



FINANCE ACT, 2025 TAX ALERT
KEY UPDATES

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INTRODUCTION

INTRODUCTION

- ▶ On 12 June 2025, the Minister for Finance, Hon. Dr. Mwigulu Lameck Nchemba, tabled the FY 2025/2026 National Budget before the National Assembly indicating the Government revenue and expenditure for the fiscal year 2025/2026.
- ▶ On 16 June 2025, the Finance Bill, 2025 was released to the Public proposing amendments to various tax and other legislations.
- ▶ On 30 June 2025, the Finance Bill, 2025 was assented into a law by the President of Tanzania, making the Finance Act, 2025 imposing amendments to various tax and other legislations relating to collection and management of public revenue.
- ▶ On 1 July 2025, the Finance Act, 2025 came into effect.
- ▶ This alert provides key updates of the amendments to various laws brought by the Finance Act, 2025.

VALUE ADDED TAX ACT, CAP 148 ("VAT")

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of the term 'resident' under Section 2	The definition of the term 'resident' has been amended under Section 2 of the VAT Act by adding an entity incorporated or registered in Mainland Tanzania.
2	Addition of the following terms under Section 2: <ul style="list-style-type: none">• Assisted Government entity• Withholding agent	Section 2 of the VAT Act has been amended by adding the following definitions: <ul style="list-style-type: none">• “assisted Government entity” means a Government entity in respect of which the Commissioner General is empowered to collect considerations for a taxable supply payable to such entity.• “withholding agent” means-<ul style="list-style-type: none">(a) the Ministry responsible for finance;(b) a Government entity which retains whole or part of its collected revenue; and(c) a registered person as may be appointed by the Commissioner General by notice.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
3.	Amendment of Section 5 - VAT rate and amount payable.	<p>Section 5 of the VAT Act has been amended by adding after Subsection 4 the following Subsections introducing new VAT obligations:</p> <ul style="list-style-type: none">• Subsection 5: A withholding agent paying for taxable supplies will withhold 3% on goods supplied and 6% on services supplied in Mainland Tanzania.• Subsection 6: VAT rate of 16% will be applicable on supplies made in Mainland Tanzania to an unregistered person paying through bank or electronic payment system approved by the Commissioner General. <p>The Commissioner General will issue a public notice providing guidance on the implementation of the new VAT arrangement provided under Subsection 6 which will be effective on 1 September 2025.</p>
4.	Addition of Section 27A - VAT payable to assisted Government entity.	<p>The VAT collected by the Commissioner General on considerations for supplies made by the assisted Government entity will be treated as advance VAT paid by such entity to the TRA.</p>

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
5.	Amendment of Section 29 - Other persons required to be registered for VAT.	Section 29 of the VAT Act has been amended by adding after Subsection 4 Subsections 5 and 6 providing that a VAT registered person as intending trader will be deemed deregistered for VAT if the Commissioner General rejects granting extension of time to commence producing taxable supplies.
6.	Amendment of Section 46 - Supplies relating to immovable property	Section 46(2)(a) of the VAT has been amendment by providing legal clarity that supply of services directly related to land situated in Mainland Tanzania shall be treated to be made in Mainland Tanzania.
7.	Amendment of Section 51 - Services supplied to an unregistered person in Mainland Tanzania	Section 51(2) of the VAT Act has been amended by broadening the scope of electronic services supplied to an unregistered person in Mainland Tanzania by extending the coverage for online intermediary services or platform to include online accommodation marketplace and payment services platform.
8.	Amendment of Section 56 - Zero rating of fertilizer	The period for zero rating fertilizer has been extended from 1 July 2025 to 30 June 2028.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
9.	Amendment of Section 57 - Zero rating of cotton garments	The period of zero rating locally manufactured garments from locally grown cotton has been extended from 1 July 2025 to 30 June 2025.
10.	Amendment of Section 70 - VAT returns	<p>Section 70 of the VAT Act has been amended by adding after Subsection 1 the following Subsections:</p> <ul style="list-style-type: none">• Subsection 2: A taxable person shall not deduct withheld output tax unless supported by a valid VAT withholding certificate at the time of filing a VAT return.• Subsection 3: A taxable person supplying goods and services to unregistered persons at VAT a rate of 16% shall submit evidence of proof of payment showing the consideration for the supply was made electronically or through bank. The proof shall be submitted through the system or any manner directed by the Commissioner.• Subsection 4: An assisted Government entity shall attach a valid certificate of advance VAT paid at the time of filing a VAT return.• Subsection 7 of Section 70 has been deleted to remove the forward due date of filing a VAT return that captured weekends and public holidays if the 20th day fell on these days. A return shall be filed on before the 20th of the month following the month to which the Vat return relates.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
11.	Amendment of Section 71 - Calculation and payment of net amount	<p>Section 71(1) of the VAT Act has been amended by adding after paragraph (a) the following paragraphs:</p> <ul style="list-style-type: none">• Paragraph (b): Advance VAT paid as shown in the certificate will be added by an assisted Government entity at the time of calculating output tax payable in a tax period.• Paragraph (c): Output tax withheld by a withholding agent as shown in the certificate will be deducted by the withholdee at the time of calculating output tax payable in a period. <p>Subsection 71(3) has been amended by adding after paragraph (b) paragraph (c) which provides that at the time of calculating net amount, if positive, the advance VAT paid by an assisted Government entity will be treated as already paid.</p> <p>Subsection 71(5) has been added to provide that a withholding agent shall remit the output VAT withheld at the time of filing a VAT return or manner to be directed by the Commissioner.</p>

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
12.	Amendment of Section 72 - Credit for input tax	Section 72(1)(c) of the VAT Act has been amended to restrict claiming of input tax credit on importation to when input tax is actually paid. Previously, the VAT Act allowed an importer of goods to claim input tax credit on input tax liable to pay.
13.	Additions of the following Sections: <ul style="list-style-type: none">• Section 90A: Certificate of advance output tax• Section 90B: VAT withholding certificate	<ul style="list-style-type: none">• Section 90A of the VAT Act: A day after the end of the tax period, the Commissioner General shall issue an assisted Government entity with a certificate of advance output tax which will include the information such as TIN and VRN of assisted Government entity, date, certificate number, consideration payable, advance output tax paid etc.• Section 90B of the VAT Act: The day VAT is due, the withholding agent will issue the supplier with a VAT withholding certificate that will include information such as date, TIN and VRN of withholding agent, consideration payable, rate and amount of VAT withheld etc. Without the certificate, the supplier cannot claim the output tax withheld.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
14.	Amendment of item 1 of Part 1 of the Schedule	VAT exemption on local purchase of the following sub-items under item 1 (Agricultural inputs) has been revoked: spades, shovels, mattocks, picks, forks, rakes, axes, New Pneumatic Tyres of a kind used in agricultural and forest vehicles, Dam liner . The red highlighted items have been exempted on their importation only as certified by Minister of agriculture as amended in item 32 of Part 2 of the Schedule.
15.	VAT exemption on some items of Part 1 of the Schedule	VAT exemption on unprocessed sisal fibre, newspapers printed and published locally by a person licensed under the Media Services Act, re-insurance, Liquefied Petroleum Gas, Compressed Natural Gas for motor vehicles, Liquefied Petroleum Gas tanks or cylinders for cooking, solar panels, modules, solar charger controllers, solar inverter, vacuum tube solar collectors and solar battery specifically designed for exclusive use in storage of solar power, period of exempting double refined edible oil from locally grown seeds by manufacturer has been extended from 1 July 2025 to 30 June 2026, Aircraft of heading 88.02 and aircraft maintenance to a local operator of air transportation; or Aircraft engine of HS Code 8407.10.00 and aircraft parts of heading 88.07, excluding parts of goods of heading 88.01 and 88.06 to a local manufacturer or assembler of aircraft or to a local operator of air transportation, piped natural gas specifically for being converted to Compressed Natural Gas (CNG) to be used exclusively for fueling motor vehicle from 1st July, 2025 to 30th June, 2028.

KEY VAT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
16.	VAT exemption on some items of Part 1 of the Schedule	An import of CNG plants equipment including CNG Compressors, CNG metering equipment, CNG storage cascades, CNG special transportation vehicles and CNG dispenser by a natural gas distributor, an import of Carbonization furnace of HS Code 8417.80.00 for exclusive use in manufacturing of briquettes, an import of new pneumatic tyres of a kind used in agricultural and forest vehicles of HS Code 4011.70.00; dam liners of heading 39.20; forks of HS Code 8201.90.00; rakes of HS Code 8201.30.00 and axes of HS Code 8201.40.00 as certified by the Ministry responsible for agriculture.

INCOME TAX ACT, CAP 332 ("ITA")

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 12 - Interest	Section 12(5) of the ITA has been amended to expand the definition of the term 'equity' to include 'positive retained earnings' for interest restriction purposes. This will improve the threshold for maximum debt allowed for borrowing which in turn will reduce disallowed interest expense for thin capitalization purposes.
2.	Addition of Section 33A - Avoidance of tax liability by non-distribution of dividend	An anti-tax avoidance rule has been introduced whereby if the Commissioner determines that no distribution has been made 12 months after year end, then 30% of accounting profit (not retained earnings) will be deemed to be distributed as dividends for withholding tax purposes. The deemed distribution will not be applicable to a resident entity under CFC rules in Section 96(6) of the ITA (i.e. distribution to a non-resident shareholder). A subsequent distribution will not be subject to withholding tax which was already applicable to the deemed distribution.
3.	Amendment of Section 44 - Transfer of asset to associate or for no consideration	Section 44(1)(b) of the ITA has been amended to provide that if a person acquired an asset from an associate and subsequently realizes the asset, the cost of the asset for calculation of gain/loss will be asset acquisition cost and subsequent cost after acquisition.
4.	Amendment of Section 71 - Losses from mining operations	Section 71(1)(c) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of a separate mining operation. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
5.	Amendment of Section 75 - Licensee conducting processing, smelting and refining	Section 75(4) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of a mineral processing, smelting or refining business. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
6.	Amendment of Section 80 - Losses from petroleum rights	Section 80(1)(c) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of a petroleum operation. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
7.	Amendment of Section 84 - Midstream and downstream activities	Section 84(4) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of midstream and downstream activities. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
8.	Amendment of Section 105 - Withholding from investment returns	Rent paid for hired motor vehicle is subject to 10% withholding tax. Previously, withholding tax was excluded on rent paid for hired motor vehicles.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
5.	Amendment of Section 75 - Licensee conducting processing, smelting and refining	Section 75(4) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of a mineral processing, smelting or refining business. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
6.	Amendment of Section 80 - Losses from petroleum rights	Section 80(1)(c) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of a petroleum operation. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
7.	Amendment of Section 84 - Midstream and downstream activities	Section 84(4) of the ITA has been amended to restrict previous year unrelieved loss utilization to 60% of chargeable income of midstream and downstream activities. As such, 40% of the chargeable income will be subject to the normal 30% corporate tax. Previously, the ratio for loss utilization was 70%/30%.
8.	Amendment of Section 105 - Withholding from investment returns	Rent paid for hired motor vehicle is subject to 10% withholding tax. Previously, withholding tax was excluded on rent paid for hired motor vehicles.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
9.	Amendment of Section 106 - Withholding from service fees and contract payments	<ul style="list-style-type: none"> • Commission for gaming advertisement and promotion is subject to withholding tax at the rate of 10%. • Payment for salt produced by a Primary Mining Licence holder or artisanal miner is subject to withholding tax at the rate of 2%. Previously, withholding tax was excluded for salt.
10.	Amendment of Section 115 - Single instalment at time of realization or receipt	The income tax rate on capital gain derived by a non-resident person from realization of land, building, shares, petroleum or mineral right, has been increased from 20% to 30%.
11.	Addition of Section 116A - Single instalment tax on sale of forest produce	<ul style="list-style-type: none"> • A resident selling forest produce shall pay income tax by way of single instalment tax at the rate of 2% of gross payment. The single instalment tax shall be paid before forest produce is transported. TRA Commissioner shall issue a single instalment tax certificate upon payment. The single instalment tax shall be final withholding tax. • The provision is applicable to an individual and not corporations. The law will be effective on 1 January 2026.
12.	Amendment of Section 117 - Returns of Income	Section 117(3) of the ITA has been amended to provide that a return of income of an individual whose annual turnover exceeds TZS 500,000,000 or return of income of a corporation whose annual gross income exceeds TZS 100,000,000 will be need to be prepared and certified by a certified public accountant in public practice.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
13.	Amendment of Paragraph 2 of First Schedule - Presumptive income tax rates for individuals	<ul style="list-style-type: none"> Paragraph 2(5) of the First Schedule to the ITA has amended presumptive income tax rate in item 1 of Class A (Passenger service vehicles), Class C table (Goods carrying vehicles) and deleting motorcycles and tricycles in Class D (Private hire service vehicles).
14.	Amendment of Paragraph 3 of First Schedule - Rates of income tax for entities	<ul style="list-style-type: none"> For companies listed in the Dar es Salaam Stock Exchange will pay corporate income tax at the reduced rate of 25% for three consecutive years from date of listing if equity ownership by public is by 25%. Previously, the required equity ownership was by 30%. Alternative Minimum Tax (AMT) rate has been increased from 0.5% to 1% for corporations with perpetual unrelieved loss for 3 consecutive years.
15.	Amendment of Paragraph 4 of First Schedule - Rates of withholding tax	<ul style="list-style-type: none"> Increase in withholding tax rate from 5% to 10% on payments made to a resident management or technical service providers to the extractive sector i.e mining, oil and gas. Increase in withholding tax rate from 5% to 10% on insurance premium paid to a non-resident insurance provider. Introducing withholding tax of 10% on commission for gaming advertisement or promotion. Introducing withholding tax of 2% on payments for salt produced by Primary Licence holder or artisinal miner.

KEY ITA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
16.	Amendment of Paragraph 1(1)(o) of the Second Schedule	Income tax exemption for the initial ten years period shall not be applicable to investors in Export processing Zone or Special Economic Zone who produce for domestic sale.

TAX ADMINISTRATION ACT, CAP 438 (“TAA”)

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 11 - Private and class rulings	A private ruling issued by the Commissioner in respect of tax residence status will be accompanied by a tax residency certificate in the manner determined by the Commissioner.
2.	Repeal and replacement of Section 23 - Recognition of small scale traders	<ul style="list-style-type: none"> • Section 23 of the TAA has been repealed and replaced with new provisions about recognition of small scale traders conducting business in an informal sector by registering such traders whose annual turnover is below the minimum taxable income i.e. TZS 4,000,000 and have a Taxpayer Identification Number (TIN). • The Minister may make Regulations guiding recognition and registration of small scale traders.
3.	Repeal and replacement of Section 42 - Electronic tax administration system	<ul style="list-style-type: none"> • Section 42 of the TAA has been repealed and replaced with new provisions in respect electronic tax administration system where the Commissioner shall establish computerised electronic system for filing, furnishing, storing, archiving and accessing electronic documents. A person will be able to access a document from the electronic system if he is a registered user of the system. • A document registration number created using an authentication code will be used to consider a document filed by a person and received by the Commissioner or served on a person by the Commissioner.

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
4.	Amendment of Section 54 - Disclosure of information on contracted services	Provisions of Section 54(2) of the TAA have been amended to stipulate that a person engaged in construction or extractive industry shall within 30 days of commencement of subcontracted works disclose the names of the persons, value, nature and duration of the sub-contracted work.
5.	Amendment of Section 62 - Objection to tax decisions	Provisions of Section 62(8) of the TAA have been amended to stipulate that an objection shall be deemed to be admitted by the TRA Commissioner on the following dates: <ul style="list-style-type: none"> • Filing an objection, payment of the higher between tax not in dispute or one third of assessed tax or payment of an approved lesser deposit or waiver of one third deposit; or • In any other case, the date of filing an objection to the TRA Commissioner.
6.	Amendment of Section 63 - Decision on objection	<ul style="list-style-type: none"> • Provisions of Section 63(4) of the TAA has been amended to stipulate that where an objector fails to make submission on Commissioner proposal to settle objection within 30 days from receipt of the proposal, the same will be treated as objection decision and the objector shall have the right to appeal to the Tax revenue Appeals Board (“TRAB”).

KEY TAA AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		<ul style="list-style-type: none">Provisions of Section 63(11) of the TAA have been amended to stipulate that where the TRA Commissioner fails to determine an objection within 6 months from objection admission, provided he issued a proposal to settle objection, the same shall be treated as objection decision and the objector shall have the right to appeal to TRAB.
7.	Amendment of Section 75 - Restraint of assets	The amendment to Section 75(6) of the TAA stipulates that under certain circumstances such as failure to pay tax or acquire a fiscal device or breach of any tax law, the TRA Commissioner may restrain an asset for a period not exceeding 3 months within which he may issue a jeopardy or adjusted assessment.
8.	Amendment of Section 90 -	Section 90(2)(c) of the TAA has been amended to expand the scope of penalty applicable to a person who does not comply with arm's length principle for controlled transactions to include a penalty of 30% of the adjusted tax loss as an alternative to the existing penalty of 100% of the tax shortfall.

EXCISE DUTY ACT, CAP 147

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 2 by adding definition of 'financial institution'	<ul style="list-style-type: none"> Section 2 of the Excise Duty Act has been amended to add the definition of 'financial institution' to mean a bank or financial institution established or licensed under the Bank of Tanzania Act or the Banking and Financial Institutions Act, including a microfinance service provider falling under Tier 1 recognized under the Microfinance Act. The implication of the definition is that Tier 2 non-deposit taking microfinance service providers do constitute financial institutions liable for excise duty on fees or charges on services provided. As such, Tier 1 deposit taking financial service providers constitute financial institutions liable for excise duty on fees or charges on services provided.
2.	Amendment of Section 10 - Application for and grant of license	Section 10(5) of the Excise Duty Act has been amended to change the expiry period of a license issued by the Commissioner General for manufacturing excisable goods, from 31 December in each year to 12 months from date of issuance of the license.
3.	Amendment of Section 126 - Imposition of excise duty	<ul style="list-style-type: none"> Section 126(5)(a) of the Excise Duty Act in respect of dutiable value has been repealed and replaced by the following items: the use of a cable or mobile phone either fixed or wireless, the amount payable for electronic communication service or data supplied in relation to the use of a cable, fixed mobile phone or wireless phone.

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		<ul style="list-style-type: none"> • Section 126(6) of the Excise Duty Act has been amended to increase the excise duty rate from 5% to 7% on service for pay-to-view television. • Expanding the excise duty base by adding Section 126(12)(d) of the Excise Duty Act, any other service provider of money transfer and payment system who employs independent systems other than financial or telecommunication systems. • Adding Section 126(16) by introducing excise duty at the rate of 20% on imported used tableware, kitchenware, utensils, cutlery and other related products of headings 39.24, 44.19 and 82.15, HS Code 7323.91.00, 7323.92.00, 7323.93.00, 7323.94.00, 7323.99.00, 7418.10.00, 7615.10.10 and 7615.10.90.
4.	Amendment of Section 128 - Payment of duty	Excise duty shall be paid by the 25 th day of the month following the month to which the return relates.
5.	Amendment of Section 129 - Payment of duty may be deferred	The Commissioner may permit payment of excise duty to be deferred to a date not later than the 25 th day of the month following the month to which the duty becomes due.

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication																
6.	Amendment of the Fourth Schedule	<ul style="list-style-type: none"> The Fourth Schedule to the Excise Duty Act has been amended to introduce excise duty on the following items: The list is not exhaustive: <table border="1"> <thead> <tr> <th>Item</th> <th>Excise duty rate</th> </tr> </thead> <tbody> <tr> <td>Imported margarine</td> <td>Tshs. 500 per kg</td> </tr> <tr> <td>Locally produced sausages</td> <td>5%</td> </tr> <tr> <td>Imported sausages</td> <td>10%</td> </tr> <tr> <td>Locally produced other empty cachets</td> <td>Tshs. 50 per kg</td> </tr> <tr> <td>Imported produced other empty cachets</td> <td>Tshs. 100 per kg</td> </tr> <tr> <td>Imported soap for toilet use</td> <td>10%</td> </tr> <tr> <td>Other imported soap</td> <td>10%</td> </tr> </tbody> </table>	Item	Excise duty rate	Imported margarine	Tshs. 500 per kg	Locally produced sausages	5%	Imported sausages	10%	Locally produced other empty cachets	Tshs. 50 per kg	Imported produced other empty cachets	Tshs. 100 per kg	Imported soap for toilet use	10%	Other imported soap	10%
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KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
	Item	Excise duty rate
	Locally produced potatoes	Tshs. 50 per kg
	Imported potatoes	Tshs. 100 per kg
	Locally produced icecream	5%
	Imported icecream	10%
	Locally manufactured tobacco products containing nicotine	30%
	Imported tobacco products containing nicotine	30%
	Locally produced other fruits, nuts	Tshs. 50 per kg
	Imported other fruits, nuts	Tshs. 100 per kg

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
	Item	Excise duty rate
	Locally produced potatoes	Tshs. 50 per kg
	Imported potatoes	Tshs. 100 per kg
	Locally produced icecream	5%
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	Locally manufactured tobacco products containing nicotine	30%
	Imported tobacco products containing nicotine	30%
	Locally produced other fruits, nuts	Tshs. 50 per kg
	Imported other fruits, nuts	Tshs. 100 per kg

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
	Item	Excise duty rate
	Imported washing preparations	10%
	Other imported washing preparations	10%
	Locally manufactured fireworks	25%
	Imported fireworks	25%
	Imported matches	Tshs. 400 per kg
	Locally produced cuff-links and studs	10%
	Imported cuff-links and studs	10%
	Other locally produced imitation jewellery	10%
	Other imported imitation jewellery	10%

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication						
	<table border="1"><thead><tr><th>Item</th><th>Excise duty rate</th></tr></thead><tbody><tr><td>Locally manufactured parts of electronic cigarettes</td><td>30%</td></tr><tr><td>Imported parts of electronic cigarettes</td><td>30%</td></tr></tbody></table>	Item	Excise duty rate	Locally manufactured parts of electronic cigarettes	30%	Imported parts of electronic cigarettes	30%	
Item	Excise duty rate							
Locally manufactured parts of electronic cigarettes	30%							
Imported parts of electronic cigarettes	30%							

KEY EXCISE DUTY ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
		<ul style="list-style-type: none">• The Fourth Schedule to the Excise Duty Act has been amended to delete excise duty on the following HS codes and Headings and replacing with new rates: The list is not exhaustive:<ul style="list-style-type: none">○ Hs Code 2202.99.00○ Heading 22.03○ Heading 22.04○ Heading 22.05○ Heading 22.06○ HS Code 2207.10.00○ HS Code 2207.10.00○ Heading 22.08○ HS Code 2711.11.00○ HS Code 2711.21.00○ Heading 94.01○ Heading 94.03

LOGAL GOVERNMENT FINANCE ACT, CAP 290

KEY LOCAL GOVERNMENT FINANCE ACT AMENDMENTS AND THEIR IMPLICATIONS

S/N	Amendment	Implication
1.	Amendment of Section 6(1) - Sources of revenue of urban authorities	<ul style="list-style-type: none"> Section 6(1)(q) of the Local Government Finance Act has reduced the hotel levy from 10% to 2% of the guest house charges payable by a guest. Section 6(1)(v) of the Local Government Finance Act has reduced service levy from 0.3% maximum to a fixed rate of 2.5%.
2.	Amendment of Section 7(1) - Sources of revenue of district councils	<ul style="list-style-type: none"> Section 7(1)(t) of the Local Government Finance Act has reduced the hotel levy from 10% to 2% of the guest house charges payable by a guest. Section 7(1)(z) of the Local Government Finance Act has reduced service levy from 0.3% maximum to a fixed rate of 2.5%.
3.	Amendment of Section 8(1) - Sources of revenue of township authorities	Section 8(1)(l) of the Local Government Finance Act has reduced the hotel levy from 10% to 2% of the guest house charges payable by a guest.
4.	Amendment of Schedule	Removal of loading and offloading fees for transportation of goods

2. OTHER LEGISLATIVE CHANGES AND THEIR IMPLICATIONS

INSURANCE ACT CAP 394

S/N	Amendment	Implication
1.	Addition of Section 134A - mandatory inbound travel insurance	Section 134A of the Insurance Act has introduced a mandatory travel insurance of USD 44 for foreigners entering Tanzania Mainland. The insurance will not apply to East African Community (EAC) and Southern African Development Community (SADC) member states. The insurance will be valid for 92 days to cover emergency assistance to foreigners in respect of medical or loss of luggage.

EXPORT ACT CAP 196

S/N	Amendment	Implication
1.	Amendment of the term Commissioner under Section 2	Commissioner means Commissioner General appointed under the Tanzania Revenue Authority Act;
2.	Amendment of the Schedule	Introducing export levy of 30% or TZS 150 per kilogram, whichever is higher on Veneered sheets of heading 44.08.

IMPORTS CONTROL ACT, CAP 276

S/N	Amendment	Implication
1.	Addition of Section 134A - mandatory inbound travel insurance	Section 134A of the Insurance Act has introduced a mandatory travel insurance of USD 44 for foreigners entering Tanzania Mainland. The insurance will not apply to East African Community (EAC) and Southern African Development Community (SADC) member states. The insurance will be valid for 92 days to cover emergency assistance to foreigners in respect of medical or loss of luggage.
2.	Amendment of Section 18A - Industrial Development Levy	<ul style="list-style-type: none"> Provisions of Section 18A(1) has been amended to clarify that industrial development is payable to the Commissioner General. Repealing Section 18A(3) on the exemption of industrial development levy to goods originating from East African Community Partner States that meet the East African Community Rules of Origin.
3.	Addition of Section 18A(4)	The Commissioner General may, where public interest exists and by certificate, exempt any person from the requirements of this section.
4.	Amendment of the Schedule	<ul style="list-style-type: none"> The Schedule to the Imports Control Act has been amended by exempting cement clinkers under HS code 2523.10.00 from 10% industrial development levy. The Schedule to the Imports Control Act has been amended and replaced with a new Schedule with the following items and industrial development levy rates:

IMPORTS CONTROL ACT, CAP 276

S/N	Amendment	Implication
		<ul style="list-style-type: none">○ Starch: 5%○ Liquid glucose: 5%○ Pasta: 15%○ Imported laundry or bar soap: 15%○ Unbleached paper: 10%○ Wire rod: 10%○ Beer: 5%○ Wine: 10%○ Energy drink: 5%○ Non-alcoholic beer: 5%○ Other organic surface-active agents: 10%○ Portland cement: 10%○ Nails, tacks, drawing pins, corrugated nails, staples: 5%○ Road tractor for semi-trailers: 10%○ Furniture: 10%○ Ceramic tiles: 5%○ Bars and rods: 10%○ Flat rolled products: 5%

IMPORTS CONTROL ACT,CAP 270

S/N	Amendment	Implication
		<ul style="list-style-type: none">○ Prefabricated building: 10%○ Kitchenware and tableware, other household articles, of plastics: 10%○ Cast glass and rolled glass in sheets or profile: 5%○ Drawn glass and blown glass in sheets or profile: 5%○ Float glass: 5%○ Glass of Heading 70.03, 70.04 and 70.05 bent, edge worked, engraved or otherwise worked: 5%

BUDGET ACT CAP 439

S/N	Amendment	Implication
1.	Addition of Section 60A - Approval to establishment, review and imposition of fees	A ministry or Government institution who intends to establish, review or impose fees, levies or charges, they shall seek prior approval of the Minister of Finance. The provision is not applicable to Local Government Authorities.

MINING ACT CAP 123

S/N	Amendment	Implication
1.	Amendment of Section 69 - Gold to be set aside for processing, smelting, refining and trading	Companies having agreement with the Government of Tanzania, shall set aside gold at the rate of not less than 20% of the produced gold, for processing, smelting, refining and trading in Tanzania. Previously, these companies were excluded from this provision unlike companies that do not have agreements with the Government.
2.	Addition of Section 113A - HIV response levy on minerals	<ul style="list-style-type: none">• There shall be charged HIV response levy at the rate of 0.1% of the gross value of minerals, to be collected by the Mining Commission and remitted as follows: (a)70% of the collected amounted to AIDS Trust Fund; and (b)30% of the collected amount to Universal Health Insurance Fund• The levy shall be payable at the time of paying royalty by persons liable to royalty under the Mining Act.

MERCHANDISE MARKS ACT, CAP 85

S/N	Amendment	Implication
1.	Addition of Section 11A - Recordation of trademarks	Trademarks relating to goods to be imported in Mainland Tanzania, irrespective of the place of registration, shall be recorded with the Chief Inspector, in the prescribed manner.

GAMING ACT, CAP 41

S/N	Amendment	Implication
1.	Amendment of Section 34 - Imposition of gaming tax on winning amount	<ul style="list-style-type: none">• Repealing Section 34(2)(a)and(b) and substituting it with the following provisions:<ul style="list-style-type: none">(a) land-based casino shall be taxed at a rate of 13 percent on the amount or value of winnings provided that, 8 percent of the collected amount shall be distributed as follows: (i) 70 percent to AIDS Trust Fund; and (ii) 30 percent to Universal Health Insurance Fund;(b) sports betting shall be taxed at the rate of 12 percent on the amount or value of winnings provided that 17 percent of the collected amount shall be distributed as follows: (i) 70 percent to AIDS Trust Fund; and (ii) 30 percent to Universal Health Insurance Fund.• Repealing Section 34(4)(b) and substituting it with the following provisions:<p>Filing return and remitting withheld gaming tax on winnings to the Commissioner electronically on or before the seventh day of the month following the month of payment of the winning.</p>• Deleting Section 34(4)(c) of the Gaming Act.

INVESTMENT AND SPECIAL ECONOMIC ZONES ACT No.6 of 2025

S/N	Amendment	Implication
1.	Amendment of Section 19 - Investment incentives	<ul style="list-style-type: none"> • Introducing 75% exemption of import duty of deemed capital goods imported by the investor who has a certificate of investment. The investor will pay 25% of the import duty on imported deemed capital goods.. • Tax incentives will no longer be applicable to an investor with certificate of investment or licence of investment on motor vehicle not directly used for the project with HS codes 8702.10.19, 8702.90.19 and Heading 8703, imported trailers with HS Code 8716.31.90 and 8716.40.90, imported motor vehicle aged more than 8 years from date of manufacture, office equipment, furniture, air conditioners, cement, steel, imported electronic equipment etc.

MOTOR VEHICLE (TAX REGISTRATION AND TRANSFER) ACT, CAP 124

S/N	Amendment	Implication
1.	Addition of Section 5A - HIV response levy on motor vehicles	<ul style="list-style-type: none"> • There shall be charged HIV response levy on the first registration of motor vehicles at the rate between TZS 50,000 and TZS 250,000 to be collected by the TRA Commissioner General and remitted as follows: (a)70% of the collected amount to AIDS Trust Fund; and (b)30% of the collected amount to Universal Health Insurance Fund.

BUSINESS LICENSING ACT, CAP 101

S/N	Amendment	Implication
1.	Amendment of Section 14A - Business restriction on non-citizens	<ul style="list-style-type: none">• A business licence shall not be issued to non-citizens unless the business is allowed for non-citizens.• The Minister shall by order of the Gazette specify business activities prohibited to non-citizens.

RAILWAYS ACT ACT, CAP 170

S/N	Amendment	Implication
1.	Addition of Section 73A - HIV response levy on train tickets	<ul style="list-style-type: none">• There shall be charged HIV response levy on train tickets at the rate between TZS 500 per ticket to be collected by the railway transport operator and remitted to the Land Transport Regulatory Authority on the 7th day of the month following the month on which the levy was collected.• The levy will be distributed as follows: (a) 70% of the collected amount to AIDS Trust Fund; and (b) 30% of the collected amount to Universal Health Insurance Fund.

ROAD AND FUEL TOLLS ACT, CAP 220

S/N	Amendment	Implication
1.	Amendment of Section 4 - Adding diesel	Adding kerosene in the list of items subject to road and fuel tolls.
2.	Amendment of Section 5	TZS 7 per liter imposed on petrol, diesel and kerosene shall be deposited into the AIDS Trust Fund and TZS 3 per liter imposed on petrol, diesel and kerosene shall be deposited into Universal Health Insurance Fund.

CASHEWNUT INDUSTRY ACT, CAP 203

S/N	Amendment	Implication
1.	Amendment of Section 18 - Payment of export levy	<ul style="list-style-type: none">• Section 18(2) of the Cashewnut Industry Levy has been repealed and substituted with the provisions that from the 1st day of July 2025, the Tanzania Revenue Authority shall deposit the whole amount of export levy collected under subsection (1) into the Cashewnut Board's bank account at the Bank of Tanzania for a period of four years.• Previously, 50% of the export levy was remitted to the Ministry responsible for Agriculture input subsidy and the Agriculture Development Fund; and 50% was remitted to the Consolidated Fund.

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