

THE UNITED REPUBLIC OF TANZANIA



No. 12 OF 1980

I ASSENT,

*Julius Nyerere*  
.....  
President

21<sup>ST</sup> MAY, 1980

**An Act to amend the Income Tax Act, 1973, to impose Excess Profit Tax**

[2<sup>ND</sup> MARCH, 1980]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Income Tax (Amendment) Act, 1980, and shall be read as one with the Income Tax Act, 1973, in this Act referred to as "the principal Act".

Short title and construction Acts, 1973 No. 33

2. This Act shall be deemed to have come into operation on the second day of March, 1980, in this Act referred to as "the effective date"

Commencement

3. The principal Act is amended by adding, immediately after section 13, the following new section:

"Tax on excess profit

**13A,(1)** For the purposes of this section-

"dealer" means any person whose business consists of the sale of petroleum or petroleum products or of any other specified article, whether by wholesale or by retail;

Addition of new section 13A

"excess profit" means the profit accruing as a result of the difference between the previously obtaining sale price of existing stock of a specified article and the price at which the stock is sold after a rise in the sale prices;

"prices" in relation to petroleum and petroleum products means sale prices other than ex-refinery prices, and in relation to other specified articles means the prices described in the order made under subsection (3);

"specified article" means any article or articles specified in an order made under subsection (3) as being an article or articles the excess profit from the sale of which is subject to the tax imposed by this section.

(2) With effect from the effective date, there shall be charged, levied and collected, in respect of sale of petroleum and petroleum products, a tax equal to ninety per centum of the excess profit released by any dealer where, as a result of any change in the domestic prices, of petroleum and petroleum products purchased by the dealer at prices previously obtaining is sold at the new higher domestic prices; and petroleum and petroleum products are hereby specified for the purposes of subsection (3).

(3) The Minister may, from time to time, by order published in the *Gazette*, specify articles the excess profit accruing from the sale of whose existing stock, after a rise in their domestic prices, shall be subject to the tax imposed by this section, subject to the following provisions of this section.

(4) The Minister may, in the order made under subsection (3), specify a rate, other than ninety per centum of the excess profit, at which the tax shall be charged, and the Third Schedule to this Act shall be deemed to have been amended accordingly by the addition of the appropriate rate of tax in respect of the specified article or articles, but where no rate is so specified the tax imposed shall be chargeable at ninety per centum of the excess profit.

(5) Every order made under subsection (3) shall be submitted for the approval, to be signified by resolution, of the National Assembly at its meeting next following the date on which the order comes into operation.

(6) If the order is not approved by the National Assembly at the meeting mentioned in subsection (5), or is disapproved by the National Assembly, the order shall expire on the day next following the day on which the meeting of the National Assembly is adjourned, or cease to have effect on that day, as the case may be, but without prejudice to anything previously done or suffered to be done under the order.

(7) The ten *per centum* of excess profit, in the case of petroleum and petroleum products, or any other *per centum* of excess profit in the case of any other specified article or articles, which remains after the deduction of excess profit tax shall not be: taxable.

(8) The Commissioner may, from time to time, by notice published in the *Gazette* and in any newspaper or newspapers published in the United Republic, determine the manner and the time for the assessment, collection and accounting of excess profit tax payable under this section by any dealer."

4. The Third Schedule to the principal Act is amended by adding, immediately after paragraph 7, which relates to capital gains tax rate the following new paragraph:

Amendment  
of Third  
Schedule to  
the principal  
Act

"8. The excess profit tax rate shall, in relation to the tax in respect of the excess profit from sales of petroleum and petroleum products, be ninety *per centum* of the excess profit, and in relation to the tax in respect of the excess profit from sales of any other specified article, except where a different rate is specified, the rate shall be ninety *per centum* of the excess profit."

Passed in the National Assembly on the fifteenth day of April, 1980.

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Clerk of the National Assembly