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THE UNITED REPUBLIC OF TANZANIA

**ACT SUPPLEMENT**

**No. 8**

**19<sup>th</sup> October, 2012**

*to the Gazette of the United Republic of Tanzania No. 42 Vol. 93 dated 19<sup>th</sup> October, 2012*

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

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THE FINANCE ACT, 2012

ARRANGEMENT OF PARTS

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## THE UNITED REPUBLIC OF TANZANIA



No. 8 OF 2012

I ASSENT,

JAKAYA MRISHO KIKWETE,  
*President*

11<sup>th</sup> October, 2012

**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 the Parliament of the United Republic of Tanzania.

PART I  
PRELIMINARY PROVISIONS

- Short title                    1. This Act may be cited as the Finance Act, 2012.
- Commencement              2.-(1) The provisions of various Parts of this Act shall be deemed to have come into operation on the 1<sup>st</sup> day of July, 2012.  
(2) Notwithstanding subsection (1), Hs Codes 8523.29.90 and 8423.40.90 appearing in the proposed amendment to the Fourth Schedule under Part IV of this Act shall come into operation on the 1<sup>st</sup> day of January, 2013.

PART II  
AMENDMENT OF THE AIRPORT SERVICE CHARGE ACT,  
(CAP. 365)

- Construction  
Cap. 365                      3. This Part shall be read as one with the Airport Service Charge Act, hereinafter referred to as "the principal Act".
- Amendment of  
section 3                      4. The principal Act is amended in section 3, by-
- (a) deleting the words "five thousand" appearing in subsection (2) and substituting for them the words "ten thousand"; and
  - (b) deleting the word "thirty" appearing in subsection (3) and substituting for it the word "forty".

PART III  
AMENDMENT OF THE EAST AFRICAN DEVELOPMENT BANK ACT,  
(CAP.231)

Construction  
Cap 231

5. This Part shall be read as one with the East African Development Bank Act, hereinafter referred to as the "principal Act".

Amendment of  
section 4

6. The principal Act is amended in section 4, by-

- (a) re-designating section 4 as section 4(1);
- (b) adding immediately after subsection (1) as re-designated the following new subsections:

"(2) Where any of the Articles of the Charter set out in the Schedule is amended by the Governing Council of the East African Development Bank, the Minister may, by Order published in the *Gazette*, amend the Schedule to this Act to reflect the amendment to the Charter.

(3) An Order made under subsection (2) shall state the date on which the amendment of the Charter comes or is deemed to have come into force, and shall be laid in the next meeting of the National Assembly following its publication."

Amendment  
of Schedule

7. The Schedule to the principal Act is amended-

- (a) in Article 24, by adding after sub-article 4 the following:

"5. The Bank shall be accorded in the territories of the member states a creditor status no less than that accorded to the International Monetary Fund, the International Bank of Reconstruction and Development, the International Development Association, the African Development Bank, and the African Development Fund."

- (b) in Article 44, by deleting sub-article 1 and substituting for it the following:

"1. The Bank shall enjoy immunity from every form of legal process except in any case where it has expressly waived immunity in writing, when it may be sued only in a court of competent jurisdiction in a member state in which the Bank has an office, and has appointed an agent for the purpose of accepting service or notice of process:

Provided that, no waiver of immunity shall be implied or extend to any measure of execution."

- (c) in Article 45, by-

- (i) inserting the words "nationalization, execution" immediately after the word "expropriation" appearing in the third line of sub-article (1);

- (ii) adding immediately after sub-article 2 the following:

"3. For the purpose of this Schedule, the term "property and assets of the Bank" shall include property and assets owned or held by the Bank, the Bank's premises, deposits and funds entrusted to the Bank in the ordinary course of fulfilling its mandate."

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

Construction  
Cap 147

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

Amendment of  
section 124

9. Section 124 of the principal Act is amended-

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

“(2) The specific excise duty rates imposed under subsection (1) may be annually adjusted in accordance with the projected inflation rate and other key macroeconomic indicators .”

(b) in sub-section (3), by deleting the figure “10%” and substituting for it the figure “12%”;

Amendment of  
the Fourth  
Schedule

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

| Heading | Hs Code  | Description   | Unit | Old Excise Rates | New Excise Rates       |
|---------|--|---|------|------------------|------------------------|
| 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. |      | -                | Tshs. 8.00 per Litre   |
|         | 2009.11.00<br>2009.12.00<br>2009.19.00<br>2009.21.00<br>2009.29.00<br>2009.31.00 | 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.         |      | -                | Tshs. 100.00 per Litre |

|       |  |  |   |                       |                        |
|-------|--|--|---|-----------------------|------------------------|
|       | 2009.39.00<br>2009.41.00<br>2009.50.00<br>2009.61.00<br>2009.69.00<br>2009.71.00<br>2009.79.00<br>2009.80.00<br>2009.90.00 |  |   |                       |                        |
| 22.01 |  | Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter or flavoured, ice and snow.   |   |                       |                        |
|       | 2201.10.00   | - Mineral waters and aerated waters  | L | Tshs.69.00 per Litre  | Tshs. 69.00 per Litre  |
|       | 2201.90.00   | - Other (bottled and packed waters)  | I | Tshs.69.00 per Litre  | Tshs. 69.00 per Litre  |
| 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.  |   | Tshs.69.00 per Litre  | Tshs. 83.00 per Litre  |
|       | 2202.90.00   | ---Other   | I | Tshs.69.00 per Litre  | Tshs. 83.00 per Litre  |
| 22.03 |  | Beer made from malt  |   |                       |                        |
|       | 2203.00.10   | ---Stout and porter  | I | Tshs.420.00 per Litre | Tshs. 525.00 per Litre |
|       | 2203.00.90   | ---Other   |   | Tshs.420.00 per Litre | Tshs. 525.00 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%   | / | Tshs.420.00 per Litre    | Tshs. 145.00 per Litre   |
|       | 2204.10.90 | --Other  | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|       |            | --Other wine; grape must with fermentation prevented or arrested by the addition of alcohol. | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|       | 2204.21.10 | ---With the domestic grapes content exceeding 75%  | / | Tshs. 420.00 per Litre   | Tshs. 145.00 per Litre   |
|       | 2204.21.90 | ---Other   | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|       | 2204.29.90 | ---Other   | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|       |            | --Other grape must   |   |                          |                          |
|       | 2204.30.10 | --With the domestic grapes content exceeding 75%   | / | Tshs. 420.00 per Litre   | Tshs. 145.00 per Litre   |
|       | 2204.30.90 | --Other  |   | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
| 22.05 |            | Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.        |   |                          |                          |
|       |            | --In containers holding 2l or less   |   |                          |                          |
|       | 2205.10.10 | ---With the domestic grapes content exceeding 75%  | / | Tshs. 420.00 per Litre   | Tshs. 145.00 per Litre   |
|       | 2205.10.90 | ---Other   | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|       |            | --Other  |   |                          |                          |
|       | 2205.90.10 | ---With the domestic grapes content exceeding 75%  | / | Tshs. 420.00 per Litre   | Tshs. 145.00 per Litre   |
|       | 2205.90.90 | ---Other   | / | Tshs. 1,345.00 per Litre | Tshs. 1,614.00 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. 1,345.00 per Litre | Tshs. 1,614.00 per Litre |
|  | 2206.00.20 | ---Beer made from 100% local unmalted cereals  | / | Tshs. 249.00 per Litre   | Tshs. 310.00 per Litre   |
|  | 2206.00.90 | ---Others (including energy drinks and non alcoholic beverages)  | / | Tshs. 420.00 per Litre   | Tshs. 525.00 per Litre   |
|  |            | 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. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.30.00 | -Whiskies  | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.40.00 | -Rum and other spirits obtained by distilling fermented sugar-cane products  | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.50.00 | -Gin and Geneva  | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.60.00 | -Vodka   | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.70.00 | -Liqueurs and cordials   | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  |            | -Other   |   |                          |                          |
|  | 2208.90.10 | ---Distilled Spirits (e.g. Konyagi, Uganda Waragi)   | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 per Litre |
|  | 2208.90.90 | ---Other   | / | Tshs. 1,993.00 per Litre | Tshs. 2,392.00 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. 6,830.00 per mil  | Tshs. 8,210.00 per mil  |
|       | 2402.20.90 | ---With filter tip and containing domestic tobacco exceeding 75%  | mil | Tshs. 16,114.00 per mil | Tshs. 19,410.00 per mil |
|       |            | ---Other  | mil | Tshs. 29,264.00 per mil | Tshs. 35,117.00 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. 14,780.00 per kg  | Tshs. 17,736.00 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 |     |                         |                         |
|       | 2710.19.41 | ----Residual fuel oils (marine, furnaces and similar fuel oils) of 125 centistokes.   | l   | Tshs. 40.00 per Litre   | NIL                     |
|       | 2710.19.42 | ----Residual fuel oils (marine, furnaces and similar fuel oils) of 180 centistokes.   | l   | Tshs. 40.00 per Litre   | NIL                     |



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|      |            |  |    |                       |                           |
|------|------------|--|----|-----------------------|---------------------------|
|      | 2710.19.43 | ---Residual fuel oils (marine, furnaces and similar fuel oils) of 280 centistokes.   | l  | Tshs 40.00 per Litre  | NIL                       |
|      | 2710.19.49 | ---Other residual fuel oils  |    | Tshs. 40.00 per Litre | NIL                       |
|      | 2711.11.00 | --Natural Gas for industrial use.  | kg | -                     | Tshs. 0.35 per cubic feet |
| 8523 |            | Discs 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. 40.00 per Unit      |
|      |            | Optical Media  |    |                       |                           |
|      | 8423.40.90 | ---Recorded DVD,VCD,CD   |    | -                     | Tshs. 40.00 per Unit      |

PART V  
AMENDMENT OF THE EXPORT TAX ACT,  
(CAP. 196)

Construction  
of Cap. 196

11. This Part shall be read as one with the Export Tax Act, hereinafter referred to as the "principal Act".

Amendment  
of the  
Schedule

12. The principal Act is amended by deleting the whole Schedule and substituting for it the following:

“ SCHEDULE

(Made under section 3)

| Item               | Rate  |
|--------------------|---|
| Raw hides and skin | Ninety percentum of the value of the commodity (f.o.b) or Tshs. 900.00 per kilogramme whichever is greater. |

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

Construction  
Cap. 41

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

Amendment of  
section 3

14. The principal Act is amended in section 3, by adding in their appropriate alphabetical order the following new definitions:

“internet casino” means a game of chance or skill played for money by using a remote device with internet connection;”

“SMS lottery” means a lottery whose participation is by sending an SMS from a player’s mobile phone for purchase of a lottery virtual ticket;”

Amendment of  
section 26

15. Section 26 of the principal Act is amended by-

(a) deleting the word “and” appearing at the end of paragraph (g);  
and

(b) adding immediately after paragraph (h) the following:

(i) internet casino licence for conducting casino games through remote devices with internet connection;

(j) SMS lottery licence for conducting SMS lotteries for commercial purposes.”

Amendment of  
section 31

16. The principal Act is amended in section 31, by-

(a) deleting the word “thirteen” appearing in paragraph (a) and substituting for it the word “fifteen”;

(b) adding immediately after paragraph (a) the following new paragraph:

“(b) internet casino shall be paid at the rate of fifteen percent of the gross gaming revenue;”

(c) renaming paragraph (b) as paragraph (c).

Amendment of  
the Second  
Schedule

17. The principal Act is amended by repealing the Second Schedule and substituting for it the following new Schedule:

“SECOND SCHEDULE

(Made under section 31(2)

| Item No. | Type of the Game    | Gaming Tax                                |
|----------|---------------------|---|
| 1.       | Sports Betting      | Six percent of total stakes.              |
| 2.       | SMS Lotteries       | Thirty percent of gross sales.            |
| 3.       | Slot machines       | Tshs. 32,000/= per machine per month.     |
| 4.       | National Lotteries  | Ten percent of gross sales.               |
| 5.       | Forty Machines Site | Thirteen percent of gross gaming revenue. |

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  
the section 3

19. The principal Act is amended in section 3,-

- (a) by inserting the words “fiscal receipt, fiscal invoice, manual receipt”;; immediately after the word “order,” appearing in the definition of the term “document”;
- (b) by deleting the figure “54” appearing in the definition of the term “exempt amount”;
- (c) by adding immediately after paragraph (b) appearing in the definition of the term “income” the following new paragraph:  
“(c) in the case of corporation with unrelieved losses referred to under section 4(1)(a), the turnover of that corporation for the year of income”.
- (d) in the definition of the term “investment assets”-
  - (i) by deleting paragraph (d) and renaming paragraph (e) as paragraph (d);
  - (ii) by deleting the word “and” appearing between the words “shares” and “securities” appearing in the renamed paragraph (d) and substituting for it the word “or”;
- (e) by deleting the definition of the term “statutory rate” and substituting for it the following new definition:  
“statutory rate” in relation to calendar year means the prevailing discount rate determined by the Bank of Tanzania.”
- “(f) by inserting in its appropriate alphabetical order the following new definition-  
“Strategic investor” means an investor who has been determined as such under the Tanzania Investment Act;”

Cap 38

Amendment  
of section 4

20. The principal Act is amended in section 4, by deleting the words "attributable to tax incentives" appearing in paragraph (a) of that section.

Amendment  
of section 6

21. Section 6 of the principal Act is amended in subsection (1), by adding immediately after paragraph (b) the following new paragraph:

" (c) in the case of a resident corporation which has perpetual unrelieved losses referred to in subsection (1)(a) of section 4, the turnover of such corporation for a year of income."

Amendment of  
the section 12

22. The principal Act is amended in section 12, by-

- (a) deleting the ratio "70 to 30" appearing in subsection (2) and substituting for it the ratio "7 to 3";
- (b) renumbering subsection (4) as subsection (3);
- (c) adding immediately after subsection (3) the following new subsections:

"(4) Where there is a change of the amount of debt or equity, the amount of equity or debt shall be the average of balances of amount of debt or equity at the end of each period.

(5) For the purpose of this section-

"debt" means any debt obligation excluding:

- (i) a non-interest bearing debt obligation;
- (ii) a debt obligation owed to a resident financial institution;
- (iii) a debt obligation owed to a non-resident bank or financial institution on whose interest tax is withheld in the United Republic;

"equity" means:

- (i) paid up share capital;
- (ii) paid up share premium; and
- (iii) retained earnings on an unconsolidated basis determined in accordance with generally accepted accounting principles; and

"period" means a month or a part of month."

Amendment of  
section 39

23. The principal Act is amended in section 39 by deleting paragraph (g) and substituting for it the following-

"(g) in the case of a foreign currency debt claim when such debt is actually paid;"

Amendment of  
section 40

24. The principal Act is amended in section 40(2) by deleting paragraph (c) and substituting for it the following -

(c) in the case of a foreign currency debt obligation, when such debt is actually paid."

Amendment of  
section 54

25. The principal Act is amended in section 54, by deleting the phrase "exempt from income tax" appearing in subsection (2) and substituting for it the phrase "taxed at the rate provided for in the First Schedule".

Amendment of  
section 56

26. Section 56 of the principal Act is amended-

- (a) in subsection (1) by deleting the phrase "Subject to subsection (4), at the moment" and substituting for it the word "Where."
- (b) in subsection (2), by deleting paragraph (a) and renaming paragraphs (b), (c), (d), (e) and (f) as paragraphs (a), (b), (c), (d), and (e) respectively;
- (c) in subsection (4), by deleting the phrase "This section" appearing in subsection (4) and substituting for it the phrase "The provisions of subsection (2)".

Amendment of  
section 80A

27. The principal Act is amended by repealing section 80A and substituting for it the following new section:

"Obligation to  
issue receipt

80A.-(1) A person who sells goods, renders services or receives payment in respect of goods sold or services rendered the value of which is not less than five thousand shillings, shall issue fiscal receipt or fiscal invoice by using electronic fiscal device.

(2) Notwithstanding the provisions of subsection (1), the Commissioner may, by regulations made under this Act, issue a list of persons or class of persons who are exempt from acquiring and using electronic fiscal device or issuing fiscal receipt or invoice.

(3) Any person who is exempted from acquiring and using electronic fiscal device shall issue manual receipt.

(4) A person issuing the manual receipt shall be required to enter or cause to be entered in the receipt and duplicate copy the following particulars:

- (a) the date on which the payment is made;
- (b) full name and address of the person who sold the goods or rendered the services;
- (c) full description of the goods sold or the services rendered and a statement of the quantity and value of the goods or, the amount charged in respect of the services rendered;
- (d) full name and address of the person to whom the goods were sold or to whom the services were rendered;
- (e) Tax Identification Number; and
- (f) such other particulars as the Commissioner may, by a written notice, specify from time to time for the purposes of this section".

Amendment of section 82

28. The principal Act is amended in section 82, by adding immediately after paragraph (d) of subsection (2) the following new paragraph:

“(e) interest payable to a non resident bank by a strategic investor except for interest payable on any loan taken by a strategic investor from an associated or related company.”

Amendment of section 90

29. The principal Act is amended in section 90, by-

- (a) inserting the phrase “shares or securities held in resident entity that” immediately after the words “Republic” appearing in subsection (1);
- (b) repealing subsection (2) and substituting for it the following new subsection:

“(2) The installment referred to in subsection (1) shall be paid before the title to an investment asset is transferred, and the appropriate authorities for registration, transfer or approval shall not register such transfer or change of name without the production of a certificate of the Commissioner certifying that the instalment has been paid or that no instalment is payable.”

Amendment of section 104

30. The principal Act is amended in section 104, by-

- (a) re-designating section 104 as section 104(1);
- (b) adding immediately after subsection (1) as re-designated the following new subsection:

“(2) Without prejudice to the provisions of subsection (1), any person who fails to acquire or use electronic fiscal device or issue fiscal receipt or fiscal invoice, commits an offence and on conviction shall be liable to a fine of not less than one million shillings but not more than three million shillings or to imprisonment for a term not exceeding three years.”

Amendment of the First Schedule

31. The principal Act is amended in the First Schedule-

- (a) in paragraph 1 by-
  - (i) deleting the table appearing in subparagraph (1) and substituting for it the following:

| 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/=.  | 14% of the amount in excess of Shs. 2,040,000/=.                       |
| Where total income exceeds Shs. 4,320,000/= but does not exceed Shs.6,480,000/=.  | Shs. 319,200/= plus 20% of the amount in excess of Shs. 4,320,000/=.   |
| Where total income exceeds Shs. 6,480,000/= but does not exceed Shs. 8,640,000/=. | Shs. 751,200/= plus 25% of the amount in excess of Shs. 6,480,000/=.   |
| Where total income exceeds Shs. 8,640,000/=.                                      | Shs. 1,291,200/= plus 30% of the amount in excess of Shs. 8,640,000/=. |

- (ii) deleting the figure "960,000/=" appearing in subparagraph (2)(a) and substituting for it figure "2,040,000/=";
- (iii) deleting the figure 960,000/= appearing in item (ii) of subparagraph (3)(a) and substituting for it figure "2,040,000/=";
- (iv) inserting immediately after subparagraph (4) the following:  
 "(5) The Minister may, in consultation with the Minister responsible for finance of the Revolutionary Government of Zanzibar, determine the rate applicable in Tanzania Zanzibar".
- (b) in paragraph 2 by deleting the table appearing in subparagraph (3) and substituting for it the following new 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. 100,000/=.                                   | 2% of the turnover in excess of Shs 4,000,000/=.                        |
| Where turnover exceeds Shs 7,500,000/= but does not exceed Shs 11,500,000/=.  | Shs. 212,000/=.                                   | Shs. 70,000/= plus 2.5% 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. 364,000/=.                                   | Shs. 170,000/= plus 3.0% 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. 575,000/=                                    | Shs. 305,000+3.5% in excess of Shs 16,000,000/=.                        |

- (c) in paragraph 3 by-
- (i) deleting the words "attributable to tax incentives" appearing in sub-paragraph (3); and
  - (ii) renumbering subparagraph (3) as subparagraph (4).
- (d) In paragraph 4 by inserting the phrase "or to which subsection (2) of section 54 applies" between the word "Exchange" and a "hyphen" appearing in subparagraph (b)(i)(aa).

Amendment of  
the Second  
Schedule

32. The Second Schedule to the principal Act is amended in paragraph 1, by-

- (a) adding immediately after item (iv) of subparagraph (f) the following new item:  
" (v) Dar es Salaam Stock Exchange."
- (b) deleting subparagraph (n) and substituting for it the following new subparagraph:  
" (n) income derived from gaming by a gaming licensee who has paid gaming tax under the Gaming Act."

Amendment of  
the Third  
Schedule

33. The principal Act is amended in the Third Schedule, by inserting the phrase "and electronic fiscal device purchased by a non Value Added Tax registered trader" immediately after the word "agriculture" appearing in class 8 of depreciable asset".

PART VIII  
AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT,  
(CAP. 290)

Construction  
Cap 290

34. This Part shall be read as one with the Local Government Finances Act, hereinafter referred to as the "principal Act".

Amendment of  
section 6

35. Section 6 of the principal Act is amended in sub-section (1), by deleting paragraph (u) and substituting for it the following:

- "(u) all monies derived from the service levy payable by corporate entities or any person conducting business with business licence at the rate not exceeding 0.3 percent of the turnover net of the value added tax and excise duty:

Provided that, the branches of corporate entities shall pay services levy to the urban authorities in whose areas of jurisdiction they are located."

Amendment of  
section 7

36. Section 7 of the principal Act is amended in sub-section (1), by deleting sub-paragraph (z) and substituting for it the following:

- "(z) All monies derived from the service levy payable by corporate entities or any person conducting business with business license at the rate not exceeding 0.3 percent of the turnover net of the value added tax and excise duty:

Provided that, the branches of corporate entities shall pay services levy to the district councils in whose areas of jurisdiction they are located."



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

Construction  
Cap. 124

**37.** This Part shall be read as one with the Motor Vehicle (Tax on Registration and Transfer) Act, hereinafter referred to as the "principal Act".

Amendment of  
the First  
Schedule

**38.** The principal Act is amended in the First Schedule by adding immediately after paragraph (3) the following proviso:

"Provided that, registration tax for personalized identification shall be five million shillings renewable after every three years."

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

Construction  
Cap.38

**39.** This Part shall be read as one with the Tanzania Investment Act, hereinafter referred to as the "principal Act".

Amendment of  
section 19

**40.** The principal Act is amended in section 19, by deleting subsection (3) and substituting for it the following:

"(3) The benefits conferred under subsection (2) shall not apply to:-

(a) a motor vehicle manufactured more than eight years before importation; and

(b) a non-utility motor vehicle exceeding 3000cc";

"(4) Notwithstanding the provisions of subsection (2), the import duty exemption granted to deemed capital goods shall be restricted to 90% whereby the investor shall pay 10% of the import duty due;"

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

Construction  
Cap. 148

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

Amendment of  
section 7

**42.** The principal Act is amended in section 7, by-

(a) inserting immediately after subsection (4) the following:

"(5) Notwithstanding the provisions made under this section, the place of supply for telecommunication services within the United Republic of Tanzania shall be a place where the effective use or enjoyment takes place irrespective of contract, payment or beneficial interest;"

(b) renumbering subsection (5) as subsection (6).

Amendment of  
section 13

43. The principal Act is amended in section 13, by-

- (a) deleting the phrase "plus any premium thereon" appearing in subsection (4);
- (b) deleting subsection (5);
- (c) renumbering subsections (6) and (7) as subsections (5) and (6) respectively."

Amendment of  
section 16

44. The principal Act is amended in section 16, by deleting the words "tax invoice or" appearing in subsections (4) and (5).

Amendment of  
section 29

45. The principal Act is amended in section 29, by deleting the words "tax invoice or" appearing in subsections (1) and (3).

Amendment of  
the First  
Schedule

45A. The principal Act is amended in the First Schedule by adding immediately after item "16" the following new items:

17. The supply of locally produced textile by local manufacturer using locally produced cotton.

18. The supply of locally produced milk and milk related products produced by local manufacturers using locally produced milk."

Amendment of  
the Second  
Schedule

46. The principal Act is amended in the Second Schedule, by-

- (a) deleting item "18" and "19" and substituting for them the following new items"

"18. The provision or conducting of games of chances by means of National lottery, casinos, slot or gaming machines, internet casino or SMS lottery.

19. The supply of computers, printers, parts and accessories connected thereto and specified electronic fiscal device."

- (b) deleting item 26 and substituting for it the following:

"26. **Natural Gas and Equipment-**

1. Compressed Natural Gas (CNG).
2. Compressed Natural Gas Cylinders.
3. Compressed Natural Gas Vehicles conversion kits.
4. Compressed Natural Gas Plants Equipments.
5. Natural Gas pipes (Transportation and Distribution pipes).
6. Compressed Natural Gas Storage cascades.
7. Compressed Natural Gas Special transportation Vehicles.
8. Natural gas metering equipments.
9. Pipe-line fittings and valves.
10. Compressed Natural Gas Refueling or filling equipments.

11. Gas receiving Units.
12. Flare gas system.
13. Condensate tanks and leading facility.
14. System piping and pipe rack.
15. Air and Nitrogen system.
16. Condensate stabilizer.
17. System piping on piperack.
18. Instrumentation.
19. Gas cookers designed for natural gas.”

Amendment of  
Third Schedule

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

| Relieved Persons/Organisations  | Rate of Relief (%) |
|---|--------------------|
| 1. Supplies to or importation of goods or services by diplomats or a diplomatic mission that is accredited by the United Republic of Tanzania for the official purposes of that mission, where the foreign country provides reciprocal treatment to diplomats and the diplomatic mission of Tanzania in that country.   | 100                |
| 2. (1) Supplies or importation of goods or services under a technical aid or donor funded agreement as far as that agreement provides for relief from taxation in the United Republic of Tanzania.<br>(2) The relief granted under sub-item (1) shall limit the number of non-utility vehicles to the satisfaction of the Commissioner in relation to project plan submitted. | 100                |
| 3. Importation or supply of goods or services to project funded by the Government relating to infrastructure and utilities development  | 100                |
| 4. Travellers' or deceased's personal effects - Imported goods in respect of which relief of duty is available under Customs Laws.  | 100                |
| 5. Supply of specified goods to the Armed Forces.   | 100                |
| 6. The supply to a registered medical practitioner, optician, dentist, hospital or clinic, or to a patient, of equipment designed solely for medical or prosthetic use including ambulance and mobile health clinics.   | 45                 |
| 7. The supply to a registered veterinary practitioner of equipment designed solely for veterinary use.  | 45                 |
| 8. The importation by or supply to a registered and licensed explorer or prospector of goods or services to be used exclusively for exploration or prospecting activities.  | 100                |
| 9. The importation by or supply to a registered licensed exploration or prospecting company, of goods which if imported   | 100                |

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|   |            |
|---|------------|
| <p>or supplied would be eligible for relief from duty under the customs laws and services for exclusive use in exploration or prospecting of petroleum or gas.</p>  |            |
| <p>10.-(1) Supply of specified goods for sale in the Armed Forces duty free shops.<br/>                 (2) The Armed Forces duty free shops shall-<br/>                 (a) be required to submit to the Authority their annual plans detailing quantities of goods to be procured before commencement of Government fiscal year; and<br/>                 (b) account for utilized relief on goods procured.</p>  | <p>100</p> |
| <p>11.-(1) .-(1) The importation or local purchase of goods or services, by or on behalf of registered religious organizations or institutions, which are intended to be used solely by the organisation or institution for-<br/>                 (a) the advancement of religion;;<br/>                 (b) relieving persons from the effects of natural calamities, hazards or disaster; and<br/>                 (c) the development, maintenance or renovation of projects relating to health, education, training, water supply, infrastructure or any other projects relating to advancement of the community.<br/>                 (2) The importation or local purchase by charitable community based or other non profit driven organisations of household consumables for subsequent supply to orphanage, day care centres and schools.<br/>                 (3) The organization or institution shall, before obtaining the relief granted under subparagraphs (1) and (2), submit to the Authority a letter confirming the existence of the project or projects in question from the District Commissioner in its area and from the umbrella organization, if any.<br/>                 (4) The relief under this paragraph shall be granted upon submission of proof that the goods or services relieved are to be used exclusively for the purpose of the project.</p> | <p>100</p> |

|  |     |
|--|-----|
| <p>(5) The registered religious, charitable community based or other non-profit driven organizations or institutions shall be required to submit to the Authority their annual plans detailing each of the projects intended for implementation before the commencement of the Government fiscal year.</p> <p>(6) The registered religious, charitable community based or other non-profit driven organizations or institutions shall be obliged to account for the utilized relief on goods or services.</p> <p>(7) For purposes of this Part, household consumable means food, clothing and toiletries.”</p> |     |
| 12. The importation by or supply to the Red Cross Society of Tanganyika of goods or services which are solely to be used in the performance of its statutory functions.  | 100 |
| 13. The importation by or supply of goods or services to any institution or organization established under an Agreement to which the Government of the United Republic of Tanzania is a party so long as that Agreement provides for relief from taxation.   | 100 |
| 14. The importation by or supply of goods and services for water and sewerage infrastructure development to water and sewerage authorities and institutions or scheme or agent or concessionaire thereof contracted for purpose of providing water and sewerage services to public in the urban and rural areas.   | 100 |
| 15. The supply of raw and packaging materials to a registered manufacturer of spectacles lenses.   | 45  |
| 16. The supply to the investor licensed under the Export Processing Zones Act, 2002 of goods and services for use as raw materials, equipment and machinery including all goods and services directly related to manufacturing in the Export Processing Zones, but shall not include non utility motor vehicles, spare parts and consumables.  | 100 |

|   |     |
|---|-----|
| 17. The supply of building materials and construction services by the developer licensed under the Export Processing Zones Act.   | 100 |
| 18. The importation or supply to an investor licensed under the Special Economic Zones Act, of raw materials and goods of capital nature directly related to manufacturing in the Special Economic Zones including ambulances, fire fighting vehicles and fire fighting equipment.  | 100 |
| 19. The importation by or supply to a registered water drilling company of goods to be used solely for water drilling.  | 45  |
| 20. The importation by or supply to a registered pharmaceutical manufacturing company, of goods to be used solely in the manufacturing of human medicines.  | 45  |
| 21. The supply of goods by domestic manufacturers for sale in a duly licensed duty free shop.   | 45  |
| 22. The supply of destination inspection services to the Tanzania Revenue Authority.  | 100 |
| 23. The importation or local purchase of a generator or water pump for use by a farmer in irrigation, a charcor "malambo or fishpond on condition that such farmer submits to the Tanzania Revenue Authority a confirmation from a Director of a Local Government Authority that such generator or water pump shall be used for the purpose of irrigation, fishing or keeping livestock". | 100 |
| 24. The importation by or supply of capital goods to any person.  | 100 |
| 25. The importation by or supply of railway locomotives, rolling stocks, parts and accessories to a registered railways, company, corporation or authority.   | 100 |
| 26. The importation by or supply of fire fighting vehicles to the Government or Government Agencies.  | 100 |

|   |     |
|---|-----|
| 27. The importation by or supply to the Bank of Tanzania of goods or services which are solely to be used in the performance of its statutory functions.  | 45  |
| 28. The importation of ethanol, dyestuff and thickening agent by a local manufacturer of burning jelly.   | 45  |
| 29. The importation or supply of greenhouse to horticulture grower and agri-net.  | 45  |
| 30.-(1) Supply of goods and services to the organized farming for the purposes of building irrigation canals, construction of road networks, godowns and similar storages in the farms.<br>(2) The supply of spare parts for combined harvesters, threshers, rice mills, planters, trailers, power tillers, tractors, grain conveyors, sprayers, irrigation equipment, sprinkler, dripper, connector, seal, pipe, pump, motor, engine, plough, cultivator, ripper, tine shoe, implements and harrows to a farmer.<br>(3) The relief provided in sub-item (1) shall only apply to goods and services approved by the Minister responsible for agriculture after inspection of the area has been done by the agriculture officer. | 100 |
| 31. The importation or supply of tractor tyres.   | 100 |
| 32. The importation or supply of tractor trailer and supply of spare parts for tractor trailer.   | 100 |

Passed in the National Assembly on the 16<sup>th</sup> August, 2012.

DR. THOMAS DIDIMU KASHILILAH,  
*Clerk of the National Assembly*