



MINERAL ROYALTIES

Rate

%

- 6 Diamonds, Gemstones, Metallic minerals (incl. copper, gold, silver and platinum group minerals)
 - 5 Uranium
 - 4 Gold sold to refinery centers in Tanzania
 - 3 General rate
 - 1 Coal used as industrial raw material, salt and gems
- Base: "Gross value"

TAX TREATIES

In force: Canada, Denmark, Finland, India, Italy, Norway, South Africa, Sweden, Zambia

DEADLINES

Tax / other statutory payment

Corporate tax - instalment tax
 Corporate tax - final tax**
 Withholding tax, PAYE & SDL
 PSSSF, NSSF & WCF
 VAT & DST
 Excise Duty
 Stamp Duty
 Service Levy
 Refund of overpayment

Payment and filing deadline

Payment: Each quarter end Filing*:
 6 months after accounting period
 7th day of the following month
 Payment: 1 month after month end
 20th day of the following month***
 Last working day of the following month
 30 days after execution/entry of instrument
 End of each quarter
 3 years****

End of 1st quarter

Filing: WCF annual - by 31 March

* Amendment deadline: end of 4th quarter

** Transfer pricing documentation due with final tax return if related party transactions exceed TZS 10bn; otherwise within 30 days of request

*** Imports: payment of VAT at the time customs duty is payable

**** From the date of payment of tax in excess or the date of tax decision or other decision giving rise to a tax overpayment

INTEREST & PENALTIES

Tax Administration Act	%	
Under-estimation/late payment	Stat****	
Late filing/payment	2.5**	
Failure to maintain proper documents	****	monthly
Interest due to taxpayer on late payment of refunds (from the date of approval)	Stat****	interest/penalty
Social Security and WCF		
NSSF	5	
PSSSF	1.5****	
WCF - Late payment	****	
Local Government Act		
Service Levy (depending on a particular by-law)		Maximum 1.5%

Transfer Pricing (TP)

TP adjustment if not complying with arm's length principle - 100% of the tax shortfall. In addition failure to adhere to TP documentation requirements results in penalty of not less than 3,500 currency points (currently TZS 52.5m)

Disclosure of information

Failure to disclose names of contractors and subcontractors in extractive and construction industry results in penalty of higher of 25% of the amount payable under the project or a fine of up to TZS 60m



keys

Stat = "Statutory Rate" (prevailing discount rate determined by Bank of Tanzania). In the case of late payment of excise duty the interest rate is : Stat+5%

- ** Monthly penalty subject to a minimum of TZS 75,000 (individual) and TZS 225,000 (corporate); in the case of stamp duty, late payment/stamping subject to penalty of 25% to 1,000%
- *** Payable at TZS 150,000 per month
- **** On compounded basis
- ***** Interest rate as determined by the Director General of Worker's Compensation Fund

INCOME TAX - CORPORATIONS

	Profit	Turnover
	%	%
Corporation rate		
Resident corporation	* 30**	
Technical and management services to extractive sector		5
Alternative minimum tax (if tax losses for 3 consecutive years)		0.5
Digital services provided by a non-resident		2
* Includes PE of a non-resident (which also has to account for 10% tax on repatriated income)		
** For businesses in specified sectors or newly listed companies, and for a limited period, a lower rate can apply as follows:		
• 25% (first 3 years): newly listed companies (with at least 30% of shares publicly issued)		
• Manufacturing / assembly businesses with performance agreement with Government:		
o 25% (2 years from July 2019): sanitary pad manufacturers		
o 20% (first 5 years): pharmaceutical or leather industry		
o 10% (first 5 years): assembly industry for motor vehicles, tractors, fishing boats, boat engines		
Tax Depreciation		%
Buildings (straight line)		
Agriculture or livestock/fish farming		20
Other		5
Plant and machinery (initial allowance)		
Manufacturing or tourism		50
Agriculture		100
Plant & machinery (reducing balance)		
Class 1		37.5
Class 2		25
Class 3		12.5
Intangible assets (straight line)		Over useful life
Agriculture - improvements/research and development		100
Extractive sector - prospecting, exploration and development (straight line)		20
International crude oil pipeline depreciable assets		5

INCOME TAX - RESIDENT INDIVIDUALS

Individual rate - monthly (Mainland Tanzania)

	Bands of taxable income	Taxable income	Tax Rate	Tax on Band	Cumulative tax on income
	TZS	TZS	%	TZS	TZS
First	270,000	270,000	0	0	0
Next	250,000	520,000	8	20,000	20,000
Next	240,000	760,000	20	48,000	68,000
Next	240,000	1,000,000	25	60,000	128,000
Over	1,000,000		30		

Employment Benefits

Housing: Lower of (a) market value rental and (b) the higher of the following:
i. 15% of employee's total annual income and
ii. the expenditure claimed as deduction by the employer in respect of the premises

Car: Taxed according to engine size and vehicle age on the following annual values:

Engine size	up to 5 years old	> 5 years old
	TZS	TZS
<= 1,000	cc: 250,000	125,000
1,000 - 2,000 cc:	500,000	250,000
2,000 - 3,000 cc:	1,000,000	500,000
> 3000 cc:	1,500,000	750,000

Note: not chargeable where employer does not claim deduction in respect of the ownership, maintenance, or operation of the vehicle.

Loans: Excess of "statutory rate" over actual interest rate paid.

Business - Presumptive Income Tax

Specific presumptive income tax for individuals (other than independent professionals, providers of technical, management, construction and training services) with business turnover not exceeding TZS 100m

EMPLOYER'S PAYROLL OBLIGATIONS

PAYE (employee)	%`
Social Security (NSSF, PSSSF) - (up to half (10%) can be deducted from employee)	see above
Skills and Development Levy (employer)	20
Workers' Compensation Fund (employer)	3.5*
	0.5

* Exemption applicable in certain cases including employment in farms and education

RATES OF WITHHOLDING TAX

	Resident %	Non-resident %
Dividend		
- to company controlling 25% or more	5	10
- from DSE listed company	5	5
- otherwise	10	10
Interest	10	10
Rent		
- land and buildings; aircraft lease	10	10
- other assets	0	10
Royalty - general / item(c)	15/10	15/10
Natural resource payment	15	15
Service fees	5	15
Director fees (other than full time service)	15	15
General insurance premium (not life insurance)	0	5
Money transfer commission paid to money transfer agent	10	n/a
Commission, fees and other charges to commercial bank agent or digital payment agent	10	n/a
Payments for goods by Government institutions	2	n/a
Payments for precious metals, gemstones and other precious metals to the holder of a primary mining licence or artisanal miner	2	n/a
Payments for verified carbon emission reduction	10	n/a

Note: Reliefs may apply to SEZ/EPZ investors, strategic investors, certain loans i.r.o Government projects, corporate bonds, municipal bonds, DSE bonds of at least three years and listed wef 1 July 2021

DISPOSAL OF INVESTMENTS

Tax rates	Tanzanian asset %	Overseas asset %
Individual		
- Resident	10/3*	30
- Non - resident	30	n/a
Company		
- Resident	30	30
- Non - resident	30	n/a

* 3% of consideration on sale of land or building by individual where no records of costs available

Exemptions:

1. Private Residence - Gains of TZS 15m or less
2. Agricultural land - Market value of less than TZS 10m
3. Units in an approved Collective Investment Scheme
4. Shares - (i) DSE shares held by resident, (ii) shares held by non - resident (and associates) where shareholding of less than 25%
5. Mining - Issue or transfer to Government of shares / FCI; transfer of mineral rights and mineral information to an entity in which Government is a partner; internal restructuring pursuant to FWA

Single Instalment Tax

	%
Sale of land, licence or concessional right on reserved land, buildings or shares	
- by resident	10*
- by non - resident	20*
Sale of mineral or petroleum rights	30**
Non-resident transport operator/charterer without permanent establishment	5***
Realisation of interest in land or building by a resident where no records of costs available	3****

* applied to gain, in certain cases credit against final tax liability

** applied to gain, if prior to production then computed separately from business income/loss

*** applied to gross payment

**** applied to the incomings or approved value of the asset whichever is higher

INDIRECT TAXES

VAT

Taxable Supplies	Rate %
Supply of goods & services	18/0
Import of goods & services	18
Export of goods & certain services	0
Registration threshold (annual turnover) * Mandatory registration irrespective of turnover for professional service providers and government institutions with economic activity	TZS 200m*
Refund claims Standard "Regular repayment"	Six monthly basis Monthly basis

CUSTOMS DUTY

General:	%
Capital goods, raw materials, agricultural inputs, pure-bred breeding animals	0
Semi-finished goods	10
Finished consumer goods	25/35
Energy and Resources:	
(i) Mining - machinery and spare parts thereof imported by a licenced mining company and used in mining activities;	0
(ii) Petroleum / Energy - machinery and inputs (except motor-vehicles) imported by a licenced company for direct and exclusive use in oil, gas or geothermal exploration, development and distribution.	0
Railway Development Levy	1.5* (CIF)
Custom processing	0.6 (FOB)
* Not applicable to imported goods that have exemption under the EACCMA 2004, pharmaceutical goods, fertilizers, Jet A - 1 or goods in transit	

EXCISE DUTY AND EMWT

Goods	Applied to specified goods including alcohol, petroleum products, soft drinks, non-utility motor vehicles > 1000cc, vehicles exceeding a certain age limit, cement, tobacco and specified imported goods	% Various
Services	Electronic communication services Charges by financial institutions; money transfer and payment service charges by Telcos and licensed payment service providers Pay-to-view television service providers	17 10 5 TZS
Electronic money withdrawal transaction levy (EMWT)		10 - 2,000

STAMP DUTY

Conveyance / transfer, transfer of shares or debentures, lease agreements Note: Stamp duty on conveyance of agricultural land is restricted to TZS 500	% 1
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LOCAL TAXATION

Service levy	0.3% of turnover (maximum)
Property Tax	TZS
Ordinary building	18,000
Storey building	90,000*
* On each storey (city council)/ whole building (district council)	

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