

KEY AMENDMENTS INTRODUCED IN

FINANCE ACT 2024



Balakrishna Sreekumar & Co.
CERTIFIED PUBLIC ACCOUNTANTS

AUDIT

TAX

ADVISORY

INTRODUCTION

We have prepared this document covering the major amendments introduced through The Finance Act, 2024:-

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For the complete amendments in the above Acts and other Acts not covered in this document, kindly refer to the Finance Act 2024, a link of which is given in our website, www.bsk.co.tz – [Finance Act 2024](#).

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For Referring to the write up, please note that”

- The new addition/amendments are indicated in **Blue**
- The Deletions have been indicated off in **Red**

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

+ **Amendment of section 3: Interpretation.**

The following new definitions have been added/amended:

1. The definition of the term **“asset”** has been amended to include digital assets as well. Now the definition of “asset” reads as under: -

"asset" means a tangible or intangible asset and includes currency, goodwill, know-how, **digital assets** property, a right to income or future income and a part of an asset;

2. New definitions added in the Finance Act 2024

“artisanal miner” means a person who acquires mineral, and includes laborers in mining activities other than a holder of any licence under the Mining Act;

“digital content” means any electronic content that may be downloaded, streamed or accessed in any other manner, including e-books, magazines, news, journals, periodical, database, music, movie, software, mobile phone applications, images, text, sound effects, website, webinar, webcast, which is not simultaneously broadcasted over any conventional radio or television network in the United Republic;

“digital content creator” means a person who produces digital content in formats that can be shared using a digital medium or platform over the internet”.

+ **Amendment of section 4 (8): Charge of tax. (Exemption from AMT)**

Section 4 (8) The income tax payable by a corporation with perpetual unrelieved loss for three consecutive years of income under paragraph (a) of subsection (1) shall not apply to a corporation conducting agricultural business, **tea processing or engaged in the provision of health or education;**

“Provided that, in the case of a corporation conducting tea processing, the provisions of this subsection shall apply from 1st day of July, 2024 to 30th day of June, 2027.”.

Impact: So now tea processing companies are exempted from paying Alternate Minimum Tax from 1.7.2024 up to 30.6.2027.

✚ Amendment of section 11: General Principals of Deduction

Section 11 has been amended to include in the list of non-allowable deduction, the following sub section (4):

11.-(4) Without prejudice to subsection (2), expenditure incurred by a person during the year of income on goods or services relating to the production of income shall be supported by fiscal receipt except where the person providing the goods or services-

- (a) is a non-resident person with no permanent establishment in the United Republic; or
- (b) has been excluded from a requirement to issue fiscal receipt in accordance with section 36(2) of the Tax Administration Act;

Existing sub section (4) to be re-numbered as subsection (5)

Impact: So from now onwards, any expenditure incurred by a taxpayer on goods or services shall be allowed only if it is supported with a Fiscal receipt.

Except for Imported Purchases and Services and for Local supplies where the person is excluded from requirements to issue fiscal receipt, all other payments shall be allowed only if they have been made against a Fiscal Receipt.

Hence taxpayers need to be careful while making any payment for purchase/expense, that it is properly supported with EFD Invoice.

✚ Amendment of section 19: Losses from Business or Investment

Section 19 (2) has been amended to decrease the set off % from 70% to 60% for the companies having chargeable income in current year and had unrelieved loss for four consecutive years of income. The subsection now reads as under:-

19 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 forty** per centum of that income before any reduction for losses.

Impact: So if a taxpayer had unrelieved loss for previous four consecutive years and has a taxable profit in the current year, he can set off only up to 60% of current year's profit. In short, in such cases, Corporate Tax shall be applicable on 40% of current year's taxable profit.

✚ Amendment of section 56(5) : Change in Control

Section 56 (5) has been amended to read as under:

“56 (5) The preceding provisions of this section shall not apply where change of underlying ownership referred to in subsection (1)-

- (a) is a result of allotment of new membership interest **of** in the **resident** entity; or
- (b) is a sole result of transfer of membership interest of a resident entity to another resident person.”

Impact: This is just a cosmetic change to confirm that the new share allotment of a resident entity shall not attract change in control for the purpose of this section.

✚ Amendment of section 64: Charitable Organizations

Section 64 (8) (a) has been amended to include new sectors to be eligible for being a Charitable organisation to read as under: -

64 (8) For purposes of this section, “charitable organisation” means a resident entity of a public character that satisfies the following conditions:

- (a) the entity was established and functions solely as an organisation for:
 - (i) the relief of poverty or distress of the public;
 - (ii) **environmental protection; and**
 - (iii) the advancement of education **or health**; or
 - (iv) the provision of general public health, education, water or road construction or maintenance;

Impact: A resident entity of public character, involved advancement of health or Environmental Protection shall also be qualified to be a charitable organization subject to other conditions prescribed in the section.

✚ Amendment of section 82: Withholding from Investment Returns

Section 82 (2) has been amended to include new exclusion from withholding tax, to read as under:-

82 (2) This section shall not apply to

- (d) rent paid to a resident person for the use of an asset other than **construction equipment or machinery**, aircraft, land or buildings; or

(e) interest payable by a resident financial institution to a non-resident financial institution or non-resident fund having an agreement with the Government of the United Republic which provides for lower interest loan rates to resident financial institution and such resident financial institution charged lower interest rates to resident beneficiaries of loans sourced from such non-resident financial institution or fund, excluding interest payable on any loan taken by a resident financial institution from a related non-resident person;”;

Existing sub paragraphs (e) and (f) to be re-numbered as (f) and (g).

82 (3) For the purpose of this section, “construction equipment or machinery means the equipment, machinery, structure, scaffolding, materials, tools, supplies or systems rented or leased by contractors or its subcontractors for use in accomplishing the construction works but not intended to form part of the structure to be build or for incorporation into the project.

Impact: Leasing of Construction equipment or machinery, as defined in the section shall now be liable for withholding tax at the rate of 10%.

+ Amendment of section 83: Withholding from Service Fees and contract payments.

Section 83 (1) (f) has been amended to read as under:-

82 (1) – A Resident Person who

(f) is a buyer of-

(i) industrial minerals other than salt; or

(ii) metallic minerals other than precious metals, as defined in the Mining Act, supplied by holder of a primary mining licence or artisanal miner;”

shall withhold income tax from the payment at the rate provided for in paragraph 4(c) of the First Schedule. (Rate is 2%)

Existing sub paragraphs (f) to be re-numbered as (g).

Insertion of Section 83 (B) and (C) to read as under:-

83B. A resident or non-resident person who makes payment to a resident digital content creator shall withhold income tax at the rate provided under paragraph 4(c)(viii) of the First Schedule. (Rate is 5 %.)

83C.-(1) A resident person or non-resident person who owns a digital asset exchange platform or facilitates the exchange or transfer of a digital asset and makes payment to a resident person in respect of exchange or transfer of the digital asset shall withhold income tax on the payment at the rate provided for under paragraph 4(c)(ix) of the First Schedule. (Rate is 3%)

(2) For purposes of this section- “digital asset” includes-

- (a) anything of value that is not tangible including cryptocurrencies, token code, number held in digital form and generated through cryptographic means or any other means, by whatever name called, providing a digital representation of value exchanged with or without consideration that can be transferred, stored or exchanged electronically; or
- (b) means the gross fair market value considered received or receivable at the point of exchange or transfer of a digital asset.

Impact: Scope of withholding tax has been extended to include purchase of industrial mineral and metallic mineral, from primary mining license holder and also service fees to include payment for digital content creation and transfer or exchange of digital assets.

✚ Amendment of section 86: Final Withholding Payments

Section 86 (1) has been amended to replace paragraphs (g) and (h) to read as under:-

(g) payment for purchase of minerals made to an individual who is a holder of primary mining licence or artisanal miner under section 83(1)(e) and (f);

(h) payment made to a local government authority, local community or any resident individual in respect of verified carbon emission reduction;

Impact: Previously purchase of precious metals, gemstones and other precious stones from a primary license holder was subjected to Final withholding tax. With the amendment, the finality of Withholding tax on such payments including the payments for industrial and metallic minerals as added u/s 83 (1) (f), is restricted to the individuals only and entities shall be subject to normal corporate tax and they will be entitled for credit for WHT deducted.

Similarly, previously any payment made to a resident person in respect of verified carbon emission was final. Now the finality of withholding tax is restricted to the payments made to Local Government Authority, local community and resident individuals.

✚ Amendment of section 90: Single Instalment at the time of realization or receipt

Section 90 (1) (b) has been amended to read as under:-

90- Where a person an “installment payer” derives a gain in conducting an investment from the realization of an interest in land, petroleum or mineral rights or buildings situated in the United Republic licence or concessional right on reserved land shares or securities held in resident entity that the person shall pay income tax by way of single installment equal to

“(b) in the case of a resident **person individual** who realizes an interest in land or building and does not have records of costs of assets, three percent of the incomings or approved value of the asset, whichever is greater;”

Existing Section 90 (9) has been deleted and substituted with the following to read as under:-

90 (9) For purposes of this section, “date of realization 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 realized asset; or
- (c) the date of payment of part or whole of the consideration for the realized asset, whichever comes earlier; **and**

“gross payment” means a total amount of payment received by a non-resident person, an instalment payer in conducting a business of land, sea or air transport operator or charterer excluding any fees, charge or tax paid by a passenger and received by that person on behalf of the Government.”.

Impact: CGT of 3% of Gross Realization or Valuation is now applicable only to the resident individual. Gross payment has been defined for non-resident person who are involved in the business of Land, Sea or Air transport or charter.

✚ Amendment of section 91: Returns of Income

Section 91 has been amended to insert subsection 2 to read as under:-

91.-(1) Subject to sections 92 and 94 of this Act and 39 and 48 of the Tax Administration Act, every person shall file with the Commissioner not later than six months after the end of each year of income a return of income for the year of income.

“(2) Notwithstanding subsection (1), a person whose financial statement is audited by the Controller and Auditor General shall file a return of income for the year of income with the Commissioner not later than nine months after the end of each year of income.”

Renumbering existing sub section (2) as (3).

Impact: Organization required to be audited by CAG will have nine months from the end of the year to submit their accounts to TRA.

✚ Amendment of section 92: Return of Income not required

Section 92 has been amended to insert para graph (c) to read as under:-

92 - Unless requested by the Commissioner by notice in writing served on the person and subject to a right of the person to elect to file a return, no return of income for a year of income shall be required under section 91 from :-

(c) a non-resident individual whose income for the year of income consists exclusively of income from employment.”.

Impact: A person employed can be a non-resident in the beginning of his/her employment, for which period he/she is not required to submit the return of income. After becoming resident, employees are anyway not required to submit the return. So individuals in employment are not required to submit return as the required taxes are deducted in the form of PAYE by the employers.

✚ Amendment of First Schedule –

Paragraph 2(5)

The number of passengers and rates of income tax for a resident individual engaged in transportation of passengers service vehicles has been changed as under: -

Existing Tax

CLASS A: Passenger transportation buses		
S NO	No of Passengers	Existing Tax
1	Not more than 15	250,000
2	Between 16 to 25	550,000
3	Between 26 to 45	1,100,000
4	Between 46 to 65	1,600,000
5	More than 65	2,200,000

New tax

CLASS A: Passenger Service Vehicles		
S NO	No of Passengers	New Tax
1	Up to 15	250,000
2	16 to 30	650,000
3	31 to 45	1,100,000
4	46 to 65	1,600,000
5	Above 65	2,200,000

For other type of transportation, there is no change in the rates.

Paragraph 2(5)

Subparagraph (iii) has been added to prescribe the rates for WHT on items added under WHT net, as under:

“(iii) in the case of royalty payment to resident sports entity or Tanzania Football Federation-five percent;

Paragraph 4(c) withholding tax

WHT Rate of 2% prescribed for payments made for purchase of industrial mineral and metallic mineral under section 83 (1) (f).

WHT Payment rate of 5% for royalty payment to resident sports entity or Tanzania Football Federation.

WHT Rate of 5% prescribed for payments made to resident digital content creators made u/s 83 B.

WHT Rate of 3% prescribed for payments made for exchange or transfer of digital assets.

✚ Amendment of Third Schedule: Depreciable assets, allowances and inclusions.

Opening Phrase of Paragraph 2 (3) has been amended to read as under:

2 (3) The allowance granted to a person under subparagraph (1) shall be available in two **equal** portions as follows:

Impact: The initial allowance available under this schedule shall be in two equal installments, meaning 50% allowance shall be available equally in first two years. Even now the same practice was being followed, however now there is an absolute clarity on the same.

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

✚ Amendment of section 2: Interpretation – New Definitions added

The following new definitions have been added:-

“gaming supply” means a supply of gaming activities as defined under the Gaming Act;”

The gaming activities have been defined under the Gaming Act, which reads as under:-

“gaming activities” means any game played with cards, dice, equipment or any mechanical electromechanical or electronic device or machine for money, property, checks, credit or credit card or any representative of value, including but without limiting the generality of the foregoing, bingo, wheel of fortune, baccarat, slot machine, horse race, lottery, wager or stake, any banking or percentage game or any other game or device approved by the Board, but does not include games played with cards in private homes or residences in which no person makes money for operating the game, except as a player, or games operated by charitable or educational organizations approved by the Board;

The same definition shall apply for Gaming Supply under VAT Act 2014. Earlier Gaming Supply was not defined in Vat Act.

“online data services” means any form of monetization of user data including the sale or licensing of, or access to user data or information collected through user engagement with an online platform, whether sold or licensed directly or indirectly, aggregated or disaggregated, anonymised or used in any other form;

“serviced apartment” means a furnished apartment or similar establishment, available for short or long-term stay, providing amenities for daily use, housekeeping and a range of other services all included within the rental price;”.

Impact: Three new definitions have been added. The definition of Serviced apartment is very wide and has far reaching effects as all apartments are providing some sort of services. Generally a service charges is collected by the landlord for such services which is liable for VAT. It is not clear whether; even if the service charge for such services are being collected separately; the rental collected shall be liable for VAT or not.

✚ Amendment of section 6: Exemptions – New Items added

Section 6(2) has been amended to include the following items under exempt supplies:

6(2) – Notwithstanding the provisions of subsection (1), the Commissioner General may, upon application by an applicant in the prescribed form, exempt value added tax on-

(h) importation or supply of water sanitation and treatment chemicals namely chlorine of HS Code 2801.10.00, aluminum sulphate of HS Code 2833.22.00, calcium hypochlorite of HS Code 2828.10.00, powdered activated carbon of HS Code 3802.10.00, potassium permanganate of HS Code 2841.61.00, carbon dioxide of HS Code 2811.21.00, polly aluminium chloride (PAC) of HS Code 2827.32.00, hydraulic lime of HS Code 2522.30.00, sodium metalbisulphite of HS Code 2832.20.00, sodium hydroxide of HS Code 2815.12.00, algae floc 19s of HS Code 2827.32.00 and water meters of HS Code 9028.20.00 by a water supply and sanitation authority upon approval of the Minister responsible for water; and

(i) importation or supply of equipment and machinery for processing and storing bee products namely honey settling tank of HS Code 8436.80.00; honey homogenizer tank of HS Code 8479.80.00; honey/wax press machine of HS Code 8436.80.00; wax sterilizer of HS Code 8419.89.00; wax melter of HS Code 8419. 89.00; honey barrel of HS Code 7310.10.00; and sack for honey barrel HS Code 3923.29.00 by bee keepers upon approval of the Minister responsible for natural resources.”.

✚ Amendment of section 11: Deferral of value added tax on imported capital goods

Cosmetic change in subsection 10 of Section 11

For purposes of this section, “capital goods” means goods classifiable under Chapters 84, 85, and 90 of Annex 1 to the Protocol on the Establishment of the East African Community Customs Union and Heading 87.16 and HS Code ~~8701.20.90~~ 8701.21.90 locally manufactured or assembled in a customs bonded warehouse.

✚ Amendment of section 29: Other persons required to be registered.

Subsections 4 & 5 have been inserted to section 29, now the entire section shall be read as under: -

29.-(1) Notwithstanding the provisions of section 28, a person shall be required to be registered for value added tax if-

- (a) the person carries on an economic activity involving the supply of professional services in Mainland Tanzania, whether those professional services are provided by the person, a member or employee of that person; and
- (b) supplies of such services in Mainland Tanzania are ordinarily made by a person who-
 - (i) is permitted, approved, licensed, or registered to provide such professional services under any other written laws; or
 - (ii) belongs to a professional association that has uniform national registration requirements relating to the supply of professional services of that kind.
- (2) A Government entity or institution which carries on economic activity shall be required to be registered for value added tax.
- (3) Notwithstanding the provisions of section 28, the Commissioner General may register a taxable person as intending trader upon fulfilling the following conditions-
 - (a) provide sufficient evidence to satisfy the Commissioner of his intention to commence an economic activity, including contracts, tenders, building plans, business plans, bank financing;
 - (b) the person makes or will make supplies that will be taxable supplies if the person is registered; and
 - (c) specify the period within which the intended economic activity commences production of taxable supplies.

“(4) A person who does not comply with conditions under subsection (3) shall notify the Commissioner General within a period of 90 days after the end of the period required under sub-section 3(c), by giving reasons for failure to comply with the conditions.

(5) A person who contravenes subsection (4) shall be deemed to be deregistered for Value Added Tax.”

Impact: In case of new VAT registration, if the taxable supplies does not start by the period as mentioned in the registration application, and person do not notify the commissioner within 90 days of such period, the taxpayer shall be deemed to be deregistered for Value Added tax.

✚ Amendment of section 51 (2): Electronic Services

Section 51(2) has been amended to read as under:-

51 (2) For purposes of this section “electronic services” means any of the following services provided or delivered through a **internet or** telecommunications network-

- (a) websites, web-hosting, or remote maintenance of programmes and equipment;
- (b) software and the updating thereof;
- (c) images, text, and information;
- (d) access to databases;
- (e) self-education packages;
- (f) music, films, and games, including gaming activities; and
- (g) political, cultural, artistic, sporting, scientific, and other broadcasts and events including broadcast television;
- (h) online intermediation services; and
- (i) online advertisement services.”
- (j) **Online data service**

✚ Amendment of section 55 A: Zero Rating of Fertilizers

Section 55A has been amended to extend the Zero rating of locally produced fertilizers upto 30th June 2025, to read as under:

55A . A supply of locally manufactured fertilizer shall be Zero rated from ~~7th October, 2022 up to 30th June, 2024~~”. **1st July 2024 up to 30th June 2025.**

✚ Amendment of section 55 B: Zero Rating of Cotton Garments

Section 55B has been amended to extend the Zero rating of locally manufactured garments made from Locally grown cotton upto 30th June 2025, to read as under:-

55B. A supply of locally manufactured garments made from locally grown cotton shall be zero rated from ~~1st July, 2023 up to 30th June, 2024~~.” **1st July 2024 up to 30th June 2025.**

✚ Addition of section 55 C: Zero Rating of Supply of Gold to BOT

Section 55C has been inserted to Zero Rate the supply of Gold to BOT, which reads as under:-

55C. A supply of gold to the Bank of Tanzania shall be zero rated.

✚ Addition of section 55D: Zero Rating of Supply of Gold to Licensed Refinery in Mainland Tanzania

Section 55D has been inserted to Zero Rate the supply of Gold to Licensed Refinery in Mainland Tanzania, which reads as under:-

55D. A supply of gold to a licensed refinery in Mainland Tanzania shall be zero rated.

✚ Amendment of Schedule to the VAT Act, 2014

Part I of The Schedule to the Act (SUPPLIES AND IMPORTS EXEMPT FROM VALUE ADDED TAX)

The following items have been added to the list of exempt items

H S Code	Item Name
8701.10.00	Single Axle tractors
0902.30.00	Blended tea or fermented tea from locally grown tea leaves
0902.40.00	

Item No 33:

Supply of video assistant reference (VAR) technology equipment and accessories upon approval by the Minister responsible for sports.

Item No 34:

Supply of Sewerage service by a water supply and sanitation authority.

The following items have been deleted to the list of exempt items

H S Code	Item
8201.10.00	Spades
8201.10.00	Shovels
8201.30.00	Mattocks
8201.30.00	Picks

The following items have been amended to the list of exempt items

Item 18.

~~Importation of arms and ammunition, parts and accessories thereof, equipment and machineries for the official use of the armed forces as certified by the Ministry responsible for security and defence. ;All goods, including material, supplies, equipment, machinery and motor vehicle for official use of armed forces as certified by the Minister responsible for defence.”;~~

Item 25:

Supply of precious metals, gemstones and other precious stones at ~~refineries,~~ buying stations or Mineral and Gem Houses designated by the Mining Commission under the Mining Act, Cap. 123.”

Item 27:

A supply of double refined edible oil from locally grown seeds by a local manufacturer from ~~1st July, 2022 to 30th June, 2024.~~ 1st July 2024 to 30th June 2025.”

Item 31:

~~Supply of aircraft, aircraft engine, aircraft parts and aircraft maintenance to a local operator of air transportation.”~~ Supply of -

- (a) aircraft and aircraft maintenance to a local operator of air transportation; or
- (b) aircraft engine and aircraft parts to a local manufacturer or assembler of aircraft or to a local operator of air transportation.

Impact: Previously supply of aircraft engine and aircraft parts were exempted only when it was supplied to a local operator of air transportation. The amendment has extended the exemption scope to include supplies made to local manufacturer or assembler of aircraft as well.

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

+ Amendment of section 3: Interpretation.

The following new definitions have been added:

“cargo consolidator” means a person licensed by a competent authority to operate cargo consolidation and deconsolidation business;

“tax audit” means examination of taxpayer’s tax affairs to check compliance with tax laws, and includes desk audit, issue oriented audit or comprehensive audit;”.

Introducing new section 24A – Obligation of cargo consolidators for domestic purposes.

24A: A cargo consolidator shall comply with customs and other laws and procedures governing deconsolidation of cargo to its owners at the time of importation of goods in the country.

+ Amendment of section 34: Electronic Document System

A new subsection (5) is inserted, to read as under:-

34(5) Notwithstanding subsections (2) and (4), a document is considered to be served on the Commissioner General or a person when that document is duly sent by email, fax or any other electronic means in accordance with written laws governing electronic transactions.”

Subsection (5) and (6) shall be re-numbered as (6) and (7)

Impact: Now onwards, the documents sent to TRA via email, fax or any other electronic means shall be considered to be submitted for the purpose of this Act. Previously electronic documents were deemed to be filed only when a document registration number was created.

✚ Amendment of section 37: Tax Return

Section 37 (2) has been amended to insert subsection (b) to read as under:-

37 (2) A tax return to be filed by an entity shall be signed by-

(b) in the case of the income tax payable by a parastatal or an entity which is wholly or substantially owned by the Government, manager and head of finance or certified public accountant appointed or employed in the public service by the parastatal or such entity for that purpose, who shall both declare that the tax return is complete and accurate;

Existing subsection (b) shall be re-numbered as (c).

✚ Amendment of section 51: Objection to decisions

A new subsection 8) has been added to read as under:-

51 (8) An objection shall be deemed to have been admitted on the date the conditions of subsection (7) were complied with.”

Impact: As per current practice, after submission of notice of objection, TRA was required to issue a notice of admission, and from the date of notice of admission, the objection was required to be settled within six months. Now the date of submission of objection shall be treated as the date of admission as the objection are generally submitted after fulfilling the requirements of 1/3rd deposit/waiver/lesser amount deposit, as the case may be. Hence the time for settlement has further been reduced.

✚ Amendment of section 73: Payment of Tax Refund

A cosmetic change has been made to section 73 (1), to read as under:

73.-(1) Subject to Sections 71 & 72, where the Commissioner General is satisfied that the taxpayer has paid excess tax, he shall-

(a) apply the excess to offset any tax due from the taxpayer under any tax law;
and

(b) refund the balance, within fourteen days of making the decision.

✚ Amendment of section 76: Interest for failing to pay tax

A cosmetic change has been made to section 76 (2), to read as under:

76 (2) For purposes of calculating interest payable under subsection (1), any extension granted under section 39 or 55 or suspension under section ~~51(7)~~ 51(10) shall not be applied.

✚ Addition of section 84A: Offence on failure to de-consolidate cargo during importation

A new section 84A has been inserted to read as under:-

84A. A person who contravenes the requirement of section 24A commits an offence and shall be liable on conviction to a fine equal to thirty percent of the customs value of imported cargo.”

✚ Amendment of section 86: Offence for failure to use Electronic Fiscal Device:

Section 86 has been amended to change the fine for failure to use EFD as per the requirements of the Section. The changes in fine are as under:-

~~commits an offence and shall be liable on conviction to a fine of “twenty percent of the value of goods sold or service rendered or 100 currency points, whichever is greater or to imprisonment for a term not exceeding three years or to both.~~

“commits an offence and shall, on conviction, be liable to-

- (i) a fine of twenty percent of the value of goods sold or service rendered or 100 currency points, whichever is greater,
Provided that, the fine shall not be more than 200 currency points; or
- (ii) imprisonment for a term not exceeding three years, or to both.”.

Impact: By adding the proviso, the maximum fine is capped up to 200 currency points, equivalent to Tzs 4,000,000, even if the twenty percent of the value of goods sold or service rendered is more than that.

✚ Amendment of Second Schedule: Currency point.

Second schedule has been amended to change the value of Currency point to read as under:-

1 currency point equals to ~~15,000/=~~ 20,000/= Tanzania Shillings.

Impact: All fines and penalties, quantified in currency points shall go up by 1/3rd of the existing amount.

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

+ Amendment of section 124: Imposition of excise duty

Section 124 has been amended by adding paragraph (d) to subsection 6A, which reads as under:

“(d) a service provider for commercial advertisement on betting, gaming or lotteries through print media, television or radio broadcasting:

Provided that, the provisions of this paragraph shall not apply to non-commercial advertisement of promotions, national lottery and licensed trial games. “

The rate of Excise duty under sub section 3A is 10%.

Impact- Commercial Advertisement service provider shall charge excise duty when they advertise for betting, gaming or lotteries.

+ Amendment of section 130: Double payment of duty

Section 130 has been amended to add the following provision:

“Provided that, where excise duty has been paid in respect of excisable goods classified under HS Code 2207.10.00 imported into or locally manufactured in Tanzania by a licensed manufacturer which has been used as a raw material in manufacturing other excisable goods of heading 22.04 or 22.08, the excise duty paid on the raw material of HS Code 2207.10.00 shall be offset against the excise duty payable on the finished goods under heading 22.04 or 22.08.”.

Impact- HS Code 2207.10.00 is for Un-denatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher while HS Code 22.04 is for Wine of fresh grapes, including fortified wines and 22.08 is for Un-denatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages. Therefore, when items of HS Code 2207.10.00 is used as a raw material for production of items for HS Code 22.04 or 22.08, duty paid on raw material shall be available for offset against the duty payable on final products.

✚ Amendment of section 137: Information and documents.

Section 137 has been amended by deleting subsection (4) and substituting for it the following:

137 (4) – Every return required by subsection (3) shall be submitted not later than 25th day of the month following the month to which the return relates.

Provided that, the Commissioner General may, where he is satisfied that it is reasonable so to do, permit the manufacturer or provider to submit his return in respect of any month to which the return relates.

Impact- Earlier this return was required to be submitted by the end of the month following the month to which it relates, now it has to be submitted in 25 days from the end of the month.

✚ Addition of section 146A: Remission of duty on un-denatured ethyl alcohol

A new Section 146 has been introduced to read as under:-

146A. Notwithstanding section 124, the Commissioner may, upon approval of the responsible Minister, grant to any person a remission of excise duty payable on un-denatured ethyl alcohol under HS Code 2207 used for-

- (a) production of industrial energy where the person produces the un-denatured ethyl alcohol; or
- (b) medical or laboratory use.”.

Impact- The excise duty on un-denatured ethyl may be remitted when it is supplied to a person producing industrial energy or when it is to be used for medical or laboratory use.

Apart from the above there are various rates changed in the Excise Duty and introduction of new rates and deletion of some items as specified in fourth schedule to the Act.. Kindly refer to Finance Act 2024 for such changes.

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

+ Amendment of section 26: Issuance of bank notes and coins

Existing Section 26:

The Bank shall have the sole right to issue bank notes and coins in and for Tanzania which shall be the only legal tender in Tanzania.

Amended Section 26:

- 1) The Bank shall have the sole right to issue bank notes and coins in and for Tanzania which shall be the only legal tender in Tanzania.
- 2) Save as otherwise prescribed by the Minister in the regulations, a person who transacts using any other currencies other than the legal tender issued by the Bank, commits an offence.

Impact: All the transactions from now on will be in Tanzanian Shillings. However it would be important to see what comes up in the regulations in this regard, which are awaited.

AMENDMENT OF THE EXPORT TAX ACT, (CAP. 196)

✚ Amendment of Schedule of The Export Tax Act

Following items have been made subject to the Export tax and accordingly these items have been added to the schedule after item 3:

No.	H S Code	Item Name
4	Crude sunflower oil of HS Code 1512.11.00	Ten percentum on the FOB value of the commodity
5	Sunflower seeds of HS Code 1206.00.00	

AMENDMENT OF THE RAILWAYS ACT, (CAP. 170)

✚ Amendment of section 68: Railway Infrastructure Fund

Section 68 (5) has been amended to increase the Railway Development Levy on imports from Existing 1.5% to 2%.

AMENDMENT OF THE IMPORTS CONTROL ACT, (CAP. 276)

+ Addition of New Section 18A – Industrial Development Levy.

A new Section 18 A has been introduced to charge a new levy known as Industrial Development Levy. The section reads as under:

18A. (1) There shall be charged a levy known as Industrial Development Levy.

(2) The levy referred to under subsection (1) shall be charged-

(a) at the rates specified in the Schedule; and

(b) on customs value of imported goods entered for home consumption in Mainland Tanzania in accordance with procedures applicable under the East African Community Customs Management Act.

(3) The levy shall not apply to goods originating from East African Community Partner States that meet the East African Community Rules of Origin

The Items subjected to this levy and Rate are given in the Schedule to the Act, to read as under:

GOODS SUBJECT TO INDUSTRIAL DEVELOPMENT LEVY

S No.	HS Code	Description	I.D. Levy Rate
1	7213.91.10 7213.91.90	Wire rod	10%
2	2203.00.10 2203.00.90	Beer	5%
3	2204.10.00 2204.21.00 2204.22.00 2204.29.00 2204.30.00 2205.10.00 2205.90.00	Wine	10%
4	2202.99.00	Energy Drink	5%
5	2202.91.00	Non-alcoholic Beer	5%
6	3402.50.00 3402.90.00	Other organic surface-active agents, whether or not put up for retail sale	10%
7	2523.10.00	Cement Clinkers	10%
8	2523.29.00	Portland Cement	10%