

THE UNITED REPUBLIC OF TANZANIA

*SPECIAL BILL SUPPLEMENT*

No.2

12<sup>th</sup> June, 2018

*to the Special Gazette of the United Republic of Tanzania No.4. Vol.98 dated 12<sup>th</sup> June, 2018*  
Printed by the Government Printer, Dodoma by Order of Government

THE FINANCE ACT, 2018

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**NOTICE**

This Bill to be submitted to the National Assembly is published for general information to the public with a statement of its objects and reasons.

Dodoma,  
7<sup>th</sup> June, 2018

**JOHN W. H. KIJAZI**  
*Secretary to the Cabinet*

**A BILL**  
*for*

**An Act to impose and alter certain taxes, duties, levies, fees and to amend certain written laws relating to the collection and management of public revenues.**

**ENACTED** by Parliament of the United Republic of Tanzania.

**PART I**  
**PRELIMINARY PROVISIONS**

- Short title                    1. This Act may be cited as the Finance Act, 2018.
- Commencement                2. This Act shall come into operation on the 1<sup>st</sup> day of July, 2018.

**PART II**  
**AMENDMENT OF THE BANK OF TANZANIA ACT,**  
**(CAP.197)**

- Construction  
Cap.197                        3. This Part shall be read as one with the Bank of Tanzania Act,  
hereinafter referred to as the "principal Act".
- Amendment of  
section 34                      4. The principal Act is amended in section 34 (1) by deleting paragraph  
(a) and substituting for it the following:  
    "(a) make direct advances to the Governments for the purposes of  
        offsetting fluctuations between receipts from-  
        (i) voted and non voted funds which originated from the  
            Consolidated Fund; and  
        (ii) payment of the Governments; and"

**PART III  
AMENDMENT OF THE BUSINESS LICENSING ACT,  
(CAP.208)**

Construction  
Cap.208

5. This Part shall be read as one with the Business Licensing Act, hereinafter referred to as the "principal Act".

Amendment of  
section 5

6. The principal Act is amended in section 5, by-

- (a) deleting paragraph (f); and
- (b) renaming paragraph (g) as paragraph (f).

Amendment of  
section 9

7. The principal Act is amended in section 9 by deleting the words "Central Government" and substituting for them the words "Business Registration and Licensing Agency".

Addition of  
section 14A

8. The principal Act is amended by adding immediately after section 14 the following new section:

"Business  
licence  
register

14A.-(1) There shall be a register to be kept by every licensing authority at its principal office which shall contain business licence information as may be prescribed in the regulations.

(2) Every licensing authority shall furnish to the Minister information in respect of business licensing at such intervals as may be prescribed in the regulations.

(3) The business licence register may be accessed by any person upon payment of prescribed fees."

Amendment of  
section 22

9. The principal Act is amended in the proviso to section 22(1), by-

(a) introducing paragraph (a) as follows:

"(a) all sums of money which the offender had not paid for his business license;"

(b) renaming paragraphs (a), (b) and (c) as paragraphs (b), (c) and (d) respectively;

(c) deleting paragraph (b) as renamed and substituting for it the following:

"(b) such sum of money shall not be less than one hundred thousand shillings and not more than three hundred thousand shillings for other offences under this Act;"

Amendment of  
section 29

10. The principal Act is amended in section 29, by-

(a) adding immediately after paragraph (e) the following new paragraph:

- “(f) prescribing forms to be used for application of business licence;”;  
 (b) renaming paragraph (f) as paragraph (g).

**PART IV**  
**AMENDMENT OF THE CASHEWNUT INDUSTRY ACT,**  
**(CAP. 203)**

Construction  
 Cap.203

11. This Part shall be read as one with the Cashewnut Industry Act, hereinafter referred to as the “principal Act”.

Amendment of  
 section 17A

12. The principal Act is amended in section 17A, by-

(a) deleting subsection (2) and substituting for it the following:

“(2) The total amount of export levy collected under subsection (1) shall be deposited in the Consolidated Fund.”; and

(b) deleting subsection (3).

**PART V**  
**AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT,**  
**(CAP.147)**

Construction  
 Cap.147

13. This Part shall be read as one with the Excise (Management and Tariff) Act, hereinafter referred to as the “principal Act”.

Amendment of  
 Fourth  
 Schedule

14. The principal Act is amended in the Fourth Schedule by introducing new rates in respect of excisable items as follows:

**“FOURTH SCHEDULE**

*(Made under section 124(2))*

Heading	H.S. Code No.	Description	Unit	Old Excise Rate	New Excise Rate
20.09	2009.11.00 2009.12.00 2009.19.00 2009.21.00 2009.29.00 2009.31.00 2009.39.00 2009.41.00 2009.49.00 2009.50.00	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.			

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	2009.61.00 2009.69.00 2009.71.00 2009.79.00 2009.81.00 2009.89.00 2009.90.00				
		Locally produced fruit juices manufactured from domestic fruits under heading 20.09	/	Tshs. 9.00 per litre	Tshs. 9.00 per litre
		Imported fruit juices under the heading 20.09	/	Tshs. 221.00 per litre	Tshs.232.00 per litre
22.01		<b>Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter or flavoured; ice and snow.</b>			
	2201.10.00	-Mineral waters and aerated waters			
		Locally produced, bottled	/	Tshs. 58.00 per litre	Tshs. 58.00 per litre
		Imported, bottled	/	Tshs. 61.00 per litre	Tshs. 64.05 per litre
	2201.90.00	-Other	/		
		Locally produced, bottled	/	Tshs. 58.00 per litre	Tshs. 58.00 per litre
		Imported, bottled	/	Tshs. 61.00 per litre	Tshs. 64.05 per litre
22.02		<b>Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other nonalcoholic beverages, not including fruit vegetable juice of heading 20.09</b>			
	2202.10.00	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	/	Tshs. 61.00 per litre	Tshs. 61.00 per litre
		- Other			
	2202.91.00	-- Non-alcoholic beer			
		Locally produced	/	Tshs. 561.00 per litre	Tshs. 561.00 per litre
		Imported	/	Tshs. 561.00 per litre	Tshs. 589.05 per litre
	2202.99.00	-- Other			

		Locally produced	l	Tshs. 561.00 per litre	Tshs. 561.00 per litre
		Imported	l	Tshs. 561.00 per litre	Tshs. 589.05 per litre
22.03		<b>Beer made from malt</b>			
	2203.00.10	---Stout and porter			
		Locally produced	l	Tshs. 765.00 per litre	Tshs. 765.00 per litre
		Imported	l	Tshs. 765.00 per litre	Tshs. 803.25 per litre
	2203.00.90	---Other			
		Locally produced	l	Tshs. 765.00 per litre	Tshs. 765.00 per litre
		Imported	l	Tshs. 765.00 per litre	Tshs. 803.25 per litre
22.04		<b>Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09</b>			
	2204.10.00	- Sparkling wine			
		With the domestic grapes content exceeding 75%	l	Tshs. 200.00 per litre	Tshs. 200.00 per litre
		Other	l	Tshs. 2,349.00 per litre	Tshs.2,466.45 per litre
		-Other wine; grapes must with fermentation prevented or arrested by the addition of alcohol:			
	2204.21.00	-- In containers holding 2 litres or less			
		With the domestic grapes content exceeding 75%	l	Tshs. 200.00 per litre	Tshs. 200.00 per litre
		Other	l	Tshs.2,349.00 per litre	Tshs. 2,466.45 per litre
	2204.22.00	-- In containers holding more than 2 litres but not more than 10 litres			
		With the domestic grapes content exceeding 75%	l	Tshs. 200.00 per litre	Tshs. 200.00 per litre
		Other	l	Tshs.2,349.00 per litre	Tshs. 2,466.45 per litre
	2204.29.00	-- Other			
		With the domestic grapes content exceeding 75%	l	Tshs. 200.00 per litre	Tshs. 200.00 per litre
		Other	l	Tshs. 2,349.00 per litre	Tshs. 2,466.45 per litre

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	2204.30.00	- Other	l	Tshs. 2,349.00 per litre	Tshs. 2,466.45 per litre
22.05		Vermouth and wine of fresh grapes flavoured with plants or aromatic substances			
	2205.10.00	- In containers holding 2 litres or less			
		With the domestic grapes content exceeding 75%	l	Tshs. 200.00 per litre	Tshs. 200.00 per litre
		Other	l	Tshs. 2,349.00 per litre	Tshs. 2,466.45 per litre
	2205.90.00	- Other	l	Tshs. 2,349.00 per litre	Tshs. 2,466.45 per litre
22.06		<b>Other fermented beverages (for example, cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.</b>			
	2206.00.10	--- Cider	l	Tshs.2,349.00 per litre	Tshs. 2,466.45 per litre
	2206.00.20	--- Opaque beer (for example Kibuku)			
		Beer made from 100% local unmalted cereals	l	Tshs.450.00 per litre	Tshs.450.00 per litre
	2206.00.90	---Other Wines produced from locally grown fruits such as banana, tomato, rosella, etc other than grapes with domestic content exceeding 75%	l	Nil	Tshs. 200.00 per litre
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.			
	22.08	Locally produced products of this heading	l	Tshs. 3,315.00 per litre	Tshs. 3,315.00 per litre
		Other imported products of this heading as follows:			
	2208.20.00	-Spirits obtained by distilling grape wine or grape marc	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre
	2208.30.00	-Whiskies	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre



	2208.40.00	-Rum and other spirits obtained by distilling fermented sugar – cane products	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre
	2208.50.00	- Gin and Geneva	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre
	2208.60.00	- Vodka	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre
	2208.70.00	- Liqueurs and cordials	l	Tshs. 3,481.00 per litre	Tshs. 3,655.05 per litre
		-Other			
	2208.90.10	--- Distilled Spirits ( e.g. Konyagi, Uganda Waragi)	l	Tshs.3,481.00 per litre	Tshs. 3,655.05 per litre
	2208.90.90	--- Other	l	Tshs.3,481.00 per litre	Tshs. 3,655.05 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.			
	2402.10.00	- Cigars, cheroots and cigarillos, containing tobacco	kg	30%	30%
		-Cigarettes containing tobacco			
	2402.20.10	--- Of length not exceeding 72mm length including the filter tip			
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs.12,447.00 per mil	Tshs.12,447.00 per mil
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs.29,425.00 per mil	Tshs.29,425.00 per mil
		Other	mil	Tshs.53,235.00 per mil	Tshs.55,896.75 per mil
	2402.20.90	---Other			
		Without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs 12,447.00 per mil	Tshs 12,447.00 per mil
		With filter tip and containing domestic tobacco exceeding 75%	mil	Tshs.29,425.00 per mil	Tshs.29,425.00 per mil
		Other	mil	Tshs.53,235.00 per mil	Tshs.55,896.75 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 substitutes in any proportion:			
	2403.19.00	-- Other (for example cut rag/filler)	kg	Tshs. 26,888.00 per kg	Tshs. 28,232.40 per kg

**PART VI  
AMENDMENT OF THE GAMING ACT,  
(CAP. 41)**

Construction  
Cap. 41

15. This Part shall be read as one with the Gaming Act, hereinafter referred to as the "principal Act".

Amendment of  
section 31

16. The principal Act is amended in section 31(2) by deleting the words "fifteen percent" appearing in paragraph (a) and substituting for them the words "eighteen percent".

Amendment of  
the Second  
Schedule

17. The principal Act is amended by deleting the Second Schedule and substituting for it the following:

**"SECOND SCHEDULE**

*(Made under section 31(2))*

Item No.	Type of the Game	Gaming Tax
1.	Sports Betting	Ten percent of total stakes
2.	SMS Lotteries	Thirty percent of gross sales
3.	Slot Machines	Tshs. 100,000 per machine per month
4.	National Lotteries	Ten percent of gross sales
5.	Forty Machines Sites	Twenty percent of gross gaming revenue

PART VII  
AMENDMENT OF THE INCOME TAX ACT,  
(CAP. 332)

Construction  
Cap .332

18. This Part shall be read as one with the Income Tax Act, hereinafter referred to as the "principal Act".

Amendment  
of section 3

19. The principal Act is amended in section 3 by deleting the reference to section 131 appearing in the definition of the term "approved retirement fund" and substituting for it the reference to "section 11 of the Tax Administration Act".

Repeal of  
section 10A

20. The principal Act is amended by repealing section 10A.

Amendment  
of section  
65B

21. The principal Act is amended in section 65B(2) by deleting the reference to paragraph 3(5) and substituting for it the reference to paragraph 1(5).

Amendment  
of section  
65K

22. The principal Act is amended in section 65K(2) by deleting the reference to paragraph 3(6) and substituting for it the reference to paragraph 1(6).

Addition of  
section 129

23. The principal Act is amended by adding immediately after section 128 the following new section:

"Regulations

129.-(1) The Minister may make regulations for the better carrying into effect of the principles, purposes and provisions of this Act.

(2) Without prejudice to the generality of subsection (1), regulations made may provide for-

- (a) control and manner of calculating and charging income tax;
- (b) regulation of income tax deductions including losses, bad debts and depreciations;
- (c) manner of processing and granting income tax exemption; and
- (d) any other matter which needs to be prescribed under this Act."

Amendment  
of First  
Schedule

24. The principal Act is amended in the First Schedule -

- (a) in paragraph 1(4), by deleting the rate of 20 percent and substituting for it the rate of 30 percent;
- (b) in paragraph 3(2), by adding immediately after subparagraph (b) the following new subparagraph:

"(c) a newly established entity dealing in manufacture of pharmaceuticals or leather products and having a performance

agreement with the Government of the United Republic of Tanzania shall be taxed at a reduced corporate rate of **twenty percent** for five consecutive years from the year of commencement of production.”;

- (c) in paragraph 3(3) by deleting the rate of 0.3 percent and substituting for it the rate of 1 percent.

Amendment  
of Second  
Schedule

**25.** The principal Act is amended in the Second Schedule, by-

- (a) deleting subparagraphs (v) and (w); and

- (b) adding immediately after subparagraph (u) of paragraph 1 the following:

“(v) interest paid by the Government to a non-resident bank, financial institution, other government or representative of other government arising from a loan agreement that entitles such non-resident entity to a tax exemption for purposes of financing Government projects.”.

**PART VIII  
AMENDMENT OF THE INSURANCE ACT,  
(CAP. 394)**

Construction  
Cap. 394

**26.** This Part shall be read as one with the Insurance Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 31

**27.** The principal Act is amended in section 31, by-

- (a) inserting immediately after subsection (3) the following:

“(4) An insurance registrant shall not transact insurance business with a foreign insurance company unless the foreign insurance company is accredited by the Authority.

(5) A foreign insurance company shall be accredited by the Authority after meeting prescribed conditions and upon payment of accreditation fees.

(6)The Commissioner shall issue guidelines for accreditation of foreign insurance companies under this section.”;

- (b) renumbering subsection (4) as subsection (7).

Amendment  
of section 40

**28.** The principal Act is amended in section 40-

- (a) in subsection (1), by-

(i) inserting immediately after paragraph (a) the following new paragraph:

“(b) semi-annual filings within thirty working days after the end of the first six months of its financial year;”

- (ii) renaming paragraph (b) as paragraph (c);
- (b) in subsection (6), by deleting the words “three months” and substituting for them the words “thirty working days”;
- (c) by deleting subsections (7) and (8) and substituting for them the following-
  - “(7) The Minister may prescribe in the regulations penalties to be imposed for late submission of returns.
  - (8) An insurer or reinsurer shall settle premium levy due to the Authority within five working days of receipt of such demand by the Authority.”.

PART IX  
AMENDMENT OF THE LAND ACT,  
(CAP. 113)

Construction  
Cap.113

29. This Part shall be read as one with the Land Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 33

30. The principal Act is amended in section 33, by deleting subsection (1) and substituting for it the following:

“(1)The holder of a right of occupancy or the occupier of the land shall, subject to the provisions of this section pay an annual rent for that right of occupancy or for such use or occupation in a manner prescribed in the regulations.”.

Addition of  
section 33A

31. The principal Act is amended by adding immediately after section 33 the following new section:

“Exemption  
from land rent  
on Government

33A.-(1) The provisions of section 33 shall not apply where a right of occupancy is granted exclusively for -

- (a) Government use;
- (b) public use; or
- (c) not-for-profit education, health or other social services where such services are provided by the Government, government institution or organisation.

(2) Where the Commissioner is satisfied that part of the land granted to Government, public institution or organisation is used for purposes other than those specified under subsection (1) that part shall be apportioned and subjected to rent.

(3) The Commissioner shall, where the land ceases to be used exclusively for the purposes specified under subsection (1), charge any rent or make any adjustment to the rent as may be appropriate.”.

PART X  
AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT,  
(CAP. 290)

Construction  
Cap. 290

32. This Part shall be read as one with the Local Government Finance Act, hereinafter referred to as the "principal Act".

Amendment  
of section 6

33. The principal Act is amended in section 6(m) by adding immediately after the word "taxes" the phrase "fees for advertisement on billboards, posters or hoarding".

Amendment  
of section 7

34. The principal Act is amended in section 7(1) by deleting paragraph (n) and substituting for it the following:

"(n) fees for advertisement on billboards, posters or hoarding, including fees paid in respect of rents of shop, butcheries, market stalls, user charges and services charges;"

Amendment  
of section 16

35. The principal Act is amended in section 16 by adding immediately after subsection (7) the following:

"(8) Notwithstanding subsection (7), a corporate entity which produces agricultural crops without adding value to such crops shall be liable to pay produce cess."

Addition of  
section 37A

36. The principal Act is amended by adding immediately after section 37 the following new section:

"Facilitation  
of loans to  
women and  
youth

37A.-(1) The local government authorities shall set aside ten percent from collection of their own sources of revenue for purposes of funding registered groups of women and youth.

(2) The funds so set aside under subsection (1) shall be appropriated equally as loans to registered groups of women and youth by fifty percent for women and fifty percent for youth.

(3) Loans issued under this section shall not be subjected to any interest

(4) The Minister may, by regulations, prescribe the procedure for the management and distribution of such loans to registered groups of women and youth."

Amendment  
of section 42

37. The principal is amended in section 42 by deleting subsection (1) and substituting for it the following:

"(1) Every local government authority shall, after consultation with the Accountant General, open and maintain in its name a bank account and

such other additional accounts as may be necessary subject to this Act.”.

**PART XI**  
**AMENDMENT OF THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT,**  
**(CAP.289)**

Construction  
Cap.289

**38.** This Part shall be read as one with the local Government Authorities (Rating) Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 3

**39.** The principal Act is amended in section 3 by adding in its appropriate alphabetical order the following definition:

““rating authority” means Tanzania Revenue Authority;”.

Amendment of  
section 6

**40.** The principal Act is amended in section 6(1) by adding immediately after the words “Town Council” the phrase “and any other areas located within an area controlled by a District Council”.

Amendment of  
section 13

**41.** The principal Act is amended in section 13(1) by adding immediately after the word “lodge” the words “in the form prescribed in the First Schedule”.

Amendment of  
section 16

**42.** The principal Act is amended in section 16(1) by inserting the words “issue an Order to” between the words “Council” and “impose”.

Repeal and  
replacement of  
section 21

**43.** The principal Act is amended by repealing section 21 and replacing it with the following:

“Rateable  
properties

**21.** Subject to this Act, all rateable properties in a rateable area shall be subject to rate as prescribed under this Act.”.

Amendment of  
section 23

**44.** The principal Act is amended in section 23(2) by deleting the words “Regional Commissioner” and substituting for them the words “responsible local government authority or rating authority as the case may be”.

Repeal and  
replacement of  
section 42A

**45.** The principal Act is amended by repealing section 42A and replacing it with the following:

“Non-  
application  
of Part V

**42A.** The provisions of Part V of this Act shall not apply to rateable areas where rating authority is authorised to collect rates.”.

Amendment of  
section 43

**46.** The principal Act is amended in section 43(2) by deleting the words “competent magistrate” and substituting for them the words “district magistrate”.

Amendment of section 44

47. The principal Act is amended in section 44(1) by deleting the words “magistrate of the first class” and substituting for them the words “district magistrate”.

PART XII  
AMENDMENT OF THE MINING ACT,  
(CAP. 123)

Construction Cap. 123

48. This Part shall be read as one with the Mining Act, hereinafter referred to as the “principal Act”.

Amendment of section 90A

49. The principal Act is amended in section 90A by adding immediately after subsection (5) the following new subsection:  
“(6) This section shall not apply to salt producers.”

PART XIII  
REPEAL OF THE PLANNING COMMISSION ACT,  
(CAP.314)

Repeal of Cap .314

50. The Planning Commission Act, is hereby repealed.

Vesting of assets and liabilities

51.-(1) Consequent to the repeal of the Planning Commission Act, all assets, interests, rights, privileges, liabilities or obligations vested in the Planning Commission shall be vested in the Ministry responsible for finance and planning.

(2) The Minister responsible for finance and planning in consultation with the President’s Office may, by notice published in the *Gazette*, determine the assets and liabilities to be allocated to the Ministry and to other government institutions or departments.

(3) Where any question arises as to whether any particular property, or any particular asset, interest, right, privilege, liability or obligation has been transferred to or vested in accordance with provisions of subsection (1), a certificate under the hand of the Minister responsible for finance and planning shall be conclusive evidence that the property, asset, interest, right, privilege, liability or obligation was or was not so transferred or vested.

Employees of Planning Commission

52.-(1) Employees or staff of the Planning Commission who are necessary for the purposes of the Ministry, government institutions or departments shall, subject to laws and procedures governing public service be transferred to public offices on such terms and conditions not less favourable than those applicable to them before the transfer.

(2) Every employee or staff of the Planning Commission whose service is not transferred to a public office shall be paid terminal benefits in accordance with the applicable laws and regulations governing the terms and conditions of his service immediately before the termination.



(3) An employee or staff who is deemed to be employed or transferred to a public office shall continue to be a member of a statutory, voluntary pension or any other superannuation scheme in accordance with the laws and regulations governing the scheme.

Deeds, bonds,  
agreements  
and  
instruments  
Cap. 314

**53.**-(1) All deeds, bonds, agreements, instruments and working arrangement subsisting immediately before the repeal of the Planning Commission Act, transferred to the Ministry, government institutions or departments shall continue in full force and shall be enforceable by or against the Ministry, government institutions or departments.

(2) Any proceeding or cause of action relating to the property, rights and liabilities transferred to the Ministry or government institutions or departments under this Part or to any employee transferred, may be continued and shall be enforced by or against the Ministry, government institutions or departments.

**PART XIV  
AMENDMENT OF THE PORT SERVICE CHARGE ACT,  
(CAP.264)**

Construction  
Cap. 264

**54.** This Part shall be read as one with the Port Service Charge Act, hereinafter referred to as the "principal Act".

Amendment of  
section 3

**55.** The principal Act is amended in section 3(1), by-

- (a) deleting the words "five hundred" appearing in paragraph (a) and substituting for them the words "one thousand";
- (b) deleting the word "five" appearing in paragraph (b) and substituting for it the word "ten".

Amendment of  
section 5

**56.** The principal Act is amended in section 5, by-

- (a) deleting subsection (2);
- (b) renumbering subsection (3) as subsection (2).

**PART XV  
AMENDMENT OF THE PUBLIC FINANCE ACT,  
(CAP.348)**

Construction  
Cap.348

**57.** This Part shall be read as one with the Public Finance Act, hereinafter referred to as the "principal Act"

Amendment  
of section 3

**58.** The principal Act is amended in section 3 by inserting in their appropriate

alphabetical order the following definitions:

““Treasury Single Account” means a unified structure of Government bank accounts that gives a consolidated view of Government cash resources; and

“Sub-Treasury Single Account” means an account that receives funds from TSA for disbursement to beneficiaries;”

Addition of sections 11.A, 11.B, 11.C and 11.D

59. The principal Act is amended by adding immediately after section 11 the following new sections:

“Treasury Single Account

11A.-(1) There shall be opened and maintained in the Bank of Tanzania a Government account to be known as a Treasury Single Account or in its acronym “TSA”.

(2) The Accountant General shall open, operate and manage the account under subsection (1).

Functions of Treasury Single Account

11B.-(1). Functions of the Treasury Single Account shall be-

- (a) to receive all moneys released from the Consolidated Fund;
- (b) to remit moneys to Sub-TSA;
- (c) to receive unspent and unapplied moneys from Sub-TSA and local government own source.
- (2) For purposes of this section-
- (a) unspent funds means funds that were deposited in the Government account and the intended beneficiary failed to utilise the funds; and
- (b) unapplied funds means funds that were previously sent to a commercial bank that failed to be applied to the intended account.

Treasury Single Account Regulations

11C.-(1) The Minister may make regulations for proper and effective implementation of sections 11A and 11 B.

(2) Without prejudice to generality of subsection (1), the Minister may make regulations prescribing-

- (a) the role of Paymaster General to the Treasury Single Account;
- (b) the manner and procedures for funding of TSA and Sub TSA account;
- (c) setting and control of daily expenditure limits;
- (d) the manner and procedure in relation to processing and remittance of funds;
- (e) handling of unspent and unapplied balances; and

(f) any matter incidental to or connected to the Treasury Single Account.

Operation of  
TSA

11D. The Minister shall, by order published in the *Gazette*, prescribe the time within which the Treasury Single Account shall come into operation.”.

Amendment  
of section 12

60. The principal Act is amended in section 12 by adding immediately after subsection (1) the following proviso:

“Provided that, this subsection shall not apply to amounts allocated to the fund from the Consolidated Fund and any other funds or moneys referred to under Article 135(2) of the Constitution”.

PART XVI  
AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,  
(CAP.220)

Construction  
Cap.220

61. This Part shall be read as one with the Road and Fuel Tolls Act, hereinafter referred to as the “principal Act”.

General  
amendment

62. The principal Act is amended generally by deleting the words “other agencies” wherever they appear in the Act and substituting for them the word “agency”.

Amendment of  
section 3

63. The principal Act is amended in section 3 by deleting the definitions of the terms “road agency” and “TANROADS” and substituting for them the following:

““road agency” means TANROADS or any local government authority and includes any institution or body established for purposes of development, maintenance or management of classified roads;

“TANROADS” means the Tanzania National Road Agency established under the Executive Agencies Act;”

Amendment of  
section 4

64. The principal Act is amended in section 4 by deleting subsection (3) and substituting for it the following:

“(3) At least ninety percent of the money deposited in the Fund shall be used for maintenance and emergency repair of classified roads and related administrative costs in the Mainland Tanzania in accordance with approved operational plans and budget of the road agency as approved by the Parliament.”.

Amendment of section 5

65. The principal Act is amended in section 5, by-

- (a) deleting the words "Road Fund Accountant" and substituting for them the words "Senior officers" appearing in subsection (4);
- (b) adding immediately after subsection (4) the following:

“(5) In performing their duty of ensuring collection, all toll collectors of the Fund under this Act shall submit monthly reports to the Board.”;

- (c) adding immediately after the word "Minister" appearing in subsections (6) and (7) the words "responsible for roads".

Amendment of section 6

66. The principal Act is amended in section 6 by deleting the words "not more than two" appearing in subsection (1).

Amendment of the section 14

67. The principal Act is amended in section 14(1) by adding immediately after paragraph (d) the following:

- “(e) fraudulently or forcibly drive a vehicle through a toll station without paying the toll;
- (f) fraudulently discharge imported fuel out of a toll station without paying the toll;
- (g) having collected any toll, fail or refuse to remit the toll to the Commissioner or to any other authorised person;
- (h) use exempted fuel for purposes other than the intended purposes.”

Addition of new section 14A

68. The principal Act is amended by adding immediately after section 14 the following new section:

“Misuse of Fund

14A. Any person who misuses money deposited in the Fund upon conviction shall be liable to a fine equivalent to the amount misused or for imprisonment for a term of not less than five years or to both.”.

Amendment of Fourth Schedule

69. The principal Act is amended in paragraph 1 of the Fourth Schedule, by-

- (a) deleting the words "and the Chief Executive" appearing in subparagraph (1);
- (b) adding immediately after subparagraph (2) the following subparagraph:

“(3) The members shall elect a vice chairman of the Board from amongst their number.”.

- (c) renumbering subparagraphs (3), (4), (5) and (6) as subparagraphs (4), (5), (6) and (7) respectively.

PART XVII  
AMENDMENT OF THE SISAL INDUSTRY ACT,  
(CAP. 30)

Construction  
Cap. 30

70. This Part shall be read as one with the Sisal Industry Act, hereinafter referred to as the "principal Act".

Amendment of  
section 5

71. The principal Act is amended in section 5 (3), by-

- (a) deleting paragraph (g); and
- (b) renaming paragraphs (h), (i) and (j) as paragraphs (g), (h) and (i) respectively.

PART XVIII  
AMENDMENT OF THE TANZANIA REVENUE AUTHORITY ACT,  
(CAP. 399)

Construction  
Cap. 399

72. This Part shall be read as one with the Tanzania Revenue Authority Act, hereinafter referred to as the "principal Act".

Amendment of  
section 20

73. The principal Act is amended in section 20, by -

- (a) deleting the words "or other commissioners" appearing in the marginal note and substituting for them the word "directors";
- (b) deleting the words "or other commissioners" wherever they appear in this section and substituting for them the word "directors".

Amendment of  
section 33

74. The principal Act is amended in section 33, by-

- (a) deleting subsection (2); and
- (b) designating the contents of subsection (1) as section 33.

Repeal of  
section 35

75. The principal Act is amended by repealing section 35.

PART XIX  
AMENDMENT OF THE TAX ADMINISTRATION ACT,  
(CAP. 438)

Construction  
Cap. 438

76. This Part shall be read as one with the Tax Administration Act, hereinafter referred to as the "principal Act".

Amendment of  
section 24

77. The principal Act is amended in section 24, by-

- (a) adding immediately after subsection (5) the following-

“(6) The particulars to be furnished in respect of an application for a Taxpayer Identification Number shall not be a basis for assessment of tax.”;

(b) renumbering subsection (6) as subsection (7).

Amendment of section 65

78. The principal Act is amended in section 65(1) by deleting the words “within a period of twelve months prior to the entity” and substituting for them the words “during the time of occurrence of the”.

Amendment of section 70

79. The principal Act is amended in section 70, by-

(a) designating the contents of section 70 as subsection (1);

(b) deleting the words “except that in the case of interest, the remission shall not exceed fifty percent of the total interest amount” appearing in subsection (1) as designated;

(c) adding immediately after subsection (1) as designated the following-

“(2) The Minister may, by regulations or order published in the *Gazette*, prescribe eligibility, duration and procedure of accessing the remission provided for under this section.”.

PART XX  
AMENDMENT OF THE VALUE ADDED TAX ACT,  
(CAP. 148)

Construction Cap.148

80. This Part shall be read as one with the Value Added Tax Act, hereinafter referred to as the “principal Act”.

Amendment of section 6

81. The principal Act is amended in section 6(2)(a) by deleting subparagraph (ii) and substituting for it the following:

“(ii) concessional loan, non concessional loan or grant through an agreement between the Government of the United Republic of Tanzania and another government or representative of another government, donor or lender of concessional loan or non concessional loan.”

Amendment of section 11

82. The principal Act is amended in section 11(10) by deleting the word “consumables” and substituting for it the words “consumables, motor vehicle”.

Amendment of section 85

83. The principal Act is amended in section 85, by-

(a) deleting the words “and non profit organisation” appearing in the

Amendment of  
Schedule

marginal note; and

- (b) deleting the words “non profit organisation” appearing in subsection (1)(a).

84. The principal Act is amended in Part I of the Schedule -

- (a) in item 3, by adding immediately after sub-item 33 the following new sub-item:

34	Soya cake	2304.00.00
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- (b) by deleting item 7 and substituting for it the following:

“7. Medicine or pharmaceutical products

1.	Essential Human and veterinary medicine, drugs, medical equipment and packaging material which have been approved by the Minister responsible for health: Provided that, the packaging material is specifically designed for packing pharmaceutical products and printed for use by a local manufacturer whose name appears on the packaging material.
2.	Food supplements or Vitamins supplied to the Government.”

- (c) in item 8, by adding immediately after sub-item 10 the following new sub-item:

“	11	Sanitary Pads	9619.00.10”

- (d) in item 15, by deleting sub item 4 and substituting for it the following:

“	4.	Petrol (MSR and MSP)	2710.12.10 and 10.12.20”
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- (e) by deleting item 22.

## OBJECTS AND REASONS

The Bill proposes for enactment of the Finance Act, 2018. The Bill provides for amendment of various laws with a view to impose and alter certain taxes, duties, levies and fees. Further, it proposes to amend other written laws relating to the collection and management of public revenues and repeal the Planning Commission Act, Cap. 314.

The Bill is divided into XX Parts.

Part I provides for preliminary provisions.

Part II proposes to amend the Bank of Tanzania Act, Cap. 197 with a view to including voted and non-voted funds originating from the Consolidated Fund in the determination of Government Financial Position.

Part III of the Bill proposes to amend the Business Licensing Act, Cap. 208. It is proposed to amend section 5 to ease issuance of business licence. Further, it is proposed to add a new section 14A and amend section 29 for purposes of enhancing accountability, record keeping, updating of information and promoting transparency. Furthermore, it is proposed to amend section 22 in order to ensure that Government revenue is not lost.

Part IV of the Bill proposes to amend the Cashewnut Industry Act, Cap.203 whereby section 17A is amended by deleting subsection (2) which provides for the distribution of the export levy collected on cashewnut to the Cashewnut Industry Development Trust Fund and the Consolidated Fund. The aim of the amendment is to ensure that the export levy collected is deposited in the Consolidated Fund.

Part V of the Bill proposes to amend the Excise (Management and Tariff) Act, Cap 147. The purpose of the proposed amendments on excisable items is meant to adjust some of the rates in accordance with the prevailing inflation rate. This measure will not include excisable goods produced locally. Further, this amendment intends to protect Government revenue and local industries.

This Part also proposes excise duty on locally produced wine by using locally produced fruits other than grapes, for example, banana, tomato, rosella, etc at a rate of 200 per litre. The purpose of this amendment is to create equal treatment to all manufacturers of wine and to increase Government revenue.

Part VI proposes to amend the Gaming Act, Cap.41. These amendments are intended to increase the rate of gaming tax for land based casino operations from 15% to 18% of the gross gaming revenue, as a measure to increase Government revenue. The amendments are expected to increase the rate of gaming tax on sports betting operations from 6% to 10% of gross sales. The amendments are also expected to increase the rate of gaming tax from Tshs. 32, 0000 to Tshs. 100,000 per each slot machine in operation. The amendments also propose to increase the rates of gaming tax from 13% to 20% of the gross gaming revenue on Forty Machines Site. The amendments will lead to increase of Government revenue hence contributing more to the growth of the economy.

This Part also proposes amendment to section 20 subsection (3) in order to extend the licence period for National Lottery Licence from five years to seven years. The purpose of this extension is to attract serious investors to National Lottery.

Part VII proposes to amend the Income Tax Act, Cap. 332 in order to give powers to the Minister to make regulations. The Bill also proposes to amend the First Schedule in order to



reduce corporate tax rate to twenty percent for initial five years to a newly established entity engaged in the manufacture of pharmaceuticals and leather products. The purpose is to attract investment on domestic manufacturing of pharmaceuticals and leather products. The Schedule is also amended to increase the rate of corporate tax payable by an entity having tax losses for three consecutive years from 0.3 percent to 1 percent. The purpose of this amendment is to increase tax contributions from entities having accumulated tax losses for three consecutive years.

Further, the Second Schedule is amended in order to reinstate obligation to withhold tax on payments of rent, interest or dividends made by persons registered under the Export Processing Zone Act or Special Economic Zones Act. Furthermore, the Second Schedule is proposed to be amended to provide for tax exemption on interest payable by the Government to a non-resident bank, financial institution, other government or representative of other government as a result of a loan agreement signed by the Government for purposes of financing Government projects.

Part VIII proposes amendment to the Insurance Act, Cap. 394 in section 31. The amendment is expected to ensure that only financially sound and legally recognized foreign insurance entities are permitted to transact business with local insurance registrants and therefore enhance consumer protection and financial stability of the industry. Section 41 is amended to ensure timely collection of Government revenue, this section is amended to enhance supervision of the insurance industry and strengthen control.

Part IX proposes to amend the Land Act, Cap.113 in section 33 by introducing a new subsection (13) to exempt Ministries, Government agencies and institutions, other than those making profit or doing commercial undertaking, from paying land rent.

Part X proposes to amend section 7(1) the Local Government Finance Act, Cap.290 by deleting paragraph (n) to include fees on advertisement on billboards, posters, or hoarding as a source of revenue to the local government authority. Section 16 is amended by adding a new subsection (8) for purposes of ensuring that corporate entities which produce agricultural crops without adding value pay produce cess. This amendment aims at encouraging corporate entities to add value on the crops they produce. A new section 37A is added to facilitate loans without interest to registered groups of women and youth in local government authorities. Section 42 is amended to enable the Minister responsible for local government to consult the Accountant General before opening a bank account. The purpose of this amendment is to align such procedure with the Public Finance Act.

Part XI of the Bill proposes to amend the Local Government Authorities (Rating) Act, Cap. 289. The proposed amendment is aimed at amending sections 3 and 6(1) to enable Tanzania Revenue Authority to collect property rate in all areas within Mainland Tanzania. Also, it is proposed to amend section 13 to enable Tanzania Revenue Authority have powers to review

decisions made on valuation of properties. Furthermore, section 16 is amended to enable Minister for Finance to declare rates through a specific legal instrument.

Part XII proposes to amend section 90A of the Mining Act, Cap.123 by adding a new subsection (5). The proposed amendment aims at excluding salt producers from payment of inspection and clearance fee for the purposes of boosting production of salt in the country.

Part XIII proposes to repeal the Planning Commission Act, Cap. 314 with an aim of enabling the Minister responsible for finance and planning to take over the functions and responsibilities of the Planning Commission which was previously under the President's Office. Under the proposed amendments, all assets, rights, obligations and liabilities which were vested in the Planning Commission shall be vested to the Ministry responsible for finance and planning. Further, all employees and staff of the Planning Commission shall be transferred to public offices and all deeds, bonds, agreements and instruments subsisting before the repeal of the Act shall continue in force and be enforced by or against the Ministry, Government institutions or departments. The proposed amendments are a result of the change of structure in the Government by virtue of the Ministers (Discharge of Ministerial Functions) Notice, 2016.

Part XIV of the Bill proposes to amend the Port Service Charge Act, Cap. 264. The proposed amendment is aimed at amending sections 3 by increasing port service charge from five hundred Tanzanian shilings to one thousand Tanzanian shilings for residents and from five US dollars to ten US dollars for non-residents. It is also proposed to repeal section 5(2) for purposes of ensuring that the powers of granting remission of port service charge is not vested on the Permanent Secretary who is principally charged with operational functions.

Part XV proposes to amend section 11 of the Public Finance Act, Cap 348 by adding new sections 11A, 11B, 11C and 11D with a view to establishing Treasury Single Account at the Bank of Tanzania. The Account shall receive moneys from the Consolidated Fund, remit money from Sub Treasury Single Accounts and receive unspent and unapplied moneys from Sub Treasury Single Account and local government own source. Further, the amendments empower the Minister to make regulations for proper implementation of the Treasury Single Account. Furthermore, the amendment also seeks to amend section 12 of the Act with a view to excluding funds which have not originated from the Consolidated Fund or moneys referred to under Article 135(2) of the Constitution from forming part of the Treasury Single Account. The purpose of this amendment is to ensure that all unspent moneys originating from the Consolidated Fund are returned to the Consolidated Fund at the end of the relevant financial year.

Part XVI of the Bill proposes to amend the Road and Fuel Tolls Act, Cap 220. Section 3 is amended by deleting the definitions of the terms "road agency" and "TANROADS" and substituting with new definitions for purposes of recognizing any other agencies which may be established for development, maintenance and management of classified roads. Further, section 4(3) is amended to ensure that the money deposited in the Fund is properly used and managed by the road agency. Section 5(5) is also amended to require collectors of toll to submit monthly

reports to the Board to enhance accountability in the collection of toll. Section 14 is amended by adding new offences. A new section 14A is added to provide for penalty in relation to the misuse of money deposited in the Fund.

Part XVII of the Bill proposes to amend the Sisal Industry Act, Cap. 30 whereby section 5(3) is amended by removing the power of collecting sisal levy which was formerly vested in the Sisal Board.

Part XVIII of the Bill proposes to amend the Tanzania Revenue Authority Act, Cap. 399. It is also proposed to amend section 33 by deleting subsection (2) for purposes of removing a redundant procedure which required the Minister responsible for finance to amend any revenue law with the prior approval of the National Assembly for purposes of conformity with the Act. Section 35 is repealed as its contents are covered under the Tax Administration Act, Cap.438.

Part XIX proposes amendment to the Tax Administration Act, Cap. 438. The amendment is effected in section 24 to enhance tax administration in relation to taxpayers registration. Section 65 is amended to provide for liability and accountability on managers of entities. Under this amendment, managers of entities shall be held liable and accountable during the time of occurrence of the tax offence. Section 70 is proposed to be amended for the purpose of providing remission on payment of part or whole of interest and penalties and to enable the Minister to make regulations in that respect.

Part XX of the Bill proposes to amend section 6(2)(a)(ii) of the Value Added Tax Act, Cap. 148, in order to enable the Minister for Finance to exempt value added tax on Government projects financed through non-concessional loans. The purpose of this amendment is to enable smooth implementation of Government projects. The Bill also proposes to amend section 11(10) with the aim of excluding motor vehicles from value added tax deferment. The aim of this amendment is to control abuse by excluding motor vehicles as part of goods entitled to value added tax deferment. This Part further proposes to amend Part 1 of the Schedule under item 7 in order to provide for tax exemption on medicines, pharmaceutical equipment, packaging materials specifically printed with names of manufacturers of local pharmaceuticals. The purpose of this amendment is to provide value added tax exemption to local manufacturers of human and veterinary medicines.

Furthermore, the Bill proposes to amend Part I of the Schedule by adding item 8 in order to provide tax exemption on sanitary pads so as to make them available and affordable. The Part also proposes to amend item 3 of the Schedule in order to provide tax exemption on soya cakes for animal feeds in order to promote animal husbandry.

**MADHUMUNI NA SABABU**

Muswada huu unapendekeza kutungwa kwa Sheria ya Fedha, 2018. Muswada unaweka masharti kuhusu marekebisha ya sheria mbalimbali kwa lengo la kuweka, kutoza au kubadilisha baadhi ya kodi, tozo au ada. Vilevile Muswada unapendekeza kurekebisha sheria nyingine zinazohusu ukusanyaji na usimamizi wa mapato ya umma na kufuta Sheria ya Tume ya Mipango, Sura ya 314.

Muswada huu umegawanyika katika Sehemu Ishirini.

Sehemu ya Kwanza ya Muswada inaainisha masharti ya utangulizi.

Sehemu ya Pili ya Muswada inapendekeza kufanya marekebisha katika Sheria ya Benki Kuu ya Tanzania Sura, 197 kwa lengo la kuhisha baadhi ya akaunti zilizoko nje ya Mfuko Mkuu wa Serikali ili kuleta utengamano wa Sheria katika kupata bakaa halisi ya kiasi cha fedha za Serikali zilizoko Benki Kuu.

Sehemu ya Tatu ya Muswada inapendekeza kurekebisha Sheria ya Leseni za Biashara, Sura ya 208. Inapendekezwa kurekebisha kifungu cha 5 cha Sheria hii ili kurahisisha utoaji leseni za biashara. Vile vile, inapendekezwa kuongeza kifungu kipya cha 14A na kurekebisha kifungu cha 29 kwa madhumuni ya kuongeza uwajibikaji, kuboresha uhifadhi wa kumbukumbu, mapitio ya nyaraka na kuimarisha utoaji taarifa kwa uwazi (transparency).

Sehemu ya Nne ya Muswada inapendekeza marekebisha kwenye Sheria ya Sekta ya Korosho, Sura ya 203 ambapo kifungu cha 17A kinarekebisha ili kuwezesha ushuru unaotowza kwenye korosho kuingizwa kwenye Mfuko Mkuu wa Serikali. Lengo la mapendekezo haya ni kuhakikisha kuwa mapato yatokanayo na korosho yanasimamiwa na kutumika kwa ajili ya shughuli zilizokusudiwa.

Sehemu ya Tano ya Muswada inapendekeza kufanya marekebisha kwenye Sheria ya Ushuru wa Bidhaa, Sura ya 147. Marekebisha yanapendekezwa kwenye kifungu cha 124 (2) pamoja na Jedwali la Nne lililotengenezwa chini ya Sheria hiyo kwa lengo la kurekebisha viwango vya ushuru wa baadhi ya bidhaa zinazotowza ushuru. Viwango hivi vinarekebisha kwa mujibu wa Sheria hiyo na kwa kiwango cha sasa cha mfumuko wa bei, utaratibu huu hautahusisha bidhaa zitakazozalishwa ndani ya nchi zinazotowza ushuru wa bidhaa. Lengo la marekebisha haya ni kulinda thamani ya mapato ya Serikali kwa kiwango cha mfumuko wa bei (inflation rate) na kulinda viwanda vyetu.

Sehemu hii ya Muswada pia inapendekeza kutoza ushuru wa bidhaa kwenye mvinyo unaozalishwa kwa kutumia matunda ya ndani ya nchi yasiyo zabibu (HS code 2206.00.90), matunda hayo ni kama vile ndizi, nyanya au rozela n.k kwa kiwango cha shilingi 200 kwa lita.

Madhumuni ya mabadiliko haya ni kuweka wigo sawa wa ushindani na mvinyo unaozalishwa na matunda aina ya zabibu na kuongeza wigo wa kodi hatimaye kuongeza mapato ya Serikali.

Sehemu ya Sita inapendekeza kufanya marekebisho kwenye Sheria ya Michezo ya Kubahatisha, Sura ya 41. Mabadiliko haya yanakusudia kuongeza viwango vya kodi kwa michezo ya Casino ya ardhini (Land based casino) kutoka kwenye kiwango cha asilimia 15 ya pato halisi la michezo ya kubahatisha (gross gaming revenue), hadi kiwango cha asilimia 18 ya pato halisi la michezo ya kubahatisha (gross gaming revenue). Sambamba na hilo kutakuwa na ongezeko la kiwango cha kodi katika shughuli za michezo ya kubahatisha inayohusiana na michezo ya kubashiri matokeo (sports betting operations), kutoka kwenye kiwango cha asilimia 6 ya pato ghafi la mauzo (gross sales) hadi kiwango cha asilimia 10 ya pato ghafi la mauzo (gross sales). Pia kutakuwa na ongezeko la kiasi cha kodi ya michezo ya kubahatisha kutoka shilingi 32,000 hadi shilingi 100,000 kwa kila mashine kwa michezo ya kubahatisha ya machine (slot machine operations). Marekebisho haya pia yanalenga kuongeza kiwango cha kodi kutoka kiasi cha asilimia 13 mpaka asilimia 20 ya pato halisi la michezo ya kubahatisha (gross gaming revenue) kwa michezo ya mashine iliyo katika eneo linaloruhusu idadi ya mashine arobaini (Forty Machines Site). Mabadiliko haya yanategemewa kuwa na matokeo chanya kwa kuongeza kiasi cha kodi itakayokusanywa kutoka kwenye michezo ya kubahatisha hivyo kuchangia katika ustawi wa nchi na ukuaji wa uchumi kwa ujumla.

Sehemu hii pia inapendekeza marekebisho kwenye kifungu cha 20 ambapo kifungu kidogo cha (3) kinarekebishwa kwa lengo la kuongeza muda wa leseni za Bahati Nasibu ya Taifa kutoka miaka mitano hadi miaka saba. Sababu za marekebisho haya ni kuvutia wawekezaji kwenye Bahati Nasibu ya Taifa.

Sehemu ya Saba inapendekeza kufanyia marekebisho Sheria ya Kodi ya Mapato, Sura ya 332 ili kumpa Waziri mwenye dhamana mamlaka ya kutengeneza kanuni. Muswada unakusudia kufanya marekebisho ya Jedwali la Kwanza ili kuweka kiwango cha punguzo la kodi cha asilimia 20 kwa miaka mitano ya mwanzo kwa wazalishaji wapya wa madawa ya binadamu na bidhaa za ngozi. Lengo la marekebisho haya ni kuhamasisha uzalishaji wa ndani wa madawa ya binadamu na bidhaa za ngozi kwa wazalishaji wapya. Jedwali hili pia linapendekezwa kufanyiwa marekebisho ili kuongeza kiwango cha kodi ya mapato kwa makampuni yanayopata hasara ya kodi kwa miaka mitatu mfululizo kutoka asilimia 0.3 hadi asilimia 1. Lengo la pendekezo hili ni kuongeza mchango wa kodi wa makampuni haya.

Jedwali la Pili la Sheria ya Kodi ya Mapato linapendekezwa kurekebishwa ili kuondoa msamaha wa wajibu kwa kukata kodi ya zuio kwenye malipo ya kodi ya pango, riba na gawio linalolipwa na makampuni yaliyosajiliwa chini ya Sheria zinazosimamia maeneo maalum ya uwekezaji (The Export Processing Zone Act au Special Economic Zone Act). Lengo ni kuwafanya walipa kodi waliotajwa kuweza kukusanya kodi ya zuio kwa malipo ya kodi ya pango, riba na gawio kwenda kwa kampuni ambayo haina msamaha wa kodi ya mapato. Aidha,

inapendekezwa kufanya marekebisho kwenye Jedwali la Pili ili kusamehe kodi kwenye mapato ya riba yanayolipwa na Serikali kwa benki, taasisi za fedha zilizoko nje ya nchi pamoja na Serikali za kigeni.

Sehemu ya Nane inapendekeza kufanya marekebisho kwenye Sheria ya Bima, Sura ya 394. Kifungu cha 31 kinapendekezwa kurekebisha kwa lengo la kuhakikisha kuwa kampuni za bima kutoka nje ya nchi zitakazoruhusiwa kufanya biashara na wasajiliwa wa ndani ni zile tu zenye uwezo wa kifedha na zinazotambulika kisheria. Lengo la marekebisho haya ni kuimarisha usimamizi na udhibiti katika sekta ya bima nchini.

Sehemu ya Tisa inapendekeza kufanya marekebisho katika Sheria ya Ardhi, Sura ya 113 ambapo kifungu cha 33 kinarekebisha na kifungu kipya cha 33A kinaongezwa ili kusamehe kodi ya pango ya ardhi kwa Serikali, na taasisi zake. Kwa mujibu wa marekebisho haya, kodi ya pango itasemehewa kwenye maeneo ambayo si ya kibiashara.

Sehemu ya Kumi inapendekeza kufanya marekebisho kifungu cha 7(2) cha Sheria ya Fedha ya Serikali za Mitaa, Sura ya 290 ili kutambua kodi ya mabango kama chanzo cha mapato kwa Serikali za mitaa. Kifungu cha 16 kinarekebisha ili kuyataka makampuni yanayojishughulisha na uzalishaji wa mazao yasiyoongezwa thamani kulipa ushuru wa mazao. Lengo la marekebisho haya ni kuyashawishi makampuni kuongeza thamani ya mazao. Kifungu kipya cha 37A kinaongezwa ili kuziwezesha Serikali za mitaa kutenga asilimia 10 ya mapato yao kwa ajili ya kutoa mikopo isiyo na riba kwa vikundi vya wanawake na vijana vilivyosajiliwa. Kifungu cha 42 kinarekebisha ili kumtaka Waziri anayehusika na masuala ya Serikali za Mitaa kushauriana na Mhasibu Mkuu wa Serikali kabla ya kufungua akaunti za halmashauri. Lengo la marekebisho haya ni kuzingatia utaratibu chini ya Sheria ya Fedha za Umma.

Sehemu ya Kumi na Moja ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Majengo ya Mamlaka za Serikali za Mitaa, Sura ya 289. Marekebisho hayo yanalenga kurekebisha vifungu vya 3 na 6(1) ili kuiwezesha Mamlaka ya Mapato Tanzania kukusanya kodi ya majengo katika maeneo ya mamlaka zote za serikali za mitaa zilizopo Tanzania Bara. Halikadhalika, inapendekezwa kurekebisha kifungu cha 13 cha Sheria hii ili kuiwezesha Mamlaka ya Mapato Tanzania kufanya mapitio katika maamuzi ya kutathimini thamani ya majengo kwa ajili ya kutoza kodi za majengo. Aidha, kifungu cha 16 kinapendekezwa kurekebisha ili kumwezesha Waziri wa Fedha kuweka tozo za kodi ya majengo kwa kutumia hati ya kisheria.

Sehemu ya Kumi na Mbili inapendekeza kufanya marekebisho katika kifungu cha 90A cha Sheria ya Madini, Sura ya 123 kwa kuongeza kifungu kidogo cha (5) na marekebisho haya yanalenga kutoa msamaha wa tozo ya ukaguzi kwa wazalishaji wa chumvi ili kuwezesha ustawi wa sekta ya uzalishaji chumvi nchini.

Sehemu ya Kumi na Tatu inapendekeza kufuta Sheria ya Tume ya Mipango, Sura ya 314 ili majukumu yote yaliyokuwa yakitekelezwa na Tume ya Mipango ambayo hapo awali ilikua

chini ya Ofisi ya Rais yatekelezwe na Wizara ya Fedha na Mipango. Kwa mujibu wa mapendekezo haya, mali, haki, wajibu na madeni ya Tume ya Mipango yatahamishiwa Wizara ya fedha na mipango. Aidha, watumishi wote waliokuwa Tume ya Mipango watahamishiwa katika ofisi mbalimbali za umma na mikataba na makubaliano yote yaliyofanywa na Tume yatahamishiwa kwenye Wizara ya Fedha na Mipango, idara au taasisi za Serikali. Mapendekezo haya yametokana na mabadiliko ya muundo wa Serikali kupitia Hati ya Majukumu ya Mawaziri ya mwaka 2016.

Sehemu ya Kumi na Nne ya Muswada inapendekeza kurekebisha Sheria ya Tozo ya Huduma za Bandari, Sura ya 264. Marekebisho haya yanapendekeza kurekebisha kifungu cha 3 ili kuongeza tozo za huduma ya bandari kutoka shilingi 500 hadi shilingi 1000 kwa wasafiri ambao ni wakazi wa nchini, na kutoka dola za kimarekani 5 hadi 10 kwa wasafiri ambao ni wageni nchini. Aidha, inapendekezwa kukifuta kifungu cha 5(2) ili kumuondolea Katibu Mkuu, Wizara ya Fedha, mamlaka ya kusamehe tozo za huduma ya bandari.

Sehemu ya Kumi na Tano inapendekeza kufanyia marekebisho kifungu cha 11 cha Sheria Fedha za Umma, Sura ya 348 kwa kuongeza vifungu vipya vya 11A, 11B, 11C na 11D vitakavyokuwa na maudhui ya kuanzisha Akaunti Moja Jumuiifu itakayofunguliwa Benki Kuu ya Tanzania na kusimamiwa na Mhasibu Mkuu wa Serikali ambapo Akaunti Moja Jumuiifu itakuwa na jukumu la kupokea fedha kutoka Mfuko Mkuu, kutoa na kupokea fedha kwenye akaunti za matumizi pamoja na vyanzo vya Serikali za Mitaa. Vilevile marekebisho husika yamempa Waziri mamlaka ya kutengeneza Kanuni za utekelezaji wa Akaunti Moja Jumuiifu. Aidha, kifungu cha 12 cha Sheria ya Usimamizi wa Fedha za Umma kimefanyiwa marekebisho kwa kubainisha kuwa fedha ambazo chanzo chake sio Mfuko Mkuu hazitoingizwa katika Akaunti Moja Jumuiifu.

Sehemu ya Kumi na Sita ya Muswada inapendekeza kurekebisha Sheria ya Tozo za Barabara na Mafuta, Sura ya 220. Inapendekezwa kufanya marekebisho katika kifungu cha 3 kwa kufuta tafsiri ya maneno "Wakala wa barabara" na kuiandika upya ili kutambua Wakala zingine zilizoanzishwa kwa ajili ya kuendeleza, kutunza na kusimamia barabara zilizoainishwa. Vilevile kifungu cha 4(3) kinarekebishwa ili kuhakikisha kuwa asilimia tisini ya fedha zinazowekwa kwenye Mfuko zinatumiwa na kusimamiwa na Wakala husika wa barabara. Kifungu cha 5 kinarekebishwa kwa kuongeza kifungu kidogo cha (5) kwa ajili ya kuhakikisha kwamba wakusanyaji wa tozo wanawasilisha taarifa zao kwa Bodi kila mwezi. Kifungu cha 14 kinarekebishwa ili kuongeza makosa mapya. Halikadhalika kifungu cha 14A kinaongezwa kwa ajili ya kuweka adhabu kwa matumizi mabaya ya fedha za Mfuko.

Sehemu ya Kumi na Saba ya Muswada inapendekeza marekebisho katika Sheria ya Sekta ya Katani, Sura ya 30 ambapo kifungu cha 5(3) kinarekebishwa kwa lengo la kuiondolea Bodi ya Katani mamlaka ya kukusanya ushuru wa zao la katani.

Sehemu ya Kumi na Nane ya Muswada inapendekeza kurekebisha Sheria ya Mamlaka ya Mapato Tanzania, Sura ya 399 kifungu cha 33(2) kwa kukifuta kifungu hicho ili kuondoa

utaratibu usiotumika ambao ulikuwa unamuwezesha Waziri wa Fedha kurekebisha Sheria za kodi kwanza kabla ya kupata idhini ya Bunge. Aidha, kifungu cha 35 kinafutwa kwa kuwa maudhui yake yamejumuishwa katika Sheria ya Usimamizi wa Kodi, Sura ya 438.

Sehemu ya Kumi na Tisa inapendekeza kufanya marekebisho kwenye Sheria ya Usimamizi wa Kodi, Sura ya 438. Kifungu cha 24 kinarekebisha kwa lengo la kuimarisha Usimamizi wa kodi hususani katika eneo la usajili wa walipa kodi. Kifungu cha 65 kinarekebisha ili kuwawajibisha mameneja wa makampuni kutokana na makosa yaliyotokea kwenye makampuni wakiwa kwenye madaraka. Vilevile, kifungu cha 70 kinapendekezwa kufanyiwa marekebisho kwa lengo la kuweka utaratibu maalum wa kusamehe sehemu ya au riba yote ya malimbikizo ya madeni ya nyuma ya riba na adhabu inayotokana na malimbikizo ya kodi kwa mujibu wa Kanuni zitakazotengenezwa na Waziri wa Fedha.

Sehemu ya Ishirini ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Kodi ya Ongezeko la Thamani, Sura ya 148 ambapo kifungu cha 6 (2) (a)(ii), kinarekebisha ili kumuwezesha Waziri wa Fedha kutoa msamaha wa kodi ya ongezeko la thamani kwenye miradi itakayogharamiwa na Serikali kupitia mikopo ya kibiashara kutoka kwenye mabanki ya nje na Serikali za nje. Lengo ni kuhakikisha utekelezaji bora wa miradi ya Serikali. Muswada huu pia unapendekeza kufanya marekebisho katika kifungu cha 11(10) ili kuyaondoa magari katika utaratibu wa kuahirisha ulipaji wa kodi ya ongezeko la thamani. Lengo la marekebisho haya ni kudhibiti matumizi mabaya ya utaratibu huu.

Muswada huu vilevile unapendekeza kufanya marekebisho kwenye Sehemu ya Kwanza ya Jedwali kwenye aya ya 7 kwa kutoa msamaha wa kodi kwa madawa, vifaa tiba, mitambo na virutubisho mbadala vinavyo tolewa kwa Serikali, pamoja na vifungashio kwa ajili ya madawa kwa wazalishaji wa ndani ya nchi. Madhumuni ya mabadiliko haya ni kupunguza gharama za uzalishaji na kulinda viwanda vinavyotengeneza madawa nchini.

Muswada pia unapendekeza kufanya marekebisho ya aya ya 8 ya Sehemu ya Kwanza ya Jedwali kwa kuongeza kifungu kidogo cha 11 ili kutoa msamaha wa taulo za kike ili kuwezesha upatikanaji wake kwa bei nafuu. Muswada pia unafanya marekebisho katika aya ya 3 ya Sehemu ya Kwanza ya Jedwali ili kuwezesha kutoa msamaha wa mashudu ya mifugo yanayotokana na soya kwa lengo la kuwawezesha wafugaji kupata msamaha wa mashudu ili waweze kuboresha ufugaji na kuongeza kipato.

Dodoma  
23 Mei, 2018

**PHILIP I. MPANGO**  
*Waziri wa Fedha na Mipango*