

2023 Finance Act Bulletin

JULY 2023

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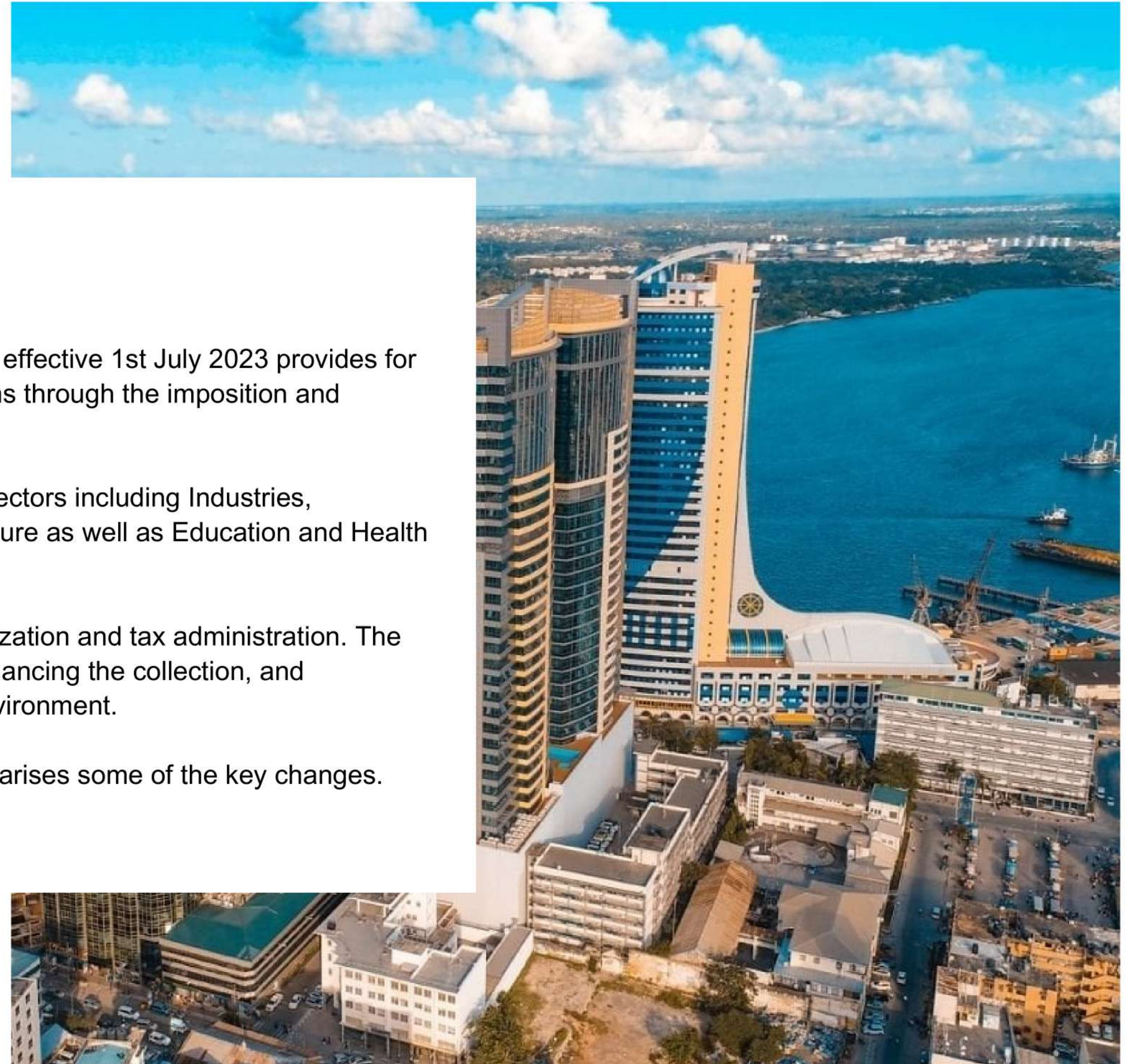
BACKGROUND

The Finance Act dated 30th June 2023 whose implementation is effective 1st July 2023 provides for the amendment of various tax laws with a view of bringing reforms through the imposition and alteration of certain taxes, duties, levies, and fees.

It intends to enhance economic growth, particularly in strategic sectors including Industries, Agriculture, livestock, fisheries, Energy, and Transport infrastructure as well as Education and Health Sectors with a view to improving the productivity of Tanzanians.

The measures further intend to improve domestic revenue mobilization and tax administration. The Act also proposes to amend other written laws with a view to enhancing the collection, and management of public revenues, and improving the business environment.

This bulletin is not exhaustive of the Finance Act 2023 but summarises some of the key changes.



Allotment of new membership interest and transfer of resident membership interests is excluded from Taxation

- **Section 56** has been amended with a view of excluding from taxation allotment of new membership interest and transfer of resident membership interest to another resident person. The amendment aims to attract investment.

Comment

In relation to the issuance of shares, it is understood that the intention is to exclude the application of **section 56** to transactions to raise capital by way of an issue of shares.

- This amendment is a very positive development particularly for the mining sector, as many projects will typically look to raise capital (for exploration and development) by the issue of shares.

Payments received by a non-resident in respect of an electronic service consumed or attributable by an individual in the URT

- **Section 69** has been amended to include payment of electronic services consumed or attributable by an individual in the URT regardless of the place of payment in the list of payments that have a source in the United Republic of Tanzania (URT), provided that the consumption of the service is not made in the course of doing business.
- The aim of this amendment is to protect and widen the tax base.

Widening tax base with a much more friendly regime for holders of primary Mining Licence and Artisanal Miner regime for holders of primary Mining License and Artisanal Miners

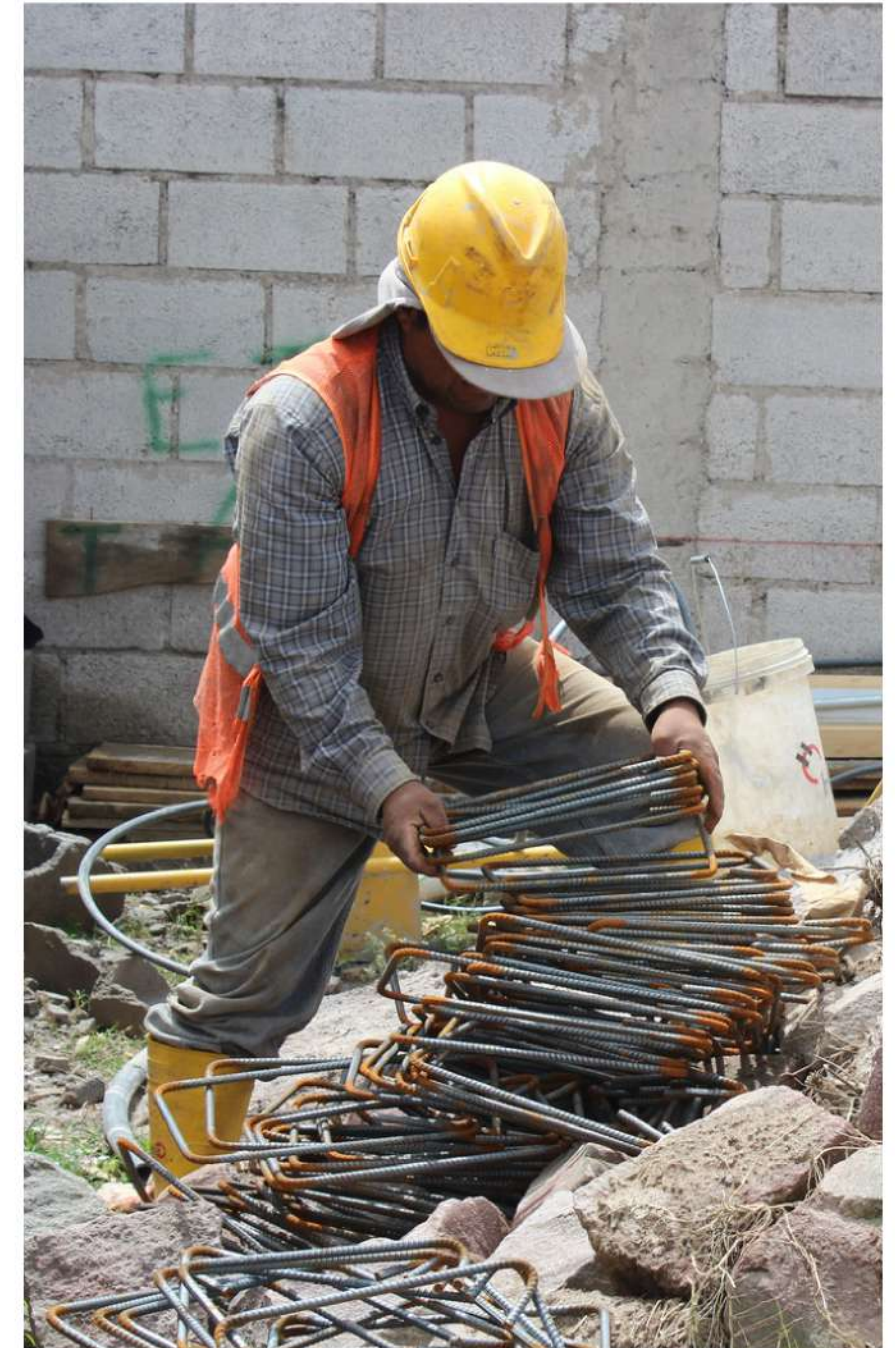
- **Section 83(1)** has been amended to obligate buyers of precious metals, gemstones, and other precious stones supplied by the holder of a **primary mining license** or **artisanal miner** to withhold **2%** of the payment made in respect to that supply.
- This amendment aims to provide a special arrangement for the taxation of holders of primary mining licenses and artisanal miners and resolve challenges existing in the collection of taxes in the mining sector.

The requirement to withhold 10% on payments made in respect of Verified Emission Reduction (VER)

- **Section 83(1)** is further amended to require **resident persons** who make payment to a **resident person** in respect of **verified Carbon Emission Reduction** to withhold 10% in respect of that payment.

Introduction of a final Withholding Tax (WHT) at 10 % on income accruing from Carbon Trading and at 2% on payment received by a resident person with a Primary Licence and Artisanal Miners.

- **Section 86** has been amended to treat WHT held by resident persons on payments made in respect of the Verified Carbon Emission Reduction (VER) transaction and to holders of Primary License and Artisanal Miners as final payments.



Comment

This is meant to assure the Government of its revenue in advance. However, since this is final WHT, affected parties will not be required to offset the already paid-up tax from their final tax liability.

A resident person who realizes an interest in land or building and does not have records of costs of assets shall pay income tax at a single installment at 3% of the incomings or approved value of the asset, whichever is greater"

- **Section 90(1)** has been amended by introducing a tax rate of three percent of the incomings or approved value of the land for sellers of land who do not possess document evidence substantiating the costs.
- The aim of the amendment is to simplify the computation of Capital Gain Tax for sellers of land who do not possess supporting documents.

Comment

It is important to follow this condition otherwise, according to Section 90(2) of the principal Act, because no transfer shall be made without presenting a **certificate of the Commissioner** to any relevant authority, certifying that the income tax as stipulated under the new provision (90(1)(b)) has been paid.

Empowering National Health Insurance Fund (NHIF) to deliver wider health services to the public

- The **Second Schedule** has been amended to introduce exemption of investment return in respect of fixed deposits, treasury bills or treasury bonds, or dividends derived by the National Health Insurance Fund (NHIF).
- This measure will allow NHIF to boost its financial muscles and thus increase the delivery of its services or meet the Funds' operational obligations.

Adding exemption on the gain derived from an internal restructuring of mining companies as agreed in the framework agreement between the Government and investors.

- The **Second Schedule** has been amended to add gain derived from an internal restructuring of mining companies as agreed in the framework agreement between the Government and potential investors to be exempted from capital gain tax.
- The aim of this amendment is to expedite the implementation of joint venture projects between the Government and mining investors.

Electronic Services are now taxable whether or not rendered through a digital marketplace.

- **Section 90A** has been amended in order to enable taxation of electronic services whether or not rendered through a digital market place and extend the due date of submission of digital service tax to 20 days from 7 days after the preceding month.
- The aim of the amendment is to ease compliance and widen the tax base.



Provision of Indicative Tax Rates to enhance Voluntary Tax Compliance among Individuals who do not file Tax returns

- **Section 4** has been amended to provide tax rates for individuals engaged in the transportation of cargo or passengers who are not required by law to file tax returns.
- The purpose of the amendment is to provide a presumptive tax regime that will enhance tax compliance.
- **Division VI of Part V of the Act** has been repealed to introduce a simplified procedure under section 4 for the estimation of income tax for transporters of passengers and cargo by using indicative tax rates for individual taxpayers who are not obliged to prepare accounts and file tax returns.

A Class A: Passenger Service Vehicles				
Current Rates		Proposed Rates		
No. of Passengers	Rates (Tshs)	No. of Passengers	Rates (Tshs)	
1	Less than 10	180,000	Less than 15	250,000
2	11-15	450,000	16 – 25	550,000
3	16 - 30	720,000	26 - 45	1,100,000
4	Up to 32	1,710,000	46 - 65	1,600,000
5	Normal Buses	2,430,000	Above 65	2,200,000
6	Semi-Luxury	2,610,000		
7	Luxury	2,790,000		

B Class B: Tour Service Vehicles			
Current Rates		Proposed Rates	
No. of Passengers	Rates (Tshs)	No. of Passengers	Rates (Tshs)

Nil	Nil	Up to 15	650,000
-	-	16 to 25	900,000
-	-	26 to 45	1,300,000
-	-	46 to 65	1,800,000
-	-	Above 65	2,400,000

C Class C: Goods Carrying Vehicles				
Current Rates		Proposed Rates		
Capacity (Tons)	Rates (Tshs)	Capacity	Rates (Tshs)	
1	Less than 1	180,000	Less than 1	250,000
2	1 - 5	450,000	1 - 5	500,000
3	6 - 10	720,000	6 - 10	750,000
4	11 - 15	1,710,000	11 - 15	1,100,000
5	16 - 20	2,430,000	16 - 20	1,300,000
6	21 - 25	2,610,000	21 - 25	1,650,000
7	26 - 30	2,790,000	26 - 30	1,900,000
8	31 tons and above	2,790,000	31 tons and above	2,200,000

D Class D: Private Hire Service Vehicles				
Current Rates		Proposed Rates		
Item	Rates (Tshs)	Item	Rates (Tshs)	
1	Motocycles	Nil	Motocycles	65,000
2	Tricycles	-	Tricycles	120,000
3	Tax Cab	-	Tax Cab	180,000
4	Ride Hailing	-	Ride Hailing	350,000
5	Ride Sharing	-	Ride Sharing	450,000
6	Special Hire	-	Special Hire	750,000



Tax Administration

The definition of the Primary Data Server has been widened

- **Section 35 (9)** has been amended by widening the scope of the definition of the term “primary data server” to include physical or virtual data servers.
- The purpose of the amendment is to recognize other forms of data servers created by a taxable person or other person liable under the section.
- This measure is in alignment with the technological advancement within data storage. It will address investment challenges associated with the installation of physical data servers by companies in Tanzania.
- **Section 35 (10)** has also been amended to extend the **effective date of implementation** of this particular requirement to be **1st January 2024**

Recognition of other devices used in the issuance of tax receipts other than EFDs (mobile phone Apps))

- **Section 36(1)** has been amended by deleting the words “**by using the electronic fiscal device**” in order to allow issuance of receipt by devices other than electronic fiscal device.
- The objective of the amendment is to recognize other approved devices or technology that can issue fiscal receipts in accordance with the Act.
- Those not required to use fiscal devices or issue fiscal receipt shall issue manual receipt (as informed by the CG-TRA)



Any entity engaged in the construction and extractive industry shall disclose to the Commissioner General the names of all persons contracted and sub-contracted in the course of performance of their duties or business or carrying out of any project within 30 days.

- **Section 45A(1)** has been amended to require entities to disclose information on contracted and sub-contracted services to the CG-TRA within 30 days.

More room for the CG-TRA to determine a Tax refund decision. Now the CG is not obligated to determine a refund decision within 90 days but rather any other time after a tax decision or other decision giving rise to a tax over payment is made.

- **Section 71(3)** has been amended by recognising the dates or time within which applications for tax refund can be made.
- The Commissioner General shall serve the applicant with a written notice of the refund decision within the time prescribed in subsection (1) (within ninety days from the date of the receipt of the application) **or the date a tax decision or other decision giving rise to a tax overpayment is made”**

Comment:

Though the gesture might be right in some circumstances (e.g upon a case ruling in favor of a taxpayer). This measure might open room for further delay settling legit tax refunds.

The Tax Administration Act through Section 45A (4) has been amended to provide clarity on the definition of terms or words a storage facility and owner means as used under this section.

The terms are defined as follows:

- **Storage facility** means warehouse, godown, or any other storage facility, which is used to keep own or other persons' goods for business purposes, provided that such warehouse, godown, or other facility is not part of a shop, factory, industry, or farm; and
- **Owner** means a person who establishes or operates and is in control of the facility and possession of the storage facility or a person to whom the storage facility has been leased or sub-let.

Specific penalties for non-issuance or demand for fiscal receipts have been lowered to lower compliance costs

- **Section 86(1) and (4)** has been amended by providing proportionate tax penalties to sellers who fail to issue receipts and buyers who fail to demand receipts. The objective of the amendment is to prescribe appropriate penalties for offenses committed for purposes of enhancing compliance with the law.

The new fines for:

- **Non-issuance of fiscal receipt** (payable by sellers) is either **20%** of the value of goods sold or service rendered or **100 currency points**, whichever is greater". Previous fines were not less than **200 currency points** and not more than 300 currency points"
- **Failure to demand fiscal receipt** (payable by customers) is either **20%** of the tax evaded or **2 currency points**, whichever is greater". Previous rates fines were not less than 2 currency points and not more than **100 currency points**.

Note: 1 currency point is equivalent to TZS 15,000



Value Added Tax

Measures to lower the cost of importation for investors in pharmaceutical and poultry farming sub-sectors

- **Section 6(3)** is amended in order to VAT-exempt importation of raw materials of **Heading 39.02** and **39.07** to be used solely in the manufacture of packaging materials for pharmaceutical products and importation of pre-fabricated structures or supply of locally manufactured pre-fabricated structures of **H.S Code 9406.20.90** to be used solely in poultry farming.
- The aim of the amendment is to reduce costs to producers and promote the growth of the sectors.

Deferment of VAT for 10 years on locally manufactured capital goods in order to attract new investment in the country, promote domestic production, and increase employment.

- **Section 11(1)** has been amended in order to include deferment of value-added tax on locally manufactured capital goods in order to attract new investment in the country, promote domestic production and increase employment opportunities.
- A registered person may, in the form and manner prescribed, apply to the Commissioner General for approval to defer payment of VAT on imported or locally manufactured capital goods
- This **deferment** will only be enjoyed only if the goods are not purchased or imported for the purpose of resale in the ordinary course of carrying on the person's economic activity, whether or not in the form or state in which the goods were purchased or imported.

No more deferment of VAT on imported goods after 30th June 2026

- Deferment on the imported capital goods shall cease to apply on the **30th day of June 2026**.
- Therefore for investors, room has been provided to make Importation decisions on capital goods before the due date.

Zero rating of VAT for locally manufactured cotton garments made from locally grown cotton, for a year.

- The principal act is amended by adding immediately after **Section 55A, Section 55B** thus making a supply of locally manufactured garments made from locally grown cotton shall be zero rated from **1st July, 2023 up to 30th June, 2024.**"

Zero rating of VAT for locally supplied fertilisers for one year.

- **Section 55A** has been amended in order to zero rate VAT on the supply of fertilisers manufactured locally for a period of one year.
- The amendment aims at providing relief to farmers and consumers.

Note: Substantial changes (exemptions) have been made under Part I and II of the first schedule



Vocational Education and Training



The Finance Act has amended the Vocational Education and Training Act, Cap National Payment Systems Act,

Reduction of Skills Development Levy (SDL) from 4% to 3.5%

- **Section 14** is amended by reducing the Skills Development Levy rate from **4%** to **3.5%**.
- The objective of this amendment is to lower employers' costs of employment

Comment

- This is a commendable measure, however, ATE will continue to advocate for SDL gradual reduction (to 2%) together with other related incentives.

Removal of the obligation to file SDL return

- **Section 16** has been amended to remove the obligation to file returns from employers who are not required to pay the Skills Development levy.
- The aim is to lower employers' compliance burden and allow ample time for business operations

Redistribution of SDL collection

- **Section 15** has been amended to provide the distribution of the skills development levy, whereby 1/3 of the levy shall be remitted to the Ministry responsible for employment, 1/3 to the Higher Education Students' Loans Board, and 1/3 to VETA.
- This amendment aims to enable the implementation of Work-Based Skills and Training Initiatives as well as to achieve the objectives of the Fund.

Comment

As a way forward, emphasis needs to be put into ensuring actual allocations are done as per the developed formula and that there are no delays in disbursement to avoid distortions in Skills and Education-based programme implementation.

Grant of exemption power to the Minister of Finance and Planning

- **Section 19** has been amended to empower the Minister responsible for finance after consultation with the Minister responsible for Education to exempt payment of levy where the exemption is for the public interest.

Comment

This measure will allow the Minister of Finance to exempt some employers (investors) potentially implementing strategic projects such as EACOP, that employ a sizeable number of locals and therefore participate in the transfer skills (i.e. measure to allow investors to embrace Local content)

Other notable amendments

Amendment of the National Payment Systems Act, Cap 437. Removal of Mobile Money Transaction Levy for electronic transfers to promote a cashless economy

- **Section 46A** to remove the mobile money transaction levy on the transfer of money electronically.
- The objective of the amendment is to remove the possibility of being double levied in respect of the same amount as well as to encourage electronic payment transactions. Therefore, according to the proposed amendments, the levy shall be in respect of withdrawal transactions only.

Amendment of the Electronic and Postal Communications Act, Cap. 306. Removing Airtime Levy to lower costs of communication and enhance internet usage.

- Section 164A has been repealed by removing the airtime levy.
- The objective of the amendment is to promote a cashless economy.

Amendment of the Mining Act, Cap 123. Refineries are now exempted from inspection fees of 1%

- **Section 90A** has been amended to exempt refineries from paying an inspection fee of 1 percent.
- The amendment is intended to stimulate the growth mineral refining sub-sector in the country, attracting investment, promoting employment, and increasing Government revenue.

- **Section 87(1)** has been amended to charge **loyalty at 1%**.
- **Note.** According to the principal Act, Loyalty is charged as a percentage of the gross value of Minerals produced under one's license.

Amendments of the Export Tax Act, Cap 196

- section 3 is has been amended by exempting 80% of the export levy on raw hides and skin exported by investors in Export Processing Zones (EPZ). The aim is to reduce cost of exporting raw hides and skin and promote foreign markets.

Amendment of the Foreign Vehicles Transit Charges Act, Cap. 84, to provide room for reiterative rates in the event host country of foreign transit vehicles charge higher rates than those prescribed by regional integration including EAC, SADC or COMESA

- **Section 3** has been amended to allow charging higher rates on foreign transit vehicle in the event the host country of the foreign vehicle charges higher rates than those prescribed by regional integration including **EAC, SADC or COMESA**.
- The purpose of the amendment is to enhance equity and safeguarding national interest.

Amendment of the Gaming Act, Cap. 41 has been amended to give clarity in definition of terms under gaming industry

- **Section 3** has been amended by introducing various definitions of terms in order to provide the intended meaning of various provisions under the Act.

- That is, **Commercial Gaming undertaking** means any gaming activity which is subject to gaming tax and **Gross Gaming Revenue** means collective amount of wagering or staking placed by players minus the collective amount of winning paid out to players.
- Furthermore, **section 13** has been amended by adding subsection (4) to impose a condition that the Gaming Board of Tanzania shall issue licences to companies in which citizens of Tanzania own at least **5%** of the undivided shares or applicant's share capital.
- The objective of amendment is to increase investment by Tanzanians in commercial gaming undertakings.



Amendment of the Copyright and Neighbouring Rights Act, Cap. 218.

- **Section 48A** has been amended by imposing a levy of 1.5% on vinyl, mini disc, compact disk, digital versatile disk, and SD memory. The aim of the amendment is to enhance the enforcement of copyright.

Amendment of the Food and Security Act, Cap

- **Section 4** has been amended to have the Authority before issuing permits for the importation or exportation of wheat, barley, and grape concentrate, seek approval of the Minister

Amendment of the Local Government Authorities (Rating) Act, Cap 289.

- Property rates have been increased and the scope of rateable areas widened.
- **Section 6** has been repealed and replaced entirely. Therefore now, all property except those under section 7 (exempted property such as religious buildings, president personal occupation, public museums, and libraries, etc) within the City or Municipal or District Councils are now rateable, that is shall pay property tax at rates newly introduced under Section 16(1).
- **Section 7** has been amended to include mud huts, thatched houses, and other areas used for residential purposes.

- **Section 16** has been amended to increase property tax rates from **TZS 12,000** to **TZS 18,000** for normal buildings and from **TZS 60,000** to **TZS 90,000** for each storey building. This measure is intended to reflect the amount of tax paid with the actual value of the property.
- **Section 16** is further amended through **Subsection 3** to have **20%** of the collected moneys be remitted to **LGAs** to facilitate property rate collection and recovery.

Amendments of the Local Government Act, Cap 290 has mandated LGAs to collect both property tax and advertisement fees for billboards, posters, and hoarding.

Section 31A has been as follows:

- Collection of Property Tax and advertisement fees shall now be done by Local Government Authority.
- TRA remains with the mandate to evaluate, assess, collect and account for property rate up to the **31st December 2023**. Thereafter, the Local Government will take over.
- For Advertisement fees for billboards, posters, hoarding the Local Government has been given the mandate to collect and account with immediate effect.

Section 7 has been amended to include 20% of the collected moneys as part of the District councils' sources of revenue.

- **20%** percent of the collected moneys shall now form part of the LGA own funds.
- This is meant to facilitate the implementation of their new role.



Comments

The use of LGAs to collect property tax may not be as effective as the "LUKU" approach.

Despite a few challenges with LUKU (not capturing all property) but it remains to be a more efficient way compared to other means.

The Government should exploit the possibility of combining the two approaches rather than diverting from the LUKU approach and now using LGAs to do door-to-door collection

Amendment of the Road and Fuels Tolls Act, Cap 220 in search of more funds to implement strategic projects.

- **Section 4A** has been amended by introducing **TZS 100** per litre of petrol or diesel which shall be deposited in the Consolidated Fund for the implementation of Strategic projects
- The rate of Road Toll shall now be 513 per litre increasing from 413 per litre of petrol or diesel.
- Other than Road Toll, Petrol and diesel are charged Excise Duty at **TZS 379** and **255 per liter** respectively.
- Now the total taxes on petrol is **TZS 992** while diesel is **TZS 868 per litre**

Comment

Though this might have a multiplier effect, especially on the general increase of price levels of raw materials, goods, and services, the gesture is noble.

According to EWURA, in 2021 Tanzania consumed **3.8 billion** liters of Petrol, diesel, and Kerosene. You can see how much shall be collected from this new levy (*about 300.8 billions-if liters of kerosene were insignificant*)

Amendment of the Land Act

- The Principal Act is amended immediately after **Section 33** by adding **Section 33** to provide for collection and distribution of land rent.
- That is Land rent will now be collected by LGAs and deposited in the Consolidated Fund.
- **20 percent** will form part of LGAs revenue to facilitate collection and recovery of the land rent.



Excise Duty

Adoption of a three (3) years indexation regime for Excise Duty Specific rates for selected excisable non-petroleum products indexation period for Excise Duty Specific rates for selected excisable non-petroleum products

- Section 124(2) has been amended by changing the adjustment period of specific excise duty rates from every one year to every three years from the 2023/2024 financial year. The objective of the amendment is to ensure certainty and predictability of tax policies and to provide for a conducive business environment.
- The amendments also intend to adjust specific excise duty rates for beer, tobacco products, and other non-petroleum products excluding wines, spirits, and sugar confectioneries.
- The object of this measure is to restore the value of specific excise duty rates to be in line with the inflation rate and other key macroeconomic indicators.

Measure to discourage the importation of hybrid passengers vehicles aged more than 5 years

- **Section 124(5A) and (5B)** are amended introducing an excise duty rate on imported hybrid passenger motor vehicles aged more than 5 years. The purpose of the amendment is to discourage dumping and safeguard the safety of passengers.
- **Section 137(3)** has been amended by adding the requirement for a taxpayer to provide information relating to service rendered. The objective of the amendment is to improve taxpayer records.

The Fourth Schedule is amended in order to introduce excise duty rates on:

- on cement
- bituminous oil and other products made of bituminous material; and
- electronic cigarette, vape products and Shisha.

Note: See tables below for other newly introduced excisable product

New Excise rates payable by manufacturers of excisable products

- The Finance Act has amended the Fourth Schedule by increasing Excise rates by either 10% (mainly locally produced) or 20% (imported finished or raw materials)
- The amendments intend to control negative externalities arising from the use of such products, widen tax base and increase Government revenues.

The Fourth Schedule is further amended in order to align the H.S Codes assigned to the excisable goods with new H.S Codes contained in the East Africa Community Customs External Tariff, 2022.



New Excise rates payable by manufacturers of excisable products

The Finance Act has amended the Fourth Schedule by deleting the whole of Headings 20.09, 21.06, 22.01, 22.02, 22.03, 22.06, 24.02, 24.03, 34.03 and 85.23 and substituting for them the following: Excise rates have been raised by either 10% (mainly produced with locally sourced raw-materials) or 20% (imported finished or raw materials)

Heading	H.S Code No.	Description	Unit	Old Excise rate	New Excise rate
20.09		Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.			
	-- 20.09.11.00-- 20.09.12.00-- 20.09.19.00-- 20.09.21.00-- 20.09.29.00-- - 20.09.31.00-- 20.09.39.00-- 20.09.41.00-- 20.09.49.00-- 20.09.50.00-- 20.09.61.00-- 20.09.69.00-- 20.09.71.00-- 20.09.79.00-- 20.09.81.00-- 20.09.89.00-- 20.09.90.00				
		Locally produced fruit juices Manufactured from domestic fruits under the heading 20.09	l	Tshs. 9.00per litre	Tshs.9.90 per litre
		Other fruit juices underthe heading 20.09	l	Tshs. 232.00 per litre	Tshs. 255.20per litre
21.06		Food preparations not elsewhere specified or included.			
		-Other			
	2106.90.90	---Imported powdered beer	kg	Tshs. 844.00per/kg	Tshs. 1,012.80per/kg
	2106.90.90	---Imported powdered juice	kg	Tshs. 232.00per/kg	Tshs. 255.20per/kg
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			
		Locally produced, bottled	l	Tshs. 58.00per litre	Tshs.63.80 per litre
		Imported, bottled	l	Tshs. 64.05per litre	Tshs.70.46 per litre
	2201.90.00	-Other	l		
		Locally produced, bottled	l	Tshs. 58.00per litre	Tshs.63.80 per litre
		Imported,	l	Tshs. 64.05 per litre	Tshs. 70.64 per litre
22.02		Waters, including mineral waters and aerated waters, containing added sugar or			

Heading	H.S Code	Description	Unit	Old Excise rate	New Excise rate
		other sweetening matter or flavoured, and other non- alcoholic beverages, not including fruit vegetable juice of heading 20.09			
	2202.10.00	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured			
		Locally produced	l	Tshs. 61.00per litre	Tshs.67.10 per litre
		Imported	l	Tshs. 61.00perlitre	Tshs.67.10 per litre
		-Other			
	2202.91.00	-- Non- alcoholic beer	l		
		Locally produced	l	Tshs. 561.00per litre	Tshs. 673.20per litre
		Imported	l	Tshs. 589.05per litre	Tshs. 706.86per litre
		(for example, cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.			
	2206.00.10	--- Cider			
		Locally produced	l	Tshs. 2,466.45 per litre	Tshs. 2959.74per litre
		Imported	l	Tshs. 2,466 per litre	Tshs. 2959.74 per litre
	2206.00.20	--- Opaque beer (for example Kibuku)			
		Beer made from 100%local unmalted cereals	l	Tshs. 450.00per litre	Tshs. 540.00per litre
		Imported			
	2206.00.90	---other			
		Other beveragesproduced	l	Tshs. 61.00per litre	Tshs.73.20 per litre
		from locally grown fruits such as bananas, tomato, rosella, etc. other than grapes with domestic content exceeding 75%			

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Heading	H.S code	Description	Unit	Old Excise rate	New Excise rate
		other	l		
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.			
		- Cigarettes containing tobacco:			
	2402.20.10	--- Of length not exceeding 72mm in length including the filter tip			
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 12,447.00 per mil	Tshs. 14,936.40 per mil
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 29,425.00 per mil	Tshs. 35,310.00 per mil
		Other	mil	Tshs. 55,896.75 per mil	Tshs. 67,076.10 per mil
	2402.20.90	--- Other			
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 12,447.00 per mil	Tshs. 14,936.40 per mil
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 29,425.00 per mil	Tshs. 35,310.00 per mil
		Other	mil	Tshs. 55,896.75 per mil	Tshs. 67,076.10 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 substitute in any proportion:			
	2403.19.00	-- Other (for example			
		cut rag/filler)			
		Locally produced containing domestic tobacco exceeding 75%	kg	Tshs. 8,000.00 per kg	Tshs. 9,600.00 per kg
		Other/Imported	kg	Tshs. 28,232.40 per kg	Tshs. 33,878.88 per kg
	2403.91.00	-- "Homogenized" or reconstituted tobacco	kg	Tshs. 28,232.40 per kg	Tshs. 33,878.88 per kg
	2403.99.00	-- Other	kg	Tshs. 40	
				40 per	
34.03		Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, fur-skin or other materials, but excluding preparations			

Newly introduced Excise rates on Cement

Heading	H.S. Code No.	Description	Unit	Old Excise Rate	New ExciseRate
25.23		Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers.			
		- Portland cement:			
	2523.21.00	-- White cement, whether or not artificially coloured	kg		
		Locally manufactured		N/A	Tshs. 20
		Imported		N/A	Tshs. 20
	2523.29.00	-- Other	kg		
		Locally manufactured		N/A	Tshs. 20
		Imported		N/A	Tshs. 20
	2523.30.00	- Aluminous cement	kg		
		Locally manufactured		N/A	Tshs. 20
		Imported		N/A	Tshs. 20
	2523.90.00	- Other hydraulic cements	kg		
		Locally manufactured		N/A	Tshs. 20
		Imported		N/A	Tshs. 20

Newly introduced Excise rates on Hybrid Vehicles

Heading	H.S code	Description	Unit	Old Excise rate	New Excise rate
87.03	8703.40.00	- Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power (except HS Code 8703.80.10 and 8703.80.90 and vehicles that use Compressed Natural Gas (CNG) only)			
		--of a cylinder capacity exceeding 1000cc but not exceeding 2000cc:	u	N/A	5%
		--of a cylinder capacity exceeding 2000cc	u	N/A	10%
	8703.50.00	- Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi- diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power			
		--of a cylinder capacity exceeding 1000cc but not exceeding 2000cc:	u	N/A	5%
		--of a cylinder capacity exceeding 2000cc	u	N/A	10%
	8703.60.00	- Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power			
		--of a cylinder capacity exceeding 1000cc but not exceeding 2000cc:	u	N/A	5%
		--of a cylinder capacity exceeding 2000cc	u	N/A	10%
	8703.70.00	- Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi- diesel) and electric motor as motors for propulsion, capable of being charged			



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