THE UNITED REPUBLIC OF TANZANIA

ACT SUPPLEMENT

No. 4  30th June, 2017

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THE FINANCE ACT, 2017

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The Finance Act

No.4 OF 2017

I ASSENT

JOHN POMBE JOSEPH MAGUFULLI,
President

[30th June, 2017]

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

ENACTED by Parliament of the United Republic of Tanzania.

PART I
PRELIMINARY PROVISIONS

1. This Act may be cited as the Finance Act, 2017.
2. This Act shall come into operation on the 1st day of July, 2017.

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

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

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

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

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

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

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

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

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

7. Section 26 of the principal Act is amended-

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

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

(b) in subsection (2), by deleting the word “local” and substituting for it the word “public”;
(c) by deleting the words “application services” wherever they appear in subsections (3), (4) and (5);
(d) by inserting a new subsection (6) as follows:
   “(6) Where after conducting an initial public offer a licensee referred to in section 26(1)(a) does not attain the prescribed threshold of twenty five percent of its issued and paid up share capital, the Capital Markets and Securities Authority shall, upon consultation with the Minister responsible for Capital Markets and after taking into account conditions prevailing in the market, issue directives on how the licensee may obtain the twenty five percent.”.

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

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

9. The principal Act is amended in the Fourth Schedule by introducing new rates in respect of excisable items as follows:
### “FOURTH SCHEDULE”
*(Made under section 124(2))*

<table>
<thead>
<tr>
<th>Heading</th>
<th>H.S. Code No.</th>
<th>Description</th>
<th>Unit</th>
<th>Old Excise Rate</th>
<th>New Excise Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.09</td>
<td></td>
<td><strong>Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Locally produced fruit juices manufactured from domestic fruits under heading 20.09</td>
<td></td>
<td>Tshs. 9.50 per litre</td>
<td>Tshs. 9.00 per litre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other fruit juices under the heading 20.09</td>
<td></td>
<td>Tshs. 210.00 per litre</td>
<td>Tshs. 221.00 per litre</td>
</tr>
<tr>
<td>22.01</td>
<td></td>
<td><strong>Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter or flavoured; ice and snow.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2201.10.00</td>
<td></td>
<td><strong>Mineral waters and aerated waters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Locally produced, bottled</td>
<td>l</td>
<td>Tshs. 58.00 per litre</td>
<td>Tshs. 58.00 per litre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Imported, bottled</td>
<td>l</td>
<td>Tshs. 58.00 per litre</td>
<td>Tshs. 61.00 per litre</td>
</tr>
<tr>
<td>2201.90.00</td>
<td></td>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Locally produced, bottled</td>
<td>l</td>
<td>Tshs. 58.00 per litre</td>
<td>Tshs. 58.00 per litre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Imported, bottled</td>
<td>l</td>
<td>Tshs. 58.00 per litre</td>
<td>Tshs. 61.00 per litre</td>
</tr>
<tr>
<td>22.02</td>
<td></td>
<td><strong>Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit vegetable juice of heading 20.09</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2202.10.00</td>
<td></td>
<td><strong>Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured</strong></td>
<td>l</td>
<td>Tshs. 58.00 per litre</td>
<td>Tshs. 61.00 per litre</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2202.91.00</td>
<td></td>
<td><strong>Non-alcoholic beer</strong></td>
<td></td>
<td>Tshs. 534.00 per litre</td>
<td>Tshs. 561.00 per litre</td>
</tr>
<tr>
<td>2202.99.00</td>
<td></td>
<td><strong>Other</strong></td>
<td></td>
<td>Tshs. 534.00 per litre</td>
<td>Tshs. 561.00 per litre</td>
</tr>
<tr>
<td>22.03</td>
<td></td>
<td><strong>Beer made from malt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2203.00.10</td>
<td></td>
<td><strong>Stout and porter</strong></td>
<td></td>
<td>Tshs. 729.00 per litre</td>
<td>Tshs. 765.00 per litre</td>
</tr>
<tr>
<td>2203.00.90</td>
<td></td>
<td><strong>Other</strong></td>
<td></td>
<td>Tshs. 729.00 per litre</td>
<td>Tshs. 765.00 per litre</td>
</tr>
<tr>
<td>22.04</td>
<td>Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09</td>
<td></td>
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<td>-------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2204.10.00</td>
<td>- Sparkling wine</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>With the domestic grapes content exceeding 75%</td>
<td>Tshs. 202.00/ per litre</td>
<td>Tshs. 200.00/ per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>Tshs. 2,236.00 per litre</td>
<td>Tshs. 2,349.00 per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Other wine; grapes must with fermentation prevented or arrested by the addition of alcohol:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2204.21.00</td>
<td>-- In containers holding 2 litres or less</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>With the domestic grapes content exceeding 75%</td>
<td>Tshs. 202.00/ per litre</td>
<td>Tshs. 200.00/ per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>Tshs. 2,236.00 per litre</td>
<td>Tshs. 2,349.00 per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2204.22.00</td>
<td>-- In containers holding more than 2 litres but not more than 10 litres</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>With the domestic grapes content exceeding 75%</td>
<td>Tshs. 202.00/ per litre</td>
<td>Tshs. 200.00/ per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>Tshs. 2,236.00 per litre</td>
<td>Tshs. 2,349.00 per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2204.29.00</td>
<td>-- Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>With the domestic grapes content exceeding 75%</td>
<td>Tshs. 202.00/ per litre</td>
<td>Tshs. 200.00/ per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>Tshs. 2,236.00 per litre</td>
<td>Tshs. 2,349.00 per litre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2204.30.00</td>
<td>- Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 2,236.00 per litre</td>
<td>Tshs. 2,349.00 per litre</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>22.05</th>
<th>Vermouth and wine of fresh grapes flavoured with plants or aromatic substances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2205.10.00</td>
<td>- In containers holding 2 litres or less</td>
</tr>
<tr>
<td></td>
<td>With the domestic grapes content exceeding 75%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>2205.90.00</td>
<td>- Other</td>
</tr>
</tbody>
</table>
### Other fermented beverages (for example, cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.

<table>
<thead>
<tr>
<th>Description</th>
<th>Tariff Rate 1</th>
<th>Tariff Rate 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2206.00.10 Cider</td>
<td>Tshs. 2,236.00 Per litre</td>
<td>Tshs. 2,349.00 Per litre</td>
</tr>
<tr>
<td>2206.00.20 Opaque beer (for example Kibuku)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beer made from 100% local unmalted cereals</td>
<td>Tshs. 429.00 Per litre</td>
<td>Tshs. 450.00 Per litre</td>
</tr>
</tbody>
</table>

### Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.

<table>
<thead>
<tr>
<th>Description</th>
<th>Tariff Rate 1</th>
<th>Tariff Rate 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2208.20.00 Spirits obtained by distilling grape wine or grape marc</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.30.00 Whiskies</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.40.00 Rum and other spirits obtained by drilling fermented sugar – cane products</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.50.00 - Gin and Geneva</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.60.00 - Vodka</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.70.00 - Liqueurs and cordials</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>- Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2208.90.10 Distilled Spirits (e.g. Konyagi, Uganda Waragi)</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>2208.90.90 Other</td>
<td>Tshs. 3,315.00 Per litre</td>
<td>Tshs. 3,481.00 Per litre</td>
</tr>
<tr>
<td>S. No.</td>
<td>Description</td>
<td>Unit</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>24.02</td>
<td>Cigars, cheroots, cigarillos, and cigarettes, of tobacco or of tobacco</td>
<td>kg</td>
</tr>
<tr>
<td></td>
<td>substitutes.</td>
<td></td>
</tr>
<tr>
<td>2402.10.00</td>
<td>Cigars, cheroots and cigarillos, containing tobacco</td>
<td>kg</td>
</tr>
<tr>
<td></td>
<td>Cigarettes containing tobacco</td>
<td></td>
</tr>
<tr>
<td>2402.20.10</td>
<td>--- Of length not exceeding 72mm length including the filter tip</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Without filter tip and containing domestic tobacco exceeding 75%</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 11,854.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 12,447.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>With filter tip and containing domestic tobacco exceeding 75%</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 28,024.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 29,425.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 50,700.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 53,235.00 per mil</td>
<td></td>
</tr>
<tr>
<td>2402.20.90</td>
<td>--- Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Without filter tip and containing domestic tobacco exceeding 75%</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 11,854.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 12,447.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>With filter tip and containing domestic tobacco exceeding 75%</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 28,024.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 29,425.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>mil</td>
</tr>
<tr>
<td></td>
<td>Tshs. 50,700.00 per mil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 53,235.00 per mil</td>
<td></td>
</tr>
<tr>
<td>24.03</td>
<td>Other manufactured tobacco and manufactured tobacco substitutes;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“homogenized” or “reconstituted” tobacco; tobacco extracts and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>essences.</td>
<td></td>
</tr>
<tr>
<td>2403.19.00</td>
<td>--- Smoking tobacco, whether or not containing tobacco</td>
<td>kg</td>
</tr>
<tr>
<td></td>
<td>substitutes in any proportion:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other (for example cut rag/filler)</td>
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</tr>
<tr>
<td></td>
<td>Tshs. 25,608.00 per kg</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tshs. 26,888.00 per kg</td>
<td></td>
</tr>
<tr>
<td>27.10</td>
<td>Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils:</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>2710.12.10</td>
<td>Motor Spirit (gasoline) regular</td>
<td></td>
</tr>
<tr>
<td></td>
<td>l Tshs. 339.00 per litre</td>
<td>Tshs. 379.00 per litre</td>
</tr>
<tr>
<td>2710.12.20</td>
<td>Motor Spirit (gasoline) premium</td>
<td></td>
</tr>
<tr>
<td></td>
<td>l Tshs. 339.00 per litre</td>
<td>Tshs. 379.00 per litre</td>
</tr>
<tr>
<td>2710.19.22</td>
<td>Illuminating Kerosene (IK)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>l Tshs. 425.00 per litre</td>
<td>Tshs. 465.00 per litre</td>
</tr>
<tr>
<td>2710.19.31</td>
<td>Gas oil (automotive, light, amber for high speed engines)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>l Tshs. 215.00 per litre</td>
<td>Tshs. 255.00 per litre</td>
</tr>
</tbody>
</table>
PART V
AMENDMENT OF THE GAMING ACT,
(CAP.41)

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

11. The principal Act is amended in section 31 by-
(a) deleting the word “Board” wherever it appears in subsections (4), (5), (6) and (8) and substituting for it the word “Commissioner”;  
(b) deleting subsections (7) and (9); and 
(c) renumbering subsection (8) as (7).

12. The principal Act is amended in section 31A by-
(a) deleting the word “Board” appearing in subsections (3) and substituting for it the word “Commissioner”; and 
(b) deleting subsection (4).

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

14. The principal Act is amended in section 63 by-
(a) deleting paragraph (d); and 
(b) renaming paragraph (e) as paragraph (d).

15. The principal Act is amended by repealing section 64A.
PART VI
AMENDMENT OF THE INCOME TAX ACT,
(CAP.332)

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

17. The principal Act is amended in section 3-
(a) in the definition of the term “business”, by deleting the phrase “and any activity that, having regard to its nature the principal occupation of its owners or underlying owners, is not carried on with a view to deriving profits” appearing in paragraph (b);
(b) in the definition of the term “licence area”, by deleting the word “mineral” appearing in the first line of paragraph (a) and substituting for it the word “mining”;
(c) in the definition of the term “rehabilitation fund”, by deleting the word “mineral” appearing in the opening phrase and substituting for it the word “mining”; and
(d) by adding in the appropriate alphabetical order the following new definitions:

“licenced dealer” has a meaning ascribed to it in the Mining Act;
“an entity of a public character” means an entity established and functions solely for a public purpose and which operates in such a way that:
(a) its membership is open to the general public or an identifiable group of a community with common interests;
(b) it operates for purposes other than deriving profit or gain;
(c) it does not allow any distribution or deemed distribution of profit generated out of its charitable business; and
(d) its profit is ploughed back and used solely for improving or expansion of the original charitable purpose or function;”.

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

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

20. The principal Act is amended in section 19-
(a) in subsection (2), by adding immediately after paragraph (d) the following:
“(e) in the case of loss incurred in dealing with a speculative transaction, only in calculating the person’s income derived from a speculative transaction.”; and
(b) in subsection (4), by inserting in its alphabetical order the following new definition:
“speculative transaction” means-
(a) a transaction which is a contract for sale or purchase of a commodity including stocks and shares settled otherwise than actual delivery or transfer of the commodity; or
(b) any agreement for repurchase or resale, forward sale or purchase, futures contract, option or swap contract”.

21. The principal Act is amended in section 69 by deleting paragraph (f) and substituting for it the following-
“(f) premiums for general insurance or re-insurance paid to, and proceeds from general insurance or re-insurance paid by a resident person in respect of the insurance or re-insurance of any risk in or outside the United Republic;”. 
22. The principal Act is amended by adding immediately after section 83A the following:

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

(2) For the purpose of this section-

“specified mineral or minerals” means mineral or minerals that a licenced dealer is authorised to deal in, including gold, metallic minerals, coloured gemstones, coal and industrial minerals; and “industrial minerals” has the meaning ascribed to it under the Mining Act save for salt, sand, beach sands and stone aggregates.”.

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

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

24. The principal Act is amended in section 88(5) by inserting immediately after the word “other” appearing in third line the word “business.”.
25. The principal Act is amended in section 90(4) by inserting immediately after the word “fish” the words “or horticulture products”.

26. The principal Act is amended in section 91(2)(e) by-

(a) deleting the word “and” appearing at the end of item (ii);
(b) inserting immediately after item (ii) the following new item:
“(iii) certified financial statements; and”;
and
(c) renumbering item (iii) as item (iv).

27. The First Schedule of the principal Act is amended-

(a) in paragraph 3, by-

(i) deleting subparagraph (2) and substituting for it the following:
“(2) Notwithstanding subparagraph (1)-
(a) a newly listed company with the Dar es Salaam Stock Exchange with at least thirty percent of its equity ownership issued to the public shall be taxed at a reduced corporate rate of twenty five percent for three consecutive years from the date of listing; and
(b) a corporation with a newly established plant for assembling motor vehicles, tractors, fishing boats or out boats engine and having a performance agreement with the Government shall be taxed at a reduced corporate rate of ten percent for five consecutive years from the year of commencement of production;”.

(ii) deleting the word “five” appearing in paragraph 3(3) and substituting for it the word “three”; and

(b) in paragraph 4, by adding immediately after item (c) the following item:

“(d) in the case of payment referred to under section 83B (1), five per centum.”.

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

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

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

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

(a) in subsection (1), by adding the words “and advertisement fees for billboards, poster and hoarding” immediately after the words “property rate”;
(b) in subsection (2), by inserting the words “and advertisement fees for billboards, poster and hoarding” immediately after the words “property rate”; and

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

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

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

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

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

“General penalty

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

32. The Schedule to the principal Act is amended-

(a) by deleting the contents of item 1 and substituting for them the following:

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<table>
<thead>
<tr>
<th>Produce cess on buyers:</th>
<th>a cess in excess of 3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) crop cess –cap 3% of farm gate price on cash crops</td>
<td>3%</td>
</tr>
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<table>
<thead>
<tr>
<th>(b) crop cess – cap 3% of farm gate price on food crops</th>
<th>• a cess in excess of 3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) forest produce cess- cap 5% of farm gate price or by volume at source on sales of timber, charcoal, logs, <em>mirunda</em>, firewood, poles and thieses (<em>fito</em>)</td>
<td>• cess on sellers cess on timber products eg. furniture and the like.</td>
</tr>
<tr>
<td>• Plying fee for transportation of crops not exceeding one tonne from one district to another.</td>
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</table>

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

“• Abattoir use charges”;

(c) in item 3-

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

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

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

“• Pharmacies and drug shop establishment fee”; and
(d) in item 4 by inserting immediately after paragraph (d) the following:

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

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

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

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

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

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

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

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Restriction on exportation or domestic use of minerals
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36. The principal Act is amended in section 19(3) by inserting between the word “mines” and “and other public” the words “mineral and minerals”.

19
37. The principal Act is amended by adding immediately after section 90 the following:

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

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

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

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

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

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

“(t) operationalisation of inspection of mineral or minerals as required under this Act.”.
PART IX
AMENDMENT OF THE OCCUPATIONAL HEALTH AND SAFETY ACT
(CAP. 297)

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

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

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

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

42. The principal Act is amended in section 67 by adding immediately after subsection (2) the following:
“(3) The Tanzania Revenue Authority shall collect wharfage revenue and deposit the same in a bank account opened at the Bank of Tanzania, and the revenue shall be disbursed to the Authority by the Paymaster General.”.
PART XI
AMENDMENT OF THE PUBLIC FINANCE ACT,
(CAP. 348)

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

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

“Collection system for public moneys

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

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

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

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

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

“(8) Where a judicial body or any other investigative body summons the Commissioner General to appear or show cause in any matter relating to tax administration, the Commissioner General or
any officer of the Authority with the rank of
or above a principal officer may appear or
show cause as the case may be.”.

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

“50. The Ports Act, Cap.166.”.

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

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

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

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

“Registration of
small vendors and
service providers

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

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

(3) For purposes of this
section, “small vendors and service
providers” include hawkers
(machinga), caterers, event
managers, masters of ceremony
and such other small vendors or
service providers as the Minister
may prescribe.”.
50. The principal Act is amended in section 47(1) by deleting the reference to section 40(3) and substituting for it a reference to section 37(3).

51. The principal Act is amended in section 52 -
(a) by adding immediately after the word “assessment” wherever it appears in that section, the words “or other tax decisions”
(b) in subsection (5)(a), by deleting a full stop at the end of paragraph (b) and substituting for it a semicolon; and
(c) by adding immediately after paragraph (b) the closing words to subsection (5) as follows: “and proceed to issue a notice of final determination of objection.”.

52. The principal Act is amended in section 54(1) -
(a) in paragraph (d), by deleting a reference to section 68(2) and substituting for it a reference to section 67(2);
(b) in paragraph (f), by deleting a reference to section 67(3) or (4) and substituting for it a reference to section 66(3) or (4); and
(c) in paragraph (g), by deleting a reference to section 68(5) and substituting for it a reference to section 65(7).

53. The principal Act is amended in section 64(2) -
(a) by deleting the word “or” appearing at the end of paragraph (d);
(b) by adding immediately after paragraph (d) the following:
“(e) section 36(1) or a provision of any tax law has been breached; or”; and
(c) by renaming paragraph (e) as (f).
54. The principal Act is amended by repealing section 70 and replacing it with the following:

“Remission of interest and penalty

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

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

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

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

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

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

(b) the amount of income tax paid by installments during the year of income to the start of the period.”

57. The principal Act is amended in section 76 by-

(a) deleting subsection (1) and substituting for it the following:
“(1) Where any amount of tax imposed under a tax law remains unpaid after the due date prescribed in a tax law, the interest at the statutory rate compounded monthly shall be payable to the Commissioner General.”; and
(b) adding immediately after subsection (3) the following:
“(4) Interest payable under this section or under any other tax law shall not be affected or waived for the reason of delay due to court proceedings or any other dispute resolution process.”.

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

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

“Collection of fine

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

60. Section 95 of the principal Act is amended-
(a) in subsection (3), by deleting a reference to section 94(3) and substituting for it the reference to section 94(4); and
(b) by adding immediately after subsection (3) the following:
“(4) The powers provided for under subsection (3)(a) to (e) of section 94 shall apply to a search conducted under this section as if an order of the court has been obtained.”.

61. The First Schedule to the principal Act is amended—

(a) in paragraph 1(b), by deleting a reference to section 26 and substituting for it a reference to section 66;

(b) in paragraph 2(1),—

(i) by deleting the word “and” appearing at the end of item (d);

(ii) by adding immediately after item (d) the following:

“(e) in relation to property rate, a demand or a demand note issued by the Commissioner General under the Urban Authorities (Rating) Act;”;

(iii) renaming item (e) as item (f); and

(iv) in item (f), as renamed, by deleting reference to sections 55, 56 and 88 and substituting for them reference to sections 47, 48 and 81 respectively.; and

(c) in paragraph 3(3), by deleting a reference to paragraph 1(b) to (f) and substituting for it a reference to paragraph 1(b) to (e).

PART XIV

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

62. This Part shall be read as one with the Urban Authorities (Rating) Act, hereinafter referred to as the “principal Act”. 
The Finance Act 2017

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

““rate” means a levy on a rateable property;
“ratable area” means an area declared under section 6 of this Act; and
“rateable property” means all houses within a rateable area which are in actual occupation and all improvements on, in or under any such houses excluding mud huts, thatched houses, mud houses and such other similar houses;”.

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

“Declaration of rateable area

6.- (1) An Area declared as City Council, Municipal Council or Town Council shall be a rateable area for purposes of this Act.
(2) The Authority shall assess, collect and account for property rate in the area mentioned under subsection (1).”.

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

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

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

(a) ten thousand shillings for ordinary building; and
(b) fifty thousand shillings for each storey in a storey building:
Provided that a fraction of a building belonging to one or several co-owners in accordance with the Unit Titles Act shall be treated as a separate building.”;
(b) deleting the proposed subsection (2) and substituting for it the following subsections:
“(2) The property rate collected under this section shall be deposited in the Consolidated Fund.
(2A) The apportionment and disbursement of the proceeds collected under this section shall be made to a local government authority based on its budget.”; and
(c) inserting in the proposed subsection (9) the following definition in its alphabetical order-
“ordinary building” excludes mud huts, thatched houses, mud houses and such other similar houses ordinarily used for residential purposes.”.

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

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

67. The principal Act is amended in section 59-
(a) by deleting the words “international transport” wherever it appears in that section and substituting for it the words “international transport services”; and
(b) in subsection (3), by adding immediately after paragraph (d) the following:
“(e) a supply of ancillary transport services of goods in transit through Mainland Tanzania in circumstances where the service is-
   (i) an integral part of the supply of an international transport services;
   and
   (ii) in respect of goods stored at the port, airport, or a declared customs area for not more than thirty days while awaiting onward transport.”.

68. The principal Act is amended in section 66 by adding immediately after subsection (6) the following:
   “(7) For the purpose of subsection (1), where the 20th day falls on a Saturday, Sunday or a public holiday, the value added tax return shall be lodged on the first working day following a Saturday, Sunday or public holiday.”.

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

70. The principal Act is amended in Part I of the Schedule -
   (a) in item 3, by-
   (i) deleting sub item 19 and substituting for it the following-
   "        19             Tobacco, not stemmed/stripped  2401.10.00   ”
   (ii) adding immediately after sub-item 31 the following new sub-items:
   "        32             Preparations of a kind used in animal feeding  23.09   ”
33. Fertilized eggs for incubation

(b) in item 8 by adding immediately after sub-item 9 the following new sub-item:

| 10. | Motor vehicle specifically designed for use by persons with disability. | 87.03 |

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

| 17. | An import of machinery of HS Codes 8479.20.00, 8438.60.00, 8421.29.00, 8419.89.00 by a local manufacturer of vegetable oils for exclusive use in manufacturing vegetable oil in Mainland Tanzania. |
| 18. | An import of machinery of HS Code 8444.00.00, 8445.11.00, 8445.12.00, 8445.13.00, 8445.19.00, 8445.20.00, 8445.30.00, 8445.40.00, 8445.90.00, 8446.10.00, 8446.21.00, 8446.29.00, 8446.30.00, 8447, 8448.11.00, 8448.19.00, 8449.00.00, 8451.40.00 or 8451.50.00 by a local manufacturer of textiles for exclusive use in manufacturing of textiles in Mainland Tanzania. |
19. **An import of machinery of Chapter 84 by a local manufacturer of pharmaceutical for exclusive use in manufacturing pharmaceutical products in Mainland Tanzania.**

20. **An import of machinery of HS Code 8453.10.00 by a local manufacturer of hide and skins for exclusive use in manufacturing leather in Mainland Tanzania.**

21. **Import of ambulance of HS Code 8703.90.10 by a registered health facility other than a pharmacy, health laboratory or diagnostic centre.**

**PART XVI**

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

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

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

(a) adding immediately after paragraph (f) the following:

“(g) registered educational institutions, including-

(i) nursery, primary and secondary schools;

(ii) vocational, educational and training schools; and

(iii) universities and higher learning institutions;”;

(b) renaming paragraph (g) as (h).
PART XVII
AMENDMENT OF THE RAILWAYS ACT,
(CAP.170)

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

75. The principal Act is amended in section 20A by deleting the “full stop” appearing at the end of subsection (3) and substituting for it the following: “and Kerosene type Jet Fuel (Jet A1) classified under HS Code 2710.19.21.”.

Passed by the National Assembly on the 22nd June, 2017.

THOMAS DIDIMU KASHILILAH
Clerk of the National Assembly