



TAX CARD 2021/2022

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Our Profile

INNOVEX is a Pan-African advisory, taxation, assurance and IT services firm that has been in operation since 2006. (14 year of experience). We provide services to business enterprises, non businesses, and the public sector across Africa. The Operational Target Area of INNOVEX is Africa, where we provide a full range of professional services in Management consulting, Accounting and Audit, Tax, IT consulting, Procurement and Enterprise risk management.

Our Values

To provide vital support to our clients, we believe that we must possess these characteristics: Innovation; Knowledge Sharing; Excellence; Partnership; Integrity; Trustworthiness and Confidentiality.

Our Vision

Becoming a renowned partner in moving Africa forward, through our innovative professional services.

Our Mission

Causing a meaningful change in Africa, by supporting organizations to provide better and value adding services.

Further Information

Tax

Christopher Alex Mageka
Losindilo Dalmas Nyaoro

Partner
Tax Consultant

email: christopher.mageka@innovexdc.com
email: Losindilo.nyaoro@innovexdc.com

Assurance/Audit

Christopher Alex Mageka
Irving Silva Manning

Partner
Partner

email: christopher.mageka@innovexdc.com
email: irving.manning@innovexdc.com

Advisory

Leonard Chacha Kitoka

Director

email: leonard.chacha@innovexdc.com

IT Consulting

Irving Silva Manning

Partner

email: irving.manning@innovexdc.com

Disclaimer

This Tax Card reflects taxes as per year 2021/2022. Though we have taken all rational attention in amassing this card, INNOVEX accepts no responsibility for any errors it may contain, whether caused by omission or otherwise, or for any loss that may result, caused, or sustained by any person that places reliance on it.



8 Kilimani Road, ADA Estate, 14110 Kinondoni
P.O. Box 75297 Dar Es Salaam, Tanzania
Tel: +255 222 664 099

Contact Us
info@innovexdc.com
www.innovexdc.com

Our Services

Tax Services

Tax health check
Administration of Tax Returns
Transfer pricing documentation
Handling of Tax matters
Tax advisory
Tax planning
Tax refunds
Application of charitable Status
Training and capacity building
Technical advice
Exemptions and waiver
Tax registration and clearance
Tax due diligence Audits
Capital gains
Representing clients on Tax Audits
Advice on Applicable Tax Incentives

Audit

Statutory Audits
Project Audits
Performance/Managements Audits
Internal Audits
Technical Audits
Special Audits and Investigations
Value for Money Audits and
Financial Audits
Preparation of Statement of Affairs for Receiverships

Procurement Advisory

Procurement Audit and Investigations
Procurement Planning
Procurement Training
Preparation of Tender Documents
Tender Evaluations
Procurement Agency Services

Management Consulting

Institutional Development and Capacity Building
Performance Assessment
Organizational Structure
Strategic Planning
Project Evaluations (Baseline, Mid-line and
End-line Evaluations)
Public Expenditure and Financial Accountability
Assessment
Expenditure Review, Project Reviews
Business Development
Process Improvement
Research and Monitoring and Evaluation

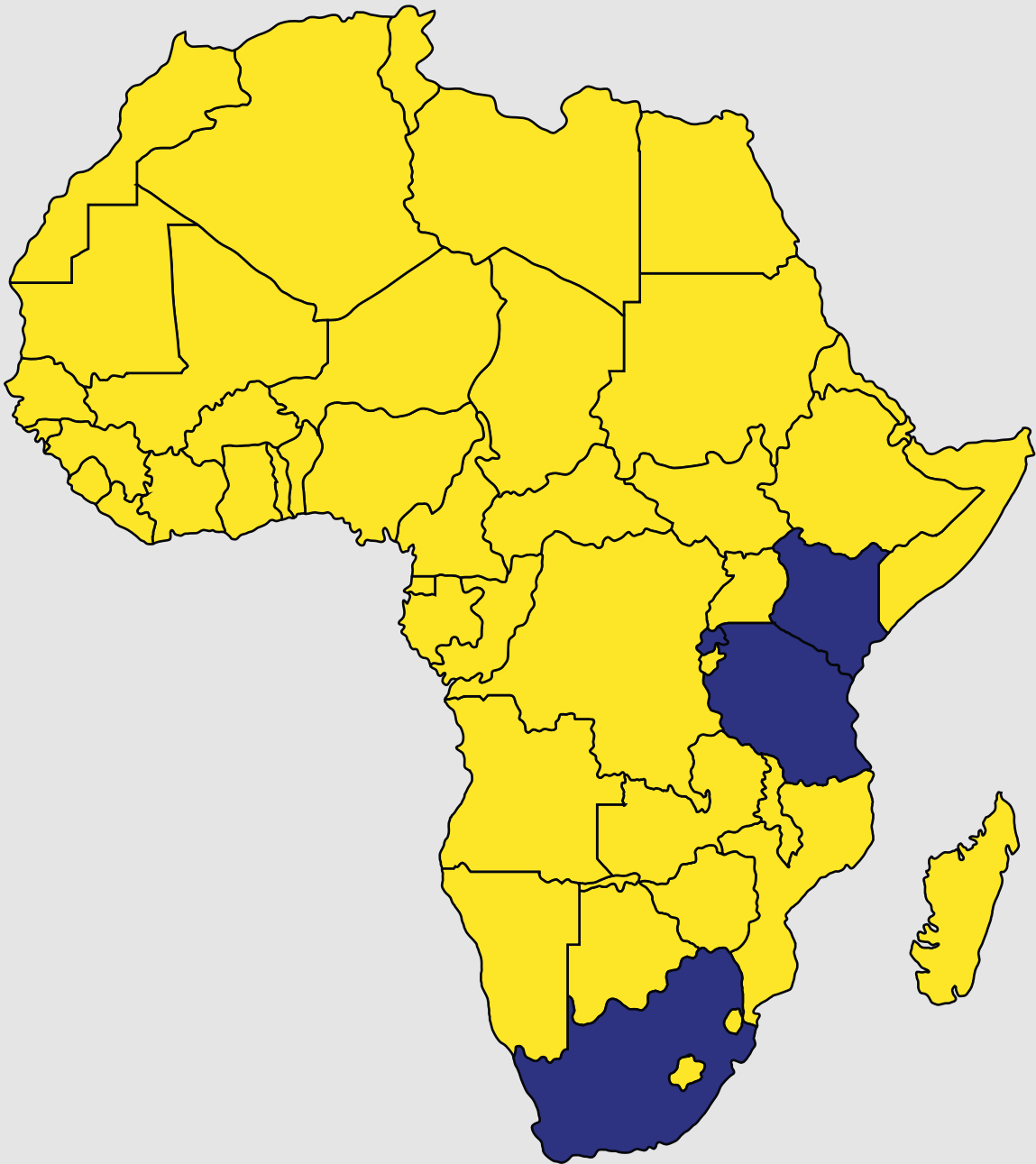
Financial Management and Accounting

Development of Accounting Systems
Design and Installation of Internal Control Procedures
Preparation of Books of Accounts and Financial
Statements
Special Purpose Accounting Work
Development of Accounting Policies/Manuals
Advice on Accounting Standards (IFRS and IPSAS)
and Practices

IT Consulting

Cybersecurity
Big Data & Analytics
IT Strategy
Enterprise Solutions

Our Blueprint



INNOVEX, headquartered in Dar es Salaam, Tanzania is also registered in the following countries: Rwanda, South Africa, Kenya, and USA (Delaware State).

However, operationally, INNOVEX provides services across Sub-Saharan Africa to include Malawi, Zambia, Southern Sudan, Burundi, Congo DRC, Ethiopia, Lesotho and Somalia.



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CORPORATE TAX



		Resident	Non-Resident
1	Corporation, Trust, Unapproved Retirement fund	30%	30%
2	Domestic Permanent Establishment of a non-resident person	N/A	30%
3	Corporation with perpetual unrelieved loss for 3 consecutive years excluding Corporation conducting Agricultural business, provision of health or Education	0.5% of the turnover of the third year of perpetual unrelieved loss	N/A
4	A newly listed company with the Dar es Salaam Stock Exchange with at least 30% of its equity ownership issued to the public for three consecutive years from the date of listing	25%	25%
5	A newly established entity dealing in manufacture of pharmaceuticals or leather products and having a performance agreement with the Government of the URT shall be taxed at reduced corporate rate for five consecutive years from the year of commencement of production	10%	N/A
6	Repatriated Income of a Domestic Permanent Establishment of a Non-Resident Person	10%	N/A
7	A corporation with a newly established plant for assembling motor vehicles, tractors, fishing boat or out boat engine and having a performance agreement with a government of URT for the first five years from commencement of production	N/A	10%

Depreciable Assets, Allowances and the Applicable Rates

CLASS	DEPRECIABLE ASSETS	RATES
1*	Computers and data handling equipment together with peripheral devices, automobiles, buses and minibuses with a sitting capacity of less than 30 passengers, goods vehicles with a capacity less than 7 tones, construction and earth moving equipment	37.5%
2*	Buses with a seating capacity of 30 or more passengers, heavy general purpose or specialized trucks, trailers, and trailer mounted containers, rail road cars, locomotives, and equipment, vessels, barges, tags and similar, water transportation equipment, air craft, other self propelling vehicles, plant and machinery used in agriculture or manufacturing	25%
3*	Office furniture, fixtures and equipment, any asset not included in another class	12.50%
5**	Buildings, structures, dams, water reservoirs, fences, and similar works of a permanent nature used in agriculture, livestock farming or fish farming	20%
6**	Buildings, structures, and similar works of permanent nature other than those mentioned in class 5 and assets owned and employed by a person on International pipeline	5%
7**	Intangible assets	1 divided by the useful life of the asset in the pool and rounded down to the nearest half year
8**	Plant and machinery (Including windmills electric generators and distribution equipment) used in agriculture and Elec- tronic Fiscal Devices (EFD) purchased by non VAT registered traders, equipment used for prospecting and exploration of minerals or petroleum	100%

NOTE 1

Depreciation allowance: expenditure incurred in acquiring a road vehicle, other than a commercial vehicle, to the extent that the expenditure exceeds Tshs. 30,000,000/= the excess shall not be recognized

NOTE 3

International Pipeline means;" means a cross border pipeline for transportation of crude oil from a foreign country to a port facility in the United Republic in which such crude oil is exported to another foreign country

NOTE 2

- * Pools of depreciable assets calculated basing on Diminishing Value Balance Method
- ** Pools of depreciable assets calculated basing on Straight Line Method

Class 4 deleted by the Finance Act 2016

Withholding Tax

	Withholding tax	Resident	Non-Resident
1	Dividends from the Dar es salaam Stock Exchange listed corporations	5%	5%
2	Dividend from resident corporation to another resident corporation where the corporation receiving the dividend holds 25% or more of the shares in the corporation	5%	N/A
3	Dividends from other corporations	10%	10%
4	Interest	10%	10%
5	Royalties	15%	15%
6	Rental Income	10%	15%
7	Service Fee	5%	15%
8	Commission on money transfer through mobile phone	10%	N/A%
	Commission, fees or other charges on commercial bank services and digital payment services to agent	10%	N/A%
9	Rental Income	5%	15%
10	Insurance Premium	N/A%	5%
	Management and Technical services fees (mining, oil and gas)	5%	15%
11	Transport (Non-resident operator/ charterer without permanent establishment)	N/A%	5%
	Transport across borders	N/A%	5%
12	Resident corporation (whose budget is wholly or substantially financed by the government budget) which makes a payment in respect of goods supplied by a resident person in the course of conducting business	2% of gross payment	N/A
	Resident corporation which makes payment in respect of agricultural, livestock and fishery products supplied by a resident person	2% of gross payment	N/A
13	Natural Resources service fee	15%	15%
14	Directors Fee (Non full time Directors)	15%	15%
	Gains on Realization of an Asset		
15	Person's asset (Entity and Individual) Exemption on realization of Investment assets: a) Private residence - Gains of Tshs. 15 million or less b) Agricultural land - Market value of less than Tshs 10 million c) Shares - DSE shares held by a person with share holding less than 25% (d) Units in an approved Collective Investment Scheme	10%	20%

Withholding Tax

S/N	Withholding tax	Resident	Non-Resident
16	Other withholding payments Note Reliefs may apply to SEZ/EPZ investors, strategic investors, certain loans in relation to Government projects	15%	15%
17	Transport across borders. (Non - resident transport operator/ charter without permanent establishment) Exemption Payment received in respect of carriage of fish or horticulture products by a foreign aircraft	N/A	5%

Individual and Employment Taxes and Levies

Resident Individual Income Tax (Tanzania Mainland and Zanzibar) With effect from 1st July 2021

Total Income		Tax Rate
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/=	8% 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.240,000/= 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. 816,000/= plus 25% of the amount in excess of 9,120,000/=
5	Where the total income exceeds 12,000,000/=	Tshs.1,536,000/= plus 30% of the amount in excess of 12,000,000/=

Total Income	Tax Rate
Income of a non-resident employee of a resident employer	15%
Total income of non-resident individual	30%
Employee with secondary employment	30%
Directors other than full time service directors	15%
WCF (Workers Compensation Fund)	0.6% of the total gross monthly salary of employees (for private sector)
	0.5% of the total gross monthly salary of employees (for public sector)
Social Security (NSSF, PSSSF) ((10% or 5% Employer and 10% or 15% Employee remitted by employer)	20%

Employment Benefits

S/N	Benefit in Kind	Tax Rate	
1	Housing Benefit	<p>The lower of the Market Value Rent of the premises and the higher of the following:</p> <ul style="list-style-type: none"> - 15% of the employee's total annual income and - The expenditure claimed as deduction by the employer in respect of the premises 	
2	Motor vehicle Benefit	Based on engine size and age of a vehicle provided	
	Engine size	Engine size up to 5 years old (TSHS)	Greater than 5 years old (TSHS)
	Not exceeding 1000cc	250,000/=	125,000/=
	Above 1000cc not exceeding 2000cc	500,000/=	250,000/=
	Above 2000cc not exceeding 3000cc	1,000,000/=	500,000/=
	Above 3000cc	1,500,000/=	750,000/=
	NOTE The Motor vehicle benefit is not applicable where the employer does not claim deduction in respect of the ownership, maintenance or operation of the vehicle		
3	Loan Benefit	<p>When an employer provides a loan to an employee and the loan is at the interest rate below statutory rate, the amount of benefit in kind is taken as the difference of the following:</p> <ul style="list-style-type: none"> i. The amount of interest that would have been paid if the interest on loan would be charged at statutory rate and ii. The amount of interest paid on the loan at the rate provided 	
	Exception Where an employer provides a loan whose term is < 12 months and the aggregate amount of the loan and similar loans outstanding at any time during the previous twelve month period do not exceed three months basic salary of an employee, then the amount of benefit in kind is nil		
4	Other benefits in kind	The market value will apply in determining other benefits in kind	

Skills Development Levy (SDL)

S/N	Skills Development Levy (SDL)	Rates
1	Rate on monthly gross emolument for Tanzania Mainland	4%
2	Rate of the monthly gross emolument for Tanzania Zanzibar	5%
3	An individual employer engaged in a small scale mining operation	0.4% of the sale value of the minerals at the time of selling minerals and payment of royalty at Mineral and Gem Houses or at buying stations

The Individual Presumptive Tax Assessment

The Individual Presumptive Tax Assessment		
Annual Turnover	Compliance with section 35 of TAA Cap 438 (Record Keeping)	
	Not complied	Complied
Where turnover does not exceed Tshs 4,000,000/=	NIL	NIL
Where turnover exceeds Tshs 4,000,000/= but does not exceed Tshs 7,000,000/=	Tshs 100,000/=	3% of turnover in excess of Tshs 4,000,000/=
Where turnover exceeds Tshs 7,000,000/= but does not exceed Tshs 11,000,000/=	Tshs 250,000/=	Tshs 90,000/= plus 3% of turnover in excess of Tshs 7,000,000/=
Where turnover exceeds Tshs 11,000,000/= but does not exceed Tshs 14,000,000/=	Tshs 450,000/=	Tshs 230,000/= plus 3% of turnover in excess of Tshs 11,000,000/=
Where turnover exceeds Tshs 14,000,000/= but does not exceed Tshs 100,000,000/=	NOT APPLICABLE	Tshs 450,000/= plus 3.5% of turnover in excess of Tshs 14,000,000/=

NOTE

Presumptive tax system

- This is a tax system where individuals are taxed based on their annual turnover.
- The Taxpayers under this system are not obligated to prepare and submit audited accounts to the TRA.
- However, he may opt not to apply the system and prepare audited accounts and pay tax based on profits.

Conditions which qualify to be in Presumptive tax system.

- The Taxpayer must be a resident individual
- The annual turnover of the business does not exceed the threshold of TSHS 100 million.
- Tax payer must conduct business only for the year of income hence not be engaged in any other activities such as employment or investments. Under the presumptive tax system, individual's income must be derived solely from business sources. If income is derived from other sources such as employment and/or investment the presumptive scheme cannot be used.
- The individual's income for any year must consist exclusively of income from business with sources in the United Republic of Tanzania.
- Registration of small vendors and service providers conducting business in an informal sector whose turnover is less than Tsh 4,000,000/= shall be recognized and be issued with an Identification Card

Penalties and Interests

S/N	INTEREST	Implications
1	Interest for underestimating tax payable	At statutory rate compounded monthly, applied to the excess of (a) The total amount of income that would have been paid by way of installments during the year of income (b) The amount of income tax paid by installments during the year of income
2	Interest for failing to pay tax	Interest at the statutory rate compounded monthly on amount of tax imposed under a tax law remains unpaid after the due date
	PENALTIES	Implications
1	Failing to maintain documents	An individual -1 currency point for each month or part of a month during which the failure continues Body corporate -10 currency points for each month or part of a month during which the failure continues
2	Failing to file tax return	Whichever is higher for each month or part of a month during which the failure continues between; - 2.5%*the amount of tax assessable with respect to the tax return Less - Tax paid by the start of the period towards that amount OR in the case of An individual - 5 currency points or Body corporate - 15 currency points
3	Making false or misleading statements	50% of the tax shortfall (where the statement or omission is made without reasonable excuse) or 75% of the tax shortfall (where the statement or omission is made knowingly or recklessly) Whereby Increased by 10% (for the second or subsequent application) and Reduced by 10% (if the person voluntarily discloses the statement prior to its discovery by the tax officer or the next tax audit of the person)
4	Aiding and abetting	Liable on conviction for a penalty equal 100% of the tax shortfall
5	Employment "Any Employer with non – citizen who fails to submit monthly returns to the Labour Commissioner information of his/her employees including details of their salaries"	500,000/= shillings per month of late submission or sanction of 12 months' imprisonment or a fine of 10,000,000 million shillings or both

Penalties and Interests

S/N	PENALTIES	Implications
6	Local Government Act Service Levy- Penalty for failure to pay rates and for willful misrepresentation	Fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding three months
7	Social Security Fund	
	NSSF-late payment	5% of the amount unpaid for each month or a part of a month
	PSSSF- late payment	Fine of not less than fifty million shillings but not exceeding one hundred million shillings or to imprisonment for a term not less than one year but not exceeding five years or to both
	WCF- late payment	Interest rate as determined by the Director General of Worker's Compensation Fund ie. Currently ten per centum (10%) of the amount unpaid as interest for the delayed time or fine of up to Tshs 50 million or imprisonment for a term of ten (10) years or both
8	Transfer Pricing Failure to prepare TP Documentation	Penalty not less than 3500 currency points ie. 1 currency point =Tshs 15000/=

Local Taxes

1	Service Levy for corporate entities or any person conducting business with business licence - charged on turnover	Rate set by LGA - Maximum rate : 0.3% of turnover net of the value added tax and excise duty
2	Property Tax NOTE Payment for property tax will be made on every purchase of the electricity unit up to the limit of the rates mentioned for the respective month	Tshs 1,000/= per month on ordinary buildings with one meter; and a rate of 5,000/= shillings per month for every storey building or apartments with one meter
3	Land Rent on Occupation ie. On processing the Certificate of Occupancy New land occupancy Regularizing Land	Premium rate of 0.5% Premium rate of 0.5%

Submission and Remittance

		Document	Submission	Payment
1	Withholding tax NOTE PAYE and other withholding taxes	Withholding tax statement NOTE The statement will include Withholdee TIN	Seven days of the month following the month to which the tax relates	Within seven days after the end of each calendar month
2	SDL	An employer is obliged to submit the SDL monthly returns	Seven days of the month following the month to which the tax relates	Seven days of the month following the month to which the tax relates
3	Corporate Tax Return	Estimated Tax Return	Date for payment of the first tax instalment on estimate of tax payable for the year of income NOTE A resident person who conducts agricultural business involving seasonal crops in the United Republic during a year of income and conducts no other business instalments for the year of income shall file by the end of September	For accounts based on Calendar year · On or before 31st March · On or before 30th June · On or before 30th September · On or before 31st December NOTE Payments for other accounting dates are made at the end of every quarter, depending on one's accounting period
		Final Tax Return	Within six months from the end of the accounting period	
4	Value Added Tax (VAT)	VAT Return	20th day of a month after the end of the tax period Note Where the 20th day falls on a Saturday, Sunday or a Public holiday, the value added tax return shall be lodged on the first working day following a Saturday, Sunday or a Public holiday	Local Supplies 20th day of a month after the end of the tax period to which it relates VAT on Imports At the time import duty is due and payable in accordance with East African Community Customs Management Act, 2004

Submission and Remittance

		Document	Submission	Payment
5	Excise Duty	Excisable Service and Manufactured Goods Return	Not later than the last working day of the month following the month to which the return relates	Not later than the last working day of the month following the month to which the return relates Excise Duty on imports At the time import duty is due and payable in accordance with East African Community Customs Management Act, 2004
6	Transfer pricing documentation		Due with final return if related party transactions exceed TZS 10bn otherwise within 30 days of request	
7	WCF	Return of annual earnings	Employers to submit return of annual earnings of their employees every year by 31st March	Every Last working day of the following month

		Payment
8	NSSF	Every Last working day of the following month
9	PSSSF	Every Last working day of the following month

NEMC

Enviromental Fees and Charges	Fee
Fee for destroying expired medicines	Tshs 100,000/=
Annual environmental Fee	Tshs 100,000/=
NOTE Based on new Amendments on finance act 2021/2022 on NEMC Regulation	

Customs

Import Duty	
Items	Duty Rate
Raw materials, Pharmaceuticals and capital goods, Hand hoes, agricultural implements	0%
Semi-finished goods	10%
Final consumer goods or finished commercial goods	15%
Some sensitive items are charged at a higher rate than 25% with the intention of protecting local industries. (E.g. Yoghurt milk and Cream containing sweetening matter, Cane or beet sugar and chemically pure sucrose in solid form, Sacks and bags of a kind used for the packing of goods, Worn clothing and other worn articles (mitumba)	
Export Levy: Raw cashew nuts	15% FOB Value or 15% FOB or USD 160 per metric tones whichever is greater
Custom processing fee	0.6% of FoB value
Railway Development Levy (Charged based on Customs Value on goods entered for home consumption in Mainland Tanzania)	1.5% of CIF
Export Tax	
Raw hides and skins	80% FOB Value or USD 0.52 / Kg whichever is greater
Wet blue leather	10% of FOB Value
De minimis value where customs duties shall not be collected as per EACCMA, 2004 AMENDED 2021	USD 50

Meat Board of Tanzania

	FEE
Clearance Fee	Tshs 70,000 per Consignment

Osha

	Charge
Electrical Inspection, Electrical Insulation Test and General Inspection Fee	Tshs 150,000

Double Tax Agreement

Tax treaties	In force: Canada, Denmark, Finland, India, Italy, Norway, South Africa, Sweden, Zambia
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Excise Duty

1	Specific Rates on:	RATES/CHARGE
	Wine, Spirits, Beers, Soft Drinks, Fruit Juices, Recorded DVD, VCD, CD and audio tapes, Cigarettes, Tobacco, Petroleum Products, Natural Gas	Vary Rates
2	Ad-valorem rates are:	
	10%, 15%, 17%, 20%, 25%, and 50%	
	Imported furniture and imported seats other than those of heading 94.02	15%
	Shopping plastic bags	50%
	Imported and locally produced synthetic (plastic) fibres (Heading 55.11 and 56.07) except fishing twine (HS Code 5607.50.00)	10%
3	Excise duty on powdered beer and powdered juice	
	Imported powdered beer with HS Code 2106.90.00	Tshs. 844/= per kilogram
	Imported powdered juice with HS Code 2106.90.00	Tshs. 232/= per kilogram
4	Excise Duty on Motor vehicles based on engine capacity	Applicable Rate
	Description of vehicle	
	Of cylinder capacity less than 1000 cc	0%
	Of cylinder capacity exceeding 1000 cc but not exceeding 2000 cc	5%
	Of cylinder capacity exceeding 2000cc	10%
5	Excise Duty on Imported used vehicles	
	Imported vehicles aged from eight (8) years but not more than 10 years, counted from the year of its manufacture	15%
	Imported vehicles aged ten (10) years or more, counted from the year of its manufacture	30%
	Note Excluding passenger vehicles under HS Code 8702.10.22, 8702.10.29, 8702.10.99, 8702.90.29 and 8702.90.99	
6	Imports of used vehicles spare parts:	
	Imported used spare parts for motor vehicles and motor cycles	25%
7	Excise Duty on other Goods/ Other Services	
	Fees and levy paid to tel communication cooperation in respect of money transfer services	10%
	Fees or charges payable to Financial Institution or Telecommunication companies for money transfer services	10%
8	Imported Motorcycles	
	Imported used Motorcycles aged more than 3 years (HS Code 8711)	10%

	Items	Rate
1	Conveyance	
	Consideration below Tshs 20,000	Nil
	Consideration amount exceeds Tshs 20,000	0.5% for the first Tshs100,000 then 1% for the value excess of Tshs 100,000
	Conveyance for agricultural land	Tshs 500/=
2	Legal and commercial instruments are charged at a specific rates as specified in the law	

Exemptions

- Receipts on sales of goods or services for business
- Transfer of ownership of assets to the special purpose vehicles (SPV) for purpose of issuing asset-backed securities

Minerals

	Individuals engaged in small mining operations whose annual turnover does not exceed Tanzania shillings100 million per annum	Rate
1	Income tax on Sale value of the minerals	3%
2	Income tax of the sale value of the minerals NOTE Payment shall be deemed as · PAYE from employment income of an employee to an individual in a small scale mining operations at the time of selling minerals and · Payment of royalty at buying stations or at Mineral and Gem Houses designated by the Mining Commission	0.60%

Type of Minerals	Royalty Rate (on gross value)
Uranium	5%
Gemstone and Diamond	6%
Metallic minerals such as copper, gold, silver, and platinum group minerals	6%
Gem	1%
Other minerals, including building materials, salt, all minerals within the industrial minerals group	3%

Exemption from Royalty payment

Samples of minerals acquired for the purposes of assay, analysis or other technical examination if the market value of such samples of minerals is not more than Tshs 50000/=

Depreciation Allowances for Minerals or Petroleum Operations

Year of Income	Depreciation Allowance
First Year	20% of expenditure
Second Year	20% of expenditure
Third Year	20% of expenditure
Fourth Year	20% of expenditure
Fifth Year	20% of expenditure

Value Added Tax

VAT RATES Tanzania Mainland	
Description of goods/ supplies and services	VAT rates
Supply of taxable goods and services in Mainland Tanzania	18%
Importation of taxable goods and services into Mainland Tanzania	18%
Export of goods and certain services from the United Republic of Tanzania	0%
A supply of ancillary transport services of goods in transit through mainland Tanzania include: <ul style="list-style-type: none"> An integral part of the supply of an international transport services In respect of transit goods stored at the port, airport, or a declared customs area for not more than thirty days while awaiting onward transport or for such further additional period as the Commissioner for Customs may authorise 	0%
Transportation services of Crude oil and all other related services attached in transportation of crude oil through the pipeline which will be constructed under an intergovernmental agreement between the Government of Tanzania and Government of Uganda (EACOP)	0%

VAT Rates in Zanzibar	
Description of goods/ supplies and services	VAT rates
Supply of taxable goods and services in Zanzibar	15%
Importation of taxable goods and services into Zanzibar	15%
Export of goods and certain services from Zanzibar	0%
A supply of ancillary transport services of goods in transit through mainland Tanzania include: <ul style="list-style-type: none"> An integral part of the supply of an international transport services and Transit goods stored at the port, airport, or a declared customs area for not more than thirty days while awaiting onward transport or for such further additional period as the Commissioner for Customs may authorise 	0%

VAT Registration Threshold Tanzania Mainland

- Taxable turnover exceeding Tshs 100 million per annum
- Taxable turnover exceeding Tshs 50 million in six months
- A person carrying an economic activity involving the supply of professional services
- Government Entity or institution which carries on economic activities

VAT Registration Threshold Zanzibar

Taxable turnover exceeding Tshs 50 million per annum

Some of VAT Exemptions

Exempt supplies and imports are provided in the Schedule to the VAT Act, Cap 148. r/w. Finance Acts 2017 to 2021

1. On medicines, pharmaceutical equipment, packaging materials specifically printed with names of manufacturers of local pharmaceuticals
2. Food supplements or Vitamins supplied to the Government
3. Smartphones, Tablets and modems
4. Artificial grass on football pitches
5. Contactless smartcards
6. Imported precious metals and raw minerals

Chargeable Rate for the Electronic Mobile Money Transfer and Withdrawal Transactions Levy by Government

S/N	Electronic MobileMoney Transfer and Withdrawal amount in (Tshs)	Levy (Tshs)
1	1 to 999	0
2	1,000 to 1,999	7
3	2,000 to 2,999	11.2
4	3,000 to 3,999	18.9
5	4,000 to 4,999	39.2
6	5,000 to 6,999	70
7	7,000 to 9,999	87.5
8	10,000 to 14,999	224
9	15,000 to 19,999	427
10	20,000 to 29,999	672
11	30,000 to 39,999	770
12	40,000 to 49,999	1,050
13	50,000 to 99,999	1,435
14	100,000 to 199,999	1,771
15	200,000 to 299,999	2,058
16	300,000 to 399,999	2,450
17	400,000 to 499,999	2,870
18	500,000 to 599,999	3,640
19	600,000 to 699,999	4,480
20	700,000 to 799,999	4,970
21	800,000 to 899,999	5,264
22	900,000 to 1,000,000	6,230
23	1,000,001 to 3,000,000	6,580
24	3,000,001 and above	7,000

	Time to remit	Penalty/Interest
Due Date to Remit Electronic Mobile Money Transfer and Withdrawal Levy	Within 7 days of the month following the month to which the levy relates	Interest for each month or part thereof continues compounded at statutory rate issued by BOT
Due Date to File Return for Electronic Mobile Money Transfer and Withdrawal Levy	Within 7 days of the month following the month to which the levy relates	Penalty of 1 million Tanzanian shillings for each month or part of the month thereof during which failure continues

NOTE

"Transfer" means the transfer of electronic mobile money from the user's mobile money account to another mobile money account, the user's mobile money account to bank account, a bank account to bank account but does not include transfer from a bank account to a mobile account

"Withdrawal" means withdrawal of cash from a user's mobile money account or bank account in a payment system through a collector's agent