

Tanzania Tax Data 2022/2023

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 & Gems

Base: *Gross value*

Tax treaties

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

Deadlines

Tax / other statutory payment	Payment and filing deadline	
Corporate tax - instalment tax	Payment: Each quarter end	Filing: End of 1st quarter
Corporate tax - final tax*	6 months after accounting period	
Withholding tax, PAYE, SDL & DST	7th day of the following month	
PSSSF, NSSF & WCF	Payment: 1 month after month end	Filing: WCF annual - by 31 March
VAT	20th day of the following month**	
Excise Duty	Last working day of the following month	
Stamp Duty	30 days after execution/entry of instrument	
Service Levy	End of each quarter	

* Transfer pricing documentation due with final 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

Interest & Penalties

	Monthly interest/penalty
Tax Administration Act	%
Under-estimation/late payment	Stat*
Late filing/payment	2.5**
Failure to maintain proper documents	***
Interest due to taxpayer on late payment of refunds (from the date of approval)	Stat****
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

Key

- * 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

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This datacard reflects the law as at 1 July 2022 including changes introduced by the Finance Act 2022

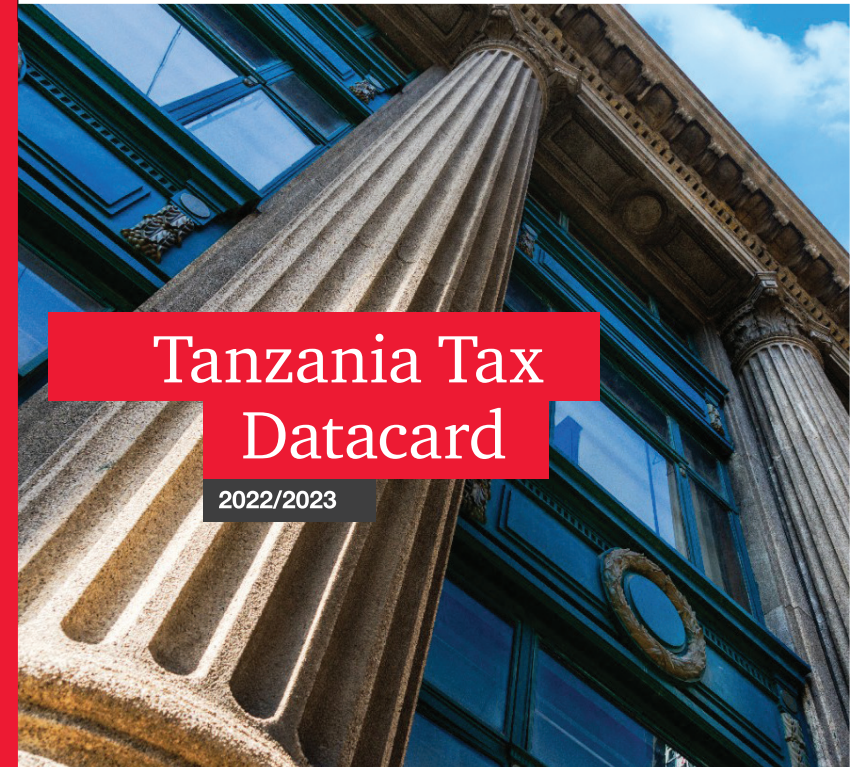
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2022/2023



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Income tax - Corporations

Corporation rate	Profit %	Turnover %
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.

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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)		see above
Social Security (NSSF, PSSSF) - (up to half (10%) can be deducted from employee)		20
Skills and Development Levy (employer)		4*
Workers' Compensation Fund (employer)		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	15/10
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
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	30
- Non - resident	30	n/a
Company		
- Resident	30	30
- Non - resident	30	n/a
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. Issue or transfer to the Government of shares / free carry interest; or transfer of mineral rights and mineral information to an entity in which the Government is a partner.		

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***
* 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		

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Indirect taxes

VAT

Taxable Supplies	Rate %
Supply of goods & services	18
Import of goods & services	18
Export of goods & certain services	0
Registration threshold (Annual turnover)	TZS 100m*
Refund claims	Six monthly basis
Standard	Monthly basis
* Regular repayment*	
* Mandatory registration irrespective of turnover for professional service providers and government institutions with economic activity.	

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 EMT

Goods	%
Applied to specified goods including alcohol, petroleum products, soft drinks, non-utility motor vehicles > 1000cc, vehicles exceeding a certain age limit, tobacco and specified imported goods	Various
Services	
Electronic communication services	17
Charges by financial institutions; money transfer and payment service charges by Telcos and licensed payment service providers	10
Pay-to-view television service providers	5
	TZS
Electronic money transaction levy	10 - 4,000
Airtime levy	5 - 233

Stamp duty

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

Local taxation

Service levy	0.3% of turnover (maximum)
Property Tax	TZS
Ordinary building	12,000
Storey building	60,000**
* On each storey (city council)/ whole building (district council)	