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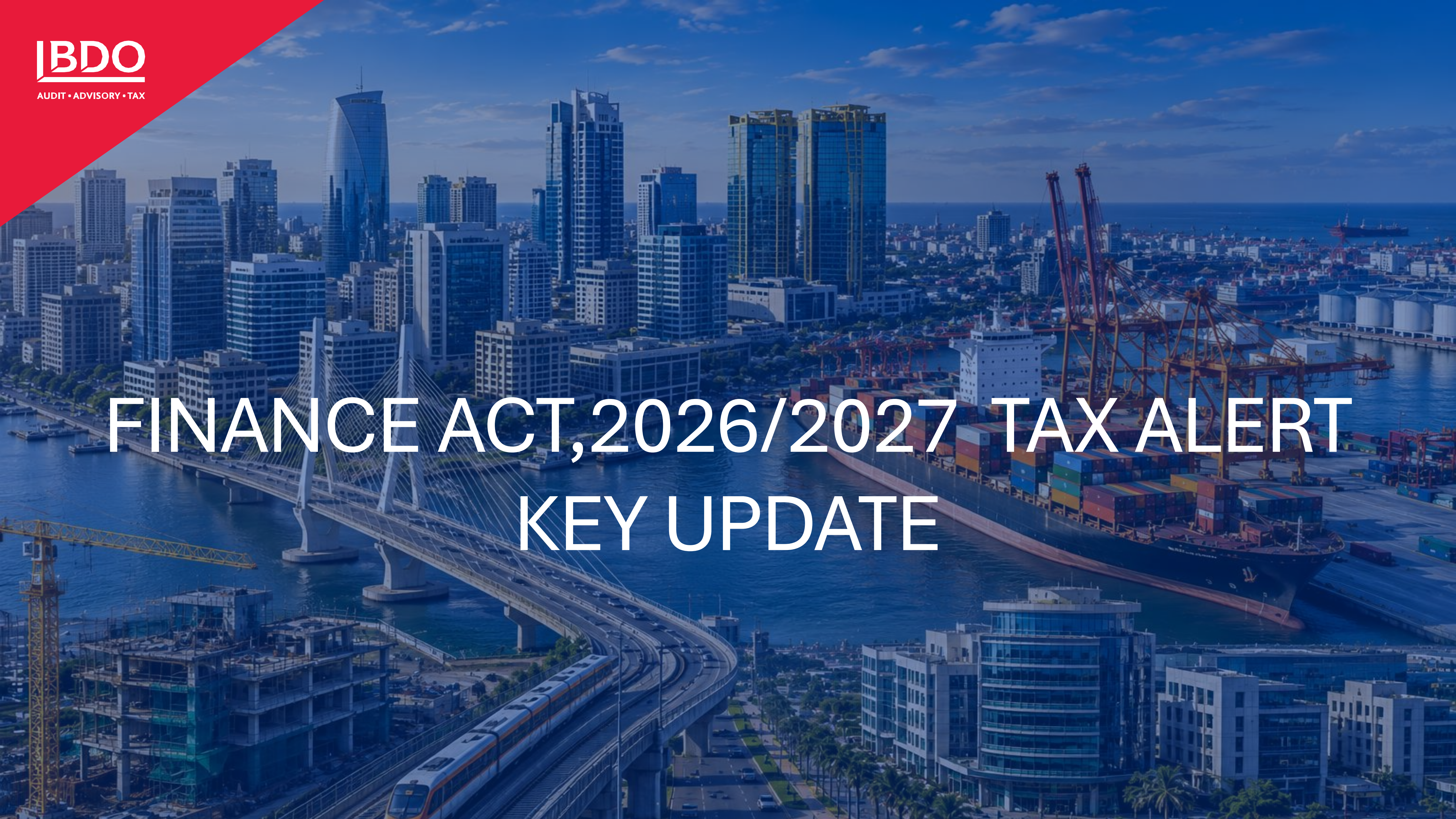

FINANCE ACT,2026/2027 TAX ALERT KEY UPDATE

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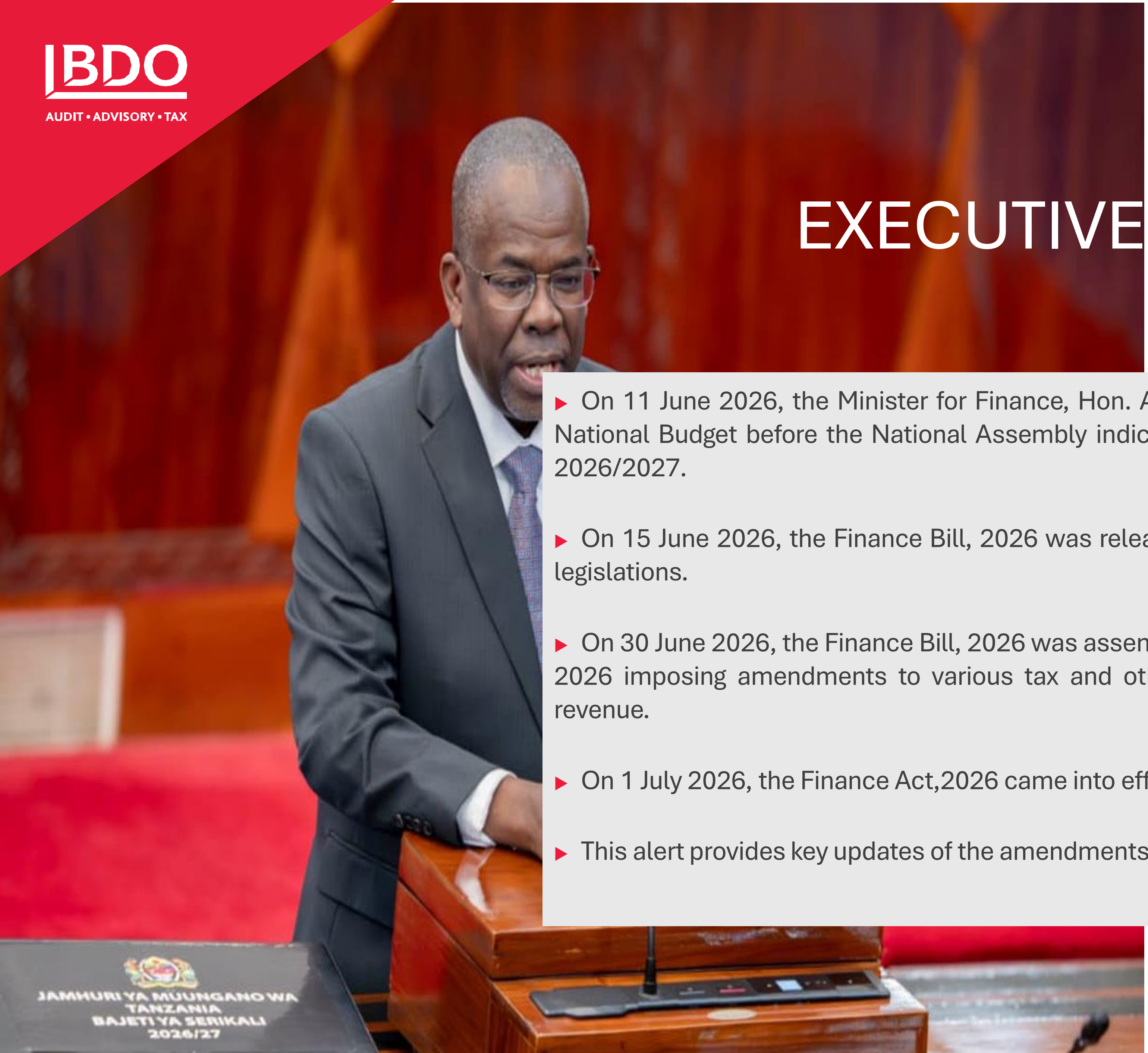
INTRODUCTION



EXECUTIVE SUMMARY

- On 11 June 2026, the Minister for Finance, Hon. Ambassador Khamis Mussa Omar (MP.), tabled the FY 2026/2027 National Budget before the National Assembly indicating the Government revenue and expenditure for the fiscal year 2026/2027.

- On 15 June 2026, the Finance Bill, 2026 was released to the Public proposing amendments to various tax and other legislations.

- On 30 June 2026, the Finance Bill, 2026 was assented into a law by the President of Tanzania, making the Finance Act, 2026 imposing amendments to various tax and other legislations relating to collection and management of public revenue.

- On 1 July 2026, the Finance Act,2026 came into effect.

- This alert provides key updates of the amendments to various laws brought by the Finance Act, 2026.


KEY TAX CHANGES
AND THEIR
IMPLICATIONS

INCOME TAX ACT, CAP 332 (“ITA”)

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td rowspan="2">1.</td><td rowspan="2">Amendment of Section 10 – Minister may exempt income from tax</td><td>Section 10(3)(b) of the Act has been amended to include, among the agreements that the Minister may provide for an income tax exemption, a framework agreement entered into between the holder of a mining license and the Government for undertaking mining operations in which the Government has an ownership interest. Under this amendment, the exemption is granted during the construction phase of the mining project and ceases immediately upon the commencement of production.

This amendment reflects the Government's intention to promote investment, particularly foreign direct investment (FDI), in the mining sector while maintaining an ownership stake or level of control in mining projects. It also provides support to companies partnering with the Government by easing their tax burden during the project development and setup phase before production begins.</td></tr>
<tr><td>Section 10(3)(b) has also been amended to provide a new framework for income tax exemptions granted under a Strategic Investment Agreement.</td></tr>
</table>

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KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		Such exemptions are now available only to strategic investments or special strategic investments approved by the National Investment Development Committee under the Tanzania Investment and Special Economic Zones Act (TISEZA) and subsequently approved by the Cabinet. Previously, strategic investment matters were administered under the Tanzania Investment Centre (TIC). Following the transition from TIC to TISEZA, this amendment was necessary to align the provision with the legally established institution responsible for overseeing strategic investments.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
2.	Amendment of Section 33A – Avoidance of taxability by non-distribution of dividends	The Act has proposed amendments to this section to reduce the deemed undistributed profit from 30% of the profit for the year to 15% of the profit for the year. This means that the Tanzania Revenue Authority (TRA) will now deem undistributed profits to be 15% of the annual profit, instead of 30% as was the case before these amendments. The Act has also been amended to introduce exceptions under which the taxation of deemed undistributed dividends will not apply. These exceptions are as follows: (a) Companies listed in in Dar es Salaam Stock Exchange. (b) Financial institutions as defined under the Banking and Financial Institutions Act; (c) Insurance companies; and (d) Mining companies which have entered into Framework Agreement with the Government. There is no clear basis for why the exceptions to this rule are limited to the companies mentioned above. However, we observe that these exceptions predominantly apply to financial institutions rather than to companies in other sectors.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
3	Amendment of section 44 - Transfer of asset to associate or for no consideration	The Act has been amended under this section to provide that where an asset is transferred by a person (the transferor) to an associate or any other person by way of gift and the transferee subsequently realizes or transfers that asset, the cost to be used in computing the gain or loss on realization shall be the net cost of the asset at the time of acquisition, together with any subsequent costs incurred after acquisition, as if the transferor and the transferee were the same person, provided that the gain derived from the original realization or transfer was exempt from tax. Where the gain derived from the original realization or transfer was not exempt from tax, the transferee shall, upon a subsequent transfer of the asset, use as the cost for purposes of computing the gain or loss on realization, the higher of the market value of the asset, or its net cost, immediately before the original transfer or realization. Prior to these amendments, the net cost used for purposes of a subsequent sale was equal to the acquisition cost of the asset plus any subsequent costs incurred thereafter but with no condition of income tax exemption on gain on realization of asset.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
4.	Amendment of section 116 – Tax payment on income realized through digital market place	Following the amendment to Section 116(1) of the Act, the Digital Services Tax (DST) rate has been increased from 2% to 3%. As a result of this change, non-resident digital service providers will now be required to pay DST at the rate of 3% of the gross payments they receive on a monthly basis. This amendment appears to reflect the Government's intention to increase and broaden its sources for tax revenue by imposing a higher tax burden on non-resident digital service providers that fall within the scope of the DST regime.
5.	Amendment of section 116A – Single instalment tax on sale of forest produce	The timing for the payment of tax on the sale of forest produce has been amended such that the tax becomes payable upon the occurrence of either of the following events: (a) the date when the payment in respect of the forest produce is received, in whole or in part; (b) the date when the forest produce is about to be transported; (c) the date of parting with possession, use or control of the forest resources or produce; or (d) the date of payment of the forest cess under the Local Government Finance Act

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KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
5.		The definition of the term "*forest produce*" in section 116A has been amended to include natural varnish including latex, resin, sap or gums.
		The definition of the term "*an instalment payer*" in section 116A has been amended to mean a person other than a corporation who has sold to the other person forest resources before harvested resources or after have being the been harvested and sold to the other person produce; .
		Section 116A(5) has been amended by introducing a definition of "*farm gate price*" which has now been defined to mean "*the fair market value of forest produce that would fetch on such sale in the open market in the respective local government authority in the ordinary course of business between an instalment payer and a buyer independent of each other.*"
		Section 116A has also been amended to remove the Minister's obligation to make regulations concerning the single instalment tax on the sale of forest produce.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
6	Amendment of Section 118 - Return of Income not required	Section 118(a) has been amended to exempt a person who pays income tax on the sale of forest produce from the obligation to file an income tax return.
7	Amendment of First Schedule	Paragraph 2(2) of the First Schedule to the Act has been amended to increase the maximum turnover threshold for qualifying as a presumptive taxpayer from TZS 100,000,000 to TZS 200,000,000.
		The First Schedule to the ITA has been amended to revise the presumptive tax rates as follows:

Turnover	Tax Payable Where Documentation is Not Maintained	Tax Payable Where Documentation is Maintained
< Tshs. 4,000,000	NIL	NIL
Tshs. 4,000,001 – Tshs. 200,000,000 (With new TIN)	NIL (In the first 12 month from TIN issue)	NIL (In the first 12 month from TIN issue)
Tshs. 4,000,000 – Tshs. 7,000,000	Tshs. 100,000/=	3% of turnover in excess of Tshs. 4,000,000/=
Tshs. 7,000,001 – Tshs. 11,000,000	Tshs. 250,000/=	Tshs. 90,000/= plus 3% of turnover in excess of Tshs. 7,000,000/=
Tshs. 7,000,001 – Tshs. 200,000,000	4.0% of turnover	

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KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		The Act has been amended to add subparagraph 4 after subparagraph 3 in the First Schedule to provide that an individual who qualifies for an income tax exemption by virtue of being within the first twelve months of obtaining a TIN must apply to the Commissioner General for the exemption to take effect.
		Paragraph 2(5) of the First Schedule to the ITA has been amended to provide that a resident individual engaged in the transportation of passengers or goods using a three-wheeler carrying not more than five passengers shall pay tax at a fixed amount of TZS 120,000.
		Paragraph 4 of the First Schedule to the Act has been amended by removing the 5% withholding tax on royalty payments to a resident sports entity or the Tanzania Football Federation.
		The First Schedule to the Act has been amended to introduce a 1% withholding tax rate; however, the Act does not specify the types of payments that will be subject to the withholding tax.

TAX ADMINISTRATION ACT, CAP 438 (“TAA”)

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 8 - Introduction of Framework Agreement.	Section 8A has been introduced into the Act to provide for a framework agreement, under which the Minister is empowered to publish a framework agreement for tax purposes in the Gazette.
2.	Amendment of Section 22 - Application for Taxpayer Identification number (TIN).	Section 22(1) of the Act has been amended to rephrase the provision that a person who becomes liable to pay tax by reason of employment or carrying on business or investment must apply for a TIN within 15 days of commencing such activity.
3.	Amendment of Section 54 - Disclosure of information on contracted services.	Section 54 of the act has been amended to introduce a prescribed form requiring entities engaged in the construction and extractive industries to submit the names of all contracted and subcontracted persons within thirty days from the execution of contracts, and to disclose these details electronically. Previously, the declaration of this information was not conducted electronically.

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
4.	Amendment of First Schedule Paragraph 1(b) - Introduction of withholding Value Added Tax (VAT) statement.	The Act has been amended through the First Schedule to introduce a withholding Value Added Tax (VAT) statement. Previously, there was no withholding Value Added Tax (VAT) statement provided for under the Act.
5.	Amendment of First schedule Paragraph 2(1), Assessments governed by the Act.	The First Schedule to the Act has been amended under paragraph 2(1) to remove a demand or demand note issued by the Commissioner General under the Local Government Authorities (Rating) Act in respect of property rates from the list of assessments governed by the Act and administered by the revenue authority. Previously, a demand or demand note in respect of property rates constituted an assessment for the purposes of the Act. Consequently, following this amendment, a demand or demand note in respect of property rates will no longer constitute an assessment under the Act. These amendments have been introduced following the removal of the Commissioner General's role in the collection and administration of property rates. Responsibility for the collection and administration of these rates now rests solely with the respective local government authorities having jurisdiction over the relevant areas.
6.	Addition of Section 90A – Offence of abuse of exemption or remission	The Act has been amended by adding Section 90A which imposes fine equal to 100% of tax exempted or remitted, on a person abuses exemption or remission by using false or misleading statement, transferring exempted goods to another person without Commissioner’s approval or uses exempted goods for purpose other than that for which exemption was granted.

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
7.	Amendment of section 90 - Penalty for making false or misleading statements	Section 90(2)(c) of the act has been amended to impose a penalty of 30% of the amount of the adjustment resulting from a transaction conducted in a manner inconsistent with the arms' length principle or 100% of the tax shortfall, whichever is greater, where it was previously placed at 100% of the tax shortfall.
8.	Amendment of Section 95 - Offence for making or using false or misleading statements or documents	The Act has amended Section 95(1) to provide that a person who makes an entry in a book, record, register, or electronic system that is false or incorrect in any material respect commits an offence and is liable to a fine as prescribed by law. The amendment to Section 95(1) shifts the focus of the offence from physical premises and plant-related items to books, records, registers, and electronic systems. Consequently, the offence of making a false or misleading entry may now be committed through written or electronic records, reflecting modern methods of record-keeping and tax administration.

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KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
7.	Amendment of section 90 - Penalty for making false or misleading statements	Section 90(2)(c) of the act has been amended to impose a penalty of 30% of the amount of the adjustment resulting from a transaction conducted in a manner inconsistent with the arms' length principle or 100% of the tax shortfall, whichever is greater, where it was previously placed at 100% of the tax shortfall.
8.	Amendment of Section 95 - Offence for making or using false or misleading statements or documents	The Act has amended Section 95(1) to provide that a person who makes an entry in a book, record, register, or electronic system that is false or incorrect in any material respect commits an offence and is liable to a fine as prescribed by law. The amendment to Section 95(1) shifts the focus of the offence from physical premises and plant-related items to books, records, registers, and electronic systems. Consequently, the offence of making a false or misleading entry may now be committed through written or electronic records, reflecting modern methods of record-keeping and tax administration.

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KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
9.	Amendment of First Schedule Paragraph 1(b) - Introduction of withholding Value Added Tax (VAT) statement.	The Act has been amended through the First Schedule to introduce a withholding Value Added Tax (VAT) statement. Previously, there was no withholding Value Added Tax (VAT) statement provided for under the Act.
10.	Amendment of First schedule Paragraph 2(1), Assessments governed by the Act.	The First Schedule to the Act has been amended under paragraph 2(1) to remove a demand or demand note issued by the Commissioner General under the Local Government Authorities (Rating) Act in respect of property rates from the list of assessments governed by the Act and administered by the revenue authority. Previously, a demand or demand note in respect of property rates constituted an assessment for the purposes of the Act. Consequently, following this amendment, a demand or demand note in respect of property rates will no longer constitute an assessment under the Act. These amendments have been introduced following the removal of the Commissioner General's role in the collection and administration of property rates. Responsibility for the collection and administration of these rates now rests solely with the respective local government authorities having jurisdiction over the relevant areas.

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
11.	Addition of Section 90A – Offence of abuse of exemption or remission	The Act has been amended by adding Section 90A which imposes fine equal to 100% of tax exempted or remitted, on a person abuses exemption or remission by using false or misleading statement, transferring exempted goods to another person without Commissioner's approval or uses exempted goods for purpose other than that for which exemption was granted.

VALUE ADDED TAX ACT, CAP148 (“VAT).

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 5 - VAT rate and amount payable	• The act has been amended in section 5(5) by specifying that the tax payable to a taxable supplier providing goods shall be 15%, after a withholding agent deducts 3% as withholding VAT on the supply of goods and 12% in case of supply of services. • Previously, it was not clear what would happen to the portion payable by a taxable supplier supplying goods, as the Act only provided for suppliers of services. • The act is also amended to introduce section 5(7) that for a purpose of section 5(5) a supply comprising both goods and services, the withholding VAT shall be apportioned in the ratio of 3:2 for goods and services, respectively. • The apportionment of goods and services elements was not previously provided for; therefore, it was difficult to determine the portion of VAT applicable to goods and services for withholding VAT purposes.
2.	Amendment of Section 6 (3) - VAT Exemption for mining license holder with framework agreement with the government.	• The act has been amended to introduce Section 6(3)(j) to provide for VAT exemption subject to CGs approval on the importation of goods or services by, or the supply of goods or services to, a holder of a mining licence or special mining license who has a framework agreement with the Government, provided that the goods or services imported are used solely for the implementation of mining activities in which the Government has an ownership interest, and the agreement provides for VAT exemption. • Previously, No VAT exemption was previously provided for agreements of this nature.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
2.		Amendment of Section 6(8), Definition of Applicant for VAT Exemption purposes. The act has also been amended under section 6(8) to define applicant for the purpose of VAT exemption to also be that, an applicant shall also be a holder of a mining licence or Special mining licence having a framework agreement with the government that has been approved by the cabinet.
3.	Amendment of Section 11 - Deferral of value added tax on capital goods	• Section 11(1) of the act has been amended by removing the sunset clause that provided time limit for enjoyment of VAT deferment on imported capital goods up to 30 June 2026. • Section 11(2)(d) has been added to allow the Commissioner General to grant deferment on capital goods, provided that the importer or purchaser of locally manufactured goods has fulfilled the requirements as may be prescribed by the Minister through an order published in the Gazette. Previously, VAT deferment did not include or allow for prerequisites or pre-set instructions prescribed by the Minister as published in the Gazette to be fulfilled by the taxable person.
4.	Amendment of Section 51 - Services supplied to an unregistered person in Mainland Tanzania	• Section 51(2) of the VAT Act has been added to deem an operator of a digital intermediary through online intermediation services or any other digital market place, that supplies electronic services to an unregistered person as the supplier of the service. Prior to the enacted changes, the Act was silent on the VAT treatment applicable to suppliers of this nature. • The act has also changed to now include the definition of digital intermediary as "an electronic interface, including website, internet portal, application, online store or digital market place that allows recipients and persons offering services through the electronic interface to enter contact which results in a sale through that electronic interface."

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KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
4.		Section 51(4) of the VAT Act has been amended to expand the definition of an electronic service to include any other service of a similar nature delivered through the internet or a telecommunications network. Before the changes, the Act was specific about the types of services that qualified as electronic services, but the definition was limited to those expressly described.
5.	Amendment of Section 71 - Calculation and payment of net amount	Subsection 71(5-6) have been amended to reduce the time required for a withholding VAT agent to remit VAT withheld from the 20th day of the subsequent month, to which the VAT withheld relates, to the 10th day of the subsequent month, and to file the withholding VAT statement on the same 10th day. Before the amendment withheld VAT was payable on the VAT return filing due date, being the 20th day of the subsequent month to which the VAT relates and there was no obligation to file a withholding value added tax statement.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
6.	Amendment of item 3 of Part I of the Schedule.	Specifying VAT exemption on animal foods except dog or cat food put up for retail sale of HS Code 2309.10.00.
7.	Amendment of item 4 subitem 2 of part I of the schedule.	Strictly allowing VAT exemption only for Locally manufactured fishing net with HSC code 5608.11.00.
8.	Amendment of item 4 of the schedule to introduce subitem 7.	Introducing VAT exemption on Polyester fishing yarn used exclusively for manufacture of fishing net with HSC code 5402.20.00
9.	Amendment of item 6 subitem 11 of the schedule.	Granting VAT exemption on Dairy packaging materials which have HSC code; 3920.30.90, 3923.30.00 4819.10.00 4819.20.10 4819.20.90. Previous VAT exemption on Dairy Packaging materials was only exempted to those imported materials with HSC code; 3922.30.00, 4819.10.00 , 4819.20.10 and 4819.20.90.
10.	Amendment of item 27 of Part 1 of the Schedule.	The act has been amended in the exemption schedule to extend the sunset period allowing of VAT exemption of refined edible oil from locally grown seeds by a local from 1 July 2026 to 30 June 2027.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
11.	Amendment of item 31(b) of part 1 of the schedule.	The act has been amended in the schedule to exempt from VAT supply or importation of new pneumatic tire rubber of a kind used on aircraft of HS Code 4011.30.00, turbo-jets, turbo propellers and other gas turbines of Heading 84.11. Previous VAT exemption on Dairy Packaging materials was only exempted to those imported materials with HSC code; 3922.30.00 ,4819.10.00 ,4819.20.10 and 4819.20.90.
12.	Introduction of item 36 in the part 1 of the schedule.	The act has been amended to introduce VAT exemption on supply of locally manufactured garments made from locally grown cotton from 1st July 2026 to 30th June 2027.
13.	Amendment of item 23 in part II of the schedule	The act has been amended to exempt VAT on import of paper for printing boarding pass.
14.	Introduction of item 33 in the part II of the schedule	The act has been amended to exempt VAT on import of Liquefied Petroleum Gas Smart Meters of HS Code 9028.10.00 by a distributor of liquefied petroleum gas.
15.	Introduction of item 34 in the part II of the schedule	Exemption VAT on an import of electric vehicle charging station of H.S Code 8504.40.00 by licensed electric vehicle charging service provider.”

LOCAL GOVERNMENT FINANCE ACT, CAP 290

KEY LOCAL GOVERNMENT FINANCE ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 4 - Deletion of the definition of the term "Tanzania Revenue Authority".	The Act has been amended in this section by deleting the definition of "Tanzania Revenue Authority." This amendment appears to reflect the intention to remove the powers previously vested in the Tanzania Revenue Authority to evaluate, assess, collect, and account for certain local rates, duties, and taxes.
2.	Amendment of Section 6 - Sources of revenue of urban authorities	Section 6(1)(s) of the Local Government Finance Act has been amended to reduce the amount attributable to urban authorities from the land rent collected by the central government from 20% of all monies collected to 10% of the land rent collected.
3.	Amendment of Section 7 - Sources of revenue of district councils	Section 7(1)(x) of the Local Government Finance Act has been amended to reduce the share allocated to a district council from land rent collected by the central government from 20% to 10% of the total land rent collected.
4.	Amendment of Section 34 - Collection of property rate and advertisement	The Act has been amended to repeal the entire existing Section 34 and replace it with new provisions. Under the amendment, local government authorities are now obligated to collect and account for property rates and advertising fees relating to billboards, posters, and hoardings. The amendment further provides that the prescribed advertising fees may be published in the Gazette by the Minister of Finance and sets out provisions for the management and disbursement of fees and property rates.

KEY LOCAL GOVERNMENT FINANCE ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 4 - Deletion of the definition of the term "Tanzania Revenue Authority".	The Act has been amended in this section by deleting the definition of "Tanzania Revenue Authority." This amendment appears to reflect the intention to remove the powers previously vested in the Tanzania Revenue Authority to evaluate, assess, collect, and account for certain local rates, duties, and taxes.
2.	Amendment of Section 6 - Sources of revenue of urban authorities	Section 6(1)(s) of the Local Government Finance Act has been amended to reduce the amount attributable to urban authorities from the land rent collected by the central government from 20% of all monies collected to 10% of the land rent collected.
3.	Amendment of Section 7 - Sources of revenue of district councils	Section 7(1)(x) of the Local Government Finance Act has been amended to reduce the share allocated to a district council from land rent collected by the central government from 20% to 10% of the total land rent collected.
4.	Amendment of Section 34 - Collection of property rate and advertisement	The Act has been amended to repeal the entire existing Section 34 and replace it with new provisions. Under the amendment, local government authorities are now obligated to collect and account for property rates and advertising fees relating to billboards, posters, and hoardings. The amendment further provides that the prescribed advertising fees may be published in the Gazette by the Minister of Finance and sets out provisions for the management and disbursement of fees and property rates.

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KEY LOCAL GOVERNMENT FINANCE ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
5.	Amendment of Section 41 - Facilitation of loans to women, youth and persons with Disabilities.	Section 41 of the Act has been amended to require local government authorities to allocate 5% of their own-source revenue to fund the construction and renovation of markets, business centres, entrepreneurship centres, and related infrastructure. While the amendment introduces a new funding allocation by local government authorities, it is unclear whether the funds are intended to support markets, business centres, entrepreneurship centres, and related infrastructure solely within the respective local government authority's jurisdiction. It is also unclear whether, and to what extent, such funds may be used outside the jurisdiction of the contributing local government authority. The legal position on this issue remains uncertain and may require further clarification through regulations or administrative guidance.

EXCISE DUTY ACT, CAP 147

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of section 126 - Imposition of excise duty	The Act has been amended in this section by deleting subsection (3) and introducing a new time limit for the adjustment of excise duty rates. Under the amendment, excise duty rates shall be adjusted annually in accordance with the year-on-year actual inflation rate for the period ending in March, plus 2 percent.
		Introduction of excise duty on dutiable value, charges or fees payable in respect of various services under subsections 6, 7, 9(a) and 14 provided by a non-resident through internet or service to a resident person who has not been registered for excise duty or required to file excise duty return. Subsection 6: Electronic communication service charged 17% excise duty; Subsection 9(d): imported used motor cycles aged more than three years under Heading 87.11 charged 10% excise duty
		Subsection 14: Introduction of an excise duty rate of 10% on charges or fees payable by a person to a non-resident financial institution, a telecommunications service provider for money transfer and payment services, a payment system provider licensed under the National Payment Systems Act for money transfer and payment services, or any other non-resident provider of money transfer and payment services that employs independent systems other than financial or telecommunications systems.
		A non-resident referred to above shall be required to register for excise duty, charge excise duty, file excise duty return and pay the excise duty in accordance with the Act.

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of section 126 - Imposition of excise duty	The Act has been amended in this section by deleting subsection (3) and introducing a new time limit for the adjustment of excise duty rates. Under the amendment, excise duty rates shall be adjusted annually in accordance with the year-on-year actual inflation rate for the period ending in March, plus 2 percent.
		Introduction of excise duty on dutiable value, charges or fees payable in respect of various services under subsections 6, 7, 9(a) and 14 provided by a non-resident through internet or service to a resident person who has not been registered for excise duty or required to file excise duty return. Subsection 6: Electronic communication service charged 17% excise duty; Subsection 9(d): imported used motor cycles aged more than three years under Heading 87.11 charged 10% excise duty
		Subsection 14: Introduction of an excise duty rate of 10% on charges or fees payable by a person to a non-resident financial institution, a telecommunications service provider for money transfer and payment services, a payment system provider licensed under the National Payment Systems Act for money transfer and payment services, or any other non-resident provider of money transfer and payment services that employs independent systems other than financial or telecommunications systems.
		A non-resident referred to above shall be required to register for excise duty, charge excise duty, file excise duty return and pay the excise duty in accordance with the Act.

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		Imposing new excise duty rate of 18% in respect of the imported vehicle aged 8 years but not more than 10 years.
		Imposing new excise duty rate of 35% in respect of the imported vehicle aged 10 years but not more than 20 years.
		Imposing new excise duty rate of 40% in respect of the imported vehicle aged not more than 20 years.
2.	Addition of section 146B - Remission on framework agreements	• The Minister of Finance may upon approval by the Cabinet and by order published in the Gazette remit excise duty payable by a holder of mining license or special mining licence who has entered into framework agreement with Government on goods imported or purchased for use during construction of mining project in which the Government has ownership interest. Provided the remission shall not been granted in respect of petroleum products. • Also, the Minister in granting remission specify time limit and goods within which remission is granted, and also impose such other conditions as may be required. Accordingly, the minister shall make regulations prescribing the procedures for granting remission.

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td>6.</td><td>Amendment of the Fourth Schedule</td><td>

- The Fourth Schedule to the Excise Duty Act has been amended to introduce excise duty on the following items:

<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Imported margarine</td><td>Tshs. 540 per kg</td></tr>
<tr><td>Imported Sugar confectionary (not containing cocoa).</td><td>Tshs. 1080 per kg</td></tr>
<tr><td>Imported chewing gum</td><td>Tshs. 1080 per kg</td></tr>
<tr><td>Imported not filled Chocolate in divided bars with cocoa and sugar preparation</td><td>Tshs. 1080 per kg</td></tr>
<tr><td>Imported Chocolate and other food preparations containing cocoa</td><td>Tshs. 1080 per kg</td></tr>
</table>

</td></tr>
</table>

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Imported sweet biscuits	Tshs. 1080 per kg
Locally produced bread, pastry, cakes, biscuits, and similar baked goods	Tshs. 54 per kg
Imported bread, pastry, cakes, biscuits, and similar baked goods	Tshs. 108 per kg
Locally produced potatoes	Tshs. 54 per kg
Imported potatoes	Tshs. 108 per kg
Locally produced Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter	Tshs. 54 per kg

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Imported Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter	Tshs. 108 per kg
Locally produced fruit juices manufactured from domestic fruits	Tshs. 10.69 per litre
Locally produced unfermented juices	Tshs. 275.62 per kg
Imported Tomato ketchup and other tomato sauces	Tshs. 324 per kg
Imported Sauces and preparations therefor, mixed condiments and mixed seasonings (excl. soya sauce, tomato ketchup and other tomato	Tshs. 324 per kg

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Imported powdered beer	Tshs. 1,093.82 per kg
Imported powdered juice	Tshs. 275.62 per kg
Locally produced, bottled Mineral waters and aerated waters	Tshs. 56.00 per kg
Imported, bottled Mineral waters and aerated waters	Tshs. 76.10per kg
Locally produced waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	Tshs. 72.47 per litre
Locally produced waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	Tshs. 72.47 per litre

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Locally produced Non-alcoholic beer</td><td>Tshs. 727.06 per litre</td></tr>
<tr><td>Imported Non-alcoholic beer</td><td>Tshs. 763.41 per litre</td></tr>
<tr><td>Locally produced Miscellaneous refreshment drinks that do not contain milk, beer or juices containing not more than 300 parts per million of Caffeine</td><td>Tshs. 144.94 per litre</td></tr>
<tr><td>Locally produced Miscellaneous refreshment drinks that do not contain milk, beer or juices</td><td>Tshs. 605.88 per litre</td></tr>
<tr><td>Imported Miscellaneous refreshment drinks that do not contain milk, beer or juices</td><td>Tshs. 648.00 per litre</td></tr>
</table>
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</table>

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Locally produced stout and porter beer made from malt from 100 % Locally Grown Barley	Tshs. 680.40 per litre
Locally produced stout and porter beer made from malt from wholly or partially Imported Barley	Tshs. 1,002.24 per litre
Imported stout and porter beer from malt	Tshs. 1,051.81 per litre
Sparkling wine with the domestic grapes content exceeding 75%	Tshs. 232.20 per litre
Sparkling wine with the domestic grapes content less than 75%	Tshs. 6064.20 per litre
Wine with the domestic fresh grapes content exceeding 75%	Tshs. 232.20 per litre

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Wine with the domestic fresh grapes content less than 75%</td><td>Tshs. 6,064.20 per litre</td></tr>
<tr><td>Wine with the domestic other than fresh grapes content exceeding 75%</td><td>Tshs. 2,679.48 per litre</td></tr>
<tr><td>Wine with the domestic other than fresh grapes content less than 75%</td><td>Tshs. 6064.20 per litre</td></tr>
<tr><td>Vermouth and other wine of more than 75% fresh domestic grapes content flavoured with plants or aromatic substances holding </= 2 litres or less</td><td>Tshs. 232.20 per litre</td></tr>
<tr><td>Vermouth and other wine of less than or equal to 75% fresh domestic grapes content flavoured with plants or aromatic substances holding </= 2 litres or less</td><td>Tshs. 6,064.20 per litre</td></tr>
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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Vermouth and other wine of more than 75% non-fresh domestic grapes content flavoured with plants or aromatic substances holding </= 2 litres or less</td><td>Tshs. 2679.97 per litre</td></tr>
<tr><td>Vermouth and other wine of less than or equal to 75% non-fresh domestic grapes content flavoured with plants or aromatic substances holding </= 2 litres or less</td><td>Tshs. 6,064.20 per litre</td></tr>
<tr><td>Locally produced and Imported cider</td><td>Tshs. 3212.72 per litre</td></tr>
<tr><td>Opaque beer made from 100% local unmalted cereals</td><td>Tshs. 599.40 per litre</td></tr>
<tr><td>Imported opaque beer</td><td>Tshs. 1,057.21 per litre</td></tr>
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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Other beverages produced from locally grown fruits other than grapes with domestic content exceeding 75%</td><td>Tshs. 95.26 per litre</td></tr>
<tr><td>Other beverages produced from locally grown fruits other than grapes with domestic content less than 75%</td><td>Tshs. 3212.72 per litre</td></tr>
<tr><td>Imported beverages produced from fruits other than grapes</td><td>Tshs. 3212.72 per litre</td></tr>
<tr><td>Locally produced undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher</td><td>Tshs. 4,320 per litre</td></tr>
<tr><td>Imported undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher</td><td>Tshs. 5,400 per litre</td></tr>
</table>
</td></tr>
</table>

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Locally produced spirits obtained by distilling grape wine or grape marc from local produced grapes.	Tshs. 610.20 per litre
Locally manufactured Vodka ready to drink of not more than 7% Alcohol By Volume (ABV)	Tshs. 2,690.77 Per litre
Other locally produced Vodka	Tshs. 4,323.24 per litre
Imported spirits, whiskies, rum, Gin and Geneva, Vodka, Liqueurs and cordials	Tshs. 4,763.94 per litre
Locally produced cigarettes without filter tip and containing domestic tobacco exceeding 75%	Tshs. 16,151.31 per mil

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Locally produced cigarettes with filter tip and containing domestic tobacco exceeding 75%	Tshs. 38,154.80 per mil
Cigarettes containing domestic tobacco less than 75%	Tshs. 72,462.19 per mil
Locally produced smoking tobacco containing domestic tobacco exceeding 75%	Tshs. 10,388.00 per kg
Imported smoking tobacco/ locally produced containing domestic tobacco less than 75%	Tshs. 36,609.19 per kg
“Homogenized” or “reconstituted” tobacco	Tshs. 36,609.19 per kg
Imported/ Locally manufactured white cement, Portland cement, Aluminous cement and other hydraulic cements	Tshs. 21.60 per kg

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Residual fuel oils (marine furnace and similar fuel oils) of kinematic viscosity of 125, 180 and 280 centistrokes	TZS. 86.40 per litre
Lubricants in liquid form	TZS. 722.52 per cubic metre
Lubricating greases	TZS. 0.85 per kg
Petroleum oils and other oils	TZS. 86.40 per litre
Imported paints and varnishes based on polyesters.	Tshs. 540 per kg
Lubricating oils preparation under HS Code 3403.19.00 and HS Code 3403.99.00	Tshs. 794.77 per cubic meter

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		(see table below)

Item	Excise duty rate
Greases preparation under HS Code 3403.19.00 and HS Code 3403.99.00	Tshs. 0.94 per kg
Imported Matches under HS Code 3605.00.00	Tshs. 432 per kg
Recorded video and audio tape	Tshs. 59.40 per unit
Recorded DVD, VCD, CD	Tshs. 59.40 per unit
Perfumes and toilet waters.	15%
Lip make-up preparation	15%
Eye make-up preparations	15%
Manicure or pedicure preparations	15%

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication

Item	Excise duty rate
Powders, whether or not compressed	15%
Other beauty or make-up preparations	15%
Shampoo, Preparations for permanent waving or straightening, Hail lacquers and other hair preparations	15%
Pre-shave, shaving or after shave preparations, Personal deodorants and antiperspirants, Perfumed bath salts and other bath preparations, Agarbatti and other odoriferous preparations which operate by burning, Other under HS Code 3307.90.00	15%

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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Excise duty rate</th></tr>
<tr><td>Imported footwear under HS Code 6402.99.00</td><td>10%</td></tr>
<tr><td>Imported artificial flowers, foliage and fruit</td><td>20%</td></tr>
<tr><td>Locally manufactured and Imported electro-thermic appliances</td><td>10%</td></tr>
<tr><td>Assembled Motorcars and other motor vehicles under HS Code 8703.21.90</td><td>5%</td></tr>
</table>
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</table>

THE EXPORT TAX ACT, CAP 196

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Export tax rate</th></tr>
<tr><td>Waste and scrap of paper or paperboard of Heading 47.07</td><td>30% of FOB or TZS 200 per kilogram whichever is higher</td></tr>
<tr><td>Cotton cake of HS Code 2306.10.00
Sunflower cake of HS Code 2306.30.00
Wheat bran of HS Code 2302.30.00
Rice bran of HS Code 2302.40.00
Maize bran of HS Code 2302.10.00</td><td>TZS 50 per kilogram</td></tr>
<tr><td>Quartz sands of Heading 25.06
Feldspar of HS Code 2529.10.00</td><td>10% of FOB or TZS 200 per kilogram, whichever is higher</td></tr>
</table>
</td></tr>
</table>

THE EXPORT TAX ACT, CAP 196

THE VOCATIONAL EDUCATION AND TRAINING ACT, (CAP.82)

S/N	Amendment	Implication
1.	Amendment of section 19 - Exemption from Levy	• The Act is amended by making a replacement in the scope of the Skills and Development Levy exemption to include government departments and public institutions wholly funded through government subvention. • Previously, it was worded that the exemption from the Skills and Development Levy for government departments and public institutions applied only to the extent that such entities had to be wholly financed by the government.

AUDIT • ADVISORY • TAX

THE TAX REVENUE APPEALS ACT, (CAP.408)

S/N	Amendment	Implication
1.	Amendment of section 23 - Hearing	The Act is amended in Section 8 by increasing the number of days for amicable settlement (out-of-court settlement) from sixty (60) to ninety (90) days, provided that the Board or Tribunal has issued an order to that effect and both parties have agreed. The Act is further amended in Section 9 by increasing extension of time from 10 days to 30 days in instances where amicable settlement process is not finalized within 90 days. Extension is upon application and on good reasons provided by applicant to the Board or Tribunal.

THE TANZANIA REVENUE AUTHORITY ACT, (CAP.399)

S/N	Amendment	Implication
1.	Amendment of First Schedule	The Act is amended to include the Export Tax Act, Cap. 196, and the Import Control Act, Cap. 276, in the list of laws that the Tanzania Revenue Authority is empowered to administer and enforce. Previously, the Authority did not have such powers under the law. The Act is also amended to remove the Urban Authorities (Rating) Act, Cap. 289, from the list of laws that the Authority is empowered to administer and enforce. Previously, the Authority had such powers under that Act. This change reflects the transfer of responsibility for the collection of urban rates and related taxes to the respective local government authorities.

THE UNIVERSAL HEALTH INSURANCE ACT, (CAP.161)

S/N	Amendment	Implication
1.	Amendment of section 25 - A fund to support those without means, etc	The Act has been amended to expand the list of sources of funds by including a contribution of twenty cents for every one thousand cigarettes classified under HS Headings 24.02 and 24.03, as well as ten shillings for every kilogram of sugar produced domestically or imported into the country, these amounts shall be derived from the levy imposed and collected under the Sugar Industry Act and shall be remitted to the Fund in a manner prescribed by the Minister responsible for finance.

THE WILDLIFE CONSERVATION ACT, (CAP.283)

S/N	Amendment	Implication
1.	Amendment of section 8 - Wildlife Authority.	The Act has been amended to expand the allocation of 97% of the fees payable for non-consumptive tourism activities to include all fees payable in respect of such activities, rather than being limited to concession fees only. The fees shall be deposited into the Consolidated Fund, except for 75%, which shall be deposited into the account of the Tanzania Wildlife Management Authority for distribution to village councils and district councils bordering the areas in which such activities are conducted. Of this amount, 60% shall be allocated to the relevant village councils and 15% to the relevant district councils.

STAMP DUTY ACT, (CAP.189)

S/N	Amendment	Implication
1.	Amendment of Section 2 - Definition of term Lease	The definition of the term "lease" has been amended to expand its meaning to include both movable and immovable property, thereby broadening the scope of transactions covered by the Act. Previously, the definition was limited to immovable property.
2.	Amendment of Section 65 - Allowance for stamps not required for use	Section 65 of the act has been amended by replacing the fixed deduction of "ten cents for each shilling or portion of a shilling" with a percentage-based deduction from the value of stamps that have not been spoiled, rendered unfit, or otherwise become useless for their intended purpose, and which are no longer immediately required and have been returned to a stamp duty officer. This modernizes the refund mechanism and ensures that the deduction is proportionate to the value of the stamps surrendered for cancellation.
3.	Amendment of Schedule - Item 11 (Bill of Exchange)	The amendment introduces a fixed stamp duty of TZS 5,000 on bills of exchange, requiring all such instruments to be stamped accordingly and ensuring uniform treatment under the Stamp Duty Act.

STAMP DUTY ACT, (CAP.189)

S/N	Amendment	Implication
4.	Amendment of Schedule - Item 13 (Bill of Sale)	The Act is amended to increase the stamp duty cap on a bill of sale by way of collateral security from TZS 1,000, which was the previous maximum stamp duty payable under this category, to TZS 10,000, which is now the current upper limit of stamp duty payable on instruments falling within this category. Further, the Act has increased stamp duty cap on bill of sale by way of security from 10,000 to TZS 100,000.
5.	Amendment of Schedule - Item 20 (Cheque)	Stamp duty on cheques has been increased from TZS 100 to TZS 500.
6.	Amendment of Schedule - Item 22(c)(Conveyance)	The amendment replaces the fixed stamp duty of TZS 500 previously payable on conveyances of agricultural land with an ad valorem stamp duty of 0.5% of the value of the conveyance.

STAMP DUTY ACT, (CAP.189)

<table>
<tr><th>S/N</th><th>Amendment</th><th>Implication</th></tr>
<tr><td>7.</td><td>Amendment of the Schedule - Item 44 A (Instrument of Partnership)</td><td>
• The Schedule to the Stamp Duty Act has been amended to replace the existing stamp duty on the following items:
<table>
<tr><th>PARTNERSHIP</th><th>Stamp duty rate</th></tr>
<tr><td>A: Instruments of:</td><td></td></tr>
<tr><td>(i) Where the capital does not exceeds Tshs. 1,000,000</td><td>TShs. 5,000 /=</td></tr>
<tr><td>(ii) Where the capital exceeds TShs. 1,000,000</td><td>TShs. 10,000 /=</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>Amendment of Schedule - Item 59(1), (Surrender of Lease)</td><td>The act is amended to set the stamp duty payable on the surrender of a lease without consideration at TZS 2,000 from TZS 1,000, thereby requiring such instruments to be stamped at the prescribed rate.</td></tr>
</table>

MOTOR VEHICLE (TAX ON REGISTRATION ACT), CAP.124

S/N	Amendment	Implication
1.	Amendment of First Schedule Paragraph 4 - Motorcycle registration rates	The Act has been amended to increase the registration fee for motorcycles, whether electric or otherwise, other than those being registered for the first time, from TZS 95,000 to TZS 150,000, thereby increasing the cost of registration for motorcycles falling within this category.

MINING ACT, CAP.123

S/N	Amendment	Implication
1.	Addition of Section 149A - Establishment of Mineral Survey Fund	The Act has been amended to introduce Section 149A, which provides the framework for the establishment of the Mineral Survey Fund. Pursuant to this section, the Mineral Survey Fund has been established, and the Commissioner for Minerals shall serve as its administrator. The Fund's sources of revenue shall include 10% of the revenues collected from royalties, fees, and other charges prescribed under the Act. Such revenues shall be deposited into a special account maintained by the Bank of Tanzania (BoT). Expenditure from the Fund shall be disbursed upon the approval of the Paymaster General.

AUDIT • ADVISORY • TAX

THE BANK OF TANZANIA ACT, CAP 197

S/N	Amendment	Implication
1.	Amendment of Section 35(2) – Operation in Government Securities	The total amount of money that the Bank of Tanzania has lent to the Government, and which has not yet been repaid, must never be more than 14% of the Government's budgeted domestic revenues. The previous rate was 18%.

THE ELECTRONIC TRANSACTIONS ACT,CAP 442

S/N	Amendment	Implication
1.	Introduction of section 13(2) and (3) – Payment of money and issuance of receipt in electronic form	Section 13(2) has been introduced to provide that the Minister for Finance may prescribe, through a published notice, the payments that are required to be made through electronic means. Furthermore, the Act has introduced subsection (3), which provides that proof of payment made through electronic means under section 13(1) shall be a mandatory requirement for the approval of applications relating to the transfer of assets, including land, buildings, and motor vehicles.

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THE FAIR COMPETITION ACT, CAP 285

S/N	Amendment	Implication
1.	Amendment of section 88 - Financial arrangements of Tribunal	This section has been amended to clarify the source of funds allocated to the Tribunal by regulatory authorities. Specifically, each regulatory authority is required to remit 0.5% of its gross revenue on a monthly basis to the Tribunal's account maintained at the Bank of Tanzania.

THE GAMING ACT, CAP 41

S/N	Amendment	Implication
1.	Amendment of section 34 – Imposition of gaming tax on winning amount	This section has been amended to abolish the preferential gaming tax rates applicable to operators of land-based casinos and sports betting activities. As a result, the applicable tax rates have been increased from 13% and 12%, respectively, to the standard gaming tax rate of 15% on the value of winnings. In addition, section 34 has been amended to reduce the proportion of revenue collected from land-based casinos and sports betting activities allocated for specified purposes, from 8% to 7% and from 17% to 13%, respectively. The amounts so allocated shall be distributed at the rate of 70% to the AIDS Trust Fund and 30% to the Universal Health Insurance Fund.

IMPORTS CONTRL ACT, CAP 276

S/N	Amendment	Implication
1.	Amendment of Section 18A – Industrial Development Levy	Section 18 has been amended to reinstate the exemption of the Industrial Development Levy that was previously repealed in Finance Act, 2025 for goods originating from an East African Community (EAC) Partner State, provided that such goods satisfy the East African Community Rules of Origin. However, the levy may be imposed where a Partner State applies trade barriers, including discriminatory duties, levies, charges, fees, or taxes, on goods or products originating from the United Republic of Tanzania.
2.	Amendment of the Schedule	• Item 4 of the Schedule to the Imports Control Act has been amended to remove imported laundry or bar soap classified under HS Code 3401.11.99 from the scope of the 15% Industrial Development Levy. Consequently, the levy shall apply only to imported laundry or bar soap classified under HS Code 3401.11.00 at the rate of 15%.

IMPORTS CONTROL ACT, CAP 276

S/N	Amendment	Implication
		• Furthermore, item 14 of the Schedule has been amended to exempt road tractors for semi-trailers that are locally assembled or manufactured under bond from the 10% Industrial Development Levy. • The Schedule to the Imports Control Act has been amended to add immediately after item 28 in the Schedule with the following items for industrial development levy rates: o Exercise books and notebooks: 5% o Fishing net: 10% o Steel structure: 10% o Aluminum doors, windows and their frames and thresholds for doors: 5% o Trailers: 5%

THE INVESTMENT AND SPECIAL ECONOMIC ZONES ACT, CAP 38

S/N	Amendment	Implication
1.	Amendment of Section 19 – Investment incentives	The Act has been amended under this section to exclude imported trailer heads from the scope of investment tax incentives. As a result, investors holding a Certificate of Investment or an Investment Licence shall no longer be eligible for tax incentives on imported trailer heads classified under HS Codes 8701.21.90, 8701.22.90, 8701.23.90, 8701.24.90, and 8701.29.90.

THE LAND ACT, CAP 113

S/N	Amendment	Implication
1.	Repealing and replacement of Section 36 – Collection and distribution of land rent	This section has been amended by repealing the former provision and replacing it with a new provision requiring all land rent revenues collected to be paid into the Consolidated Fund. From the monies deposited, 10% shall be allocated to the Ministry for purposes of land surveying, while a further 10% shall be deposited into the own-source account of the respective Local Government Authority maintained at the Bank of Tanzania to support land rent collection and recovery activities.

RAILWAY ACT, CAP 170

S/N	Amendment	Implication
1.	Amendment of Section 72 - Railway Fund	The Act has been amended under Section 72(6) to provide an exemption from the Railway Development Levy for sheath contraceptives classified under HS Code 4014.10.00. This amendment removes the levy burden on these products and supports their accessibility. The Act has also been amended under the same section to introduce a framework for the distribution of the Railway Development Levy. Under this framework, the levy shall be distributed as follows: 70% to the Railway Development Fund, 25% to the Consolidated Fund, and 5% to a special account maintained at the Bank of Tanzania for the development of supporting infrastructure for Special Economic Zones (SEZs) or Export Processing Zones (EPZs) under the Investment and Special Economic Zones Act

ROAD TRAFFIC ACT, CAP 168

S/N	Amendment	Implication
1.	Amendment of Section 13 - Use of motor vehicles, etc., without registration prohibited	The Act has been amended under Section 13(1) to allow a motor vehicle or trailer registered in Zanzibar in accordance with the relevant laws to be used on any road in Mainland Tanzania, provided that all differential duties, taxes, and fees applicable in Mainland Tanzania have been fully paid in respect of that motor vehicle or trailer. This provision shall not apply to motor vehicle or trailer transferred for temporary use within 3 months and shall come into operation on 1 January 2027.

TANZANIA COMMISSION FOR AIDS ACT, CAP 379

S/N	Amendment	Implication
1.	Amendment of Section 18 – Funds of Fund Trust	The amendment reduces the Funds allocated on aids by reducing percentage allocated on aids funds from 12 % to 9% on sports betting winnings . The amendment reduces the Funds allocated on aids by reducing percentage allocated on aids funds from 6 % to 5% on land based casino winnings.

THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
1.	General Amendment	• The Act is amended by deleting the words "Commissioner General" wherever they appear in the act and substituting for them the word "Director" • The Act has also been amended by deleting the words "or the Commissioner General" appearing in sections 8, 9, 10, 11, 13, 14 and 30. • The amendment raises a potential interpretational concern. Specifically, the deletion of the words "or the Commissioner General" follows an earlier amendment replacing the term "Commissioner General" with "Director". As a result, the term "Commissioner General" would no longer exist in the provision at the time the subsequent amendment is applied. • Accordingly, it is unclear whether the deletion was intended to refer to the original term "Commissioner General" or to the substituted term "Director". This drafting sequence creates ambiguity and may complicate the interpretation of the provision. To avoid such uncertainty, the deletion of the words "or the Commissioner General" should have been effected before the amendment replacing "Commissioner General" with "Director".

THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
2.	Amendment of Section 3 - Definition of the term authority	The Act has been amended by deleting the definition of the term "Authority" and substituting it with a new definition. Under the amended made, "Authority" means: *(a) an urban authority established under the Local Government (Urban Authorities) Act; and* *(b) a township authority established under the Local Government (District Authorities) Act.*
		The Act has also been amended by deleting the definitions of the terms "Commissioner General" and "Tanzania Revenue Authority".
3	Amendment of Section 4 - Appointment of registered valuer	The amendment to this section removes the authority previously vested in the Tanzania Revenue Authority to appoint a registered valuer for rating authorities in consultation with the respective Local Government Authorities.

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THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
4	Amendment of Section 14 - Alteration of roll or supplementary roll	This section has been amended by deleting the words "*or decree issued under the Tax Revenue Appeals Act*" appearing in section 14(d). As a result of this amendment, a decree issued under the Tax Revenue Appeals Act will no longer constitute a basis for altering a valuation roll or supplementary valuation roll, as was previously the case before the amendment.
5	Amendment of Section 16 - Power to impose rates	Section 16(4) has been amended to remove the power of the Tanzania Revenue Authority to collect rates at a rateable area. Following the amendment, the Tanzania Revenue Authority will no longer have the authority to collect rates.
6.	Enactment of section 16A - Rating Authority	There has been changes in the Act to establish that every council shall be the rating authority within its area of jurisdiction. Consequently, no authority other than the relevant council shall have the power to impose or levy any rate within that area.

THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
7.	Amendment of Section 19 – Methods of Rating by Tanzania Revenue Authority	The Act has been amended by deleting the words "*by the Tanzania Revenue Authority*" from the marginal notes/section catchlines. Consequently, the marginal notes/section catchlines now read "*Methods of Rating*" instead of "*Methods of Rating by the Tanzania Revenue Authority*", as it did prior to the amendment.
8.	Amendment of Section 26 - Duty to pay rate	This section has been amended to introduce a new mechanism for the collection of property rates. Under the amendment, property rates shall be payable at the time of payment for electricity or through such other payment methods as may be prescribed by the relevant rating authority.
9.	Amendment of Section 33 – Duty of occupier to supply information	An occupier who fails to provide information regarding the leaseholder or the person to whom rent is paid, or who provides false information, commits an offence and shall be liable, upon conviction, to a fine of not less than five hundred thousand shillings and not more than two million shillings, or to imprisonment for a term of not less than three months and not more than one year, or to both. Previously, penalty was provided for under Tax Adminstration Act.

THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
10.	Amendment of Section 44 – Non-Application of Part V	The Act has repealed section 44, which previously provided an exception where the agency of the Tanzania Revenue Authority (TRA) were in force carrying out the functions of the authority under the Act. Under that exception, the provisions relating to the Rating and Valuation Tribunal (Part V of the Act) did not apply while the TRA's agency arrangement was in force. Following the repeal of section 44, this exception no longer applies.
11.	Amendment of Section 45 – Summary proceedings	This section 45(6) has been amended to remove the powers of the Commissioner General (who is defined in the TRA Act), to receive any objection lodged before his office by a person aggrieved by a decision, act, or omission of the Commissioner General in the course of assessing, valuing, collecting, or recovering rate revenue. The Act has also been amended under section 45(7) by removing the exception relating to the fulfillment of a written demand for unpaid rates and the issuance of a warrant in cases where the Tanzania Revenue Authority is authorized to collect rates.

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THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
12.	Addition of Section 47 – Proceedings against person entitled to rents of rateable property	Section 47 has been introduced into the Act to grant a local government authority the option of recovering unpaid rates through demand notices and warrant proceedings, or by instituting legal proceedings against any person receiving, or entitled to receive, rents or profits from a rateable property, as if the property were let or occupied.
13.	Repeal and replacement of Section 49 – Recovery of interest	The act now imposes that interest for unpaid rates will apply as follows: Where a rate remains unpaid after becoming due and payable, the local government authority may impose and recover interest on the outstanding amount from a date specified by the authority, provided that such date is not less than fourteen days after the due date. The rate of interest shall be determined by the local government authority and shall not exceed 1% per month or part of a month.

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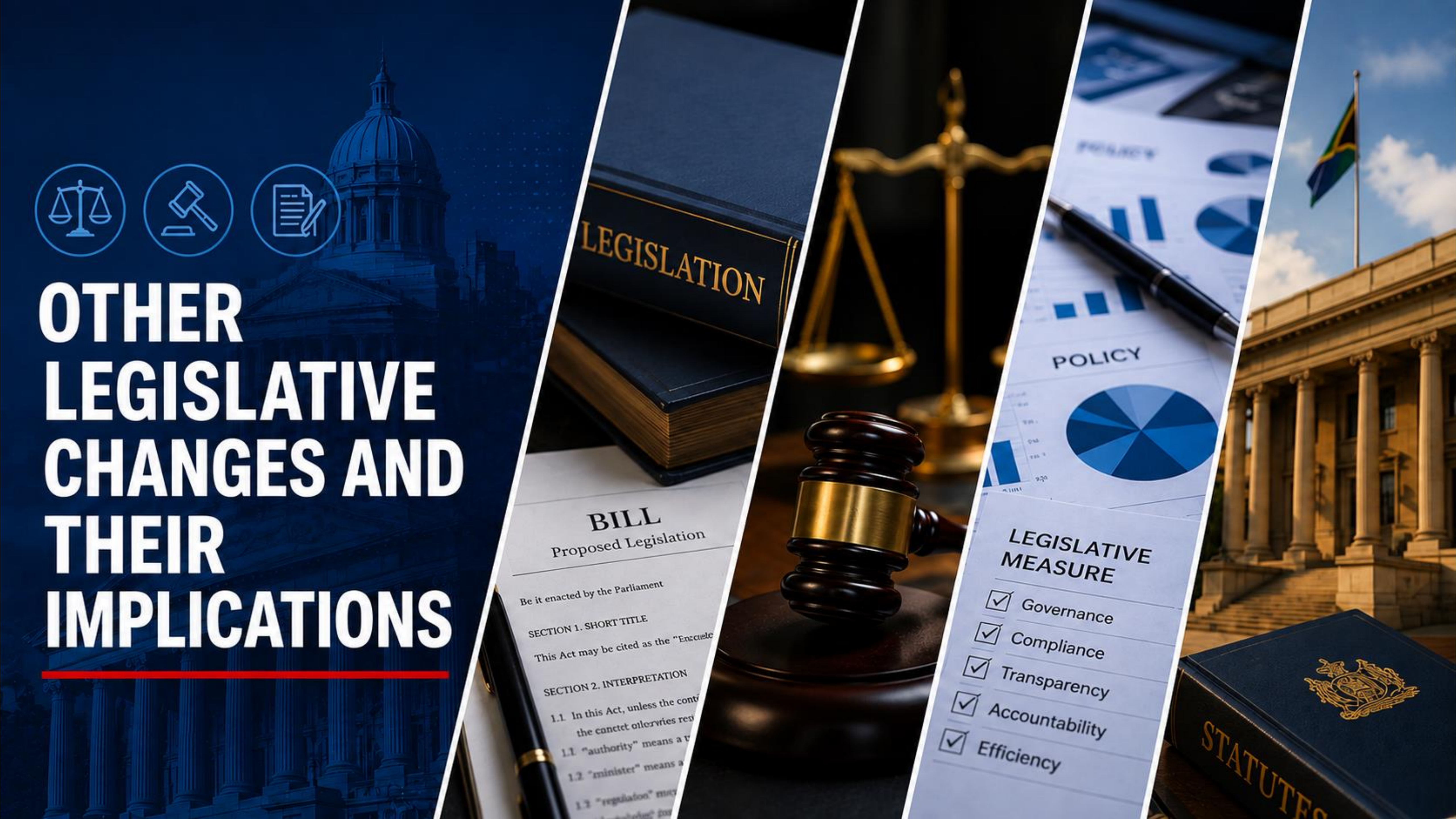
THE LOCAL GOVERNMENT AUTHORITIES (RATING) ACT, CAP 289

S/N	Amendment	Implication
14.	Repeal and replacement of Section 51 - Refusal by occupier to disclose name of owner	The Act imposes a fine of not more than TZS 200,000 and not exceeding TZS 1,000,000 and, in the case of a continuing offence, a further fine of TZS 10,000 for every day during which the default continues, where the occupier of any rateable property, upon request by the local government authority or any collector of rates, refuses to provide the name of the owner of such property. We believe that the amendment was intended to provide for a minimum fine of TZS 200,000 and a maximum fine of TZS 1,000,000, rather than imposing two upper limits as currently drafted, which creates a contradiction and gives rise to interpretational concerns.
15.	Repeal of Section 53 - Appeals to Tax Revenue Appeals Board	The Tax Revenue Appeals Board shall have no jurisdiction to hear or review appeal lodged by a person aggrieved by objection decisions of the Tanzania Revenue Authority relating to the assessment, valuation, collection, or recovery of rate revenue. The repeal of this Section follows the removal of TRA Commissioner General to administer rates under the Act and shifting mandate to the Director of Local Government Authority.

NATIONAL PLANNING COMMISSION ACT, CAP 127

S/N	Amendment	Implication
1.	Amendment of Section 6 - Functions of Planning Commission	Section 6(2) of the Act has been amended to introduce an additional function of the Planning Commission, namely to evaluate and assess national development projects. This amendment strengthens the Commission's role in monitoring and assessing the implementation and effectiveness of national development projects development initiatives. The Act has also been amended under Section 6(4) to provide that a national development project may be included in the Government budget only if it has undergone technical, financial, environmental, and economic evaluations. In addition, the economic evaluation must include an assessment of climate change impacts. Despite these amendments, the Act remains silent on the specific criteria for determining what constitutes a national development project or which projects qualify as such.


OTHER LEGISLATIVE CHANGES AND THEIR IMPLICATIONS
LEGISLATION
BILL
Proposed Legislation
Be it enacted by the Parliament
SECTION 1. SHORT TITLE
SECTION 2. INTERPRETATION
POLICY
LEGISLATIVE MEASURE
Governance
Compliance
Transparency
Accountability
Efficiency

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