

Tanzania Tax Data 2024/2025

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; Bank of 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	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	7 th day of the following month	
PSSSF, NSSF & WCF	Payment: 1 month after month end	Filing: WCF annual - by 31 March
VAT & DST	20 th day of the following month****	
Excise Duty	25 th day of the following month	
Stamp Duty	30 days after execution/entry of instrument	
Service Levy	End of each quarter	
Application for refund of overpayment	3 years*****	

* 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
*** 9 months for a person whose accounts are audited by the Controller and Auditor General
**** 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

	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 70m)	
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 100,000 (individual) and TZS 300,000 (corporate); in the case of stamp duty, late payment/stamping subject to penalty of 25% to 1,000%	
*** Payable at TZS 200,000 per month	
**** On compounded basis	
***** Interest rate as determined by the Director General of Worker's Compensation Fund	

If you would like any further information on this card or the services that PricewaterhouseCoopers can provide please contact:

Assurance		Tax	
Patrick Kiambi Zainab Msimbe Nelson Msuya Cletus Kiyuga Delvina Libent Sarah Bisanda Jocelyn Batanyita Howary Kharbush	Partner - Assurance Leader Country Senior Partner Partner - Public Sector Group Partner Associate Director - Public Sector Group Associate Director - Assurance Associate Director - Assurance Associate Director - Capital Markets and Accounting Advisory Services	Rishit Shah Joseph Lyimo Mirumbe Mseti Ali Asger Dawoodbhai Jonia Kashalaba Redempta Maira	Partner - East Market Area Tax Leader Partner - Indirect Tax Partner - Tax Reporting Services Partner - Transfer Pricing Associate Director Associate Director
Deals		Consulting and Risk Services	
Chacha Winani	Associate Director	Neemayani Kaduma Benjamin Mkizwu	Associate Director - Risk Assurance Associate Director - Risk Assurance

DAR ES SALAAM 3rd Floor, Pemba House 369 Toure Drive, Oysterbay P O Box 45 Dar es Salaam, Tanzania	Tel: 255 22 219 2000
	E-mail: info@pwc.co.tz
ARUSHA 10th Floor, PAPU House Plot No. 114, Block Z, Sekel-Philips P O Box 3070 Arusha, Tanzania	Tel: 255 27 254 8881

Although we have taken all reasonable care in compiling this publication, we do not accept responsibility for any errors or inaccuracies that it may contain.

This datacard reflects the law as at 1 July 2024 including changes introduced by the Finance Act 2024

This datacard has been prepared for quick reference. It is not a substitute for professional advice and action should not be taken solely on the strength of the information contained herein.



Tanzania Tax Datacard



Tanzania Tax Data 2024/2025		
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:		
<ul style="list-style-type: none"> • 25% (first 3 years); newly listed companies (with at least 30% of shares publicly issued) • Manufacturing / assembly businesses with performance agreement with Government: <ul style="list-style-type: none"> 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.			

Tanzania Tax Data 2024/2025			
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*
* Exemption applicable in certain cases including employment in farms and education			0.5
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; construction equipment or machinery	10		10
- other assets	0		10
Royalty - general / item(c) / resident sports or TFF	15/10/5		15/10/n/a
Natural resource payment	15		15
Service fees	5		15
Payments to digital content creator**	5		n/a
Payments to owner of digital asset for exchange/ transfer of digital asset**	3		n/a
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, metallic minerals, industrial minerals other than salt, gemstones and other precious stones to the holder of a primary mining licence or artisanal miner	2		n/a
Payments for verified carbon emission reduction	10		n/a
*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, certain loans to resident financial institution from non-resident financial institutions or funds.			
**Including payments by non-residents			
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 incomes or approved value of the asset whichever is higher			

Tanzania Tax Data 2024/2025	
Indirect taxes	
VAT	
Taxable Supplies	Rate
Supply of goods & services	%
Import of goods & services	18/0
Export of goods & certain services	18
	0
Registration threshold (annual turnover)	TZS 200m*
* Mandatory registration irrespective of turnover for professional service providers and government institutions with economic activity	
Refund claims	
Standard	Six monthly basis
"Regular repayment"	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	2* (CIF)
Industrial Development Levy	5/10** (CIF)
Custom processing	0.6 (FOB)
* Not applicable to imported goods that have exemption under the EACCPA 2004, pharmaceutical goods, fertilizers, Jet A - 1 or goods in transit	
** Not applicable to goods originating from East African Community Partner states that meet the East African Community Rules of Origin	
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	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 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	
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)	