tshs 1952.00 per



*Finance*

				Litre
	2204.29.90	---Other	<i>l</i>	Tshs 1952.00 per Litre
		--Other grape must		
	2204.30.10	--With the domestic grapes content exceeding 75%	<i>l</i>	Tshs per 176.00 Litre
	2204.30.90	--Other		Tshs 1,952.00 per Litre
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.		
		--In containers holding 21 or less		
	2205.10.10	---With the domestic grapes content exceeding 75%	<i>l</i>	Tshs 176.00 per Litre
	2205.10.90	---Other	<i>l</i>	Tshs. 1,952.00 per Litre
		--Other		
	2205.90.10	---With the domestic grapes content exceeding 75%	<i>l</i>	Tshs 176.00 per Litre
	2205.90.90	---Other	<i>l</i>	Tshs 1,952.00 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	<i>l</i>	Tshs. 1,952.00 per Litre
	2206.00.90	---Other	<i>l</i>	Tshs. 1,952.00 per Litre
	2206.00.30	---Beer made from 100% local unmalted cereals	<i>l</i>	Tshs. 375.00 per Litre
22.08		Undenatured ethyl alcohol of an alcoholic		

*Finance*

		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	<i>l</i>	Tshs. 2,894.00 per Litre
	2208.30.00	-Whiskies	<i>l</i>	Tshs. 2,894.00 per Litre
	2208.40.00	-Rum and other spirits obtained by distilling fermented sugar-cane products	<i>l</i>	Tshs. 2,894.00 per Litre
	2208.50.00	-Gin and Geneva	<i>l</i>	Tshs 2,894.00 per Litre
	2208.60.00	-Vodka	<i>l</i>	Tshs 2,894.00 per Litre
	2208.70.00	-Liqueurs and cordials	<i>l</i>	Tshs 2,894.00 per Litre
		-Other		
	2008.90.10	---Distilled Spirits (e.g. Konyagi, Uganda Waragi)	<i>l</i>	Tshs 2,894.00 per Litre
	2208.90.90	---Other	<i>l</i>	Tshs 2,894.00 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 contents exceeding 75%.	mil	Tshs. 11,289.00 per mill
	2402.20.90	---With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 26,689.00 per mill
		---Other	mil	Tshs 48,285.00 per mill
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenized" or "reconstituted"		

*Finance*

		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
27.10		Petroleum oils and oils obtained from bituminous minerals, other than crude; 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; waste oils		
		--Medium oils and preparations:		
	2711.11.00	--Natural Gas	kg	Tshs 0.43 per cubic feet
8523		Discs and tape, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of 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 per unit
		Optical media		
	8423.40.90	---Recorded DVD,VCD,CD		Tshs 48 per unit



**“SCHEDULE**

(Made under Section 3)

<b>Item</b>	<b>Rate</b>
<i>Raw hides and skin</i>	<i>Sixty per centum of the value of the commodity (f.o.b) or Tshs. 600 per kilogramme whichever is greater.</i>

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

**Construction** Cap.332                    **31.** This Part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

**Amendment** of section 3                    **32.** The principal Act is amended in section 3 by inserting in its appropriate alphabetical order the following new definitions:

“director” means -

- (a) in relation to a corporation the affairs of which are managed by a Board of directors or similar body, a member of that board or similar body;
- (b) in relation to a corporation the affairs of which are managed by a single director or similar person, that director or person;
- (c) in relation to a corporation the affairs of which are managed by the members themselves, a member of the body corporate,

and includes any person in accordance with whose directions and instructions such person are required or are accustomed to act;

(1)“corporation” means any company or body corporate established, incorporated or registered under any law in force in the United Republic or elsewhere, an unincorporated association or other body of

persons, a government, a political subdivision of a government, a public authority, public institution, a public international organisation and a unit trust but excludes a partnership.”.

Amendment of section 7

**33.** The principal Act is amended in section 7(2) by adding the following new paragraph immediately after paragraph (g) -

“(h) annual director’s fees.”.

Amendment of section 25

**34.** The principal Act is amended in section 25(5) by deleting paragraph (a) and substituting for it the following-

“(a) in the case of a debt claim of a financial institution, after the debt claim has become a bad debt as determined in accordance with the relevant standards established by the Bank of Tanzania and that such institution has taken all reasonable steps in pursuing payment and the institution reasonably believes that debt claim will not be satisfied; and;”.

Amendment of section 39

**35.** The principal Act is amended in section 39 by adding the following phrase immediately before the semi-colon appearing in paragraph (d)-

“after such institution had taken all reasonable steps in pursuing payment and the institution reasonably believe that the debt claim will not be satisfied.”.

Amendment of section 56

**36.** The principal Act is amended in section 56 by adding a new subsection (5) as follows:

“(5) The entity shall have the duty to report to the commissioner immediately before and after the changes referred to under subsection (1) had occurred.”.

Amendment of section 81

**37.** The principal Act is amended in section 81(1) by deleting the word “paragraph” appearing in third line and substituting for it the words “paragraphs 1 and” immediately after the word “in”.

Amendment of  
the First  
Schedule

**38.** The principal Act is amended in the First Schedule as follows-

(a) in paragraph 1 by-

(i) deleting the table and substituting for it the following table:

TOTAL INCOME	RATE PAYABLE
Where total income does not exceed Shs.2,040,000	NIL
Where total income exceeds Shs.2,040,000/= but does not exceed Shs.4,320,000/=	12% of the amount exceeding 2,040,000/=
Where total income exceeds Shs.4,320,000/= but does not exceed Shs.6,480,000/=	Shs 273,600/= plus 20% of the amount exceeding Shs.4,320,000/=
Where total income exceeds Shs.6,480,000/= but does not exceed Shs.8,640,000/=	Shs.705,600 plus 25% of the amount exceeding Shs.4,320,000/=
Where total income exceeds Shs.8,640,000/=	Shs.1,245,600/= plus 30% of the amount exceeding Shs.8,640,000/=”

(b) in paragraph 2 by deleting the table appearing in subparagraph (3) and substituting the following table:

“TURNOVER	Tax payable where section 80 is not complied with	Tax payable where section 80 is complied with
Where turnover does not exceed Shs.4,000,000/=	NIL	NIL
Where turnover exceeds Shs.4,000,000/= but does not exceed Shs.7,500,000/=	Shs.200,000/=	45 of the turnover in excess of Shs.4,000,000/=
Where turnover exceeds shs.7,500,000/= but does not exceeds Shs.11,500,000/=	Shs.424,000/=	Shs.140,000/= plus 5% of the turnover in excess of Shs.7,500,000/=
Where turnover exceeds Shs.11,500,000/= but does not exceed Shs.16,000,000/=	Shs.728,000/=	Shs.340,000/= plus 6% of the turnover in excess of Shs.11,500,000/=
Where turnover exceeds Shs.16,000,000/= but does not exceed Shs.20,000,000/=	Shs 1,150,000/=	Shs.610,000/= plus 7% of the turnover in excess of Shs.16,000,000/=”

- (c) in paragraph 4(a) by adding immediately after item (ii) the following new item -  
“(iii) in the case of director’s fees referred to in section 7(2)(h) – 15 percent”.
- Amendment of the Second Schedule      **39.** The Second Schedule to the principal Act is amended in paragraph (1) by-
- (a) inserting the following item immediately after item (f)(iv):  
“(v) African Development Bank from sell of bonds and security in the capital market”;
- (b) deleting items (n) and (q); and
- (c) renumbering items (o), (p), (r), (s), (t), (u), (v) and (w) as items (n), (o), (p), (q), (r), (s), (t) and (u) respectively.

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

Construction Cap.348      **40.** This Part shall be read as one with the Mining Act, hereinafter referred to as the “principal Act”.

Amendment of section 11      **41.** The principal Act is amended by repealing subsection (2) to (4) and replacing them with the following provisions-

Cap.245      “(2) For the purpose of subsection (1), every Agency established in accordance with the Executive Agencies Act, public authority or public institution shall submit its budget to the Paymaster General for scrutiny and approval.

(3) The agency, authority or public institutions shall remit its surplus income to the consolidated fund of the United Republic.

(4) The agency, public authority or public institution that fails to remit surplus income, shall be liable to a penalty of five percent of the amount payable under this section.”.



PART IX  
AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,  
(CAP.220)

- Construction  
Cap. 220
- 42.** This Part shall be read as one with the Road and Fuel Tolls Act, hereinafter referred to as the “principal Act”.
- Amendment of  
section 8
- 43.** The principal Act is amended in section 8 by-
- (a) designating its contents as subsection (1);
- (b) adding immediately after subsection (1) as designated the following new subsection:
- “(2) Notwithstanding the provisions of subsection (1), the Minister shall not remit any fuel levy payable by any person on any imported or purchased fuel except for fuel for use in projects funded by the Development Partners under agreement with the Government.”.
- Cap.38

PART X  
AMENDMENT OF THE TANZANIA INVESTMENT ACT, (CAP.38)

- Construction  
Cap. 38
- 44.** This Part shall be read as one with the Tanzania Investment Act, hereinafter referred to as the “principal Act”.
- Amendment of  
section 2
- 45.** The principal Act is amended in section 2(2) by deleting -
- (a) the phrase “three hundred thousand US dollars (US\$ 300,000)” appearing in paragraph (a) and substituting for it the phrase “five hundred thousand US dollars (US\$ 500,000)”; and
- (b) paragraph (b) and substituting for it the following:
- “(b) if locally owned, the minimum investment capital is not less than Tanzanian shillings equivalent to three hundred thousand US dollars (US\$ 300,000).”.
- Amendment of  
section 19
- 46.** The principal Act is amended in section 19(3) by-
- (a) by inserting a comma immediately after the word “beddings” appearing in paragraph (c); and adding

- immediately thereafter the word “cement”;
- (b) adding immediately after paragraph (c) the following new paragraphs-
  - “(d) rehabilitation or expansion;
  - (e) telecommunication.”

Amendment of section 20

- 47.** The principal Act is amended in section 20 by-
- (a) inserting a comma immediately after the word “beddings” and inserting thereafter the word “cement” appearing in subsection (2); and
  - (b) adding immediately after subsection (3), the following new provisions-
    - “(4) Notwithstanding section 2(2), a business shall be regarded as strategic or major investment if -
      - (a) locally owned, the minimum investment capital is not less than Tanzanian shillings equivalent to twenty million US dollars (US\$ 20,000,000); and
      - (b) wholly owned by a foreign investor or is a joint venture, the minimum investment capital is not less than Tanzanian Shillings equivalent to fifty million US dollars (50,000,000).”.

**PART XI**  
**AMENDMENT OF THE TREASURY REGISTRAR**  
**(POWERS AND FUNCTIONS) ACT,**  
**(CAP.370)**

Construction Cap.370

**48.** This Part shall be read as one with the Treasury Registrar (Powers and Functions) Act, hereinafter referred to as the “principal Act”.

Amendment of section 8

**49.** The principal Act is amended in section 8(1) by deleting the words “ten percent of its annual gross revenue” appearing in paragraph (f) and substituting for them the words “surplus income in every financial year”.

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

Construction  
Cap.82

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

Repeal and  
substitution of  
section 19

**51.** The principal Act is amended by repealing section 19 and substituting for it the following-

“Exemption  
from levy

**19.** The provision of section 14 shall not apply to -

- (a) a Government department or a public institution which is wholly financed by the Government;
- (b) Diplomatic Missions;
- (c) the United Nations and its organizations;
- (d) international and other foreign institutions dealing with aid or technical assistance;
- (e) religious institutions whose employees are solely employed to-
  - (i) administer places of worship; or
  - (ii) give religious instructions or generally to administer region;
- (f) charitable organizations; or
- (g) local government authority.”.

---

**OBJECTS AND REASONS**

---

Part II of the Bill proposes to amend the Business Licensing Act, Cap.25 to introduce annual business Licence renewable upon expiration of the year. It is further proposed to introduce annual business licence fee payable at the renewal of the licence. The aim of the proposed changes is to enhance record keeping and revenue yield.

Part III of the Bill proposes to amend the Customs (Management and Tariff) Act, Cap.403. It is proposed to amend section 194(4)(b) of the Act with a view to abolish exemption granted to telecommunication companies.

Part IV of the Bill proposes to amend section 8 of the Excise (Tariff and Management) Act Cap.147 to change fine and sentence on offences under that section from a sentence of not exceeding 3 years and a fine not exceeding ten thousand shillings to a sentence of not less than 3 years or a fine of not less than five million shillings to any person who is found guilty of manufacturing unlicensed excisable goods.

Section 10 of the Bill proposes to amend section 9 to take cognisance of licensing authorities to the Tanzania Revenue Authority. Moreover, the section grants licencing authorities of music and film products to the respective regulatory authorities instead of the Tanzania Revenue Authority.

The proposal under section 12 of the Bill is to amend section 122 of the principal Act to removal powers of the Minister to grant exemption of fuel except for projects funded by Development Partners under agreements.

Section 113 of the Bill amends section 124 of the principal Act whereas sections (5A), (5B), (5C), (6A) and (6B) are deleted and replaced by new sections (5A), (5B), (5C), (5D) and (6A) which propose to impose addition Excise Duty of 25 percent on all motor vehicles aged more than 10 years from the date of manufacturing except for passenger vehicles

(Buses) the exercise duty of which is proposed to be 10 percent if they are aged more than 5 years from the date of manufacturing. The amendments are also proposed to be made to remove excise duty on money transfer so as to enhance and facilitate financial deepening through banks, and mobile telecommunications. Instead the proposal is to impose excise duty on fees and charges on money transfer and other services which are charged by the financial institutions.

Amendments are proposed so as to impose excise duty of 25 percent on importation of used domestic appliances worth \$ 5000 or more. Such appliances include TVs, PCs, monitors, Laptops, washing machines, cookers, fridges, fridgerators etc. The specific rates under the Forth Schedule of the principal Act are proposed to be reviewed in order to reflect the current value for money.

Part V intends to amend The Executive Agencies Act, Cap.245 by requiring the executive agencies to remit their surplus income to the Consolidated Fund with a view to improve non-tax revenue. Further, the agencies will be required to submit to the Paymaster General their business plans including the estimates of income and expenditure for the next ensuing year, for scrutiny and approval in order enhance administration and expenditure tracking for the funds collected.

Part VI intends to amend the Export Tax Act, Cap. 196 by reducing the export tax rate for raw hides and skin from 90 percent or Tanzanian Shillings 900 to 60 percent or Tanzanian Shillings 600 per kilogram. The amendment aims to curb smuggling of raw hides and skin.

Part VII of the Bill proposes to amend sections 3 of the Income Tax Act, Cap.332 by providing for the interpretation of the terms “director” and “corporation”. The intention of this amendment is to facilitate the charging of income tax on the directors fees and to include public authorities and institutions in the tax base.

It is further proposed to amend section 7 of the Act in order to impose income tax on annual director’s fees. The proposed changes are aimed at expanding revenue base. In addition to that it is proposed to amend the First Schedule to the Act to reduce threshold for employment income tax.

Also the Second Schedule to the Act is proposed to be amended in order to remove tax exemption on income derived from gaming and rental charges on aircraft lease paid to a non-resident.

Part VIII intends to amend the Public Finance Act, Cap.345 by requiring the Public Authorities Agencies and public institutions to remit to the consolidated fund their surplus income with a view to increase non tax revenue.

Part IX propose to amend section 8 of the Road and Full Tolls Act, Cap.220 by limiting Ministries powers in granting fuel levy exemption for fuel to be used on the Donor Funded Projects.

Part X of the Bill proposes to amend the Tanzania Investment Act, Cap.38 by increasing the minimum investment Capital for investors from US Dollars three hundred thousand (US\$ 500,000) for a foreign investor, and from US Dollars one hundred thousand (US \$ 100,000) to US Dollars three hundred thousand (US\$ 300,000) for local investors.

Further, it is proposed to amend section 20 in order to insert a new subsection (4) which provides for the minimum investment capital for strategic investors. The proposed amount is US Dollars twenty millions (US\$20,000,000) for local investors and US Dollars fifty millions (50,000,000) for foreign investors.

It is also proposed to amend section 19(3) with a view to remove the cement from the list of items which are considered as deemed capital goods and therefore eligible for tax exemptions under the Tanzania Investment Centre. This amendment aims at encouraging cement production and protecting local cement industries against the imported cement.

Furthermore, it is proposed to amend section 19 by abolishing tax exemptions granted to telecommunication companies, and relieve the Minister responsible for Finance's powers to grant tax exemption for investors rehabilitation and expansion projects. The amendment is aimed at curbing the abuse of tax exemption.

Part XI proposes to amend the Treasury Registrar (Powers and Functions) Act, Cap.370 by requiring the public institutions, agencies and public authorities to remit to the consolidated fund their surplus income with a view to increase non-tax revenue.

Part XII proposes to amend the Vocational Education and Training Act, Cap.82 with a view to include the institutions entitled to exemption of Skills and development levy as listed under the G.N.No.615 of 1994. Such institutions are Diplomatic Missions, The United Nations and all its organizations, International and other foreign institutions dealing with aid or technical assistance, institutions of religion whose employees are solely, employed to administer places of worship, to provide religious instructions or generally to minister religion, charitable organization and a Local Government Authority. Currently practice grants powers to the Minister to exempt public institutions and departments that depend 100 percent on Government subvention.

---

### **MADHUMUNI NA SABABU**

---

Sehemu ya II inapendekeza kurekebisha Sheria ya Leseni za biashara Sura 25 ili kuweka utaratibu wa kutoa leseni za biashara zinazodumu kwa kipindi cha mwaka mmoja tu na kuongeza muda wa leseni hizo kila mwaka unapoisha.

Aidha inapendekezwa kuweka utaratibu wa kulipa ada ya leseni ya biashara kila mwaka wakati leseni hiyo inapongezwa muda. Marekebisho haya yanalenga kuimarisha kumbukumbu za biashara na kuongeza mapato ya Serikali.

Sehemu ya III ya Muswada huu inapendekeza kufanya marekebisho katika Sheria ya Ushuru wa Forodha, Sura ya 403 kwa kurekebisha kifungu cha 194(4)(b) kwa lengo la kufuta misamaha ya kodi inayotolewa kwa makampuni ya simu.

Sehemu ya IV ya Muswada huu katika kifungu cha 9 kinapendekeza kufanya marekebisho kwenye kifungu cha 8 cha sheria ya Ushuru wa Bidhaa, Sura ya 147 kwa kurekebisha adhabu na kifungu zinazotolewa chini ya makosa yaliyoainishwa chini ya kifungu hicho kutoka kifungu kisichozidi miaka mitatu na faini isiyozidi elfu kumi kwenda kifungu kuanzia miaka mitatu au faini isiyopungua shilingi milioni tano kwa mtu anayetengeneza bidhaa zinazotozwa ushuru bila kuwa na leseni.

Kifungu cha 10 cha Muswada kinapendekeza kufanya marekebisho chini ya kifungu cha 9 cha sheria ya Ushuru wa Bidhaa ili kutambua mamlaka inayostaili kutoa leseni kwa kuitambua (Tanzania Revenue Authority) Mamlaka ya Mapato Tanzania. Aidha, kifungu hiki kinabainisha kuwa mwenye mamlaka ya kutoa leseni kwa bidhaa za filamu na muziki ni mamlaka zinazohusika na filamu na muziki badala ya Mamlaka ya Mapato Tanzania.

Mapendekezo katika kifungu namba 12 cha Muswada kinafanya marekebisho katika kifungu 122 ambapo mamlaka ya Waziri ya kutoa misamaha yamepunguzwa kwenye bidhaa za petroli ambapo, kifungu husika kinapendekeza Waziri husika kutotoa msamaha wa ushuru kwenye mafuta isipokuwa kwa yale yanayotumika kwenye miradi mbalimbali inayofadhiliwa na Washirika wa Maendeleo.

Kifungu cha 113 cha Muswada kinafanya marekebisho kwenye kifungu namba 124 ambapo vifungu namba (5A), (5B), (5C), (5D), (6A) na (6B) vinafutwa na kuingizwa vifungu vipya vya (5A), (5B), (5C), (5D) na (6A) ambavyo vinapendekeza kutoza ushuru wa ziada (uchakavu) wa asilimia 25 kwa magari yote yanayoingizwa isipokuwa mabasi yenye umri zaidi ya miaka kumi tangu tarehe ya kutengenezwa na kutoza ushuru wa ziada (uchakavu) wa asilimia 10 kwa mabasi yote yanayoingizwa nchini yenye umri zaidi ya miaka mitano tangu tarehe ya kutengenezwa.

Aidha, marekebisho yanafanywa ili kufuta ushuru wa bidhaa kwenye uhamishaji wa fedha (money transfers) kwa madhumuni ya kuhamasisha jamii kutumia huduma za kibenki na zile za utumaji na upokeaji wa fedha kwa kutumia simu za mkononi. Badala yake, serikali itatoza ushuru wa



bidhaa kwenye tozo na ada za uhamishaji wa fedha na huduma za kibenki zinazotowa ada na tozo.

Marekebisho pia yanafanywa ili kutoza ushuru wa bidhaa wa asilimia 25% kwenye thamani inayoanzia Dola 5000 kwa bidhaa za nyumbani zilizotumika zinapoingia nchini. Bidhaa hizo ni kama TVs, PCs, monitors, Kompyuta mpakato, mashine za kufulia nguo, majiko, majokofu na kadhalika.

Marekebisho ya viwango maalumu chini ya Jedwali la Nne la Sheria ya Ushuru wa Bidhaa yanalenga kuhuisha viwango hivyo ili kwenda sawia na thamani ya fedha na hali ya uchumi kwa ujumla. Aidha, marekebisho yanayohusu bidhaa zitokanazo na tumbaku yanakusudia kutekeleza matakwa ya mkataba wa kudhibiti matumizi ya tumbaku wa kimataifa ambapo Tanzania ni miongoni mwa nchi zilizouridhia ili kutumia bei na viwango vya ushuru kupunguza matumizi ya tumbaku.

Sehemu ya V ya Muswada inakusudia kufanya marekebisho kwenye Sheria ya Wakala wa Serikali Sura ya 245 kwa kuweka sharti kwamba mashirika na Wakala wa Serikali na Mamlaka ya Udhibiti watakiwe kuwasilisha kwa mlipaji mkuu wa Serikali fedha zote za ziada zitakazokusanywa ili kufanikisha azma ya Serikali ya kuboresha mapato yasiyo ya kodi na kuwasilisha bajeti zao kwa Mlipaji Mkuu wa Serikali kwa uchambuzi na kupata kibali cha matumizi ya fedha zinazoombwa na kuimarisha usimamizi wa matumizi ya fedha zinazokusanywa.

Sehemu ya VI inapendekeza kufanyia marekebisho Sheria ya Mauzo Nje Sura ya 196. Lengo la Marekebisho haya ni kupunguza kiwango cha ushuru wa mauzo ya nje unaotowa kwenye ngozi ghafi zinazosafirishwa kwenda nje ya nchi kutoka asilimia 90 au shilingi 900 na kuwa asilimia 60 au shilingi 600 kwa kilo moja ya ngozi. Marekebisho haya yatasaidia kuzuia biashara ya magendo ya ngozi ghafi.

Sehemu ya VII ya Muswada unapendekeza kurekebisha kifungu cha 3 cha Sheria ya Kodi ya Mapato Sura ya 332 na Jedwali la Pili ili kutoa tafsiri ya maneno “director” na “corporation” kwa lengo la kurahisisha utozaji kodi kwenye ada ya mwaka ya wakurugenzi na kujumuisha kwenye wigo wa kodi mapato ya taasisi na mamlaka za Serikali.

Aidha, Muswada unapendekeza kurekebisha kifungu cha 7 cha Sheria ya Kodi ya Mapato Sura 332 ili kutoza kodi ada ya mwaka wanayolipwa wakurugenzi ili kuongeza wigo wa kodi.

Vilevile, inapendekezwa kurekebisha jedwali la kwanza ili kupunguza kiwango cha chini cha kodi ya mapato yatokanayo na ajira kutoka asilimia 13 hadi 12 ili kutoa nafuu ya kodi kwa wafanyakazi. Sambamba na marekebisho hayo Jedwali la Pili linarekebishwa ili kufuta msamaha wa Kodi ya Mapato yatokanayo na michezo ya kubahatisha na ukodishaji wa ndege nje ya nchi.

Sehemu ya VIII ya Muswada inakusudia kufanya marekebisho kwenye Sheria ya Fedha za Umma, Sura 348 kwa kuweka sharti kwamba mashirika na Wakala wa Serikali na Mamlaka ya Udhhibiti watakiwe kuwasilisha kwa mlipaji mkuu wa Serikali fedha zote za ziada zitakazokusanywa ili kufanikisha azma ya Serikali ya kuboresha mapato yasiyo ya kodi.

Mapendekezo katika kifungu namba 40 cha Muswada kinafanya marekebisho katika kifungu 8 ambapo mamlaka ya Waziri anayehusika na utoaji wa msamaha wa ushuru wa mafuta yamepunguzwa kwenye bidhaa za petrol ambapo, kifungu, kinapendekeza Waziri husika kutotoa msamaha wa ushuru wa mafuta kwenye mafuta isipokuwa kwenye mafuta ya petroli yanayotumika kwenye miradi mbalimbali inayofadhiliwa na washairika wa Maendeleo.

Sehemu ya X inapendekeza kufanya marekebisho katika Sheria ya Uwekezaji Tanzania, Sura ya 38. Inapendekezwa kurekebisha kifungu cha 2 cha Sheria hiyo ili kupandisha kiwango cha chini cha mtaji wa uwekezaji kutoka kiwango cha sasa cha dola za Kimarekani laki tatu (US\$300,000) kuwa dola za Kimarekani laki tano (US\$500,000) kwa wawekezaji wa nje; na dola za Kimarekani laki moja (US\$100,000) kuwa dola za Kimarekani laki tano (US\$300,000) kwa wawekezaji wa ndani. Sambamba na marekebisho haya, inapendekezwa kurekebisha kifungu cha 20 kwa kuongeza kifungu kidogo cha (4) kinachoweka kiwango cha chini cha mtaji kwa wawekezaji mahiri. Kiwango kipya kinachopendekezwa na Serikali ni dola za kimarekani milioni ishirini (US\$ 20,000,000) kwa

wawekezaji wa ndani na dola za kimarekani milioni hamsini (US Dolla 50,000,000) kwa wawekezaji kutoka nje ya nchi.

Aidha, inapendekezwa kurekebisha kifungu cha 19(3) ili kuondoa bidhaa ya saruji katika orodha ya bidhaa zinazochukuliwa kuwa ni bidhaa za mtaji ambazo kwa sasa hupata msamaha wa kodi kupitia Kituo cha Uwekezaji Tanzania. Lengo la hatua hii ni kuhamasisha uzalishaji wa saruji na kulinda viwanda vya saruji hapa nchini dhidi ya ushindani wa saruji inayoagizwa kutoka nchi za nje. Sanjari na marekebisho haya, inapendekezwa kuongeza kifungu kidogo cha 3(d) ili kumuondolea Waziri wa Fedha mamlaka ya kutoa misamaha ya kodi kwa miradi inayohusu upanuzi na ukarabati wa miradi inayofanywa na wawekezaji hao. Aidha, Muswada unapendekeza kufuta misamaha ya kodi inayotolewa kwa makampuni ya simu.

Sehemu ya XI ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Msajili wa Hazina, Sura 418 kwa kuweka sharti kwamba mashirika na wakala wa Serikali na Mamlaka ya Udhubiti watakiwe kuwasilisha kwa mlipaji mkuu wa Serikali fedha zote za ziada zitakazokusanywa ili kufanikisha azma ya Serikali ya kuboresha mapato yasiyo ya kodi.

Sehemu ya XII inapendekeza kufanya marekebisho katika Sheria ya Elimu na Mafunzo ya Ufundi Stadi, Sura ya 82. Lengo la marekebisho yanayopendekezwa ni kuainisha katika Sheria, taasisi mbalimbali zinazostahili kupata msamaha wa tozo ya ufundi stadi ambazo kwa sasa zimeainishwa katika Gazeti la Serikali Na.15 la mwaka 1994. Taasisi hizo ni Ofisi za Kidiplomasia, mashirika ya Umoja wa Mataifa na tasisi zake, mashirika na taasisi za nje zinazotoa misaada, taasisi za kidini zenye watumishi walioajiriwa mahsus kuendesha ibada, mashirika yanayotoa misaada ya hiari na Serikali za Mitaa.

Kwa sasa sheria inatoa msamaha kama huu kwa taasisi za umma au idara za Serikali tu ambazo zinapata fedha asilimia 100 kutoka Serikalini.

Dar es Salaam,  
10 Juni, 2014

**SAADA MKUYA SALUM**  
*Waziri wa Fedha*