

THE UNITED REPUBLIC OF TANZANIA



No. 41 OF 1965

I ASSENT,

Julius K. Nyerere
President

8TH JULY, 1965

An Act to impose and alter certain taxes, duties and fees and to amend certain enactments relating to taxes, duties and fees and the management of the public revenues, and for connected purposes

[9TH JULY, 1965]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Finance Act, 1965.

Short title

PART I

EXCISE DUTIES

2. This Part shall be read as one with the Excise Tariff Ordinance and shall be deemed to have come into operation on the eleventh day of June, 1965. Construction and commencement Cap. 332

3. The First Schedule to the Excise Tariff Ordinance is hereby amended by substituting for the entries in the column headed Rates of Excise Duty, opposite to items 1 and 5 (which relate to beer and matches respectively) the following new entries: — Increase in excise duty on beer and reduction of excise duty on matches

- (a) item 1: Per 36 standard gallons of worts ... Shs. 306/-;
- (b) item 5 (i): Per gross containers ... Shs. 3/-;
- (c) item 5 (ii): Per 7,200 matches ... Shs. 3/-;

and the excise duties are hereby varied accordingly.

PART II

CUSTOMS DUTIES

4. This Part shall be read as one with the Customs Tariff Ordinance and shall be deemed to have come into operation on the eleventh day of June, 1965. Construction and commencement Cap. 345

Increases in the customs duties on various goods and amendments to the tariff

5. The First Schedule to the Customs Tariff Ordinance is hereby amended as follows: —

- (a) by substituting for the entries in the column headed Import Duty opposite to the following items the following respective new entries: —
- (i) item 26 (which relates to ale, beer and similar goods): “Per imperial gallon, Shs. 18/-”;
 - (ii) item 39 (c) (which relates to stockings and hose): “Per pair, Sh. 1/- (or 40 per cent *ad valorem*, whichever is the greater)”;
 - (iii) item 40 (a) (v) (which relates to certain woven fabrics): “*Ad valorem* 40 per cent.”;
 - (iv) item 45 (aa) (i) (which relates to wood screws): “*Ad valorem* 30 per cent.”;
 - (v) item 45 (b) (which relates to nails): “*Ad valorem* 30 per cent.”;
 - (vi) item 45 (c) (f) (which relates to certain steel bolts): “*Ad valorem* 30 per cent.”;
 - (vii) item 45 (c) (ii) (which relates to certain nuts and washers): “*Ad valorem* 30 per cent.”;
 - (viii) item 58A (1) (b) (which relates to certain aluminium sheets): “*Ad valorem* 33½ per cent.”;
 - (ix) item 58A (1) (c) (which relates to certain aluminium circles and coils): “*Ad valorem* 33½ per cent.”;
 - (x) item 58A (1) (d) (which relates to certain enamelled aluminium and similar goods): “*Ad valorem* 33½ per cent.”;
 - (xi) item 98 (which relates to petroleum, crude or partly refined for further refining): “Per imperial gallon at 62°F., Shs. 1/95”;
 - (xii) item 99 (b) (which relates to motor spirit, gasolene and similar good other than aviation spirit): “Per imperial gallon at 62°F, Shs. 1/95”;
 - (xiii) item 118 (c) (which relates to leather not elsewhere specified): “Per sq. ft, cents 90 (or 30 per cent. *ad valorem*, whichever is the greater)”;
 - (xiv) item 123 (a) (which relates to certain boxes including tea chests): “Per box, Shs. 2/- (or 15 per cent *ad valorem*, whichever is the greater)”;
 - (xv) item 127 (which relates to plywood and similar sheeting and boarding): “*Ad valorem* 30 per cent.”;

(xvi) item 165 (g) (which relates to certain packing materials):
"Ad valorem 30 per cent.";

(b) by deleting item 15A and by substituting therefor the following new item: —

"ITEM No.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
15A. (a)	Jams, marmalades, fruit jellies, syrup, treacle, honey and similar preparations	Ad valorem 37½ per cent.	
(b)	Pickles, sauces, soups, and salad dressings including olive oil, vinegar and vinegar substitutes ...	Ad valorem 37½ per cent.	
(c)	Fruits, vegetables, including edible fungi, and vegetable preparations, tinned, bottled, dried, crystallised and otherwise preserved	Ad valorem 37½ per cent.	
(d)	Confectionery	Ad valorem 37½ per cent.	
(e)	Spices and herbs	Ad valorem 37½ per cent.	
(f)	Nuts and nut preparations, n.e.s.	Ad valorem 37½ per cent.	”;

(c) by deleting the word “tubular” in paragraph (c) of item 40 (which relates to fabrics);

(d) by deleting the words and comma “Baby carriages,” in paragraph (g) of item 48;

(e) by inserting, immediately below item 51A, the following new item: —

"ITEM No.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
51B.	Aluminium holloware, n.e.s.	Ad valorem 33½ per cent.	”;

(f) by deleting paragraph (a) of item 56 and by substituting therefor the following new paragraph: —

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(a) For agricultural, dairying or water boring purposes:		
(i) Plate mills and hammer mills for grinding	Ad valorem 15 per cent.	
(ii) Other	Free	”;

(g) by deleting paragraph (n) of item 58 and by substituting therefor the following new paragraph:—

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(n) Steel strips, bars, rods and angles, excluding steel sections imported for the manufacture of windows and doors:		
(i) Round bars and rods for concrete reinforcing $\frac{1}{4}$ inch to $1\frac{1}{4}$ inches in diameter, including deformed bars	<i>Ad valorem</i> 25 per cent.	
(ii) Bars of square cross-section of thickness $\frac{1}{4}$ inch to $1\frac{1}{4}$ inches ...	<i>Ad valorem</i> 25 per cent.	
(iii) Angles of a side width from 1 inch by 1 inch to $2\frac{1}{4}$ inches by $2\frac{1}{4}$ inches	<i>Ad valorem</i> 25 per cent.	
(iv) Flats or strips of width $\frac{1}{4}$ inch to 5 inches and of thickness $\frac{1}{4}$ inch to $\frac{1}{2}$ inch, including flats for springs	<i>Ad valorem</i> 25 per cent.";	

- (h) by re-lettering subparagraph (1) (e) of item 58A as subparagraph (1) (f), and by inserting in that item the following new subparagraph (1) (e):—

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(e) Foil	Free.	<i>Ad valorem</i> 33 $\frac{1}{3}$ per cent.";

- (i) by deleting the words "tanks and building" in item 64 and by substituting therefor the words "and tanks";
- (j) by inserting, in item 77, the following new paragraph:—

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(d) Pipes, piping and tubes ...	Free.	<i>Ad valorem</i> 30 per cent.";

- (k) by deleting paragraph (c) of item 81 (which relates to certain substances used for proofing cement and similar purposes);
- (l) by deleting the comma and words "pitch fibre or asbestos cement" in item 94 and by substituting therefor the words "or pitch fibre";
- (m) by deleting paragraph (k) of item 108 (which relates to chemicals) and by substituting therefor the following new paragraph:—

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(k) Other, n.e.s. admitted as such by the Commissioner but not including chemicals, substances or preparations used in the manufacture of beverages, perfumery, cosmetics or toilet preparations	Free.	";

- (n) by inserting, immediately after the words and comma "Ink, other" in paragraph (c) of item 136, the comma and letters "n.e.s.";
- (o) by inserting, immediately below item 143, the following new item:—

"ITEM NO.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
143A. (a)	Radio receiving sets, complete, including motor vehicle radios and n.e.s.	<i>Ad valorem</i> 30 per cent. (or, if the specific suspended duty is chargeable, Free)	<i>Ad valorem</i> 7½ per cent. (or each Shs. 50/- where this amount exceeds the combined import duty and suspended duty chargeable <i>ad valorem</i>).
	(b) Radio receiver parts and accessories, excluding batteries and n.e.s.	<i>Ad valorem</i> 30 per cent.	<i>Ad valorem</i> 7½ per cent.;"

(p) by deleting item 159 and by substituting therefor the following new item:—

"ITEM NO.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
159.	Foodstuffs, grown in Malawi and handicraft articles such as mats, utensils, etc., made in Malawi without the use of machinery, being foodstuffs and articles imported only for direct trading in village markets	Free.	;"

(q) by deleting the words and commas "Kenya, Uganda, Tanganyika, Zanzibar, Nyasaland and Northern Rhodesia" in paragraph (c) of item 161 (which relates to the duty free importation of gifts from servicemen) and by substituting therefor the words and comma "Tanzania, Uganda and Kenya";

(r) by deleting paragraph (d) of item 165, and by substituting therefor the following new paragraph:—

"ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(d) Wrapping paper, unprinted	Free.	;"

(s) by inserting, immediately after the words "metal foil" in paragraph (f) of item 165, the comma and letters ", n.e.s.";

(t) by deleting item 167 and by substituting therefor the following new item:—

"ITEM NO.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
167.	School stationery, instruments, appliances and similar requisites, including furniture used in the classroom, workshop or laboratory—		
	(a) Blackboards, blackboard cleaners and blackboard instruments; crayons, lead pencils, eraser rubbers; rulers (not exceeding 12 inches), compasses, set squares, dividers and similar articles comprising mathematical and science instrument sets; penholders, steel nibs, inkwells not including inkwells in desk sets, writing ink powder;	Free.	

ITEM No.	ARTICLE	IMPORT DUTY	SUSPENDED DUTY
(b)	Exercise books and blackboard chalk—		
	(i) of a kind specified by the Minister by notice in the <i>Gazette</i>	<i>Ad valorem</i> 30 per cent.	
	(ii) Other	Free.	
(c)	Other, imported or purchased prior to clearance through the Customs by or on behalf of educational institutions approved for the purpose of such importation by the Chief Education Officer	Free.	”;

(u) by deleting the words “Hand painted” in paragraph (b) of item 173 (which relates to works of art) and by substituting therefor the words “Hand printed”.

and customs duties are hereby imposed or varied, as the case may be, in accordance with the foregoing provisions of this section.

PART III PERSONAL TAX

Construction and commencement
Cap. 355

6.—(1) This Part shall be read as one with the Personal Tax Ordinance.

(2) Subsection (1) of section 7 shall come into operation on the first day of January, 1966 and subsection (2) of section 7 shall be deemed to have come into operation on the first day of January, 1962.

Increases in rates of personal tax
Cap. 355

7.—(1) Section 11 of the Personal Tax Ordinance, as set out in the Personal Tax (Amendment) Ordinance, 1961 and section 13 of the Finance Act, 1962 (which imposes and prescribes the rates of the personal tax), is hereby amended by deleting paragraphs (a) to (j) (inclusive) of subsection (1) and by substituting therefor the following new paragraphs:—

- | | |
|--|-------------|
| (a) where the person's chargeable income exceeds £100 but does not exceed £150 per annum ... | Shs. 30/-. |
| (b) where the person's chargeable income exceeds £150 but does not exceed £200 per annum ... | Shs. 60/-. |
| (c) where the person's chargeable income exceeds £200 but does not exceed £250 per annum ... | Shs. 90/-. |
| (d) where the person's chargeable income exceeds £250 but does not exceed £300 per annum ... | Shs. 140/-. |
| (e) where the person's chargeable income exceeds £300 but does not exceed £400 per annum ... | Shs. 275/-. |
| (f) where the person's chargeable income exceeds £400 but does not exceed £500 per annum ... | Shs. 375/-. |
| (g) where the person's chargeable income exceeds £500 but does not exceed £600 per annum ... | Shs. 500/-. |
| (h) where the person's chargeable income exceeds £600 but does not exceed £700 per annum ... | Shs. 650/-. |

- (i) where the person's chargeable income exceeds £700 but does not exceed £800 per annum ... Shs. 750/-.
- (j) where the person's chargeable income exceeds £800 per annum ... Shs. 900/-.".
- and the rates of personal tax are hereby amended accordingly.

(2) Section 11 of the Personal Tax Ordinance is hereby further amended by deleting subsection (2) and by substituting therefor the following new subsection:—

“(2) For the purposes of this section, the following persons shall be deemed to be in the Territory—

- (a) a person who is drawing salary in respect of his services in the Territory, during the period when he is drawing such salary other than a period of leave which immediately precedes his retirement from a salaried post; and
- (b) a citizen of the United Republic who is in the service of the United Republic and is employed outside Tanganyika, during the period of such service.”

PART IV
INCOME TAX

8. This Part shall be read as one with the Income Tax (Rates and Allowances) Ordinance. Construction
Cap. 411

9. In respect of assessments for the year of income commencing on the first day of January, 1964— Reduction of
married and
single
allowances

- (a) the married allowance referred to in paragraph 1 of the First Schedule to the Income Tax (Rates and Allowances) Ordinance (as set out in section 3 of the Income Tax (Rates and Allowances) (Amendment) Ordinance, 1961) shall be £600 instead of £700; Cap. 411
Supp. 61
- (b) the single allowance referred to in paragraph 2 of the said First Schedule shall be £216 instead of £225; and
- (c) where an individual entitled to a single allowance is also entitled to the child allowance, as provided in paragraph 2 of the said First Schedule, the single allowance shall be £432 instead of £450,

and the Income Tax (Rates and Allowances) Ordinance shall have, and be deemed to have had effect and shall be read and construed accordingly in respect of such year of income.

10.—(1) In respect of assessments for the year of income commencing on the first day of January, 1964, the rate of corporation tax referred to in Head CC of the Second Schedule to the Income Tax (Rates and Allowances) Ordinance (as set out in section 7 of the Finance Act, 1963) shall be four shillings in respect of each pound of income which is chargeable to corporation tax instead of three shillings and fifty cents, save in the case of— Increase in
corporation
tax rate
and charge
of
corporation
tax at lesser
rate on
controlled
companies
Acts 1963
No. 34

- (a) that part of the chargeable income of an insurance company which relates to its life insurance business, when the rate of three shillings shall remain unchanged; and
- (b) any company to which subsection (2) of this section refers, when the rate shall be that prescribed in that subsection,

and the Income Tax (Rates and Allowances) Ordinance shall have, and be deemed to have had effect, and shall be read and construed accordingly in respect of such year of income.

E.A.H.C.
Acts 1958
No. 10

(2) If the East African Income Tax (Management) Act, 1958 be amended to provide that corporation tax shall be charged on the chargeable income of a controlled company, the corporation tax to be charged on a controlled company under Head A of Part IX of that Act in respect of assessments for the year of income commencing on the first day of January, 1964 shall be at the rate of fifty cents in respect of each pound of the income of such company which is chargeable to corporation tax.

Increase
in rates
at which
income tax
is to be
deducted
from interest

11. In respect of interest paid on or after the first day of July, 1965—

- (a) the rate at which tax is to be deducted in the case of debenture interest, mortgage interest and interest paid by a local authority (referred to in sub-paragraph (c) of paragraph 1 of the Third Schedule to the Income Tax (Rates and Allowances) Ordinance as set out in section 8 of the Finance Act, 1963) shall be seven shillings and fifty cents in respect of each pound instead of five shillings and fifty cents; and
- (b) the rate at which tax is to be deducted in the case of individual interest (referred to in paragraph 2 of the said Third Schedule) shall be two shillings and fifty cents in respect of each pound instead of two shillings,

and the Income Tax (Rates and Allowances) Ordinance shall have, and shall be deemed to have had effect, and shall be read and construed accordingly in respect of such interest.

PART V

MISCELLANEOUS TAXES, CHARGES AND FEES

Provisions
relating to
hotels, and
specific
trading
licence
for repairing
garage
Cap. 208,
Acts 1962
No. 47

12.—(1) This section shall be read as one with the Trades Licensing Ordinance, and subsections (3) and (4) shall be deemed to have come into operation on the eleventh day of June, 1965.

(2) Paragraph (q) of subsection (1) of section 6 of the Trades Licensing Ordinance, as set out in section 4 of the Finance Act, 1962 (which relates to a licence to carry on the business of an hotel, boarding or lodging house) is hereby amended as follows:—

- (a) by deleting the words "if holding a liquor licence in respect of the premises" in sub-item (1) (a) thereof, and by substituting therefor the words and brackets: "if a liquor licence is held in respect of the premises and the person carrying on the business of the hotel, boarding or lodging house imports goods for sale therein (such licence to include the importation of such goods)"; and
- (b) by deleting the words "if holding a liquor licence for such premises" in sub-item (2) (a) thereof and by substituting therefor the words and brackets "if a liquor licence is held in respect of the premises and the person carrying on the business of the hotel, boarding or lodging house imports goods for sale therein (such licence to include the importation of such goods)".
- (3) Subsection (1) of section 6 of the Trades Licensing Ordinance is hereby further amended by inserting, immediately below paragraph (z), the following new paragraph:—

"(za) a licence to carry on the business of a garage proprietor in respect of a garage where the repair of motor vehicles is carried on for reward—

- (i) if more than four but not more than ten artisans are employed Shs. 50/-
- (ii) if more than ten artisans are employed Shs. 200/-."

(4) Nothing in subsection (3) of this section shall require any person who carries on a business to which paragraph (za) (as set out therein) refers and in respect of which he holds a trading licence issued, under some other provision of section 6 of the Trades Licensing Ordinance, before the eleventh day of June, 1965, to obtain a licence under paragraph (za) in respect of such business during the currency of such first-mentioned licence.

13.—(1) This section shall be read as one with the Airport Service Charge Act, 1962 and shall be deemed to have come into operation on the eleventh day of June, 1965.

(2) The airport service charge shall be fifteen shillings instead of seven shillings and fifty cents, and subsection (1) of section 3 of the Airport Service Charge Act, 1962 is hereby amended accordingly.

14.—(1) This section shall be read as one with the Broadcast Receiving Apparatus (Licensing) Act, 1964 and shall be deemed to have come into operation on the eleventh day of June, 1965.

(2) The fee payable for a broadcast receiver licence shall be twenty shillings instead of ten shillings, and the Schedule to the Broadcast Receiving Apparatus (Licensing) Act, 1964 is hereby amended accordingly.

15.—(1) This section shall be read as one with the Beer Consumption Tax Act, 1964 and shall be deemed to have come into operation on the eleventh day of June, 1965.

(2) The rate of the beer consumption tax shall be one shilling and sixty cents per imperial gallon instead of eighty cents, and section 3 of the Beer Consumption Tax Act, 1964 is hereby amended accordingly.

PART VI

MISCELLANEOUS AMENDMENTS TO ENACTMENTS RELATING TO THE
PUBLIC REVENUES

Revision
of pensions
tables
under
Cap. 54

16.—(1) Section 37 of the Widows and Orphans Pensions Ordinance is hereby repealed and replaced by the following new section: —

“Periodical
revision of
pensions
tables

37. The pensions tables may be revised from time to time after an investigation by an actuary appointed or approved by the President. Such investigations shall take place at such dates as the President may from time to time determine, being not less than ten years from the date of the last investigation. If, after such investigation, it is decided by the President that revised pensions tables shall be adopted, the new pensions tables as approved by the actuary shall be published in the *Gazette*, and shall come into force, in substitution for the tables previously in force, with effect from such date (whether before or after the date of publication) as shall be appointed by the President, and shall apply to any pension payable in respect of a contributor dying on or after that date, but not to any pension payable in respect of a contributor dying before that date.”

(2) The President may appoint a date under section 37 of the Widows and Orphans Pensions Ordinance, as set out in this section, which is either before or after the commencement of this section.

Amendment
of Metallic
Currency
Ordinance
Cap. 177

17. The Metallic Currency Ordinance is hereby amended as follows: —

(a) by deleting subsection (2) of section 2; and

(b) by adding, immediately below subsection 3, the following new section: —

“Contracts
and
payments,
etc., to be
made in
terms of
currency

3A.—(1) Subject to subsection (2) of this section, every contract, sale, payment, bill, note, instrument and security for money, and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of, or the liability to pay, any money shall, in the absence of express provision to the contrary, be made, executed, entered into, done and had according to the coins which are current and legal tender in pursuance of this Ordinance and any proclamation made hereunder.

(2) Nothing in subsection (1) of this section shall make it unlawful to provide that any transaction, dealing, matter or thing whatsoever relating to money shall be calculated according to any fraction of any coin which is current and legal tender, but, save where it is expressly provided to the contrary by written law, if in accordance with such calculation the gross sum which any person is liable to pay on any occasion is not equal to the value of the coin of lowest denomination which is current and legal tender or any integral multiple thereof, the sum payable shall be a sum

equal to the value of such coin or of the integral multiple thereof next above the sum so calculated, as the case may be.”.

18. Section 27 of the Exchequer and Audit Ordinance (which prescribes the procedure for the laying of reports by the Controller and Auditor-General before the National Assembly) is hereby amended as follows:—

Reports of
Controller
and Auditor-
General
Cap. 439

- (a) by deleting the word “Minister” wheresoever it occurs and by substituting therefor the word “President”; and
- (b) by deleting the full stop at the end of subsection (1) and by adding, at the end of that subsection, the following:—

“(or, if the office of Speaker is vacant or if the Speaker is for any reason unable to perform the functions of his office, to the Deputy Speaker) who shall cause it to be laid before the National Assembly.”.

19. The Schedule to the Public Officers (Salaries and Allowances) Ordinance (which specifies the salaries of certain public officers which are charged on the Consolidated Fund) is hereby amended by deleting the items referring to the Chairman and members of the Civil Service Commission and the Chairman of the Local Government Service Commission,

Removal of
certain office
holders from
charge on
Consolidated
Fund
Cap. 460

20.—(1) Section 2 of the Used Motor Vehicles Registration Tax Act, 1963 (which defines a used motor vehicle for the purposes of the Act) is hereby amended by inserting, immediately after the word “Kenya” in the last line, the comma and words “, but does not include a tractor”.

Further
provision
for the
exemption
of vehicles
from the
tax payable
under the
Used Motor
Vehicles
Registration
Tax Act,
Acts 1963
No. 38

(2) Section 4 of the Used Motor Vehicles Registration Tax Act, 1963 (which relates to exemptions from the tax) is hereby amended by adding, immediately below subsection (2), the following new subsections:—

“(3) (a) Notwithstanding the provisions of section 3, the first registration and the transfer of the registration of a used motor vehicle shall be exempt from the registration tax if the applicant therefor satisfies the Principal Secretary to the Treasury—

- (i) that such registration or transfer is made for the purpose of, or as a consequence of, the transfer of the property in the vehicle from one corporate body (hereinafter in this subsection called “the transferor”) to another corporate body (hereinafter in this subsection called “the transferee”); and
- (ii) that either—
 - (I) one of such corporate bodies is the beneficial owner of not less than ninety per centum of the issued share capital of the other; or
 - (II) not less than ninety per centum of the issued share capital of each of the corporate bodies is in the beneficial ownership of a third corporate body; and

- (iii) the transfer of the property in the vehicle is not made in pursuance of or in connection with an arrangement whereunder—
- (I) a consideration for such transfer was to be provided directly or indirectly by a person other than a corporate body which at the time of such transfer was associated with either the transferor or the transferee or both of them; or
 - (II) the beneficial interest in the property in the vehicle was previously transferred directly or indirectly by such person aforesaid.
- (b) For the purposes of this subsection—
- (i) a corporate body shall be deemed to be associated with another corporate body if, but not unless—
 - (I) one of them is the beneficial owner of not less than ninety per centum of the issued share capital of the other; or
 - (II) not less than ninety per centum of the issued share capital of each of them is in the beneficial ownership of a third corporate body; and
 - (ii) the word "corporate body" shall mean a company with limited liability and any other corporate body which the Minister for the time being responsible for financial affairs may, by order published in the *Gazette*, specify.
- (4) The said Minister may, by order published in the *Gazette*, exempt any particular first registration or transfer of registration of any used motor vehicle or category of used motor vehicle from the registration tax."

Passed in the National Assembly on the fifth day of July, 1965.

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Stanley M. M. M. M.
 Clerk of the National Assembly