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SPECIAL BILL SUPPLEMENT

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THE FINANCE ACT, 2020

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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,
10th June, 2020

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, 2020.
- Commence
ment **2.** This Act shall come into operation on the 1st day of
July, 2020.

PART II AMENDMENT OF THE ANTI-MONEY LAUNDERING ACT, (CAP. 423)

- Construction
Cap. 423 **3.** This Part shall be read as one with the Anti-Money
Laundering Act, hereinafter referred to as the “principal Act”.
- Amendment
of section 3 **4.** The principal Act is amended in section 3, by adding
in the appropriate alphabetical order the following new
definitions:
- Cap. 332 ““arrangement” has the meaning ascribed to it
under the Income Tax Act;
“beneficial owner” means a natural person-

- (a) who directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement;
- (b) who has a substantial economic interest in or receives substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons;
- (c) on whose behalf an arrangement is conducted; or
- (d) who exercises significant control or influence over a person or arrangement through a formal or informal agreement;”.

Amendment
of section 15

5. The principal Act is amended in section 15-

- (a) in subsection (1), by-
 - (i) deleting the full stop appearing at the end of paragraph (b)(iv) and substituting for it a “semi-colon” and the word “and”;
 - (ii) adding immediately after paragraph (b) the following:
 - “(c) when dealing with entities or arrangements, ensure that accurate and up to date records concerning their beneficial owners are obtained, verified and maintained.”;
- (b) by adding immediately after subsection (1) the following:
 - “(1A) A director, manager, secretary, shareholder, partner, settlor, protector, consultant, care taker, member or council member or any other person handling or otherwise involved or responsible in the overall day to day management of the affairs of an entity or arrangement shall provide official records relating to beneficial owners to a reporting person.”;
- (c) in subsection (2), by-
 - (i) deleting the word “and” appearing at the end of paragraph (c);
 - (ii) adding immediately after paragraph (c) the following:
 - “(d) in the case of beneficial owners-
 - (i) full name and any former or

- other name;
 - (ii) date and place of birth;
 - (iii) telephone number;
 - (iv) nationality, national identity number, passport number or other appropriate identification and proof of identity”; and
- (iii) renaming paragraph (d) as paragraph (e).

PART III
AMENDMENT OF THE COMPANIES ACT,
(CAP. 212)

Construction
 Cap 212 **6.** This Part shall be read as one with the Companies Act, hereinafter referred to as the “principal Act”.

Amendment
 of section 2
 Cap. 332 **7.** The principal Act is amended in section 2 by adding in the appropriate alphabetical order the following new definitions:
 ““arrangement” has the meaning ascribed to it under the Income Tax Act;
 “beneficial owner” means a natural person-
 (a) who directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement;
 (b) who has a substantial economic interest in or receives substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons;
 (c) on whose behalf an arrangement is conducted; or
 (d) who exercises significant control or influence over a person or arrangement through a formal or informal agreement;”.

Amendment
 of section 14 **8.** The principal Act is amended in section 14 by deleting subsection (2) and substituting for it the following:
 “(2) With the memorandum, there shall be delivered a statement in the prescribed form containing-
 (a) name and address, or registered office, of-
 (i) the person or persons being the first director or directors of the company;
 (ii) the person or persons being the first secretary or joint secretaries of the

- company,
and in the case of a first director or directors, particulars of any other directorships held during the five years preceding the date on which the statement is delivered to the Registrar;
- (b) accurate and up to date records of beneficial owners of such company which shall include-
- (i) full name, including any former or other name;
 - (ii) date and place of birth;
 - (iii) telephone number;
 - (iv) nationality, national identity number, passport number or other appropriate identification;
 - (v) residential, postal and email address, if any;
 - (vi) place of work and position held;
 - (vii) nature of the interest including the details of the legal, financial, security, debenture or informal arrangement giving rise to the beneficial ownership; and
 - (viii) oath or affirmation as to whether the beneficial owner is a politically exposed person or not.”

Amendment
of section 16

- 9.** The principal Act is amended in section 16, by-
- (a) designating the content of subsection (1) of section 16; and
 - (b) deleting subsection (2).

Repeal and
replacement
of section 85

10. The principal Act is amended by repealing section 85 and replacing for it the following-

“Prohi-
bition of
issuing
share
warrant

85.-(1) Notwithstanding anything contained in its memorandum and articles of association, a company shall not, with effect from the effective date, issue share warrant in respect of any shares.

(2) A bearer of a share warrant shall within twelve months from the effective date, surrender for cancellation the share warrant to the company that issued the warrant.

(3) Upon surrender of the share warrant under subsection (1), a company shall-

- (a) cancel the share warrant;
- (b) enter in its register of members, the names of persons requesting that their names and addresses be entered in the register of members; and
- (c) notify the Registrar of any changes in the register of members resulting from the enforcement of this section.

(4) Any share warrant which is not surrendered after the expiry of a period of twelve months from the effective date shall be deemed to be cancelled.

(5) Notwithstanding subsection (4), the Registrar may allow surrender of share warrant after the expiry of the period of twelve months from the effective date upon adducing reasonable grounds of delay.

- (6) For purposes of this section-
 - “bearer of share warrant” means a person who held a share warrant on or before the effective date; and
 - “effective date” means the 1st day of July, 2020”

Amendment of section 86

11. The principal Act is amended in section 86, by deleting the words “or of any share warrant or coupon” and “or share warrant or coupon”.

Amendment of Part V

12. The principal Act is amended in Part V by deleting the words “register of its members” and “register of members” wherever they appear in Chapter II and substituting for them the words “register of its members and beneficial owners” and “register of members and beneficial owners” respectively.

Amendment of section 115

13. The principal Act is amended in section 115, by-
(a) adding immediately after subsection (1) the following:

“(2) A company having a beneficial owner shall, in the register referred to under

subsection (1), make entries of information as provided under section 14(2)(b).”

- (b) renumbering subsections (2), (3) and (4) as subsections (3), (4) and (5) respectively; and
- (c) adding immediately after subsection (5) as renumbered the following:

“(6) A company shall, where there are changes in the beneficial ownership of the company, give notice to the Registrar within thirty days of such changes.”

Repeal of section 117

117.

14. The principal Act is amended by repealing section

Amendment of section 129

15. The principal Act is amended in section 129, by-

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

“(f) if the company has a beneficial owner, records of its beneficial owner as specified under section 14(2)(b);” and

- (b) renaming paragraph (f) as paragraph (g).

Amendment of section 191

16. The principal Act is amended in section 191, by-

- (a) deleting subsection (2); and
- (b) renumbering subsections (3), (4) and (5) as subsections (2), (3) and (4) respectively.

Addition of section 451A

17. The principal Act is amended by adding immediately after section 451 the following-

“Register of beneficial owners

451A. The Registrar shall establish and maintain a Register of beneficial owners in which shall be entered-

- (a) information provided in accordance with section 115 (2);
- (b) the following information relating to a legal person-
 - (i) name of body corporate;
 - (ii) address of head office;
 - (iii) identity of directors, shareholders and beneficial owners;
 - (iv) proof of incorporation or evidence of legal status

- and legal form; and
- (v) such other information necessary to determine the ownership and control of the legal person.”

Amendment of Schedule **18.** The principal Act is amended in the Schedule by deleting the words “or warrant” appearing in paragraph 108 of Part I of Table A.

PART IV
AMENDMENT OF THE ELECTRONIC AND POSTAL COMMUNICATIONS ACT,
(CAP. 306)

Construction Cap. 306 **19.** This Part shall be read as one with the Electronic and Postal Communications Act, hereinafter referred to as the “principal Act”.

Amendment of section 26 **20.** The principal Act is amended in section 26 by adding immediately after subsection (6) the following:

“(7) Notwithstanding the provisions of subsection (1), the conditions of having public shareholding shall not apply to the following licensee:

- (a) network facility wholly owned by the Government;
- (b) network facility in which the Government owns twenty five percent shares or more; and
- (c) network facility licenced for lease of towers.”

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

Construction Cap. 147 **21.** This Part shall be read as one with the Excise (Management and Tariff) Act, hereinafter referred to as the “principal Act”.

Amendment of Schedule **22.** The principal Act is amended in the Fourth Schedule by inserting immediately after Heading 20.09 the following:

“

Heading	H.S. Code No.	Description	Unit	Old Excise Rate	New Excise Rate
			--- Other		
21.06	2106.90.99	---- Imported powdered beer	kg	Tshs 0 per/kg	Tshs. 844.00 per/kg
21.06	2106.90.99	---- Imported powdered juice	kg	Tshs 0 per/kg	Tshs. 232.00 per/kg

”

PART VI
AMENDMENT OF THE FAIR COMPETITION ACT,
(CAP. 285)

Construction
Cap. 285

23. This Part shall be read as one with the Fair Competition Act, hereinafter referred to as the “principal Act”.

Amendment
of section 60

24. The principal Act is amended in section 60(1) by deleting the words “of his annual turnover and not exceeding ten percent of his annual turnover” and substituting for them the words “but not exceeding ten percent of his annual turnover which has a source in Mainland Tanzania”.

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

Construction
Cap. 332

25. This Part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

Amendment
of
section 3

26. The principal Act is amended in section 3-
(a) in the definition of the term “associate”, by-

- (i) deleting the closing words appearing in subparagraph (i) of paragraph (c) and substituting for it the following:

“controls or may benefit from 25 percent or more of the rights to income or capital or voting power of the entity, except that the Commissioner may, upon consideration of the nature of business or investment of a person, determine the prescribed minimum percentage; or”; and

- (ii) adding immediately after the word “other” appearing at the end of paragraph (d) the words “whether or not they are in a business relationship and whether such intentions are communicated or not”;
- (b) in the definition of the term “investment asset” by deleting the words “non-resident” appearing in the opening phrase; and
- (c) by inserting in their appropriate alphabetical order the following new definitions:

““beneficial owner” means a natural person-

- (a) who directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement;
- (b) who has a substantial economic interest in or receives substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons;
- (c) on whose behalf a transaction or arrangement is conducted; or
- (d) who exercises significant control or influence over a person or arrangement through a formal or informal agreement;

“representative assessee” means an agent of a non-resident person or of a beneficial owner;

“agent of a non-resident person or of a beneficial owner” includes any person in the United Republic-

- (a) who is employed by or on behalf of a non-resident person or a beneficial owner;
- (b) who has any business connection

with a non-resident person or a beneficial owner;

- (c) from or through whom a non-resident person or a beneficial owner is in receipt of any income, whether directly or indirectly; or
- (d) who is a trustee of a non-resident person, and includes any other person who, whether a resident or non-resident, has acquired by means of a transfer, a capital asset situated in the United Republic;

“business connection” includes any business activity carried out through a person who, acting on behalf of the non-resident person or a beneficial owner-

- (a) has and habitually exercises in the United Republic, an authority to conclude contracts on behalf of the non-resident person or a beneficial owner;
- (b) habitually concludes contracts or plays the principal role leading to conclusion of contracts by that non-resident person or a beneficial owner, and the contracts are-
 - (i) whether or not in the name of the non-resident person or the beneficial owner;
 - (ii) for the transfer of the ownership of, or for the granting of the right to use property owned by that non-resident person, or that non-resident person has the right to use; or
 - (iii) for the provision of services by the non-resident person or the beneficial owner;
- (c) has no such authority but habitually maintains in the United Republic a stock of goods or merchandise from which he regularly delivers goods or merchandise on behalf of the non-resident person or the beneficial owner;

- (d) habitually secures orders in the United Republic, mainly or wholly for the non-resident person or for that non-resident person and other non-resident persons controlling, controlled by, or subject to the same common control as that non-resident person, or for the beneficial owner; or
- (e) carries out any business or investment in the United Republic through an entity or an arrangement for economic benefit of a non-resident person or beneficial owner, whether directly or indirectly;”

Amendment
of section 4

- 27.** The principal Act is amended in section 4(1), by-
- (a) deleting the word “or” appearing at the end of paragraph (b);
 - (b) deleting the “full stop” appearing at the end of paragraph (c) and substituting for it a “semicolon” and the word “or”; and
 - (c) adding immediately after paragraph (c) the following:
 - “(d) who is a representative assessee from or through whom a non-resident person is in receipt of any income, whether directly or indirectly.”

Amendment
of section 6

- 28.** The principal Act is amended in section 6(1), by-
- (a) deleting the word “and” appearing in paragraph (b);
 - (b) deleting the “full stop” appearing at the end of paragraph (c) and substituting for it a “semicolon” and the word “and”; and
 - (c) adding immediately after paragraph (c) the following:
 - “(d) in the case of a representative assessee, the income of a non-resident or beneficial owner from business or investment for the year of income deemed to accrue or arise in the United Republic.”.

Amendment
of section 10

- 29.** The principal Act is amended in section 10 by adding immediately after subsection (3) the following:
- “(4) The requirement under subsection (3)(b)

shall not apply to a strategic project with a total tax payable not exceeding one billion shillings for the entire project period.”

Amendment
of section 12

30. The principal Act is amended in section 12 by adding immediately after subsection (5) the following:

“(6) Notwithstanding any other provision to the contrary, the amount of deductible realized foreign exchange loss on interest free debt obligation shall be the amount of loss attributable to not more than seventy percent of such obligation.”.

Amendment
of section 16

31. The principal Act is amended in section 16(1), by-
(a) deleting the word “and” appearing in paragraph (b);
(b) deleting a “full stop” appearing at the end of paragraph (c) and substituting for it a “semicolon”;
(c) adding immediately after paragraph (c) the following:

“(d) contribution made to the AIDS Trust Fund established under the Tanzania Commission for Aids Act; and

(e) contribution made to the Government in the fight against Coronavirus disease (COVID-19).”

(d) adding immediately after subsection (1) the following:

“(2) The provisions of subsection (1)(e) shall cease to have effect on such date as the Minister may, by notice published in the *Gazette*, determine.”;

(e) renumbering subsections (2), (3) and (4) as subsections (3), (4) and (5) respectively; and

(f) deleting the reference to subsection (3) appearing in the renumbered subsection (5) and substituting for it the reference to subsection (4).

Amendment
of section 19

32. The principal Act is amended in section 19, by-

(a) adding immediately after subsection (1) the following:

“(2) Income of a person for the year of income having chargeable income and unrelieved losses for the four previous consecutive years of income may, subject to other limitations imposed by this section, be

reduced by reason of use of the unrelieved losses which shall not be below thirty per centum of that income before any reduction for losses:

Provided that, the requirement under this subsection shall not apply to a corporation undertaking agricultural business or providing health or education services.”; and

- (b) renumbering subsections (2), (3) and (4) as subsections (3), (4) and (5) respectively.

Amendment of section 52

33. The principal Act is amended in section 52 by deleting subsection (2) and substituting for it the following:

“(2) Distributions of a trust or unit trust shall be included in calculating the income of the trust’s beneficiary.”

Amendment of section 69

by- **34.** The principal Act is amended in section 69(i),

- (a) deleting subparagraph (i) and substituting for it the following:

“(i) irrespective of the place of exercise, rendering or forbearance; and

(ii) regardless of the place of payment:

Provided that, the services are consumed in the United Republic;”; and

- (b) renaming subparagraph (ii) as subparagraph (iii).

Addition of section 69A

35. The principal Act is amended by adding immediately after section 69 the following:

“Income accruing or arising in United Republic

69A.-(1) Income accruing or arising in the United Republic, whether directly or indirectly through or from-

- (a) any business connection;
(b) any property;
(c) any asset or any source of income including the sources of payment referred to in section 69; or
(d) transfer of an asset situated in the United Republic,

shall be deemed to accrue or arise in the United Republic and shall be taxed through a representative assessee of a non-resident person or a beneficial

owner.

(2) Nothing in this section shall preclude the Commissioner from assessing the tax to a non-resident person or beneficial owner under any provision of this Act.”

Amendment
of section 83

- 36.** The principal Act is amended in section 83(1), by-
- (a) deleting paragraph (d) and substituting for it the following:
 - “(d) pays-
 - (i) money transfer commission to a money transfer agent;
 - (ii) fee, commission or any other charge to a commercial bank agent; or
 - (iii) fee, commission or any other charge to a digital payment agent.”;
 - (b) adding immediately after subsection (2) the following:
 - “(3) For the purposes of subsection (1), “digital payment agent” means a person who renders digital payment services at a fee, commission or any other charges.”; and
 - (c) renumbering subsection (3) as subsection (4).

Amendment
of section 90

- 37.** The principal Act is amended in section 90-
- (a) in subsection (1) by adding the words “licence or concessional right on reserved land” immediately after the words “United Republic” appearing in the opening phrase;
 - (b) by adding immediately after subsection (1) the following:
 - “(1A) A person referred to under subsection (1) shall, within fourteen days from the date of realisation of the interest, report to the Commissioner.”;
 - (c) by deleting subsection (2) and substituting for it the following:
 - “(2) The instalment referred to in subsection (1) shall be paid within thirty days or such other period determined by the Commissioner from the date of realisation of an interest.
 - (2A) The appropriate authorities for registration, transfer or approval shall not

register transfer of the interest or change of name without the production of a certificate by the Commissioner certifying that the instalment has been paid or that no instalment is payable.”; and

(d) by adding immediately after subsection (8) the following:

“(9) For purposes of this section, “date of realisation of an interest” means-

- (a) the date of execution of contract for sale;
- (b) the date of parting with possession, use or control of a realised asset; or
- (c) the date of payment of part or whole of the consideration for the realised asset,

whichever comes earlier.”

Amendment
of First
Schedule

by-

38. The principal Act is amended in the First Schedule,

(a) deleting the table appearing in paragraph 1(1) and substituting for it the following:

TOTAL INCOME	RATE PAYABLE
1. Where the total income does not exceed 3,240,000/=	NIL
2. Where the total income exceeds 3,240,000/= but does not exceed Tshs.6,240,000/=	9% of the amount in excess of Tshs. 3,240,000/=
3. Where the total income exceeds 6,240,000/= but does not exceed 9,120,000/=	Tshs.270,000/= plus 20% of the amount in excess of 6,240,000/=
4. Where the total income exceeds 9,120,000/= but does not exceed 12,000,000/=	Tshs. 846,000/= plus 25% of the amount in excess of 9,120,000/=
5. Where the total income exceeds 12,000,000/=	Tshs.1,566,000/= plus 30% of the amount in excess of 12,000,000/=

- (b) deleting figure “2,040,000/=” appearing in paragraph 1(2) and substituting for it figure “3,240,000/=”

Amendment
of Second
Schedule

39. The principal Act is amended in paragraph 1 of the Second Schedule by:

- (a) deleting the words “fifty million shillings” appearing in subparagraph (1)(g)(iii) and substituting for them the words “one hundred million shillings”; and
- (b) adding immediately after subparagraph (1)(o) the following proviso:

Cap. 420

“Provided that, this paragraph shall not apply to category B investor in the special economic zone as provided in the Special Economic Zones Act.”

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

Construction
Cap. 113

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

Amendment
of section 33

41. The principal Act is amended in section 33 by adding immediately after subsection (12) the following:

Cap. 324

“(13) Notwithstanding subsection (1), the provisions of this section shall apply to an occupier of any surveyed land who fails to apply to the Commissioner for grant of right of occupancy within ninety days from the date of approval of the survey plan in accordance with the Land Survey Act.”

PART IX
AMENDMENT OF THE LOCAL GOVERNMENT FINANCE ACT,
(CAP. 290)

Construction
Cap. 290

42. This Part shall be read as one with the Local Government Finance Act, hereinafter referred to as “the principal Act”.

Amendment
of section 6

43. The principal Act is amended in section 6(1) by inserting the words “licence and” and “at the rate” appearing in paragraph (u) the words “whose annual turnover exceeds four million shillings”.

Amendment
of section 7

44. The principal Act is amended in section 7(1) by inserting immediately after the words “licence and” and “at the rate” appearing in paragraph (y) the words “whose annual turnover exceeds four million shillings”.

Addition of
section 9A

45. The principal Act is amended by adding immediately after section 9 the following:

“Service
levy from
communicat
ion industry

9A.-(1) Notwithstanding any provisions of this Act, the Minister responsible for local government authorities shall establish and maintain a centralised system for collecting service levy from holders of-

- (a) network facility licence;
- (b) network service licence;
- (c) application service licence;
- (d) content service licence;
- (e) installation and maintenance of electronic communication licence; and
- (f) any other licence issued by the Tanzania Communications Regulatory Authority as the Minister may, by notice published in the *Gazette*, prescribe.

(2) The Minister shall, in consultation with the Tanzania Communications Regulatory Authority, evaluate, assess, collect and account for service levy to be paid by holders of licences referred to under subsection (1).

(3) The Minister may, by Order published in the *Gazette*, prescribe the manner in which collected levy shall be allocated to the local government authorities.”

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

Construction
Cap. 123

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

Amendment
of section 49

- 47.** The principal Act is amended in section 49(2), by-
- (a) adding immediately after paragraph (i) the following:
 - “(j) include a Taxpayer Identification Number (TIN) issued by the Tanzania Revenue Authority;
 - (k) include a valid Tax Clearance Certificate issued by the Tanzania Revenue Authority;”;
 - (b) renaming paragraphs (j) and (k) as paragraphs (l) and (m) respectively.

Amendment
of section 54

- 48.** The principal Act is amended in section 54(2), by-
- (a) adding immediately after paragraph (b) the following:
 - “(c) be accompanied by Taxpayer Identification Number (TIN) and a valid Tax Clearance Certificate issued by the Tanzania Revenue Authority;” and
 - (b) renaming paragraph (c) and (d) as paragraphs (d) and (e) respectively.

Amendment
of section 56

- 49.** The principal Act is amended in section 56, by-
- (a) deleting subsection (2) and substituting for it the following:
 - “(2) An application made under subsection (1) shall be in the prescribed form and shall be accompanied by the prescribed fee, Taxpayer Identification Number and valid Tax Clearance Certificate issued by the Tanzania Revenue Authority in respect of operations to be conducted during the renewal period.
 - (3) The Commission shall, upon receipt of an application under subsection (1), grant or refuse the application for renewal of the licence.”;
 - (b) renumbering subsection (3) as subsection (4).

Amendment
of section 73

- 50.** The principal Act is amended in section 73 by deleting subsection (1) and substituting for it the following:
 - “(1) An application for a dealer licence shall be addressed to the Commission in the prescribed form and be accompanied by the prescribed fee, Taxpayer Identification Number (TIN) and a valid Tax Clearance Certificate

issued by the Tanzania Revenue Authority.”

Amendment
of section 75

51. The principal Act is amended in section 75(3) by adding the words “Taxpayer Identification Number (TIN) and valid Tax Clearance Certificate issued by the Tanzania Revenue Authority and” immediately after the words “accompanied by”.

Amendment
of section 80

52. The principal Act is amended in section 80(1), by adding the words “Taxpayer Identification Number (TIN) and valid Tax Clearance Certificate issued by the Tanzania Revenue Authority” immediately after the word “fee” appearing at the end of that subsection.

Amendment
of section 82

53. The principal Act is amended in section 82 by adding immediately after subsection (2) the following:

“(3) An application for renewal under subsection (1) shall be accompanied by Taxpayer Identification Number (TIN) and valid Tax Clearance Certificate issued by the Tanzania Revenue Authority.”.

PART XI
**AMENDMENT OF THE MOTOR VEHICLES (TAX ON REGISTRATION
AND TRANSFER) ACT,**
(CAP. 124)

Construction
Cap. 124

54. This Part shall be read as one with the Motor Vehicles (Tax on Registration and Transfer) Act, hereinafter referred to as the “principal Act”.

Amendment
of First
Schedule

55. The principal Act is amended in paragraph 3 of the First Schedule, by-

- (a) deleting a “full stop” appearing at the end of the proviso and substituting for it a “semicolon”; and
- (b) adding immediately after the proviso the following:
“Provided further that, registration tax for special registration number shall be five hundred thousand shillings in addition to the registration tax.”

PART XII
AMENDMENT OF THE NATIONAL PARKS ACT,
(CAP. 282)

Construction
Cap. 282

56. This Part shall be read as one with the National Parks Act, hereinafter referred to as the “principal Act.”

Amendment
of section 9

- 57.** The principal Act is amended in section 9, by-
- (a) designating the contents of section 9 as subsection (1); and
 - (b) adding immediately after subsection (1) as designated the following:
“(2) Any sum, fees, monies, charges payable under this Act or any subsidiary legislation made thereunder shall be collected by the Tanzania Revenue Authority and remitted to the Consolidated Fund.”

Repeal and
replacement
of section 10

- 58.** The principal Act is amended by repealing section 10 and replacing for it the following:
- “Management of funds and resources
- 10.** The funds and resources of the Trustees shall be managed and administered by the Board of Trustees in accordance with the financial laws and other relevant laws and shall be utilized to defray expenses in connection with performance of functions of the Trustees under this Act.

Annual
estimates

10A.-(1) The Board of Trustees shall, before the commencement of each financial year, cause to be prepared estimates of the revenue and expenditure for that year.

(2) The annual estimates shall contain all estimated expenditure of the funds of the Trustees for the financial year concerned and the Board of Trustees shall approve recurrent and development expenditure.

Cap. 439

(3) The annual estimates shall be submitted to the Minister for approval and laying before the National Assembly in accordance with the provisions of the Budget Act who shall cause the same to be laid before the National Assembly within three months from the date of their submission.”

Repeal of
section 11

- 59.** The principal Act is amended by repealing section 11.

PART XIII
AMENDMENT OF THE NGORONGORO CONSERVATION AREA ACT,
(CAP. 284)

Construction
Cap. 284 **60.** This Part shall be read as one with the Ngorongoro Conservation Area Act, hereinafter referred to as the “principal Act.”

Amendment
of section 12 **61.** The principal Act is amended in section 12, by-

- (a) designating the contents of section 12 as subsection (1); and
- (b) adding immediately after subsection (1) as designated the following:
 - “(2) Any sum, fees, monies, charges payable to the Authority under this Act or any subsidiary legislation made thereunder shall be collected by the Tanzania Revenue Authority and remitted to the Consolidated Fund.”

Repeal and
replacement
of section 13 **62.** The principal Act is amended by repealing section 13 and replacing for it the following:

“Management of funds and resources **13.** The funds and resources of the Authority shall be managed and administered by the Board in accordance with the financial laws and other relevant laws and shall be utilized to defray expenses in connection with performance of functions of the Authority under this Act.

Annual
estimates **13A.**-(1) The Board shall, before the commencement of each financial year, cause to be prepared estimates of the revenue and expenditure for that year.

(2) The annual estimates shall contain all estimated expenditure of the funds of the Authority for the financial year concerned and the Board shall approve recurrent and development expenditure.

(3) The annual estimates shall be submitted to the Minister for approval and laying before the National Assembly in accordance with the provisions of the Budget Act who shall cause the same to be laid before the National Assembly within three months from the date of their submission.”

Cap. 439

referred to in subsection (4) where the applicant has shown sufficient cause, and such extention shall not be unreasonably withheld.

(6) A person who fails to submit information or documents within the time prescribed under subsection (4) or (5) shall be precluded from using such document or information as evidence at the stage of objection or appeal.”

Amendment
of section 50

- 69.** The principal Act is amended in section 50(2), by-
- (a) deleting the word “or” appearing at the end of paragraph (b);
 - (b) deleting a “full stop” appearing at the end of paragraph (c) and substituting for it a “semicolon” and the word “or”;
 - (c) adding immediately after paragraph (c) the following:
 - “(d) any matter decided under any tax law on account of agreement, consent or admission.”

Amendment
of section 51

- 70.** The principal Act is amended in section 51, by-
- (a) adding immediately after subsection (4) the following:
 - “(5) An objection to a tax decision shall be accompanied by relevant document or information which the tax payer intends to rely upon to support his objection.
 - (6) The information or document which the tax payer intends to rely upon shall be submitted at the time of lodging the notice of objection.”;
 - (b) renumbering subsections (5) to (9) as subsections (7) to (11) respectively; and
 - (c) adding immediately after the renumbered subsection (11) the following:
 - “(12) Where the Commissioner General has reasonable cause to believe that the objector intends to permanently leave the United Republic, the tax payable under subsection (7) shall be the whole of the assessed tax.”

Amendment
of section 52

- 71.** The principal Act is amended in section 52 by adding immediately after subsection (5) the following:

“(6) The provisions of section 44(1) relating to production of documents shall apply to submission of evidence or information referred to in subsection (1).

(7) The evidence or information referred to in subsection (1) shall be submitted within the time prescribed by the Commissioner General in the notice:

Provided that, the time prescribed by the Commissioner General shall not exceed thirty days from the date of service of the notice.

(8) The Commissioner General may, upon receipt of sufficient reasons adduced by the objector, extend the time for submission of evidence or information for a period not exceeding seven days from the date of service of the notice of extension.

(9) Where the objector fails to submit the document or information required by the Commissioner General in terms of subsection (1) within the time prescribed or extended, such objector shall not be permitted to rely on such document or information at the time of hearing of an appeal.

(10) The Commissioner General shall determine an objection to a tax decision within six months from the date of admission of the notice of objection.

(11) Where the Commissioner General fails to determine the objection within the time prescribed under subsection (10), the tax assessment or tax decision shall be treated as confirmed and the objector shall have the right to appeal to the Board in accordance with the Tax Revenue Appeals Act.”

Cap. 408

PART XVI
AMENDMENT OF THE TREASURY REGISTRAR (POWERS AND FUNCTIONS)
ACT,
(CAP. 370)

Construction
Cap. 370

72. This Part shall be read as one with the Treasury Registrar (Powers and Functions) Act, hereinafter referred to as the “principal Act”.

Amendment
of section
10A

73. The principal Act is amended in section 10A(1) by deleting the words “is not financed through Government budget” appearing between the word “corporation” and “shall”.

PART XVII
AMENDMENT OF THE TRUSTEES’ INCORPORATION ACT,
(CAP. 318)

Construction
Cap. 318

74. This Part shall be read as one with the Trustees’ Incorporation Act, hereinafter referred to as the “principal Act”.

Amendment
of section
1A

75. The principal Act is amended in section 1A by adding in the appropriate alphabetical order the following new definitions:

Cap. 332

- ““arrangement” has the meaning ascribed to it under the Income Tax Act;
- “beneficial owner” means a natural person-
 - (a) who directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement;
 - (b) who has a substantial economic interest in or receives substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons;
 - (c) on whose behalf an arrangement is conducted; or
 - (d) who exercises significant control or influence over a person or arrangement through a formal or informal agreement;”.

Amendment
of section 2

76. The principal Act is amended in section 2, by-

- (a) inserting the words “particulars of beneficial owner and” between the words “contain” and “such” appearing in subsection (2); and
- (b) adding immediately after subsection (2) the following:

- “(3) Particulars of beneficial owner referred to under subsection (2) shall include-
 - (a) full name and any former or other name;
 - (b) date and place of birth;
 - (c) telephone number;
 - (d) nationality, national identity number, passport number or other

- appropriate identification and proof of identity;
- (e) residential, postal and email address, if any;
- (f) place of work and position held;
- (g) nature of the interest including the details of the legal, financial, security, debenture or informal arrangement giving rise to the beneficial ownership; and
- (h) oath or affirmation as to whether the beneficial owner is a politically exposed person or not.”; and

(c) renumbering subsections (3) and (4) as subsections (4) and (5) respectively.

Addition of section 15A

77. The principal Act is amended by adding immediately after section 15 the following:

“Records of non-resident beneficiary and beneficial owner

15A. A trust shall submit to the Administrator General records of non-resident beneficiary and beneficial owner of the trust.”

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

Construction Cap. 148

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

Amendment of section 59 Act No.1 of 2005

79. The principal Act is amended in section 59(3)(e) by inserting the words “or for such further period as the Commissioner for Customs may authorise pursuant to the East African Community Customs Management Act, 2004” between the words “days” and “while” appearing in subparagraph (ii).

Amendment of section 68

80. The principal Act is amended in section 68(3), by-

- (a) deleting a “semicolon” and the word “and” appearing at the end of paragraph (c) and substituting for them a “full stop”; and
- (b) deleting paragraph (d).

Amendment

81. The principal Act is amended in Part I of the

of Schedule Schedule by adding immediately after sub item 4 of Item 13 the following:

“ 5. | Crop agricultural insurance | ”

PART XIX
AMENDMENT OF THE VOCATIONAL EDUCATION AND TRAINING
ACT,
(CAP. 82)

Construction **82.** This Part shall be read as one with the Vocational
Cap. 82 Education and Training Act, hereinafter referred to as the
“principal Act”.

Amendment **83.** The principal Act is amended in section 14 by
of section 14 deleting the words “four point five *per centum*” appearing in
subsection (2) and substituting for them the words “four *per centum*”.

OBJECTS AND REASONS

The Bill proposes for the enactment of the Finance Act, 2020. The Bill provides for amendment of various laws with a view to imposing and altering certain taxes, duties, levies and fees. Further, the Bill proposes to amend other written laws relating to the collection and management of public revenues.

The Bill is divided into Nineteen Parts which contain various provisions as follows:

Part I provides for Preliminary Provisions which include the title of the Bill and date of commencement of the proposed law.

Part II of the Bill proposes to amend the Anti-Money Laundering Act, Cap. 423 by introducing the concept of beneficial ownership in order to establish parameters for identifying owners and beneficiaries in various entities for tax purposes. Section 3 is amended to add the definition of the term “beneficial owner”. Section 15 is proposed to be amended with a view to ensuring that accurate and up to date records of beneficial owners of legal entities are identified, obtained, verified and maintained.

Part III of the Bill proposes for amendments to the Companies Act, Cap. 212 to enable obtaining of information of beneficial owners who are not currently regulated under the Act and whose information is vital for, among other things, tax purposes, control of anti-money laundering and terrorism financing. The Bill proposes to amend various sections with a view to removing procedures relating to share warrant, prohibiting companies from issuing share warrant as well as requiring bearers of share

warrant to surrender the warrant issued to them within twelve months commensurate from 1st July, 2020.

Part IV of the Bill proposes to amend the Electronic and Postal Communications Act, Cap. 306. Section 26 is amended to exclude network facilities licensed for leasing of towers and network facilities wholly owned by the Government from mandatory statutory requirement of listing on the stock exchange market.

Part V of the Bill proposes to amend the Excise (Management and Tariff) Act, Cap. 147 whereby the Fourth Schedule is amended in order to introduce excise duty on imported powder beer and powder juice with HS codes 2106.90.99. The purpose of the amendments is to increase tax base and provide for equity among tax payers.

Part VI of the Bill proposes to amend the Fair Competition Act, Cap. 285. Section 60 is amended to exclude from the provisions of that section annual turnover which has its source outside Mainland Tanzania when computing a fine to be paid for contravention of offences referred to in that section.

Part VII of the Bill proposes to amend the Income Tax Act, Cap. 332. Section 3 is proposed to be amended by introducing the interpretation of the terms “associates” and “beneficial owners” in order to establish parameters for identifying beneficiaries in various entities for tax purposes.

Sections 4 and 6 are amended in order to impose tax payment obligations to a representative assessee on behalf of a non resident for income realized in the United Republic by the non-resident.

Section 10 is amended to give the Minister responsible for Finance powers to grant tax exemptions on strategic projects with a total tax payable not exceeding one billion shillings for the entire period of the project without requiring prior approval of the Cabinet. The purpose of the amendments are to fast track execution and implementation of strategic projects. Section 12 is amended in order to introduce a restriction of seventy percent on realised foreign exchange loss on interest free loans. The purpose of the amendments are to protect the tax base.

Section 16 is proposed to be amended in order to include voluntary contribution to the AIDS Trust Fund and contributions to the Government in the fight against Coronavirus disease (COVID-19) in the list of allowable deductions in order to motivate voluntary contributions.

Section 19 is proposed to be amended by restricting amount of unrelieved loss to seventy percent as allowable deduction for an entity with unrelieved losses for five years or more. The proposed amendments are aimed at protecting the tax base and shall not apply to corporations engaged in agricultural business as well as health and education services.

Section 52 is proposed to be amended in order to impose tax on distributions of a trust or unit trust made to resident beneficiaries. The Bill further proposes to introduce a new section 69A in order to identify types of income of a non resident which will be subject to taxation through a representative assessee. The purpose of the amendment is to widen tax base.

Section 83 is proposed to be amended to impose withholding tax obligations on commission paid on bank agents and digital payment agents for purposes of creating equity among tax payers. Section 90 is amended so as to introduce Capital Gain

Tax on net gains realised from licence or concessional right on reserved land. The objective of the amendments are to widen tax base.

The First Schedule is amended in order to increase minimum individual income threshold that will not be subject to tax. The Second Schedule is also amended in order to exempt primary cooperative societies with income not exceeding one hundred million shillings from paying income tax. The Second Schedule is further amended in order to exclude from the list of exempt amounts, income of investors in Special Economic Zones who produces for sale in the local market. The objective of these amendments is to create equity and widen tax base.

Part VIII of the Bill proposes to amend the Land Act, Cap. 113. Section 33 is proposed to be amended in order to impose an obligation of payment of land rent to an occupier of a surveyed land who fails to apply to the Commissioner of Lands for grant of right of occupancy within ninety days from the date of approval of the survey. The aim of the amendments is to ensure all persons occupying surveyed land without a right of occupancy comply with procedures for grant of right of occupancy.

Part IX of the Bill proposes to amend the Local Government Finance Act, Cap. 290. Sections 6 and 7 are proposed to be amended in order to exclude from payment of service levy persons with gross turnover of less than four million shillings. Section 9A is introduced in order to give powers to the Minister responsible for Local Government to assess and collect on behalf of district councils gross sales of 0.3 percent of service levy on mobile network operators. Furthermore, the amendments intend to confer powers to the Minister to issue orders prescribing for the manner and procedure for allocation to all respective local authorities of levies collected from mobile network operators.

Part X of the Bill proposes to amend the Mining Act, Cap. 123. The Bill is amended in various sections by adding a requirement of submission of Taxpayer Identification Number (TIN) and Tax Clearance Certificate by applicants of mining licences or applicants for renewal of mining licences. The amendments aim at promoting compliance of paying tax voluntarily.

Part XI of the Bill proposes to amend the Motor Vehicles (Tax on Registration and Transfer) Act, Cap. 124. The First Schedule to the Act is amended by introducing a special registration number at a fee of five hundred thousand shillings in addition to the registration fee. The amendments aim at increasing Government revenue.

Parts XII, XIII and XIV proposes to amend the National Parks Act, Cap. 282, the Ngorongoro Conservation Area Act, Cap. 284 and the Tanzania Revenue Authority Act, Cap. 399. The proposed amendments intend to confer legal mandate to the Tanzania Revenue Authority to collect levies, fees, income or charges which are payable to, and collected by institutions established under such laws. The institutions include the Tanzania National Parks Authority (TANAPA), the Ngorongoro Conservation Authority and the Tanzania Wildlife Management Authority (TAWA). The collected revenues will be remitted to the Consolidated Fund.

The amendments will facilitate mobilisation of revenue and enable those institutions to manage their financial affairs in accordance with the sound budgetary process and financial management by the Government.

Part XV of the Bill proposes to amend the Tax Administration Act, Cap. 438. Section 27 is proposed to be amended in order to identify tax representatives. The objective of the amendment is

to improve tax administration. Furthermore, the Bill proposes amendments to sections 50, 51 and 52 to ensure that there is efficient and effective procedure in the determination of tax objections.

Part XVI of the Bill proposes to amend the Treasury Registrar (Powers and Functions) Act, Cap. 370. Section 10A is amended in order to give powers to the Treasury Registrar to collect seventy percent of the surplus from Government Agencies, Public Corporation and Executive Agencies.

Part XVII of the Bill proposes to amend the Trustees Incorporation Act, Cap. 318. The objective of the amendment is to enable obtaining of information relating to beneficial owners under trust where such information is vital for the identification of beneficial owners.

Part XVIII of the Bill proposes to amend the Value Added Tax Act, Cap. 148. Section 59 is proposed to be amended in order to extend the period of charging value added tax at the rate of zero percent on ancillary transport services for transit goods which have stayed within Tanzanian territory for an additional period determined by the Commissioner for Customs. Furthermore, section 68 is proposed to be amended in order to allow input tax credit for export of raw minerals, aquatic, forestry and fauna products. The Schedule to the Act is proposed to be amended to provide for exemption of crop agricultural insurance in order to promote agriculture and to encourage farmers to insure crop farming.

Part XIX of the Bill proposes to amend the Vocational Education and Training Act, Cap. 82. Section 14 is amended by reducing skills development levy from 4.5 % to 4%. The amendment aims at reducing the burden of operation costs on employers of vocational education and training institutes.

MADHUMUNI NA SABABU

Muswada unapendekeza kutungwa kwa Sheria ya Fedha ya mwaka, 2020. Muswada unaweka masharti kuhusu marekebisho 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.

Muswada huu umegawanyika katika Sehemu Kumi na Tisa zenye masharti mbalimbali kama ifuatavyo:

Sehemu ya Kwanza ya Muswada inaainisha masharti ya Utangulizi ambayo yanajumuisha jina la Muswada pamoja na tarehe ya kuanza kutumika kwa sheria inayopendekezwa.

Sehemu ya Pili ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Kudhibiti Utakatishaji Fedha Haramu, Sura ya 423 kwa kujumuisha dhana ya mnufaika wa mwisho katika masharti ya Sheria hiyo. Kifungu cha 3 kinarekebishwa ili kuongeza tafsiri ya neno mnufaika wa mwisho “beneficial owner” na kifungu cha 15 kinarekebishwa ili kuhakikisha taarifa sahihi na za wanufaika wa mwisho zinapatikana, zinathibitishwa na kuhifadhiwa kwa wakati.

Sehemu ya Tatu ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Makampuni, Sura ya 212 kwa lengo la kuwezesha upatikanaji wa taarifa za wanufaika wa mwisho katika kampuni ambazo taarifa zao ni muhimu kwa sababu za kikodi pamoja na kudhibiti utakatishaji wa fedha haramu na ufadhili wa ugaidi. Aidha, Sehemu hii inapendekeza

kurekebisha vifungu mbalimbali ili kuondoa utaratibu wa utoaji hisa fichi (share warrant) kwa wanahisa wa kampuni ikiwa ni pamoja na kuweka katazo kwa makampuni kutoa hisa fichi na kuzitaka kampuni zenye hisa hizo kuzirudisha ndani ya miezi kumi na mbili kuanzia tarehe 1 Julai, 2020.

Sehemu ya Nne ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Posta na Mawasiliano ya Kielektroniki, Sura ya 306. Kifungu cha 26 kinapendekezwa kurekebishwa ili kuziondoa kampuni za mawasiliano zinazomilikiwa na Serikali kwa kiwango cha asilimia mia moja au asilimia ishirini na tano na zaidi na kampuni zinazohusika na ukodishaji wa minara ya mawasiliano zisiwe sehemu ya makampuni ya mawasiliano yanayotakiwa kuorodheshwa kwenye soko la hisa.

Sehemu ya Tano ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Ushuru wa Bidhaa, Sura ya 147 katika Jedwali la Nne ili kutoza ushuru wa bidhaa kwenye bia za unga na juisi za unga zenye HS Code 2106.90.99 zinazoingizwa kutoka nje ya nchi kwa lengo la kupanua wigo wa kodi na kuleta uwiano wa bidhaa nyingine kama hizo.

Sehemu ya Sita ya Muswada inapendekeza kurekebisha Sheria ya Ushindani, Sura ya 285. Kifungu cha 60 kinapendekezwa kurekebishwa kwa lengo la kufanya masharti ya kifungu hicho yahusishe pato ghafi lililopatikana ndani ya Tanzania Bara pekee katika ukokotoaji wa faini inayopaswa kulipwa na mtu aliyetenda kosa kwa mujibu wa kifungu hicho.

Sehemu ya Saba ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Kodi ya Mapato, Sura ya 332. Inapendekezwa kufanya marekebisho ya kifungu cha 3 kwa kuongeza tafsiri ya maneno mapya kwa lengo la kuwatambua

washirika na wanufaika wa mwisho katika mfumo wa kodi ili kupata taarifa za kikodi na kurahisisha utozaji wa kodi.

Vifungu vya 4 na 6 vinapendekezwa kurekebishwa ili kuweka masharti ya kumtoza kodi mwakilishi mkazi kwa niaba ya mtu ambaye sio mkazi anayestahili kulipa kodi Tanzania kutokana na mapato anayopata nchini.

Kifungu cha 10 kinapendekezwa kurekebishwa ili kumwezesha Waziri mwenye dhamana na masuala ya fedha kutoa msamaha wa kodi kwenye miradi ya kimkakati yenye jumla ya kodi ya kiasi kisichozidi shilingi bilioni moja kwa kipindi chote cha utekelezaji wa mradi, pasipo kuhitaji ridhaa ya Baraza la Mawaziri. Lengo la marekebisho haya ni kuharakisha utekelezaji wa miradi ya kimkakati.

Inapendekezwa kufanya marekebisho kwenye kifungu cha 12 ili kuweka ukomo wa kiwango cha asilimia 70 cha madai ya hasara inayotokana na ubadilishaji wa fedha za kigeni wakati wa urejeshaji wa mikopo ya nje isiyokuwa na riba. Madhumuni ya marekebisho haya ni kulinda wigo wa kodi. Aidha, kifungu cha 16 kinapendekezwa kurekebishwa ili kuruhusu michango ya hiari kwenye Mfuko wa UKIMWI na mapambano dhidi ya ugonjwa wa homa kali ya mapafu (COVID-19) isijumuishwe wakati wa ukokotoaji wa kodi. Lengo la marekebisho haya ni kuhamasisha uchangiaji wa hiari ili kusaidia mapambano dhidi ya magonjwa hayo.

Ili kulinda wigo wa kodi, inapendekezwa kurekebisha kifungu cha 19 kwa kuweka ukomo wa asilimia sabini ya hasara inayoruhusiwa kusogezwa mbele kwa makampuni yanayopata hasara kwa kipindi cha miaka mitano mfululizo au zaidi. Aidha, marekebisho haya hayahusishi makampuni yanayojihusisha na kilimo, elimu na afya.

Inapendekezwa kufanya marekebisho kwenye kifungu cha 52 kwa kutoza kodi kwenye gawio la wanufaika wa udhamini. Lengo la marekebisho hayo ni kuongeza wigo na kuzuia ukwepaji kodi.

Vile vile, inapendekezwa kuongeza kifungu kipya cha 69A ili kuwezesha utunzaji wa kodi kwa mapato yote anayopata mtu ambaye sio mkazi wa Jamhuri ya Muungano wa Tanzania yenye vyanzo nchini yatakayotozwa kodi kupitia mwakilishi mkazi wa Tanzania. Lengo la marekebisho haya ni kupanua wigo wa kodi na kurahisisha ukusanyaji wa kodi. Muswada unapendekeza kufanya marekebisho kwenye kifungu cha 83 kwa kuwatoza kodi mawakala wa shughuli za kibenki na mawakala wa malipo kwa njia ya mtandao ili kuweka uwiano wa walipa kodi.

Aidha, kifungu cha 90 kinapendekezwa kurekebisha ili kutoza kodi ya ongezeko la mtaji kwenye uhamishaji wa leseni au haki za kutumia ardhi tengefu kwa lengo la kupanua wigo wa kodi.

Inapendekezwa kurekebisha Jedwali la Kwanza ili kupandisha kiwango cha chini cha pato la mtu binafsi kisichotozwa kodi. Jedwali la Pili linapendekezwa kurekebisha ili kuvipa unafuu wa kikodi vyama vya Ushirika vya Msingi vyenye mapato chini ya Shilingi 100,000,000/=. Vilevile inapendekezwa kuondoa msamaha wa kodi kwa wawekezaji wa Kanda Maalum za Kiuchumi (Special Economic Zones) wanaozalisha na kuuza kwenye soko la ndani. Lengo ni kuweka uwiano na kuongeza wigo wa kodi.

Sehemu ya Nane ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Ardhi, Sura ya 113. Kifungu cha 33 kinapendekezwa kurekebisha ili kumjumuisha katika masharti ya kifungu hicho mtu yeyote anayehodhi ardhi iliyopimwa na aliyeshindwa kufanya maombi ya hati ya umiliki kwa Kamishna wa Ardhi ndani ya siku 90 kuanzia tarehe ya

kuidhinishwa kwa michoro ya upimaji. Lengo la marekebisho haya ni kuhamasisha wananchi wanaohodhi ardhi bila kumiliki wafanye taratibu za umiliki.

Sehemu ya Tisa ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Fedha za Serikali za Mitaa, Sura ya 290. Vifungu vya 6 na 7 vinarekebishwa kwa lengo la kuondoa sharti la utozaji wa tozo ya huduma (service levy) kwa watu wenye pato ghafi chini ya shilingi milioni nne. Aidha, inapendekezwa kuongeza kifungu kipya cha 9A ili kumpa mamlaka Waziri wa TAMISEMI kukadiria na kukusanya tozo ya huduma kwa kampuni za simu na kuandaa kanuni ambazo zitaweka utaratibu wa kugawanya tozo hizo kwa Halmashauri za wilaya ambazo kampuni za simu zinaendesha shughuli zake.

Sehemu ya Kumi ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Madini, Sura ya 123, ambapo vifungu mbalimbali vinarekebishwa ili kuweka masharti yanayomtaka muombaji wa leseni au anayetaka kuhuisha leseni za uchimbaji wa madini kuwa na Namba ya Utambulisho wa Mlipa Kodi (TIN) na Cheti cha Kodi (Tax Clearance Certificate) kutoka Mamlaka ya Mapato Tanzania. Lengo la marekebisho haya ni kuongeza uwajibikaji katika ulipaji kodi kwa hiari.

Sehemu ya Kumi na Moja ya Muswada inapendekeza kurekebisha Sheria ya Usajili wa Magari, Sura ya 124. Inapendekezwa kufanya marekebisho katika Jedwali la Kwanza ili kuanzisha utaratibu wa usajili wa magari kwa kutumia namba maalumu ambapo muombaji atatakiwa kulipa ada ya shilingi laki tano ambayo ni nyongeza ya ada ya kawaida ya usajili wa gari. Lengo la marekebisho haya ni kuongeza mapato ya Serikali.

Sehemu za Kumi na Mbili, Kumi na Tatu na Kumi na Nne zinapendekeza kuzifanyia marekebisho Sheria ya Hifadhi ya Taifa, Sura ya 282, Sheria ya Hifadhi ya Mamlaka ya

Ngorongoro, Sura ya 284 na Sheria ya Mamlaka ya Mapato, Sura ya 399. Mapendekezo ya marekebisho katika sheria hizi yanalenga kuipa Mamlaka ya Mapato Tanzania (TRA) jukumu la kisheria la kukusanya maduhuli ambayo kwa sasa hukusanywa na mamlaka zinazosimamia Sheria hizo tajwa ambazo ni Shirika la Hifadhi za Taifa Tanzania (TANAPA), Mamlaka ya Hifadhi ya Ngorongoro Mamlaka ya Usimamizi wa Wanyamapori (TAWA). Aidha, maduhuli yatakayokusanywa yatahifadhiwa katika Mfuko Mkuu wa Hazina. Mapendekezo haya ya marekebisho yatawezesha taasisi hizo kutumia utaratibu wa kibajeti wa Serikali na kuondoa mfumo wa kibajeti uliopo kwa lengo la kuongeza ufanisi na usimamizi bora wa fedha za umma.

Sehemu ya Kumi na Tano ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Usimamizi wa Kodi, Sura ya 438. Kifungu cha 27 kinapendekezwa kurekebishwa ili kuhakikisha kuwa walipakodi wanawakilishwa ipasavyo. Vilevile inapendekezwa kufanya marekebisho katika kifungu cha 44 kwa kuweka ukomo wa kuwasilisha nyaraka zinazoombwa. Aidha, marekebisho yanapendekezwa katika vifungu vya 50, 51 na 52 ili kuwezesha upatikanaji wa taarifa kwa wakati na utatuzi wa mappingamizi kwa wakati na kwa ufanisi.

Sehemu ya Kumi na Sita ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Msajili wa Hazina, Sura ya 370. Kifungu cha 10A kinarekebishwa ili kumruhusu Msajili wa Hazina kukusanya asilimia sabini ya fedha za ziada kutoka kwenye Mashirika, Taasisi au Wakala za Serikali.

Sehemu ya Kumi na Saba ya Muswada inapendekeza kufanya marekebisho ya Sheria ya Muunganisho wa Wadhamini, Sura ya 318. Lengo la marekebisho yanayopendekezwa ni kuwezesha upatikanaji wa taarifa za wanufaika wa mwisho wakati wa usajili

wa wadhamini hao na ambao taarifa zao ni muhimu kwa ajili ya kubainisha wadhamini wakazi na wasio wakazi.

Sehemu ya Kumi na Nane ya Muswada inapendekeza kufanya marekebisho katika Sheria ya Kodi ya Ongezeko la Thamani, Sura ya 148. Kifungu cha 59 kinarekebishwa ili kuruhusu utozaji wa kodi ya ongezeko la thamani kwa asilimia sifuri kwenye huduma zinazotolewa kwenye mizigo inayosafirishwa kwenda nje ya nchi kupitia nchini kwa kipindi cha ziada ambacho Kamishna wa Forodha ataruhusu. Aidha, kifungu cha 68 kinarekebishwa ili kuwawezesha uuzaji wa bidhaa ghafi za madini, majini, misitu na bidhaa ghafi za wanyama nje ya nchi waweze kujirejeshea Kodi ya Ongezeko la Thamani waliyolipa kwenye manunuzi. Vile vile inapendekezwa kufanya marekebisho ya Jedwali ili kutoa msamaha kwenye bima za kilimo cha mazao kwa lengo la kuhamasisha wakulima kuweka bima kwenye kilimo cha mazao kwa ajili ya kujikinga na majanga.

Sehemu ya Kumi na Tisa ya Muswada inapendekeza kurekebisha Sheria ya Elimu na Mafunzo ya Ufundi Stadi, Sura ya 82. Kifungu cha 14 kinarekebishwa kwa kupunguza kiwango cha tozo ya mafunzo na maendeleo ya ufundi stadi kutoka asilimia 4.5 hadi asilimia 4. Lengo la marekebisho haya ni kuwapunguzia waajiri katika vyuo hivyo gharama za uendeshaji.

Dodoma,
9th June, 2020

PHILIP I. MPANGO
Waziri wa Fedha na Mipango