

THE UNITED REPUBLIC OF TANZANIA



No. 25 OF 1971

I ASSENT,

  
President

4TH AUGUST, 1971

**An Act to amend the Income Tax (Allowances and Rates) Act, 1971**

[18TH JUNE, 1971]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Income Tax (Allowances and Rates) (Amendment) Act, 1971, shall be read as one with the Income Tax (Allowances and Rates) Act, 1971, and shall be deemed to have come into operation on the eighteenth day of June, 1971.

Short title,  
construction  
and com-  
mencement  
Acts, 1971  
No. 8

2.—(1) The First Schedule to the Income Tax (Allowances and Rates) Act, 1971 is amended by deleting item 3 which relates to the supplementary single allowance.

Amendment  
of First  
Schedule

(2) Notwithstanding the provisions of section 1, the amendment to the Income Tax (Allowances and Rates) Act, 1971, effected by this section, shall have effect in relation to the year of income 1971 and each subsequent year.

3. The Second Schedule to the Income Tax (Allowances and Rates) Act, 1971, is hereby amended—

Amendment  
of Second  
Schedule

(i) in item 2 (which relates to corporation rates) by deleting paragraph (b) and substituting therefor the following paragraph:—

“(b) that part of the chargeable income of a company which relates to income derived from the mining of specified minerals, when the rate shall be four shillings and cents fifty in respect of each Shs. 20/- of such part of the chargeable income:

Provided that the rate shall be eight shillings in respect of each Shs. 20/- of such part of the chargeable income from the fifth year and in each subsequent year after the first year in which the company becomes or, would, but for the provisions of section 14 (4) of the Management Act, become liable for tax”;

(ii) by adding immediately below item 2 the following new items:—

“3. The rates of non-resident withholding tax under section 59 (1) of the Management Act—

- (a) on dividends, shall be  $12\frac{1}{2}$  per cent of the gross amount payable;
- (b) on royalties, shall be 20 per cent of the gross amount payable;
- (c) on any payment under a management agreement, shall be 20 per cent of the gross amount payable;
- (d) on interest payable to a non-resident person other than a non-resident individual, shall be  $12\frac{1}{2}$  per cent of the gross amount payable;
- (e) on interest payable to a non-resident individual, shall be  $12\frac{1}{2}$  per cent of the gross amount payable.

“4. The rates of resident withholding tax under section 59 (2) of the Management Act—

- (a) on dividends, shall be  $12\frac{1}{2}\%$  of the gross amount payable;
- (b) on royalties, shall be 20% of the gross amount payable;
- (c) on any payment under a management agreement, shall be 20% of the gross amount payable;
- (d) on interest, shall be  $12\frac{1}{2}\%$  of the gross amount payable.”.

Passed in the National Assembly on the twenty-second day of July, 1971.



*Clerk of the National Assembly*