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Tax Alert

Highlights of the Finance Bill 2025

This newsletter is an update to our Budget Speech bulletin of 13 June 2025. It summarises additional points arising from our review of the Finance Bill 2025 (“the Bill”).

While reviewing the Bill, we identified discrepancies in the numbering of certain sections of the Acts referenced within the Bill when compared to the 2019 revised editions of the respective Acts. Our analysis refers to the section numbering as presented in the 2019 revised editions.

The next step in the legislative process, is the enactment of the Finance Act 2025 which will come into force on 1 July 2025.

We will issue another newsletter in relation to the Finance Act 2025 which will cover any changes between the Bill and the Act itself once the Finance Act 2025 is available.

This publication has been prepared as general information on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice.

16%

VAT for B2C online purchases -
effective 1 September 2025 for
specified persons



In Brief

Income Tax

- Withholding tax on retained earnings – due six months from the date of filing the corporate income tax return.
- Scope of withholding tax expanded to include hired motor vehicles.
- Mandatory requirement to have return of income prepared or certified by a CPA restricted to individuals and corporations above a certain threshold.
- Threshold for public participation reduced to 25% (from 30%) for a newly listed company to enjoy the reduced corporate income tax rate of 25%.
- Clarification that the increase to the final withholding tax (to 10%) only relates to payments for technical or management services provided in the extractive sector.
- Abolition of 10-year income tax exemption for special economic zone (SEZ/EPZ) investors is limited to local sales.

Tax Administration Act

- More clarity on (i) the date of deemed admission of an objection and (ii) the date of deemed determination of an objection.
- Penalty for transfer pricing adjustment – application to loss making entities.

- Small scale traders – prescribed criteria with reference to annual turnover.
- Establishment of an electronic tax administration system.
- Disclosure of information on contracted services by an entity engaged in extractive or construction – scope and format unclear.

Value Added Tax Act

- VAT deferment on imported capital goods – restriction removed.
- Assisted Government entity – new VAT collection agency mechanism introduced.
- More clarity on the next steps once persons registered as intending traders file the required notification.
- Withholding VAT (WVAT) – definition and modality now included.
- 16% VAT for B2C online purchases – effective 1 September 2025 for specified persons.
- New filing requirements – mandatory attachments of VAT withholding certificates, advance VAT certificates, and e-payment proof.
- VAT return filing due on the 20th, regardless of weekends or public holidays.
- VAT exemptions on supply of aircraft, aircraft engines and aircraft parts – now limited to specific HS codes.

Income Tax

10% withholding tax on retained earnings – additional details **The Budget speech included a proposal to introduce a 10% withholding tax on the amount of retained earnings after a period of six months.**

The Bill has clarified that the withholding tax base will be the retained earnings that remain undistributed for a period of six months from the date of filing the corporate income tax return (by amending the definition of “capitalisation of profits” to include *“retained earnings that remain undistributed for a period of six months after the date of filing returns of income”*).

The challenges pointed out in our newsletter remain. Below are some additional concerns:

- Given the trigger point is undistributed retained earnings for six months from the date of filing the tax return and not from the due date of filing such a return, it would mean that if the tax return is filed late, then the six month period will be counted from the actual date that the return was filed (which we understand is not the intention of the change);
- The question still remains whether a dividend has been “paid”. Even where this is a distribution by an entity (hence dividend), there is no “payment” as the entity has not declared a dividend – in other words, there is no creation of an asset in the other person (shareholder) as required by the definition of the term “payment”. This would be an area of dispute with TRA if the law is not worded properly.

Practice in other jurisdictions

Tax on retained earnings is not a global best practice. Other countries that have a similar provision are United States (accumulated earnings tax) and Israel. Both countries have certain exemptions in terms of scope – for example in Israel, it applies to closely held companies (defined as non-public entities held by not more than five individuals) and holding companies (among others). There is also an exemption if some dividend is paid.

In the US, the revenue authority would only apply this tax when it has been proved that the accumulated earnings are being used to avoid shareholder tax and not in scenarios where there is enough justification on the need to have retained earnings (for example business expansion, regulatory requirement).

Having a blanket approach of taxing 10% on retained earnings without considering the underlying reasons (on a case-by-case basis) is punitive.

Determination of the cost of asset upon realisation (previously acquired from an associate at no consideration)

Currently, section 44 of the Income Tax Act, 2004 (ITA 2004) provides for the transfer of assets between associates to be done at market value (where there is no election to transfer at net cost). The Bill clarifies that where the acquiror subsequently realises such an asset, the net cost (when computing gains or losses) is the (i) cost at the time of acquisition of the asset by “that other person” and (ii) subsequent cost after acquisition as if the acquiror and “the other person” are the same persons.





The intention of this paragraph is unclear since the first owner (assume is the “other person” being referred to above) is already taxed on the gain derived from the transfer to an associate for no consideration (based on the existing provisions of section 44(1)).

If the intention is to restrict uplift of the cost base during transfer between associates, it will result in double taxation namely at time of transfer between associates and the subsequent realisation by the transferee.

It is likely that this provision aims to further clarify the cost base when an asset is disposed to a third party.

Introduction of withholding tax (10%) on hired motor vehicles

The Bill has expanded the scope of withholding tax applicability to include a 10% withholding tax on payments to residents persons for hired motor vehicles.

Realisation of investment by a non-resident – tax to be collected at the time of realisation

The Bill proposes the full amount of tax liability (at 30%) to be accounted for by a non-resident person at the time of “*realisation of an interest in land petroleum or mineral rights or buildings*

situated in the United Republic, licence or concessional right on reserved land, shares or securities held in the resident entity”.

Currently, the single instalment tax is 20% at the time of realisation with the residual amount paid at the time of filing the return of income. However, given that a non-resident is not required to file a return of income where the only income is as mentioned above, it is practical to pay the full amount of tax at the time of realisation. In practice this was already the case as the tax authorities only issued the tax clearance certificate when the full payment was made.

Single instalment income tax on sale of forest products – additional details

The Bill clarifies that this tax is payable on gross payment received by a resident person (an instalment payer) before the forest produce is transported. It also defines the following terminologies:

- Instalment payer – a person other than a corporation who harnesses forest resources for sale to the other person; and
- Gross payment – the farm gate price, purchasing price or value of the produce as determined by Tanzania Forest Service Agency, whichever is greater.

Introduction of a threshold for return of income to be prepared or certified by Certified Public Accountants (“CPA”)

The Bill has introduced a threshold for when the corporate income tax return needs to be prepared or certified by a CPA. The threshold is for individuals with an annual turnover exceeding TZS 500m and for corporations with gross annual income exceeding TZS 100m (currently all corporations are included).

The reason for the change is to relieve small and medium entrepreneurs from compliance costs as currently there is no threshold and therefore all corporations fall within the requirement.

Reduced public ownership stake to 25% for a newly DSE listed company

The Bill has reduced the threshold of public ownership to 25% (from 30%) for

a newly listed entity on the DSE in order to qualify for the reduced corporate income tax rate of 25% for three years.

Technical and management services to the extractive sector – clarification

The Bill has clarified that the increase in the final withholding tax rate to 10% (from 5%) applies to “technical or management services” (falling under section 83(1)(a)) and not “professional services” as mentioned in the Budget speech.

Abolition of 10-year income tax exemption for special economic zone (SEZ/EPZ) investors – limited to local sales

The Bill has clarified that the income tax holiday (mentioned in the Budget Speech) is not removed completely but only restricted to profits derived from non-local sales.



Tax Administration Act



Recognition and registration of small-scale traders – prescribed criteria

The Bill replaces the current provision for registration of small vendors and service providers by introducing a prescribed criteria for recognition of small-scale traders operating within the informal sector. According to the proposed amendments, a small-scale trader will be recognised by the Commissioner General who has been duly registered with the relevant authority. The criteria for being registered by the authority includes:

- Annual turnover below the minimum taxable income as defined under the Income Tax Act (currently TZS 3,240,000); and
- Possession of a Tax Identification Number (TIN).

However, the Commissioner retains the authority to assess tax if there is reason to believe that the registered trader's actual turnover exceeds the minimum taxable income.

Establishment of an electronic tax administration system and linkage of taxpayer system (of issuing fiscal receipts)

The Tax Administration Act (TAA) contains a provision (section 34) that allows the Commissioner to establish and operate an electronic system for filing and servicing documents. This system is not yet operational.

The Bill has replaced this provision with a more detailed (but similar) provision. The new provision provides certainty

for the establishment of the electronic system for filing, furnishing, storing, archiving and accessing electronic documents and carrying out any other tax administration functions.

The system will be accessible to taxpayers upon registration. Following this establishment, an electronic document will be considered to have been filed to the Commissioner or served to the taxpayer when the document's registration number is created in the system.

Additionally, the provisions of the Electronic Transactions Act relating to validity, authenticity and admissibility of electronic documents shall apply to electronic documents created by the system. Therefore, taxpayers will need to monitor the system in particular for items such as assessments which have strict deadlines.

The Bill further expands the requirement for taxpayers to link their electronic systems used for issuance of fiscal receipts to this newly established system upon a written notice from the Commissioner.

A failure to adhere to this together with other offences resulting from the misuse of the system will result in a fine not exceeding 1,000 currency points (equivalent to TZS 20m) or imprisonment for a term not exceeding 3 years for an individual and 3,000 currency points (equivalent to TZS 60m) for an entity.

The provisions of section 32 ("paper documents filed with Commissioner General") remain as they are hence it is unclear whether the introduction of the electronic tax administration system will

30

days from the commencement of works, the Bill clarifies, is the deadline for disclosing information related to subcontracted projects

replace the existing means of document submission such as physical filing and submission via email, fax, or other electronic methods provided under this section.

Disclosure of information on contracted services by an entity engaged in extractive or construction – additional considerations

The TAA has a provision (section 44A) requiring entities engaged in the extractive and construction industry to disclose names of persons contracted or subcontracted for carrying out the business within 30 days from the date of executing the contract.

The Bill clarifies that the 30-day deadline for disclosure of information relating to subcontracted works starts from the date of commencement of the works.

The disclosure should also include the value of the contract (in addition to the other information such as names of contractors or subcontractors, nature and duration of the work). There is no specified format for this disclosure requirement.

While this provision obliges the employer (i.e. mining or construction entity) to disclose the required information, the “objects and reasons”

part of the Bill state that the aim is to require contractors or subcontractors to submit reports to the Commissioner General on the value of their contracts. The “objects and reasons” part of the Bill contradicts the wording of the provision.

Deemed admission of an objection – additional scenarios

Currently, the TAA provides that an objection is deemed to have been admitted when the taxpayer meets the tax deposit requirements.

The Bill now expands the conditions under which an objection is deemed to be admitted if:

- 1) Where tax is due – the earlier of:
 - i. Date of service of the objection to the Commissioner (within the required 30 days) or;
 - ii. Date of meeting the tax deposit requirement (including cases where a lesser amount has been approved by the Commissioner);
- 2) Where there is no tax payable (tax loss position) or any other case – date of service of the objection (within the required 30 days).

The amendment provides much-needed clarity on the deemed admission date for objections that do not require payment of tax deposit.

Timeline for application for a waiver of tax deposit – no change

The Bill has not incorporated the proposed amendment from the Budget speech to remove the 15-day timeline to apply for a waiver of tax deposit required to admit the objection.

Given this requirement is provided for in the Regulations, we wait to see whether there will be amendments of the Regulations.

Deemed determination of an objection – additional scenarios

Section 52 of the TAA includes provisions that deem an objection to be determined when the Commissioner fails to determine it within 6 months from its admission date, and the original TRA assessment is considered the final determination.

The Bill has amended this provision by recognising a scenario where the TRA have already issued a proposal letter within the 6 months period in which case this proposed position will be considered as the final determination (instead of the original TRA assessment).

The Bill has introduced an additional deemed determination of an objection when the objector fails to respond to the notice issued by the Commissioner (the proposal letter) within the required timelines. In this case, the notice by the Commissioner will be treated as an objection decision.

Limitation of the period of restraint of an asset by the Commissioner

The Bill has introduced a limitation of three months (currently no specific timeline) for the Commissioner to keep an asset that was restrained due to failure to pay taxes as provided under section 64 of the TAA.

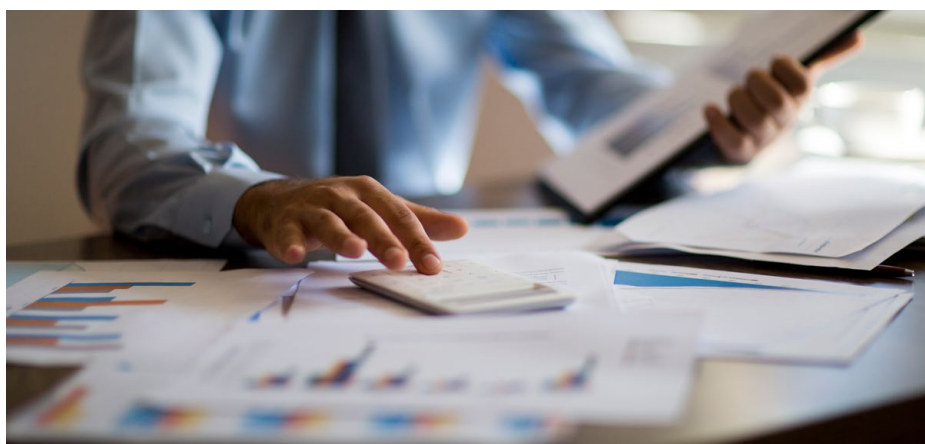
Penalty on TP adjustments for entities with tax losses

The Bill expands the penalty provisions for failure to conduct related-party transactions at arm's length to also cover entities in a tax loss position in which case the penalty will be 30% of the adjusted loss (currently limited to 100% of tax shortfall).

The change aims to ensure that even loss-making companies comply with arm's length pricing in related-party transactions. While it strengthens enforcement, the 30% penalty on adjusted losses is excessive especially since these companies have not delayed payment of taxes.

Recognition of tax residency status of a person

The Bill has empowered the Commissioner General to recognise the tax residency status of a person and issue a certificate of residency.



Value Added Tax

Amendment of the definition of the term ‘resident’. The definition is extended to include entities incorporated or registered in Mainland Tanzania.

This change aims to enhance clarity. As much as these entities are incorporated within the existing definition of a “resident company,” the law mostly refers to the term ‘resident’ and should therefore be understood to include entities incorporated or registered in Mainland Tanzania.

Removal of the restriction of VAT deferment on imported capital goods

The Bill proposes to remove the provision of the VAT Act intended to cease VAT deferment on imported capital goods on 30 June 2026.

This is a very positive change that aims at providing relief to investors importing capital goods and will significantly support the growth of capital-intensive sectors.

Assisted Government entity

Definition

The Bill has introduced a definition of “assisted Government entity” to mean a

Government entity in respect of which the Commissioner General is empowered to collect considerations for a taxable supply payable to such entity.

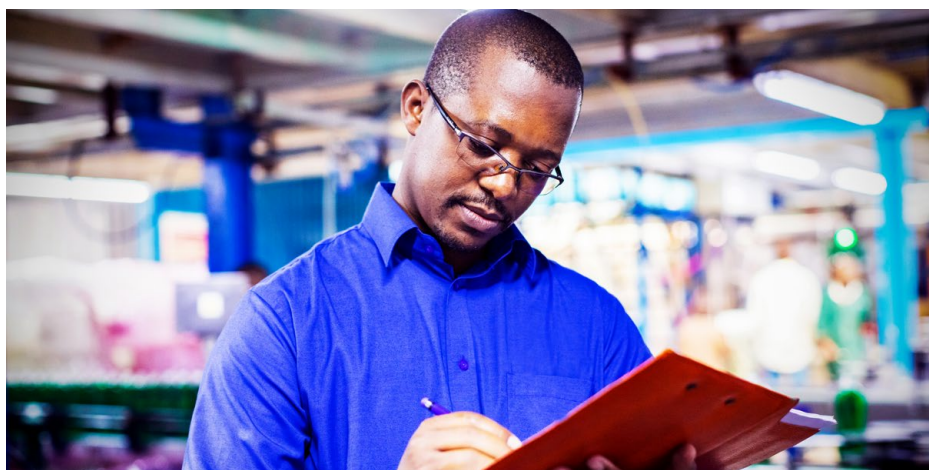
This concept was not covered in the Budget speech, however it could be seen as another collection agency system designed to enhance the timely and efficient collection of VAT.

Mechanism of accounting for VAT on supplies by assisted Government entity

The Bill introduces a requirement for the consideration, including VAT, for supplies made by assisted Government entity to be collected by Commissioner General.

The VAT on these supplies is to be treated as advance VAT paid to the Commissioner and shall be accompanied by a valid certificate (required to be issued one day after the end of the tax period) at the time of filing in determining the final VAT payable for the tax period.

This new compliance obligation requires a valid certificate to prevent double accounting of VAT by recognising advance VAT payments. Timely issuance of the certificate is essential for this mechanism to be effective. However, it remains unclear whether the Certificate





of Advance Output Tax will reflect VAT charged (payable) or VAT paid for a supply. If it reflects the latter, it could distort the VAT position for that period.

Notification requirement for VAT registered intending traders

The Finance Act 2024 (FA 2024) introduced a requirement for VAT registered intending traders to notify the Commissioner General if they fail to meet the required conditions, including commencing taxable supplies by the date stated in the application.

This notification must be submitted within 90 days after the specified period, with reasons for non-compliance. Failure to do so results in automatic deregistration. Further details are available in our [VAT Alert](#).

The FA 2024 was silent on the implications once the notification is made by the taxpayer, the Bill now covers this by stating that *“upon receipt of the notification, the Commissioner General shall serve the person with his decision setting out the reason for grant or refusal of extension of time referred to in subsection (3)(c). Where the Commissioner General refuses to grant extension of time, the person shall be deemed to be deregistered for Value Added Tax”*.

While we appreciate the guidance brought by the Bill, a concern remains. Can the Commissioner’s refusal to grant a time extension be disputed or appealed? Ideally, decisions of such significance should not rest solely on one person.

Supply of services directly related to immovable property

The Bill has amended the provision of the VAT Act regarding the supply of services directly related to immovable property to have been treated as being made in Mainland Tanzania if (among others) the land to which the property relates is situated in Mainland Tanzania. This amendment appears to correct a drafting error.

Expansion of electronic services definitions

The Bill has expanded the term “online intermediation services” included under the definition of “electronic services” to include *“online intermediation services or platform, including an accommodation, online marketplace and payment services platform”*.

The change intends to broaden the tax base by including online payment services offered by a non-resident person in the scope of electronic services liable to VAT.



Withholding VAT (WVAT)

Definition

The Bill provides a definition of “withholding agent” which is:

- (a) *the Ministry responsible for finance;*
- (b) *a Government entity which retains whole or part of its collected revenue;*
- (c) *a registered person as may be appointed by the Commissioner General by notice;”*

This definition stems from the proposed VAT agency collection system which is aimed at improving the timely and efficient collection of VAT.

Mechanism for accounting for WVAT

Consistent with the Budget speech, the Bill introduces provisions for the accounting of VAT under the withholding VAT mechanism. It states the following:

Imposition

“Where the supply that is taxable at a standard rate is made in Mainland Tanzania to a withholding agent, the rate shall be eighteen percent but the withholding agent shall be required to withhold the rate of three percent and the rate payable to the taxable person making the supply shall be fifteen percent”.

Calculation and due date

A withholding agent who is liable to pay VAT shall, not later than the day on which VAT becomes payable on the supply under section 15, issue to the supplier a VAT withholding certificate generated by the system approved by the Commissioner General. The withholding

certificate shall be issued in the form and manner prescribed by the Minister and include the prescribed information.

The withholding agent shall account for and remit the output tax withheld at the time when the VAT return is due to be filed (i.e. by 20th of the following month) or in a manner as may be directed by the Commissioner General.

The supplier, in arriving at the VAT payable position, is allowed to subtract the VAT withheld (similar to input tax) provided they hold a valid VAT withholding certificate at the time of filing the VAT return for the relevant tax period.

The withholding certificate requirement aims to regulate VAT deductions. The proposed law requires issuing the withholding certificate at the earlier of invoicing, payment or time of supply, while the remittance deadline is set for the 20th of the following month.

Although the proposed wording of the law requires issuance of a certificate at the referred tax points, we understand this might not be practical (i.e. TRA would most likely only issue a certificate upon remittance).

In this case, suppliers may not have it available when filing their VAT returns leading to possible overpayments. To mitigate this risk, we recommend setting the withholding VAT remittance date earlier than the VAT filing deadline – such as the 7th of the month, in line with income tax requirements.

Suppliers in a VAT credit position may accumulate additional credits, worsening cash flow constraints. This mechanism could also push some suppliers into VAT overpayment

16%

VAT for online purchase of B2C transactions – effective 1 September 2025

position. Additionally, refund payments are subject to strict VAT procedures, including a mandatory six-month credit carry-forward and comprehensive audits which delays timely refunds.

We recommend that the Government implement technological adjustments to ring-fence withholding VAT overpayments and expedite repayments of these without the normal audit procedures.

Additionally, given the TRA's investments in the existing VAT controls to ensure proper VAT accounting in the current VAT system, including the synchronisation with Electronic Fiscal Device Management System (EFDMS) for automatic VAT recording, the Government should reassess the necessity of introducing the new WVAT system which adds administrative burden and compliance costs.

16% VAT for online purchase of B2C transactions – effective 1 September 2025

Following the Budget speech announcement of the reduction of the VAT rate to 16%, the Bill clarifies that the persons eligible to transact at this rate will be specified in the public notice issued by the Commissioner General, as well as the manner in which the arrangement shall be implemented. Further, this particular change will be effective from 1 September 2025.

Since the proposed change will necessitate system changes, we hope that the notice will be issued in good time, preferably in July.

Requirement to attach VAT withholding certificate, certificate of advance VAT paid and electronic payment documents when filing returns

The Bill has proposed to introduce a requirement to submit the above documents when filing the VAT returns to control deduction of VAT and protect government revenue.

We look forward to seeing how the VAT e-filing system will support attachment uploads, similar to income tax returns. Additionally, clarity is needed on the types of documents that will be accepted as proof of online payments.

Removal of the exception allowing VAT returns to be filed on the next working day when the 20th falls on a weekend or public holiday

We assume this proposal is driven by administrative efficiency by setting the system to recognise a fixed date rather than having to adjust it for public holidays and weekends each month.

However, this amendment does not align with best practices or existing legislation, such as the Interpretation of Laws Act, of the Laws of Tanzania.

Removal of input tax credit resulting from unpaid VAT on imports into Mainland Tanzania

The Bill has proposed to remove the provisions that allow a person to claim input VAT that has not been paid on the importation of goods into Mainland Tanzania.

The objective of this amendment is to protect Government revenues.

VAT Exemption Schedule

This table includes items not captured in the Budget speech.

Item	Purpose/Comment/Condition
New VAT Exemptions	
A supply of piped natural gas specifically for being converted to Compressed Natural Gas (CNG) to be used exclusively for fuelling motor vehicle from 1st July 2025 to 30th June 2028	The Bill includes a time limit for this proposed exemption
An import of CNG plants equipment including CNG Compressors, CNG metering equipment, CNG storage cascades, CNG special transportation vehicles and CNG dispenser by a natural gas distributor	This is not a new introduction but rather a refinement of the exemption previously available under the VAT Act (see below)
Removal of Exemption	
An import of CNG plants equipment, natural gas pipes, transportation and distribution pipes, CNG storage cascades, CNG special transportation vehicles, natural gas metering equipment, CNG refuelling of filling, gas receiving units, flare gas system, condensate tanks and leading facility, system piping and pipe rack, condensate stabilizer by a natural gas distributor	This is not an absolute removal but rather a replacement (see above)
Amended exemptions	
Unprocessed sisal fiber under HS Code 5303.10.00	The Bill has added the word 'fiber' to the existing wording of the exemption
The transportation of person by any means of conveyance other than taxi cabs, rental motor vehicles or boat charters	The Bill has expanded the scope for 'rental cars' and substituted with 'rental motor vehicles'
Supply of solar panels, modules, solar charger controllers, solar inverter, vacuum tube solar collectors and solar battery specifically designed for exclusive use in storage of solar power	The Bill has now clarified that the exemption would only apply on the solar items specifically designed for the exclusive use in storage of solar power
Supply of- (a) Aircraft of heading 88.02 and aircraft maintenance to a local operator of air transportation; or (b) Aircraft engine of HS Code 8407.10.00 and aircraft parts of heading 88.07, excluding parts of goods of heading 88.01 and 88.06 to a local manufacturer or assembler of aircraft or to a local operator of air transportation."	The Bill has now restricted the exemption available for the supply of aircraft, aircraft engines and aircraft parts to specific HS codes

This table includes clarifications on items captured in the Budget speech.

Item	Purpose/Comment/Condition
Removal of Exemptions	
<ul style="list-style-type: none"> - Forks under HS Code 8201.90.00 - Rakes under HS Code 8201.30.00 - Axes under HS Code 8201.40.00 - New Pneumatic Tyres of a kind used in agricultural and forest under HS Code 4011.70.00 - Dam liner under HS Code 3920 	While the Budget speech intended for these agricultural implements to be granted exemption upon approval from the Minister responsible for agriculture to ensure that they are provided to intended beneficiaries, the Bill has removed these exemptions from Part I of the Schedule to the Act which covers all supplies, and has limited the exemption to importation and upon approval by the Minister for Agriculture
Amended exemptions	
Newspapers printed and published locally by a person licensed under the Media Services Act	The Bill has now clarified that the amended exemption does not cover electronically published newspapers
A supply of double refined edible oil from locally grown seeds by a local manufacturer from 1st July 2025 to 30th June 2026	While the Budget speech intended to make the exemption permanent rather than one-year, the Bill has proposed to amend the exemption to only extend a period of one year

Excise Duty



Extension of the dutiable value definition to include use of a cable

The Bill proposes to extend the definition of dutiable value, for the purpose of charging excise duty on electronic communication service, to also cover use of a cable in providing electronic communication services.

Initially, this definition only covered amount payable for electronic communication service supplied in respect of using a mobile phone, whether fixed or wireless.

The Bill has not stated the objective for this change, but presumably, it could be bringing fairness to service providers irrespective of the means of transmission and widen the tax base.

This change is likely to adversely affect the expansion of fibre networks to new customers because at least part (if not all) of the excise duty of 17.5% is likely to be passed on to final consumers.

Definition of a financial institution

The Bill proposes to add definition of “financial institution” to mean a bank or financial institution licensed under the Bank of Tanzania Act or the Banking and Financial Institutions Act, including Tier

1 microfinance service providers which are recognised under the Microfinance Act.

This is a welcome proposal as it is expected to bring clarity and certainty on the financial institutions that have excise duty obligations.

Expiry of excise duty licence

The Bill proposes to amend the deadline for expiry of excise duty licence from the end of calendar year (i.e. 31 December) to twelve months from the date of issuance of the licence.

This change will reduce administrative burden for taxpayer as they will be required to renew the licence after 12 months regardless of when the licence is issued.

Deadline for deferring payment of excise duty

The Bill proposes to amend the deadline for deferring payment of excise duty by deleting the word “last day” and replacing it with 25th day.

This change is aiming to align on the date of excise duty payment and enhance the timely collection of government revenue.



The Road Traffic (Motor Vehicles Registration) Regulations

The Bill has not incorporated amendments on various motor vehicle registration fees proposed in Budget Speech.

We wait to see if this will be effected through the Finance Act.

Mining Act

Mandatory requirement to set aside at least 20% gold produce for local beneficiation – timeline for contract negotiations removed

The Bill does not include the timeline of 30 days for negotiations on the contract amendments to cater for this change (as mentioned in the Budget speech). We hope the Finance Act will provide a timeline and a more reasonable one as the 30 days appears short.

Introduction of a 0.1% levy on gross market value of minerals – additional details

The Bill provides that the Mining Commission will be responsible for the collection of this levy. Additionally, the timeline to pay the levy will be the same as that for royalty where the liable persons will account for both royalty and this levy at the same time.



Other changes

Imports control Act and Export tax Act

The Bill defines the term “Commissioner General” to mean the Commissioner General appointed under the Tanzania Revenue Authority Act.

This change aims to align with existing tax practice whereby the Commissioner General is responsible for collecting taxes and not the Permanent Secretary to the Treasury.

The Wildlife Conservation Act

The Bill provides additional details on revenue distribution, from tourism activities in protected areas, among the Tanzania Wildlife Management Authority (TAWA), district and village council and the central Government.

This is to enhance conservation efforts and provide incentives to district and village councils bordering protected areas.

Port Service Charge Act

Amendment of the due date for payment of port service charges from “last working day” to “20th day” of the month following the month of collection of the charges to align with the date for submitting returns. This aims to simplify tax payment.



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