

CHAPTER 438

THE TAX ADMINISTRATION ACT

[PRINCIPAL LEGISLATION]

ARRANGEMENT OF SECTIONS

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CHAPTER 438

THE TAX ADMINISTRATION ACT

An Act to consolidate provisions relating to tax administration with a view to easing the administration of tax and enforcement of tax laws by the Tanzania Revenue Authority; to introduce currency point system in tax administration; and to provide matters incidental thereto.

[1st August, 2015]

[GN. No. 304 of 2015]

Acts Nos.	8 of 2019
10 of 2015	8 of 2020
2 of 2016	3 of 2021
4 of 2017	10 of 2021
7 of 2017	5 of 2022
4 of 2018	7 of 2023

PART I

PRELIMINARY PROVISIONS

Short title **1.** This Act may be cited as the Tax Administration Act.

Application **2.** This Act shall apply to Mainland Tanzania as well as to Tanzania Zanzibar in respect of tax laws which apply to both parts of the United Republic.

Interpretation **3.**—(1) The provisions of this Act shall, for better carrying out and giving effect to the purposes of this Act, apply to all other tax laws.

Acts Nos.
7 of 2017 s. 44
8 of 2019 s. 42
5 of 2022 s. 105

(2) Any term which is not defined in this Act shall, to the extent necessary to give effect to the purposes of this Act, have a meaning ascribed to it in the relevant tax law.

(3) In this Act, unless the context otherwise requires—
“adjusted assessment” means an assessment made pursuant to section 59;

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“arrangement” means an action, agreement, arrangement, course of conduct, dealing, promise, transaction, understanding or undertaking involving more than one person and it includes a part of an arrangement;

“assessment” means a determination of the amount of a tax liability made under a tax law by the Commissioner General or by way of self-assessment and it includes matters prescribed in the First Schedule;

“Authority” means the Tanzania Revenue Authority established under the Tanzania Revenue Authority Act;

“authorised officer” means an officer of the Authority dealing with tax matters in relation to tax laws and who has been authorised in writing to perform special functions in relation to any tax law;

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“Board” means the Tax Revenue Appeals Board established under the Tax Revenue Appeals Act;

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“Commissioner General” means the Commissioner General appointed under the Tanzania Revenue Authority Act;

“charged assets owned by a taxpayer” means assets held by a withholding agent on trust under section 71 or assets charged under section 72;

“class ruling” means a decision by the Commissioner General on tax issues raised by a group of persons with common interest;

“costs of charge and sale” with respect to assets, means any expenditure incurred or to be incurred by the Commissioner General or an authorised agent with respect to-

- (a) creating or releasing a charge over the assets; or
- (b) taking possession, holding and selling the charged assets;

“currency point” means a value prescribed by a tax law for the purpose of protecting value of currency against the effects of inflation;

Act No.
1 of 2005
[E.A.C.M.A]

“customs law” means the East African Community Customs Management Act and any regulations made under that Act;

“document” means a statement in writing or in electronic forms which includes an account, assessment, book, certificate, claim, note, notice, order, record, return or ruling;

“file” in relation to a document, includes lodging or furnishing a document in writing or in electronic form;

“fiscal device” means an electronic receipt issuing machine or any other electronic system authorised by the Commissioner General to be used for business transactions;

“fiscal receipt” means a receipt or invoice issued by using a fiscal device, Government electronic payment gateway system or any other electronic system approved by the Commissioner General;

“generally accepted accounting principles” means the accounting principles adopted by the National Board of Accountants and Auditors;

“guarantor” means a person who grants the Commissioner General the security for tax payable or to become payable by another taxpayer;

“manager” in relation to an entity, includes-

- (a) a councillor, director, manager, member, officer or other person who participates alone or jointly with other persons in making senior management decisions on behalf of the entity;
- (b) a partner and a trustee;
- (c) a person treated as a manager of an entity by any other tax law; and
- (d) a person whose directions and instructions affect the entity;

“Minister” means the Minister responsible for finance;

“objection decision” means a decision in respect of a tax decision made under section 63;

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“other tax laws” means any tax laws other than this Act, administered by the Tanzania Revenue Authority;

“owner of assets” means a person who has been issued with a licence under the Excise (Management and Tariff) Act with respect to ownership of any plant, vehicle, animal or other article used for manufacturing, selling or distributing excisable goods or any article found on any premises used by that person for that purpose;

“possessor of an asset” includes-

- (a) in relation to premises or a place, the owner, manager or any other person on the premises or place; and
- (b) in relation to any other asset, a person from whom the asset is seized or taken;

“private ruling” means a decision by the Commissioner General on tax issues raised by a person;

“restrain” includes detaining, locking up, marking, sealing, seizing, stopping, taking away or otherwise securing;

“self-assessment” means an assessment made under a tax law by a person who is obliged to file a tax return;

“statutory rate” means the prevailing discount rate determined by the Bank of Tanzania;

“tax” for purposes of administration under this Act, includes tax, charges, fees, tolls, rates, levies, duties, penalty and interest imposed under any tax law and any additional profits tax payable under any arrangement or agreement;

“tax benefit” in relation to a person means a benefit earned by-

- (a) avoiding, reducing or postponing a tax liability of that person;
- (b) increasing a claim of the person for a refund of tax;
- (c) preventing or obstructing collection of tax from the person; or
- (d) any other act for which the Commissioner General is of the opinion that it might result into the reduction of a person’s tax liability;

“tax debtor” means a person who owes tax to the Government;

“tax law” includes-

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1 of 2005
[E.A.C.M.A]

- (a) a law listed in the First Schedule to the Tanzania Revenue Authority Act but does not include the East African Community Customs Management Act;
- (b) any other law providing for administration of tax by the Authority;
- (c) any international agreement concluded under section 7; and
- (d) any regulations made under this Act or made under any Act mentioned in paragraph (a) or (b);

“tax officer” means any officer of the Authority dealing with tax matters in relation to any tax law;

“taxpayer” means any person who is liable to pay tax;

“tax return” means a return prescribed in the First Schedule to this Act;

“tax shortfall” means underpayment of tax which in the Commissioner General’s opinion may have resulted into inaccuracy statement had it gone undetected;

“vehicle” includes every description of conveyance for the transport of persons or goods by land;

“vessel” includes every description of conveyance for the transport of persons or goods by water;

“withholding agent” means a person obliged to withhold tax from a payment; and

“withholding tax” means the income tax which is required to be withheld by a withholding agent from a payment under Subdivision A of Division II of Part VII of the Income Tax Act.

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Currency point system

4.–(1) An amount of money referred to in a specific tax law shall, for purposes of the promotion of fairness in the tax system and protection against the effects of inflation, be expressed in terms of currency points.

(2) The currency point system shall apply in respect of penalties and fines prescribed under this Act and any other tax law.

(3) The initial value of a currency point shall be set out in the Second Schedule to this Act.

(4) The Minister may, by order published in the *Gazette*, adjust the value of the currency point to reflect changes in the index of the consumer prices.

PART II

TAX LAWS AND THEIR INTERPRETATION

(a) *Tax Laws*

Powers of
Commissioner
General and tax
officers

5.-(1) The powers of the Commissioner General shall, in addition to the powers granted under this Act, be exercised in respect of any tax laws.

(2) A tax officer may, in performing the functions under this Act-

- (a) act for the purposes of more than one tax law at the same time; and
- (b) gather information for the purposes of any tax law in the proper execution of duties under a particular tax law.

Relationship with
customs law

6.-(1) Where the customs law applies to the Value Added Tax or the Excise Duty on imported or exported goods and for matters related thereto, Parts I, II, III, IV and V of this Act shall apply.

(2) The Commissioner General may, subject to subsection (3) and where a tax law has provided for certain administrative provisions of the customs law, apply relevant provisions of this Act instead of the provisions of the customs law.

(3) The Commissioner General shall exercise the powers in subsection (2) in a manner consistent with the customs law.

(4) The provisions of Parts II (b), III and VIII of this Act shall, to the extent that they are inconsistent with the provisions of the customs law, apply to the customs law.

International
agreements
Act No.
10 of 2021 s. 6

7.-(1) The provisions of an international agreement which the United Republic is a party shall, to the extent that the provisions of the agreement are inconsistent with the provisions of any tax law, prevail over the provisions of the tax laws.

(2) For purposes of this section “international agreement” means a treaty or other agreement which the United Republic signed with a foreign Government for the purpose of providing reciprocal assistance for the administration or enforcement of tax laws.

(3) For purposes of this section, the Host Government Agreement concerning the East Africa Crude Oil Pipeline (EACOP) Project shall be regarded as an international agreement and the provisions of subsection (1) shall apply.

(b) Interpretation of Tax Laws

Schemes for
obtaining undue
tax benefits
Acts Nos.
2 of 2016 s. 53
4 of 2017 s. 48

8.-(1) Notwithstanding any provision of this Act, where the Commissioner General is satisfied that any scheme that has the effect of conferring tax benefit on any person was entered into or carried out-

- (a) solely or mainly for the purpose of obtaining that benefit; and
- (b) by means or in a manner that would not normally be employed for *bona fide* business purposes, or by means or in a manner of the creation of rights or obligations that would not normally be created between persons dealing at arm's length,

the Commissioner General may determine the liability for any tax imposed by a tax law and its amount, as if the scheme had not been entered into or carried out, or in such manner as, in the circumstances of the case, he considers appropriate for the prevention or diminution of the tax benefits sought to be obtained by the scheme.

(2) A determination under subsection (1) shall be deemed to be an assessment of tax and the provisions of this Act and any other provisions of tax law in relation to assessments, shall apply accordingly.

(3) Where the Commissioner General, after making findings that in a particular area or locality within a local government authority area, lease agreement between landlords and tenants do not reflect authentic or actual

transactional values, the Commissioner General shall publish in the *Gazette* predetermined minimum rental values for such locality or area based on actual average rental values obtained in the locality or area:

Provided that,

- (a) such predetermined rental values shall only apply to properties considered to be of the same quality or standard; and
- (b) independent valuers were involved in advising the Commissioner General.

(4) In this section “*bona fide* business purposes” does not include obtaining tax benefit.

Issuance of
practice notes

9.–(1) The Commissioner General may, issue practice notes with a view to ensuring consistency in the administration of tax laws and to provide guidance to persons affected by such laws.

(2) A practice note shall–

- (a) be made by way of a circular;
- (b) categorically state that it is a practice note;
- (c) have a number and subject heading by which it can be identified; and
- (d) apply from the date specified in such note, or from the date of the issuance.

Revocation of
practice notes

10.–(1) The Commissioner General may revoke a practice note in whole or part.

(2) The enactment of an Act of Parliament or issuance of a practice note that is inconsistent with an existing practice note, revokes the existing practice note to the extent of the inconsistency.

Private and class
rulings

11.–(1) The Commissioner General may, on application in writing by a person, issue a private ruling or a class ruling setting out position on the application of a tax law to an arrangement proposed or entered into–

- (a) in the case of a private ruling, by that person; or

(b) in the case of a class ruling, by persons in a specified class.

(2) A private or class ruling may apply to multiple arrangements or multiple tax laws.

(3) Where the Commissioner General issues a private or class ruling in respect of the application of a tax law to a proposed arrangement in favour of the applicant or a person in a specified class, such ruling shall bind the Commissioner General.

(4) The ruling issued under this section shall be binding-

- (a) if prior to its issue, the applicant makes-
 - (i) full and true disclosure of all aspects of the arrangement to which the ruling applies to the Commissioner General; and
 - (ii) the arrangement proceeds in all material respects as described in the application for the ruling;
- (b) if it clearly states in its heading to be a private ruling or class ruling; and
- (c) from date of issue for the period specified in the ruling.

(5) A private or class ruling shall not have binding effect to the Commissioner General with respect to any person other than the applicant or persons in the specified class.

(6) A person shall not challenge a private or class ruling, unless the challenge is in respect of a tax decision made with respect to an arrangement which is the subject of a ruling.

(7) For purposes of this section, a class of persons includes-

- (a) members of an entity; and
- (b) such persons who, in the opinion of the Commissioner General, may be identified with respect to the application of particular provisions of tax laws.

Refusal of
application for
private or class
ruling

12.-(1) The Commissioner General may refuse an application for a private or class ruling if-

- (a) in the case of a private ruling-
 - (i) the arrangement has already been the subject of a tax decision; or

(ii) the Commissioner General has commenced an investigation of the applicant's tax affairs that covers the arrangement or, before the application, has notified the applicant in writing of an intention to do so;

(b) the Commissioner General is of the opinion that an existing practice note adequately covers the arrangement;

(c) the application is frivolous or vexatious;

(d) the arrangement has not been carried out and there are reasonable grounds to believe that it will not be carried out;

(e) the applicant has not provided the Commissioner General with sufficient information to make a ruling; or

(f) in the opinion of the Commissioner General, it would be unreasonable to comply with the application having regard to the resources needed to comply and any other matters the Commissioner General considers relevant.

(2) Where the Commissioner General refuses to grant private or class ruling, he shall serve the applicant with a written notice stating the reasons for the refusal.

Issuance of
private and class
rulings

13.-(1) The Commissioner General may issue-

(a) a private ruling by serving a written notice of the ruling to the applicant; or

(b) a class ruling by serving a written notice of the ruling to the applicant and making the ruling publicly available.

(2) The Commissioner General may, in issuing a private or class ruling, base on the assumptions of a future event or other matters he considered appropriate.

(3) A private or class ruling shall-

(a) set out the matters ruled on, identify the tax laws, periods and arrangements to which the ruling applies and any assumptions that affect the ruling;

- (b) in the case of a private ruling, identify the applicant and his Taxpayer Identification Number; and
- (c) in the case of a class ruling, refrain from revealing the identity of-
 - (i) the applicant, unless the applicant has consented in writing; or
 - (ii) the applicant's Taxpayer Identification Number, the class members or any other person identified or referred to in the ruling but an applicant may instruct in writing that his identity be revealed.

Revocation of
private and class
rulings

14.-(1) The Commissioner General may, by a notice in writing, revoke a private or class ruling in whole or in part.

(2) Where the ruling is revoked under subsection (1), the Commissioner General shall-

- (a) in the case of a private ruling, serve the applicant with a revocation notice; and
- (b) in the case of a class ruling, serve the applicants and make the revocation notice publicly available.

PART III

THE AUTHORITY, TAX PAYERS AND TAX CONSULTANTS

(a) The Authority

Administration of
tax laws

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15. The Authority shall be responsible for administering and giving effect to the tax laws in accordance with the provisions of the Tanzania Revenue Authority Act.

Authorisation of
tax officers
Cap. 399

16.-(1) The Commissioner General may, pursuant to section 17 of the Tanzania Revenue Authority Act, delegate his functions to tax officers in relation to tax laws.

(2) The Commissioner General shall not delegate the functions referred to under subsection (1) to any person referred to under sections 18 and 19.

(3) The tax officer may, in some circumstances or where the officer is authorised to exercise such powers, exercise particular power under a tax law.

(4) The Revenue Commissioner appointed under the Tanzania Revenue Authority Act and vested with the responsibility of administering any tax law may exercise the powers to-

- (a) compound offences under section 106; and
- (b) remit penalties and interest under section 81; or
- (c) refund tax under section 84.

Identification of tax or authorised officers

17.-(1) The Authority shall issue an identity card to each tax officer or authorised officer.

(2) An identity card shall bear the logo of the Authority and a passport size photograph of the tax or authorised officer.

(3) When a tax or authorised officer exercises powers or performs functions for purposes of the administration of tax law, that officer shall at all times wear and produce the identity card upon request by a member of the public.

(4) Where the tax or authorised officer fails to produce the identity card as requested, that tax or authorised officer is not authorised to perform any of the function under a tax law, and such member of the public may refuse to deal with the officer.

Experts

18.-(1) The Authority may engage an expert on such terms and conditions as the Commissioner General thinks fit, to assist the Authority in the proper performance of its functions.

(2) The Commissioner General shall supervise such an expert.

(3) A taxpayer may with reasonable cause refuse to deal directly with an expert and write a complaint to the Commissioner General.

(4) Where an expert is engaged and it is discovered that his engagement may result into a conflict of interest, the Authority may terminate the engagement of such expert upon discovery of such conflict of interest.

(5) A person who has reasonable grounds to believe that the expert engaged under subsection (1) has a conflict of interest shall, in writing, complain to the Commissioner General.

(6) Where a complaint is made under subsections (3) and (5) the Commissioner General shall, within seven days from the date of the receipt of the complaint, make a decision on the complaint.

Assistance by
officer from
public institutions

19.—(1) The Commissioner General may request for an officer from a public institution to assist or protect the Authority in the proper performance of its functions under this Act.

(2) The Commissioner General shall supervise the public officer referred to under subsection (1) to assist him in the performance of such functions.

Remuneration for
complying with
tax laws

20.—(1) A person shall not, unless expressly provided for in a tax law, be entitled to any remuneration or reimbursement of expenses from the Authority for complying with the provisions of a tax law.

(2) Subsection (1) shall not apply to the remuneration of—
(a) an officer; or
(b) an expert or a public officer who is assisting the Authority in the performance of its functions.

(3) The remuneration of persons referred to in subsection (2) shall be determined in accordance with the Tanzania Revenue Authority Act.

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Confidentiality

21.—(1) A person who is or was employed or engaged by the Authority to provide assistance to the Authority shall treat all information and documents that, by reason of his employment or engagement, came into his possession or knowledge in connection with any tax law, as secret and confidential.

(2) Notwithstanding the provisions of subsection (1), a person may disclose information or documents referred to in subsection (1) if such disclosure is—

(a) made to a person who is currently employed or engaged by the Authority and the information is required in the performance of his employment or engagement;
(b) for the purposes of a tax law;
(c) authorised by the Commissioner General; or
(d) made before a court or tribunal.

(3) A person may disclose information and documents referred to in subsection (1) to-

- (a) the Minister;
- (b) any person in the service of the Government of the United Republic or the Revolutionary Government of Zanzibar, in a revenue or statistical department where such disclosure is necessary for the performance of the person's official duties;
- (c) the Controller and Auditor-General or any person authorised by the Controller and Auditor-General where such disclosure is necessary for the performance of official duties; or
- (d) the competent authority of the Government of another country with which the United Republic has entered into an international agreement, to the extent permitted under that agreement.

(4) This section does not apply to information that may be published under section 112.

(5) This section does not prevent disclosure of information relating to a specific taxpayer to the taxpayer concerned or, with the taxpayer's written consent, to another person.

(b) Taxpayer Identification Number

Application
for Taxpayer
Identification
Number
Acts Nos.
8 of 2019 s. 43
3 of 2021 s. 51
5 of 2022 s. 106

22.-(1) A person who becomes potentially liable to tax by reason of carrying a business or investment shall apply for a Taxpayer Identification Number within fifteen days from the date of commencing the business.

(2) Notwithstanding the provision of subsection (1), the Commissioner General shall-

- (a) register and issue Taxpayer Identification Number to every Tanzanian citizen who has been registered and issued with a National Identification Number under the Registration and Identification of Persons Act; and
- (b) ensure each Taxpayer Identification Number issued is connected with a National Identification Number.

(3) A person who owns a Taxpayer Identification Number shall not apply for another Taxpayer Identification Number:

Provided that, for purposes of this Act, a registered person with a branch in Tanzania Zanzibar shall use Zanzibar Registration Number issued by Zanzibar Revenue Board.

(4) An application for a Taxpayer Identification Number shall be-

- (a) in the prescribed form;
- (b) supported by documentary evidence of the applicant's identity; and
- (c) filed in the prescribed manner.

(5) The provisions of subsection (2) shall come into operation on 1st January, 2023.

(6) Where a person is registered and issued with a Taxpayer Identification Number for the first time, for the purposes of carrying on a business or investment, the requirement to pay instalment tax under the Income Tax Act shall be deferred for a period of six months from the date when the Tax Identification Number was issued.

(7) A person referred in subsection (6) shall pay the whole of the deferred tax in the respective year in three equal instalments, in the remaining period.

(8) Where the deferment granted under subsection (6) has the effect of deferring the tax payable beyond the year of income to which the tax relates, the whole of the tax payable shall be paid in the last instalment period of the year of income.

(9) Nothing in this section shall be taken to preclude the person granted deferment under this section to pay the assessed tax during the deferment period.

23.-(1) The Commissioner General shall recognise and register small vendors and service providers conducting business in an informal sector.

(2) A person registered under subsection (1), shall be issued with an identification card by the Commissioner General.

(3) The Minister may make regulations prescribing for the fees, manner of recognising and registration and any other matter relating to small vendors or service providers.

(4) For purposes of this section, “small vendors and service providers” include hawkers (*machinga*), caterers, event managers, masters of ceremony and such other small vendors or service providers as the Minister may prescribe.

[s. 22A]

Issue of Taxpayer Identification Number

24.-(1) The Commissioner General may, for purposes of identification and cross-checking and in the case of an application made under section 22, issue a person with the Taxpayer Identification Number, within seven days upon receipt of the application.

(2) A Taxpayer Identification Number shall not be transferred or used by another person.

(3) A person shall own one Taxpayer Identification Number and use such Taxpayer Identification Number for the purposes of all tax laws.

(4) The Commissioner General shall not issue a Taxpayer Identification Number to a person unless he is satisfied-

- (a) as to the person’s true identity; and
- (b) that the person does not have an existing Taxpayer Identification Number.

(5) Where the Commissioner General refuses an application for a Taxpayer Identification Number, he shall serve the applicant with written notice of refusal within fourteen days from the date of receipt of the application giving reasons for such refusal.

[s. 23]

Use of Taxpayer Identification Number
Act No.
4 of 2018 s. 63

25.-(1) A person who has been issued with the Taxpayer Identification Number by the Authority shall include the number in any claim, notice, return, statement or other document submitted to the Authority or used for the purposes of tax law.

(2) Unless directed otherwise by the Commissioner General, an institution mentioned in the Third Schedule shall,

when transacting with any person in respect of any matters prescribed in the Third Schedule, require from such person a Taxpayer Identification Number.

(3) A person who intends to conduct any transaction under subsection (2) shall produce to the institution, the person's Taxpayer Identification Number Certificate or a certified copy of that certificate.

(4) The Commissioner General may, in writing, require an institution mentioned in the Third Schedule to furnish him with information relating to-

- (a) the value of the transaction prescribed in the Second Column of the Third Schedule conducted with that institution during the period specified in the Commissioner General's notice; and
- (b) the names, addresses and Taxpayer Identification Numbers of the persons with which those transactions were conducted.

(5) An institution which has been required to furnish information under subsection (4) shall, within seven days from the date of receipt of the notice, furnish the Commissioner General with the information required.

(6) The particulars to be furnished in respect of an application for a Taxpayer Identification Number shall not be a basis for assessment of tax.

(7) A person or institution that contravenes this section commits an offence.

[s. 24]

Cancellation,
replacement
and amendment
of Taxpayer
Identification
Number

26.-(1) The Commissioner General shall cancel a Taxpayer Identification Number where he is satisfied that-

- (a) the bearer of the number is dead or, in the case of a body corporate, is wound up;
- (b) a person described in Taxpayer Identification Number Certificate is fictitious;

(c) the identity of a person holding the certificate is different from the identity of a person to whom the certificate was issued;

(d) the person to whom the Taxpayer Identification Number Certificate was issued is a holder of another number; or

(e) there is reasonable grounds to warrant cancellation of Taxpayer Identification Number.

(2) A person who owns a Taxpayer Identification Number shall, in writing and within thirty days from the date of any change of details referred to in the Taxpayer Identification Number Certificate, notify the Commissioner General of the changes in the Certificate.

(3) The Commissioner General may, without cancelling a Taxpayer Identification Number, issue a person with an amended Taxpayer Identification Number Certificate when appropriate.

[s. 25]

Right to information

27. The Authority shall provide to the taxpayer information regarding the taxpayer's position in accordance with the provisions of the respective tax law.

[s. 26]

Right to representation
Act No.
8 of 2020 s. 68

28.-(1) A taxpayer-

(a) has the right to be represented in tax matters; and

(b) shall notify the Commissioner General in writing upon appointing a representative.

(2) The Authority is not obliged to communicate with a taxpayer through the taxpayer's representative.

(3) A taxpayer's representative referred to under this section shall be a practising advocate, a tax consultant or such other person authorised by power of attorney by the taxpayer.

[s. 27]

(c) Tax Consultants

Licensing of tax
consultants
Act No.
5 of 2022 s. 107

29.—(1) Subject to subsection (2), the Commissioner General may licence an individual to act as a tax consultant on behalf of any person under a tax law for purposes of discharging the person's obligation in a tax law.

(2) The Commissioner General shall not licence an individual to act as a tax consultant under a tax law unless he is satisfied that the individual has fulfilled the conditions prescribed in the regulations or licence issued by the Commissioner.

(3) A duly licensed tax consultant may act as an agent of a taxpayer under any tax law subject to conditions prescribed in the regulations or licence.

(4) Except as otherwise provided for under this Act, an individual other than an employee or manager of a person, who is not licensed under this section, shall not act on behalf of such person or communicate with the Commissioner General on pretext of representing a person on any matter under any tax law.

[s. 28]

PART IV

ESTABLISHMENT OF TAX OMBUDSMAN¹

Establishment
of office of Tax
Ombudsman
Acts Nos.
8 of 2019 s. 45
3 of 2021 s. 52

30. There is hereby established an office to be known as Tax Ombudsman Service which shall be responsible for reviewing and addressing any complaint by a person regarding service, procedural or administrative matter arising in the course of administering tax laws by the Authority, the Commissioner General or a staff of the Authority.

[s. 28A]

¹ Amended by Act No. 8 of 2019, s. 45.

Appointment of
Tax Ombudsman
Acts Nos.
8 of 2019 s. 45
3 of 2021 s. 53

31.—(1) The Minister shall appoint a person with competent knowledge and experience in tax administration matters to be a Tax Ombudsman.

(2) The Tax Ombudsman shall be in charge of and carry out the functions of the Tax Ombudsman Service independently and impartially without interference from any institution, agency or department of the Government or any other person.

(3) Notwithstanding subsection (2), the Tax Ombudsman's findings shall directly be submitted to the Minister as recommendations for the Minister's directives.

(4) The Tax Ombudsman shall hold office for a renewable period of three years under such terms and conditions regarding remuneration as the Minister may determine.

(5) The Minister shall prescribe regulations governing the conduct of Tax Ombudsman and modalities of recruiting staff and employees to perform Tax Ombudsman Service.

[s. 28B]

Duties of Tax
Ombudsman
Acts Nos.
8 of 2019 s. 45
3 of 2021 s. 54

32. In discharging his duties the Tax Ombudsman shall—

- (a) review a complaint, and where necessary, resolve it amicably through mediation or conciliation;
- (b) act independently and impartially in handling complaints;
- (c) follow informal, fair and cost effective procedures in handling complaints;
- (d) provide information, training and awareness to taxpayers on tax ombudsman service, functions and procedures of making complaints;
- (e) facilitate access by taxpayer to dispute resolution processes within the Authority; and
- (f) identify and review tax administrative issues related to customer service, or procedures and behaviours which impact negatively on taxpayers.

[s. 28C]

Limitation of
powers of tax
Ombudsman
Acts Nos.
8 of 2019 s. 45
3 of 2021 s. 55

33. The Tax Ombudsman shall not review-

- legislation or tax policy;
- Authority's policy or practice save that which relates to service, administrative or procedural matter with respect to administration of tax laws; and
- tax decision or objection decision.

[s. 28D]

Confidentiality
Act No.
8 of 2019 s. 45

34.-(1) The Tax Ombudsman and person acting on his behalf shall not disclose information of any kind that is obtained by or on behalf of the Tax Ombudsman's or prepared from information obtained by or on behalf of the Tax Ombudsman, to the Authority.

(2) The provisions of section 21 of the Act shall apply on the Tax Ombudsman including his officers, any person who acts on his behalf and a person whose complaints are being considered by the Tax Ombudsman.

(3) Notwithstanding subsection (2), the Authority shall allow the Tax Ombudsman access to information in the possession of the Authority which relates to the Tax Ombudsman's powers and duties under this Act.

[s. 28E]

Protection of Tax
Ombudsman
and his officers
Cap. 399
Act No.
8 of 2019 s. 45

35. The provision of section 24 of the Tanzania Revenue Authority Act shall apply under this Part.

[s. 28F]

Procedure for
conducting
and handling
complaints
Act No.
8 of 2019 s. 45

36. The Minister may make Regulations to prescribe for the procedure of conducting and handling complaints by the Tax Ombudsman.

[s. 28G]

PART V

OFFICIAL COMMUNICATIONS AND DOCUMENTATION

Official languages
Act No.
3 of 2021 s. 56

37.-(1) The official languages for purposes of tax administration shall be both *Kiswahili* and English.

(2) Where any communication or document which is relevant in applying a tax law to a taxpayer is not in an official language, the Commissioner General may, in writing require the taxpayer to provide an official translation of the communication or document.

(3) Where a taxpayer is required to submit an official translation of communication or document under subsection (1), the taxpayer shall submit the official translation within the time prescribed under section 53.

[s. 29]

Forms and notices

38. The Commissioner General may prescribe the forms required under a tax law and he shall cause such forms to be available to the public at offices of the Authority and at such other locations and places or by such other medium as he may determine.

[s. 30]

Authorised and defective documents

39.—(1) A document issued by the Commissioner General under a tax law is sufficiently authenticated if the name or title of the Commissioner General or of the authorised officer of the Authority is—

- (a) in the case of a paper document, printed, signed and stamped; or
- (b) in the case of an electronic document, imbedded in the document by way of electronic signature.

(2) A declaration made by a person under a tax law is sufficiently authenticated if it is duly signed by that person.

(3) A document issued under a tax law is not invalid or defective if—

- (a) it is in substance and effect in conformity with the tax law; and
- (b) the person to whom the document is addressed or applies is designated in the document according to common understanding.

(4) Where a document issued by the Commissioner General under a tax law contains a defect that does not involve a dispute as to the interpretation of the tax law or facts involving a particular person, the Commissioner General may, for the purposes of rectifying the defect, amend the document.

[s. 31]

Paper documents filed with Commissioner General

40.—(1) A paper document shall be considered to have been filed with the Commissioner General under a tax law when-

- (a) physically delivered to the office of the Authority;
- (b) sent by way of a registered post to an office of the Authority; or
- (c) sent at any other place as the Commissioner General may specify.

(2) A document referred to in subsection (1) shall be treated to have been received by the Commissioner General-

- (a) in the case of service by fax or electronic mail, at the time the transmission is sent;
- (b) in the case of service by handing to an officer of the Authority or leaving at a place, at the time of handing or leaving;
- (c) in the case of service by registered post, at the time the document is delivered or the Authority is informed that the document awaits the Authority;
- (d) in the case of other service by post ten days after posting; and
- (e) in the case of other services by the post from an address outside the United Republic, the time at which the document would normally be delivered in the ordinary course of post.

[s. 32]

Paper documents served by Commissioner General

41.—(1) A paper document is sufficiently served on a person by the Commissioner General under a tax law if it is-

- (a) handed to the person or, in the case of an entity, a manager of the entity; or

(b) left at, or sent by post to the usual or last known place of abode, business, office, post office box or other address of the person including-

- (i) where the document is sent by registered post and the person has been informed that the document awaits the person, the post office; or
- (ii) the address referred to in the person's Taxpayer Identification Number.

(2) A document shall be considered to have been received in the following circumstances:

- (a) in the case of service by handing to a person or leaving at a place, at the time of handing or leaving;
- (b) in the case of service by registered post, at the time the document is delivered or the person is informed that the document awaits the person;
- (c) in the case of other service by post to an address within the United Republic, ten days after posting; and
- (d) in the case of other service by post to an address outside the United Republic, the time at which the document would normally be delivered in the ordinary course of post.

[s. 33]

Electronic document system

42.—(1) The Commissioner General may establish and operate an electronic system for filing and furnishing of documents and servicing documents.

(2) An electronic document is considered to be filed by a person and received by the Commissioner General under a tax law when a document registration number is created by using the person's authentication code.

(3) Subsection (2) shall not apply to a person who has proved to the satisfaction of the Commissioner General that he did not send the document or the document was sent without his authority.

(4) An electronic document is considered to be served on a person by the Commissioner General under a tax law when a document registration number is created and the document can be accessed by using the person's authentication code.

(5) The Commissioner General may authorise a printed document to be treated as a copy of an electronic document filed under subsection (2) or served under this subsection.

(6) A court or tribunal shall accept a copy authorised under subsection (5) as conclusive evidence of the nature and contents of an electronic document, unless the contrary is proved.

[s. 34]

PART VI

MAINTENANCE OF DOCUMENTS AND PROVISION OF INFORMATION

(a) Maintenance of Documents

Maintenance of
documents
Acts Nos.
3 of 2021 s. 57
5 of 2022 s. 108
7 of 2023 s. 53

43.—(1) Every taxable or liable person shall, within the United Republic, maintain documents in paper or electronic form which—

- (a) contain information to be provided or filed with the Commissioner General under any tax law;
- (b) enable an accurate determination of tax payable under any tax law; and
- (c) can be prescribed by the Commissioner General or by regulations.

(2) Every taxable person or a person liable to tax shall keep records and accounts in accordance with generally accepted accounting principles and the requirements of a respective tax law.

(3) The documents referred to in subsections (1) and (2) shall be retained for a period of five years from the relevant date or for a further period as prescribed in the tax law.

(4) Where a person—

- (a) files an objection or appeal, all documents relevant to the matter in dispute shall be retained until the matter is finally determined and the decision is executed;
- (b) makes an application to the Commissioner General, all documents relevant to the application shall be retained until the application is finally decided;

(c) applies for a refund of tax, all documents relevant to calculation of the refund shall be retained until the refund is made; and

(d) has received notice of an investigation or audit by the Commissioner General, all documents relevant to the investigation or audit shall be retained until the Commissioner General notifies the person in writing that the investigation or audit is finalised.

(5) The Commissioner General may, by notice in writing-

- relieve a person from the obligation to maintain documents or the time for which the documents are to be retained; or
- require a person to retain documents as prescribed in the notice.

(6) In this section, “relevant date” means-

- in the case of income tax, the end of the year of income for which the document is relevant;
- in the case of value added tax, the end of the prescribed accounting period for which the document is relevant; and
- in the case of other taxes, the last date on which the taxpayer is obliged to lodge a document with the Commissioner General for which the document is relevant.

(7) Every taxable or liable person who maintains documents in electronic form, shall maintain in the United Republic a primary data server for storage of documents in electronic form.

(8) The server referred to under subsection (7) shall be accessible by the Commissioner General for purposes of tax administration in the manner and time prescribed under section 51.

(9) For the purposes of this section, “primary data server” means a physical, virtual or any other server which stores data that is created or collected by a taxable or liable person in the ordinary course of business.

(10) The requirements of subsections (7), (8) and (9) shall come into effect on 1st January, 2024.

[s. 35]

Issuance of fiscal
receipt
Act No.
7 of 2023 s. 54

44.-(1) A person who supplies goods, renders services or receives payment in respect of goods supplied or services rendered shall issue fiscal receipt.

(2) Notwithstanding subsection (1), the Commissioner General may publish in the newspaper with wide circulation or any other public media issue a list of persons or class of persons who are excluded from the requirement of the use of fiscal device or issuance of fiscal receipt.

(3) A person who is excluded from issuing fiscal receipt shall issue manual receipt.

(4) A person issuing the manual receipt shall enter or cause to be entered in the receipt and duplicate copy the following particulars:-

- (a) the date on which the payment is made;
- (b) full name and address of the person who sold the goods or rendered the services;
- (c) full description of the goods sold or the services rendered and a statement of the quality and value of the goods or, the amount charged in respect of the services rendered;
- (d) full name and address of the person to whom the goods were sold or to whom the services were rendered;
- (e) Taxpayer Identification Number; and
- (f) such other particulars as the Commissioner General may, by a notice, specify.

[s. 36]

(b) Regular Provision of Information

Tax return

45.-(1) A tax return to be filed by an individual shall declare that the return is complete and accurate and be signed by a person who made it.

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

- (a) in the case of the income tax, manager of the entity and a certified public accountant who is in public practice declaring that the return is complete and accurate; and
- (b) in any other tax, a manager and declare that the return is complete and accurate.

(3) Where-

- (a) a person becomes bankrupt or the company is wound-up or goes into liquidation;
- (b) the Commissioner General has reasonable grounds to believe that a person
 - (i) is about to leave the United Republic indefinitely;
 - (ii) intends to cease carrying on activity in the United Republic; or
 - (iii) has committed an offence under a tax law; or
- (c) a person fails to maintain adequate documentation as required by this Act,

the Commissioner General may require that person to file a tax return at earlier date than the date for filing a tax return.

(4) The Commissioner General's requirement shall be in writing and served on the person specifying the period, part of a period or other events to be covered by the tax return and the date by which the return shall be filed.

[s. 37]

Electronic filing
of tax returns
Act No.
5 of 2022 s. 109

46.-(1) Every taxpayer required to file return shall file the return electronically on or before the due date as prescribed in the specific tax law.

(2) The Minister may prescribe the form and manner in which the tax return shall be filed electronically.

(3) Notwithstanding subsection (1), the Commissioner General may, by notice in writing and under special circumstances, permit a person to file a tax return manually or by any other means.

[s. 37A]

Assistance in preparing tax return

47.—(1) A person who prepares a tax return or an attachment to a tax return on behalf of another person shall sign the return or an attachment certifying that—

- (a) the person has examined the relevant documents of that other person maintained under this Act; and
- (b) to his knowledge, the return or attachment presents a true and fair view of the circumstances to which it relates.

(2) Subsection (1) shall not apply to an employee of the person obliged to file the tax return.

(3) Where a person who prepared a tax return or an attachment under subsection (1) is not satisfied with the information contained in the documents relevant for the preparation of the return or an attachment, the person shall furnish that other person with a statement in writing stating the reasons for his dissatisfaction and proceed to sign the return noting that the signature is subject to such a statement.

[s. 38]

Extension of time to file tax return
Act No.
3 of 2021 s. 58

48.—(1) A person who is required to file a tax return under a tax law may apply to the Commissioner General for an extension of the time by which the return shall be filed.

(2) The application under subsection (1) shall be in writing and be made not less than fifteen days before the due date for filing the return.

(3) Upon the receipt of an application made under subsection (1), the Commissioner General—

- (a) may extend the time upon which the return has to be filed;
- (b) shall serve the person with written notice of his decision on the application.

(4) The extension of time to file a return shall not exceed thirty days from the due date of filing the return.

(5) The granting of an extension of time under this section shall not alter the date for payment of tax as specified in the tax law under which the return is filed.

[s. 39]

Failure to file tax return on time

49.—(1) Where a person fails to file a tax return by the due date stated by a tax law or as may be extended under section 48, the Commissioner General may use the power under this Act to appoint another person to prepare and file information.

(2) Any purported filing of a tax return after the due date or in a manner other than that specified in the relevant tax law shall be ineffective.

(3) The Commissioner General shall make an assessment of the tax liability of the person as required by the tax law, including by way of adjusted assessment, and for this purpose may use any information in the Commissioner General's possession including any information obtained under subsection (1) or (2).

[s. 40]

Correction of tax returns and other information
Act No. 2 of 2016 s. 54

50.—(1) Where the Commissioner General is not satisfied with a tax return filed under a tax law, he shall use appropriate powers, including those in Subpart (c) of this Part for acquiring further information as is necessary in the issuance of an assessment, or for confirmation on the tax payable, paid or to be paid in a specified accounting period.

(2) A tax return which has been filed shall not be amended or corrected unless as specified under the relevant tax law.

(3) The Commissioner General may, in making an assessment or adjusted assessment, take into account any information received under subsection (1).

[s. 41]

(c) Access to Information and Assets

Access to information and assets

51.—(1) The Commissioner General shall, without a prior notice, be granted free access to any premises, documents, goods, vessels, vehicles, aircrafts or any other assets—

- (a) in the case of a dwelling house or where a document or asset is located in a dwelling house—
 - (i) between 9:00am and 6:00pm; and
 - (ii) at other times as permitted by an order of a court;
- (b) in any other case, at any time.

(2) The powers of the Commissioner General stipulated under subsection (1) may be delegated to a tax officer.

(3) When exercising the power under subsection (1), the Commissioner General or tax officer may-

- (a) make an extract or copy of any document to which access is obtained;
- (b) seize any document which affords evidence that
 - (i) may be material in determining the tax liability of any person; or
 - (ii) an offence has been committed under a tax law;
- (c) seize an asset to which access is obtained that contains or stores the document in any form;
- (d) where a document is not available or a copy is not provided on request by a person having access to the document, seize an asset to which access is obtained under subsection (1) that the Commissioner General or tax officer reasonably suspects contains or stores the document in any form;
- (e) take samples of goods; and
- (f) park, moor or store, at any premises or place, any vehicle, aircraft, vessel or other equipment in use by the Commissioner General or a tax officer.

(4) Any document, asset or sample seized under subsection (3), shall be issued with an inventory of seized properties signed by the Commissioner General or the tax officer and may be-

- (a) in the case of seized document retained for a period required for the determination of the person's tax liability or for any proceedings under a tax law;
- (b) in the case of seized asset retained for as long as is necessary to obtain access to the document; or
- (c) in the case of samples, retained and disposed of in the manner directed by the Commissioner General.

(5) An authorised officer exercising power under this section may be assisted and accompanied by any employee of the Authority, expert appointed under section 18 or public officer required to assist under section 19.

[s. 42]

Possessor's rights and obligations **52.**—(1) A person who possesses any premise, place, document, goods, equipment, vessel, vehicle, aircraft or asset to which a tax officer seeks or has obtained access under this Part may require the tax officer to produce the authorisation.

(2) Where the tax officer fails to comply with a request under subsection (1), the person may refuse the officer an access or require the tax officer to leave the premises or place to which the tax officer has obtained access on that occasion.

(3) A person who possesses any premise, document, good, vessel, vehicle, aircraft or asset to which an exercise of powers under this Part refers, shall provide all reasonable facilities and assistance for the effective exercise of the powers under this section.

(4) Where a person fails to comply with subsection (3), the tax officer shall exercise the powers stipulated under section 74 and apply for search warrant under section 109.

(5) A person who owns documents or assets retained pursuant to this Part may, at his own expenses, examine the documents and make copies or extracts of documents during regular office hours under the supervision as the Commissioner General may determine.

(6) Where a document, asset or sample is lost or damaged as the result of exercising the powers under this Act, the Commissioner General shall pay the owner of the document, asset or sample a reasonable compensation.

[s. 43]

Notice to obtain information
Acts Nos.
8 of 2020 s. 69
3 of 2021 s. 59

53.—(1) The Commissioner General may, by a notice in writing, require a person whether or not liable for tax—

- (a) to produce any information prescribed in the notice;
- (b) to attend at the time and place stated in the notice for the purposes of being examined by the Commissioner General or by an officer authorised by the Commissioner General; or
- (c) to produce any document in his control during the examination.

(2) A person to be examined under subsection (1)(b) is entitled to representation.

(3) A notice under subsection (1) shall be served by hand to the person to whom it is directed or leaving it at the person's usual place of business or abode, or by any other means as the Commissioner General may determine.

(4) Information or document requested by the Commissioner General under subsection (1) shall be submitted within a period of fourteen days from the date of service of the notice.

(5) The Commissioner General may, upon receipt of an application, extend the time referred to in subsection (4) where the applicant has shown sufficient cause, and such extension shall not be unreasonably withheld.

(6) A person who fails to submit information or documents within the time prescribed under subsection (4) or (5) shall be precluded from using such document or information as evidence at the stage of objection or appeal.

[s. 44]

Disclosure of
information
on contracted
services
Acts Nos.
2 of 2016 s. 55
7 of 2023 s. 55

54.—(1) An entity engaged in the construction and extractive industry shall within thirty days from the date of executing a contract for contracted or sub-contracted services disclose to the Commissioner General the names of all persons contracted and sub-contracted in the course of performance of their duties or business or carrying out of any project.

(2) For purposes of this section, the entity referred to under subsection (1) shall disclose names of the persons and nature of the sub contracted works together with the duration of carrying out the works.

(3) An entity which fails to comply with the provisions of this section shall be liable to a fine not exceeding 25% of the *quantum* payable under the project or a fine of not exceeding 4000 currency points whichever is greater.

[s. 44A]

Tax audit or investigation

55.—(1) The Commissioner General may use powers conferred on him under this Act, to audit or investigate a person's tax affairs.

(2) The Commissioner General may select a person to be audited having regard to—

- (a) that person's history of compliance or non-compliance with any tax law;
- (b) the amount of tax payable by that person;
- (c) the class of business or other activity conducted by that person; or
- (d) any other matter that the Commissioner General considers relevant for ensuring the collection of tax due.

(3) Where a person has been audited or investigated for any particular period, such audit or investigation shall not preclude that person from being audited or investigated in the following period if there are reasonable grounds for auditing or investigating that person.

(4) The audit or investigation may be conducted for the purpose of more than one tax law.

[s. 45]

Registration and monitoring of storage facility
Acts Nos.
5 of 2022 s. 110
7 of 2023 s. 56

56.—(1) A person who establishes a storage facility with the aim of keeping goods for business purposes shall register the facility with the Commissioner General.

(2) The owner of the storage facility registered under subsection (1) shall keep records of all stored goods and report to the Commissioner General on monthly basis in the manner prescribed by the Commissioner General.

(3) Where the Commissioner General satisfies himself that a storage facility has not been registered as required or goods have been kept without being reported as required under subsection (2), the facility owner shall be liable to a penalty of 300 currency points and be responsible to pay any detected loss of revenue with respect to undisclosed goods, whether the goods are owned by the storage facility owner or not.

(4) For purposes of this section-

“storage facility” means warehouse, godown or any other storage facility, which is used to keep own or other persons’ goods for business purposes, provided that such warehouse, godown or other facility is not part of a shop, factory, industry or farm; and

“owner” means a person who establishes or operates and is in control of the facility and possession of the storage facility or a person to whom the storage facility has been leased or sub-let to.

[s. 45A]

PART VII

PRIMARY TAX LIABILITY

Assessment and self-assessment

57.—(1) An assessment of tax shall be made by way of self-assessment where a person liable to pay tax is obliged to file a tax return.

(2) A person other than the Commissioner General shall not adjust any assessment.

[s. 46]

Jeopardy assessment Act No. 4 of 2017 s. 50

58.—(1) The Commissioner General may make a jeopardy assessment of tax payable or has become payable by a person under the respective tax law-

(a) whether or not the person is required to file a tax return, in the circumstances specified in section 45(3); and

(b) in any other case, where a person fails to file a tax return on time.

(2) The Commissioner General shall use best judgment and available information in making a jeopardy assessment.

(3) A jeopardy assessment may be valid for such period or periods or with respect to such events or subject matter as the Commissioner General may specify in the notice of assessment.

(4) A jeopardy assessment shall not, unless the Commissioner General specifies otherwise in the notice of assessment, relieve a person of the obligation to file a tax return or report a taxable event as required by a tax law.

(5) The filing of tax return shall not affect a jeopardy assessment.

(6) Where a jeopardy assessment covers the period or events covered by a self-assessment of a person with respect to the same tax, any tax paid with respect to the jeopardy assessment shall be credited against tax payable with respect to the self-assessment.

(7) A jeopardy assessment shall be deemed to be made under the tax law which charges the person or subject matter assessed.

[s. 47]

Adjusted
assessment

59.-(1) The Commissioner General may adjust an assessment to ensure the taxpayer is liable for the correct amount of tax in the circumstances to which the assessment refers.

(2) Where, in the opinion of the Commissioner General, a taxpayer has failed to pay any of the tax payable by him by reason of-

- (a) his failure to keep proper books of accounts, records or documents as required under a tax law, or the incorrectness of the books, records or documents; or
- (b) his failure to make, or delay in making any return required under a tax law or the incorrectness or inadequacy of any return,

the Commissioner General may assess the tax due and any interest payable on that tax both of which shall be due for payment within one month of the date of the assessment, unless a longer period is allowed by the Commissioner General.

(3) The Commissioner General shall use best judgment and available information in making an adjusted assessment.

(4) The powers of the Commissioner General to adjust an assessment expires five years from-

- (a) in the case of a self-assessment, the due date for filing the tax return that gives rise to the assessment;
- (b) in the case of any other original assessment, the date on which the Commissioner General serves notice of assessment on the taxpayer; and
- (c) in the case of an adjusted assessment, the date referred to in paragraph (a) or (b) of the original assessment that is adjusted.

(5) Notwithstanding subsection (4), there shall be no time limit on the Commissioner General to adjust an assessment in the case of fraud, wilful neglect or serious omission by or on behalf of the taxpayer.

(6) The Commissioner General shall not adjust an assessment that has been adjusted or reduced pursuant to a decision of the Board or Tribunal under the Tax Revenue Appeals Act or an order of the court of competent jurisdiction.

(7) An adjusted assessment shall cease to have effect to the extent to which it is adjusted.

(8) An adjusted assessment shall be deemed to be made under the tax law which charges the person or subject matter assessed.

(9) In this section, “original assessment” means an assessment that is not an adjusted assessment.

[s. 48]

Notice of
assessment

60.-(1) Where the Commissioner General makes an assessment under a tax law, he shall serve a written notice of the assessment on the taxpayer in a manner provided for under sections 41 and 42.

(2) In addition to anything prescribed by the respective tax law, a notice of assessment shall state-

- (a) the name of the taxpayer and the Taxpayer Identification Number;
- (b) the Commissioner General’s assessment of the tax payable by the taxpayer for the period, event or matter to which the assessment relates and the amount remaining to be paid;

- (c) the reasons why the Commissioner General has made the assessment;
- (d) the date by which the tax shall be paid; and
- (e) the time, place and manner of objecting the assessment.

[s. 49]

PART VIII

DISPUTE RESOLUTION

Tax decisions
Act No.
8 of 2020 s. 70

61.—(1) The Commissioner General may, subject to subsection (2), make any tax decision including assessment or other decision or omission on a matter left to the discretion, judgement, direction, opinion, approval, consent, satisfaction or determination of the Commissioner General under a tax law that directly affects a person.

(2) An assessment or decision made under subsection (1) shall not include—

- (a) a practice note or a decision or omission to issue, refuse or revoke a practice note;
- (b) a decision or omission that affects a person as a tax officer or employee or agent of the Authority;
- (c) the compoundment of an offence under any tax law; or
- (d) any matter decided under any tax law on account of agreement, consent or admission.

(3) A tax decision under this section is considered to have been made—

- (a) in the case of self-assessment, on the due date of filing the tax return;
- (b) in the case of other assessments, when the notice of assessment is served on the taxpayer; and
- (c) in the case of any other tax decision—
 - (i) where the tax law specifies a time by which the Commissioner General is to make the decision; or
 - (ii) when the Commissioner General serves the affected person with written notice of the decision.

(4) For purposes of this Act, the following information or documents shall be considered as conclusive evidence that a tax decision has been made and the decision is correct:

- (a) in the case of self-assessment, the tax return that causes the assessment or a document under the hand of the Commissioner General purporting to be a copy of the tax return;
- (b) in the case of other assessments, the notice of assessment or a document under the hand of the Commissioner General purporting to be a copy of the notice; and
- (c) in the case of any other tax decision, a written notice of the decision under the hand of the Commissioner General or a document under the hand of the Commissioner General purporting to be a memorandum of the decision.

[s. 50]

Objection to tax decisions
Acts Nos.
2 of 2016 s. 56
8 of 2020 s. 71
3 of 2021 s. 60

62.—(1) A person who is aggrieved by a tax decision made by the Commissioner General may object the decision by filing an objection to the Commissioner General within thirty days from the date of service of the tax decision.

(2) A person who has reasonable ground to warrant extension of time to file an objection against a tax decision may apply for an extension of time.

(3) Where the Commissioner General is satisfied by the reason stated in the application made under subsection (2), he shall grant the extension of time and serve the notice of his decision to the applicant.

(4) An objection to a tax decision shall be in writing stating the grounds upon which it is made.

(5) An objection to a tax decision shall be accompanied by relevant document or information which the tax payer intends to rely upon to support his objection.

(6) The information or document which the tax payer intends to rely upon shall be submitted at the time of lodging the notice of objection.

(7) Notwithstanding subsection (1), an objection to a tax decision on assessment or notice of liability to pay tax shall not be admitted unless the taxpayer has, within a period of thirty days from the date of service of tax decision, paid the amount of tax which is not in dispute or one third of the assessed tax decision whichever amount is greater.

(8) Where the Commissioner General is satisfied that there exist good reasons warranting reduction or waiver, he may waive the amount to be paid under subsection (5) or accept a lesser amount.

(9) Where a taxpayer files an objection and makes payment under subsection (5), the liability to pay the remaining assessed tax shall be suspended until the objection is finally determined.

(10) In this section, “tax not in dispute” with respect to an assessment or any tax decision means-

(a) the amount that ought to be charged where the assessment or a tax decision is amended in accordance with the objection; and

(b) the whole of duty or any tax assessed on imports.

(11) Where the taxpayer fails to pay the amount stated under subsection (7) within the time provided therein, the assessed tax decision shall be confirmed as final tax assessment in terms of section 17(2)(a) of the Tax Revenue Appeals Act.

(12) Where the Commissioner General has reasonable cause to believe that the objector intends to permanently leave the United Republic, the tax payable under subsection (7) shall be the whole of the assessed tax.

[s. 51]

Decisions on
objection
Acts Nos.
4 of 2017 s. 51
8 of 2020 s. 72

63.-(1) The Commissioner General may, upon admission of an objection pursuant to section 62, make a decision by determining the objection or call for any evidence or any other information as may appear necessary for the determination of the objection and may, in that respect-

(a) amend the assessment or other tax decisions in accordance with the objection and any further evidence that has been received; or

(b) refuse to amend the assessment or other tax decisions.

(2) Where the Commissioner General agrees to amend the assessment or other tax decisions in accordance with the objection, he shall serve a notice of the final assessment or other tax decisions to the objector.

(3) Where the Commissioner General-

- (a) intends to amend the assessment or other tax decisions in accordance with the objection and any further evidence; or
- (b) decides to refuse to amend the assessment or other tax decisions,

he shall serve the objector with a notice setting out the reasons for the intention or decision.

(4) The objector shall, within thirty days from the receipt of the notice pursuant to subsection (3), make submission in writing to the Commissioner General on his agreement or disagreement with the amended assessment or the refusal.

(5) The Commissioner General may, after the receipt of the submissions by the objector made pursuant to subsection (4)-

- (a) determine the objection in the light of the amended assessment or refusal and any submission made by the objector; or
- (b) determine the objection partially in accordance with the submission by the objector,

and proceed to issue a notice of final determination of objection.

(6) The provisions of section 53(1) relating to production of documents shall apply to submission of evidence or information referred to in subsection (1).

(7) The evidence or information referred to in subsection (1) shall be submitted within the time prescribed by the Commissioner General in the notice:

Provided that, the time prescribed by the Commissioner General shall not exceed thirty days from the date of service of the notice.

(8) The Commissioner General may, upon receipt of sufficient reasons adduced by the objector, extend the time for submission of evidence or information for a period not exceeding seven days from the date of service of the notice of extention.

(9) Where the objector fails to submit the document or information required by the Commissioner General in terms of subsection (1) within the time prescribed or extended, such objector shall not be permitted to rely on such document or information at the time of hearing of an appeal.

(10) The Commissioner General shall determine an objection to a tax decision within six months from the date of admission of the notice of objection.

(11) Where the Commissioner General fails to determine the objection within the time prescribed under subsection (10), the tax assessment or tax decision shall be treated as confirmed and the objector shall have the right to appeal to the Board in accordance with the Tax Revenue Appeals Act.

[s. 52]

Appeal against
objection
decisions

Cap. 408

Act No.
1 of 2005
[E.A.C.M.A]

64.—(1) A person who is aggrieved by an objection decision or other decision or omission of the Commissioner General under this Part may appeal to the Board in accordance with the provisions of the Tax Revenue Appeals Act.

(2) Subsection (1) shall also apply to a decision or omission made under the customs law.

(3) For purposes of this section, the Board shall be deemed to be the Tax Appeals Tribunal established under section 231 of the East African Community Customs Management Act.

[s. 53]

PART IX

PAYMENT AND RECOVERY OF TAX

(a) Regular Payment of Tax

Time for paying
tax
Acts Nos.
4 of 2017 s. 52
7 of 2017 s. 45

65. A taxpayer shall pay any tax-

- (a) at the time specified in the tax law under which the tax is charged;
- (b) in the case of tax payable-
 - (i) on a jeopardy assessment under section 58, on the date specified in the notice of assessment served under section 60; or
 - (ii) on an adjusted assessment under section 59, within thirty days from the date on which the person assessed is served with a notice of assessment under section 60;
- (c) in the case of interest and penalties under Part XI, on the date specified in the notice of assessment served under section 92;
- (d) with respect to amount required to be paid to the Commissioner General under section 73(9), 78(2), 80(2) or (5), on the date set out in the notice;
- (e) with respect to a liability under section 76, at the time the tax is payable by the entity;
- (f) with respect to amounts required to be paid to the Commissioner General under section 77(3) or (4), seven days after the sale from which the amount is set aside or the failure to set aside, respectively;
- (g) with respect to amount required to be paid to the Commissioner General under section 79(7), on the date provided for in the security; or
- (h) with respect to additional profits tax payable under any arrangement or agreement, shall be paid to the Commissioner General on the due date specified by the arrangement or agreement, or in the absence of such specified due date, as the Commissioner General shall by notice in writing direct.

[s. 54]

Extension of time for paying tax **66.**—(1) A taxpayer may, in writing, apply to the Commissioner General for an extension of time to pay tax under a tax law.

(2) The Commissioner General may, upon the receipt of the application and where good cause is shown, extend the date on which tax or part of tax shall be paid.

(3) The Commissioner General shall serve the applicant with written notice of the decision on the application.

(4) Where an extension is granted by permitting the taxpayer to pay tax by instalments and the taxpayer has defaulted in paying any of the instalments, the whole balance of the tax outstanding plus the interest shall become payable immediately.

[s. 55]

Manner and place of paying tax Act No. 3 of 2021 s. 61 **67.**—(1) A taxpayer shall pay tax—
(a) at any tax office;
(b) at any bank approved for that purpose by the Commissioner General;
(c) through a mobile phone payment system; or
(d) in the case of property rate, at the time of payment for electricity:

Provided that, the property rate in respect of rateable properties not connected with electricity, shall be paid in accordance with subsection (1)(a), (b) or (c) of this section.

(e) in any other manner prescribed by the Commissioner General.

(2) Where a taxpayer pays tax in accordance with subsection (1), he shall notify the tax office where the taxpayer is registered of the payment:

Provided that, the requirements of this subsection shall not apply to a taxpayer who pays property rate under subsection (1)(d).

(3) A taxpayer shall pay tax in one of the following forms:
(a) where the payment is made at a tax office in cash; or

(b) where the payment is made at a bank-

- (i) in cash;
- (ii) by cheque; or
- (iii) by direct account transfer.

(4) The payment of tax shall be considered to be ineffective where the cheque tendered to the bank is dishonoured.

[s. 56]

Order of paying tax

68. Where a taxpayer has tax payable under one or more tax laws and makes payment less than the total outstanding amount, the Commissioner General may, notwithstanding the system established under section 69, determine the amount of tax to be considered as the paid amount.

[s. 57]

Taxpayer's accounts

69.-(1) The Commissioner General may establish and operate an electronic system of taxpayer's account.

(2) The system may be established and operated separately or as part of the electronic document system established under section 42.

(3) For the better carrying out of the purpose of this section, the Commissioner General may make rules prescribing-

- (a) when the tax becomes payable;
- (b) the tax paid; and
- (c) other matters similar to matters described under section 42.

[s. 58]

(b) Recovery of Tax from Taxpayer

Suit for unpaid tax

70. Where-

- (a) payment of any tax has not been made on or before the due date; or
- (b) a notice which has been served to any person under section 92 has not been complied with,

the tax due and payable by such person may be recovered as a debt due to the Government in any proceeding before a court of competent jurisdiction.

[s. 59]

Security for withholding tax **71.**—(1) Withholding tax, including any assets acquired by the withholding agent, may be traced from assets or amounts—

- (a) held in trust for the Government of the United Republic;
- (b) not the subject of attachment in respect of a debt or liability of the agent; and
- (c) not forming part of the estate in liquidation or bankruptcy proceedings of the agent.

(2) The Commissioner General shall have a first claim over the tax or assets before any distribution in liquidation or bankruptcy of a withholding agent is made.

[s. 60]

Charge over assets

72.—(1) Where a taxpayer fails to pay tax on time, the Commissioner General may create a charge in favour of the Government over assets owned by that taxpayer.

(2) The Commissioner General shall be considered to have created the charge if he serves the taxpayer with a notice in writing specifying the taxpayer's name and Taxpayer Identification Number, the assets charged, the extent of the charge, the tax to which the charge relates and details regarding the Commissioner General's power of sale under section 73.

(3) The assets of a taxpayer shall be charged to the extent of the unpaid tax, interest accruing with respect to that tax under section 87 and any costs of charge and sale.

(4) A charge created under subsection (2) shall not have effect until—

- (a) where an interest in land or buildings is charged, the Commissioner General files an application to register the charge under subsection (6); and
- (b) in any other case, the notice creating the charge is served on the taxpayer.

(5) A charge shall be released when the taxpayer pays in full the amounts referred under subsection (3) to the Commissioner General.

(6) Where the Commissioner General creates a charge over an interest in land or buildings, the Registrar of Titles shall, without fee, register the charge on the title of the interest in land or buildings.

(7) Where a charge over an interest in land or buildings is released, the Registrar of Titles shall, within thirty days and without fee, remove the entry of the charge from the title of the interest in land or buildings.

(8) Any transaction by the Commissioner General under this section shall be exempted from stamp duty and any other transaction taxes.

(9) The Commissioner General may serve on a taxpayer a notice in writing-

- (a) specifying any costs of charge and sale with respect to assets of the taxpayer incurred by the Commissioner General prior to the date of service; and
- (b) requiring the taxpayer to pay such costs to the Commissioner General by the date specified in the notice.

[s. 61]

Sale of charged assets

73.—(1) The Commissioner General shall serve a taxpayer with written notice of intention to sell charged assets owned by such taxpayer.

(2) The notice served under subsection (1) may accompany a notice referred to under section 78 and it shall specify-

- (a) the taxpayer's name and Taxpayer Identification Number;
- (b) the charged assets, the Commissioner General's intention to sell those assets and the proposed method and timing of sale; and
- (c) in the case of tangible assets that the Commissioner General intends to take possession of, the manner in which and place at which the possession will take place.

(3) In exercising his powers under subsection (1), the Commissioner General-

- (a) may exercise such powers directly or through an authorised agent;

- (b) shall serve the person with a notice prior to taking possession;
- (c) may, for the purpose of taking possession with the assistance of the police enter any premises or place described in the notice;
- (d) shall, at the time of taking possession, provide the taxpayer with an inventory of assets seized; and
- (e) in the case of movable assets, may store the assets, at the cost of the taxpayer, at any place that the Commissioner General considers appropriate.

(4) The Commissioner General shall, after serving a taxpayer with a notice under subsection (1), sell the charged assets by public auction.

(5) The sale under subsection (4) shall not take place before-

- (a) in the case of an interest in land or buildings, thirty days after taking possession;
- (b) in the case of perishable goods, one day after taking possession;
- (c) in the case where charged assets are tangible assets other than assets referred to under paragraph (a) and (b), fourteen days after taking possession; and
- (d) in any other case, ten days after the service of the notice under subsection (1).

(6) The proceeds of sale shall be used to pay-

- (a) the costs of charge and sale of the assets sold;
- (b) the outstanding tax and interest accrued with respect to that tax under section 87; and
- (c) any other unpaid tax.

(7) The Commissioner General shall, after disbursing proceeds for sale pursuant to subsection (6), serve the taxpayer with a written notice stating the manner in which the sale proceeds were applied.

(8) Where there is any balance of money after making payment under subsection (6), such balance shall be paid to the taxpayer.

(9) Where the sale proceeds are insufficient to pay in full the costs of charge and sale, the tax due and interest accrued with respect to that tax, the Commissioner General may proceed to collect the insufficiency with fresh actions under this Part or Subpart (c).

(10) This section shall not be construed to restrict the exercise of any rights that the Commissioner General has over a security created under section 71 or 72.

(11) The activities of the Commissioner General under this section shall be exempted from stamp duty and any other transaction taxes.

[s. 62]

Restraint of person

74.—(1) Where a person fails to pay tax on time and such person is likely to flee from the United Republic, the Commissioner General may, by notice in writing or any other means of official communication to the Director of Immigration Services, order the Director of Immigration Services to prevent that person from leaving the United Republic.

(2) The Director of Immigration Services shall, on receiving the notice, prevent the person from leaving the United Republic for a period of fourteen days from the date the notice is served.

(3) The Commissioner General shall, where the person pays the tax or arranges for payment in a manner satisfactory to him, withdraw a notice issued under subsection (1).

(4) The High Court may, on application by the Commissioner General, extend the period referred under subsection (2).

[s. 63]

Restraint of assets
Act No.
4 of 2017 s. 53

75.—(1) The Commissioner General may, subject to subsection (2)–

- (a) restrain the goods, vehicle, vessel or any other asset;
- (b) restrain and search any premises, place, vehicle, vessel or any other asset which he believes the goods, vessel or vehicle are located;
- (c) mark, lock up or seal any building, room, place, receptacles or item of plant in any factory, exercisable goods, or materials in a factory; and

(d) use reasonable force for the purposes of paragraphs (a) and (b).

(2) The powers of the Commissioner General under subsection (1) shall be exercised if the Commissioner General is satisfied that-

- (a) the value added tax has not been paid in respect of the supply or import of goods;
- (b) a vehicle contains any fuel on which road and fuel tolls has not been paid;
- (c) transit charges have not been paid with respect to a foreign vehicle;
- (d) motor vehicle registration or transfer tax has not been paid with respect to a vehicle;
- (e) section 44(1) or a provision of any tax law has been breached; or
- (f) any provision of the Excise (Management and Tariff) Act has been breached with respect to excisable goods.

(3) The Commissioner General may exercise the powers referred to under subsection (1) in conjunction with any other powers of the Commissioner General granted under this Act.

(4) Where the Commissioner General has restrained an asset under subsection (1), he shall-

- (a) serve a written notice to the possessor of the asset; or
- (b) in the absence of the possessor, leave the notice at the premises or place where the restraining takes place.

(5) The notice shall-

- (a) identify and list the assets restrained;
- (b) state that the assets have been restrained under this section and the reason for the restraint; and
- (c) set out the conditions for release and terms for disposal of any assets seized.

(6) The Commissioner General may restrain an asset for a period sufficient to raise a jeopardy or adjusted assessment and exercise the powers under sections 77 and 78.

(7) Where there is no person who, within the period referred to under subsection (6), has proved to the satisfaction of the Commissioner General that he owns assets referred

under subsection (1)(a), the Commissioner General may treat the assets as charged assets and sell them in accordance with section 73.

[s. 64]

(c) Recovery from Third Parties

Liability of
managers of
entities
Acts Nos.
4 of 2018 s. 64
5 of 2022 s. 111

76.—(1) Subject to subsection (2), where an entity fails to pay tax on time, a manager or a person who was the manager of that entity during the time of occurrence of the default shall be jointly and severally liable with the entity for payment of the tax.

(2) The provisions of subsection (1) shall apply where the default which occurred was due to fraud as it shall be proved in a court of law.

(3) Where a person pays tax under subsection (1)–

- (a) that person may recover the payment from such entity;
- (b) for the purposes of paragraph (a), the person may retain out of any assets of the entity in or coming into the possession of the person an amount not exceeding the payment; and
- (c) no claim may be made against that person by the entity or any other person with respect to the retention.

[s. 65]

Receivers

77.—(1) A person who has been appointed to be a receiver shall notify the Commissioner General of his appointment in writing within fourteen days from being appointed or taking possession of an asset situated in the United Republic.

(2) The Commissioner General may serve a receiver with a notice in writing specifying an amount that appears to be sufficient to provide for any tax due or that will become due by the taxpayer whose assets come into the receiver's possession.

(3) After receiving a notice under subsection (2), a receiver–

- (a) shall sell sufficient of the assets that come into the receiver's possession under the receivership to set aside, after payment of any debts having priority over the tax referred to in the notice, the amount notified by the Commissioner General under that subsection; and

(b) is liable to pay to the Commissioner General on account of the taxpayer's tax liability the amount set aside.

(4) The receiver shall, to the extent that he fails to set aside an amount as required by subsection (3), be personally liable to pay to the Commissioner General on account of the taxpayer's tax liability the amount that should have been set aside but may recover any amount paid from the taxpayer.

(5) For purposes of this section-
“receiver” means any person who, with respect to an asset situated in the United Republic, is-

- (a) a liquidator of an entity;
- (b) a receiver appointed out of court or by a court in respect of an asset or entity;
- (c) a trustee for a bankrupt person;
- (d) a mortgagee in possession;
- (e) an executor or administrator of a deceased individual's estate; or
- (f) conducting the affairs of an incapacitated individual.

[s. 66]

Third party debtors and guarantors

78.-(1) Where a taxpayer fails to pay tax on time, the Commissioner General may serve on the third party debtor who owes money to that taxpayer a notice in writing requiring that person to pay the money to the Commissioner General.

(2) The third party debtor shall, upon the receipt of the notice under subsection (1), pay the money equivalent to the amount of tax due to the Commissioner General on the account of the taxpayer's tax liability and on the date specified in the notice.

(3) The date specified in the notice shall not be before-

- (a) the date the money becomes payable to the taxpayer or is held on behalf of the taxpayer; or
- (b) the date the third party debtor is served with the notice.

(4) The Commissioner General shall serve the taxpayer with a copy of the notice after service of the notice on the third party debtor.

(5) Amounts payable to the Commissioner General by a third party debtor under subsection (2) or by a guarantor under a security shall be treated as tax and, once due, may be recovered as tax.

(6) The following shall be treated as money owed to a taxpayer:

- (a) money currently owing or that may subsequently become owing to the taxpayer;
- (b) money held or that may subsequently be held for or on account of the taxpayer;
- (c) money held or that may subsequently be held on account of a third person for payment to the taxpayer; and
- (d) money held by a person who has authority from a third person to pay the money to the taxpayer.

[s. 67]

Compliance with notice or security 79.—(1) A third party debtor or guarantor who pays the Commissioner General pursuant to section 78 shall be treated as having acted with the authority of the taxpayer.

(2) A notice served under section 78 shall cease to have effect once the tax referred to is paid or otherwise satisfied.

(3) Where a third party debtor who is served with a notice under section 78 is unable to comply with the notice by reason of lack of money owing to, or held for the taxpayer, such third party debtor shall notify the Commissioner General on his inability to pay.

(4) The notice under subsection (3) shall be—

- (a) in writing setting out the reasons for the inability; and
- (b) filed with the Commissioner General within seven days from the notice issued under section 78 after the third party debtor becomes aware of the inability.

(5) The Commissioner General may, upon the receipt of a notice by a third party debtor, accept the notification and cancel or amend the notice under section 78 or reject the notice of the third party debtor.

(6) The notice filed by a third party debtor under this section shall have no effect unless the Commissioner General cancels or amends the third party debtor notice issued under section 78.

(7) Where a third party debtor fails to pay an amount of tax specified in a notice within thirty days of the date-

- (a) of service of such notice in him; or
- (b) on which any money comes into his hands or becomes due by him to his tax debtor whichever event is the latter and the payer has-
 - (i) not given a notification under subsection (3) of this section; or
 - (ii) given such notification which has been rejected by the Commissioner General,

the provisions of this Act relating to recovery of tax shall apply to the collection and recovery of such amount as if it were tax due and payable by the third party debtor, the due date for the payment of which was the date upon which such amount should have been paid to the Commissioner General under this section.

[s. 68]

Agents of
non-residents

80.-(1) Where-

- (a) a non-resident taxpayer fails to pay tax on time; or
- (b) the Commissioner General has good reasons to believe that a non-resident taxpayer shall not pay tax on time, the Commissioner General may, by notice in writing, require the agent who is in possession of an asset owned by the non-resident taxpayer to pay tax on behalf of that taxpayer.

(2) An agent shall, without prejudice to subsection (1), be required to pay tax up to the market value of the asset but not exceeding the amount of the taxpayer's unpaid tax.

(3) For purposes of this section-

- (a) a taxpayer who charters an aircraft or ship under a charter for period exceeding three years shall be treated as the owner of the aircraft or ship during that period; and

(b) the captain of any aircraft or ship shall be treated as being in possession of the aircraft or ship.

(4) The Commissioner General may, by notice in writing, require a resident partnership or a resident partner to pay tax due or that may become due by a non-resident partner.

(5) The resident partnership and any resident partner shall be jointly and severally liable to pay the tax up to the amount of the non-resident partner's share in the net assets of the partnership.

(6) Where a person makes payment to the Commissioner General pursuant to a notice issued under subsection (1) or (4) that-

- (a) person may recover the payment from the taxpayer or non-resident partner;
- (b) person may for the purposes of paragraph (a), retain out of any assets of the taxpayer or non-resident partner in or coming into the possession of the person an amount not exceeding the payment; and
- (c) taxpayer, non-resident partner or any other person, may not make a claim against the person with respect to the retention.

[s. 69]

PART X

REMISSION AND REFUND OF TAX

Remission of
interest and
penalty
Acts Nos.
2 of 2016 s. 57
4 of 2017 s. 54
4 of 2018 s. 65
3 of 2021 s. 62

Application for
tax refund
Acts Nos.
4 of 2017 s. 55
7 of 2023 s. 57

81. Where the Commissioner General is satisfied that there is good cause to remit interest or penalty imposed under any tax law, he may remit the whole or part of the interest or penalty payable by that person.

[s. 70]

82.-(1) A person may apply to the Commissioner General for refund of tax paid in excess.

(2) The application for refund shall be in writing, indicating the correct tax calculation and be supported by the documentary evidence to support the claim.

(3) An application under this section shall, except where a tax law provides otherwise, be made within a period not exceeding three years from the date of payment of tax in excess or the date a tax decision or other decision giving rise to a tax overpayment is made.

[s. 71]

Decision on application

83.—(1) The Commissioner General shall consider and make a refund decision on an application made under section 82 within ninety days from the date of the receipt of the application.

(2) The Commissioner General may make the appropriate decision without limiting his discretion—

- (a) where he is of the opinion that the applicant has not paid excess tax, reject the application;
- (b) where he is not satisfied that the applicant has paid excess tax—
 - (i) request for further information as may be reasonable in order to make a final decision on the application; or
 - (ii) refund the money paid in the excess subject to the application; or
- (c) where he is satisfied that the applicant has paid excess tax, to refund to the extent to which the Commissioner General is satisfied.

(3) The Commissioner General shall serve the applicant with a written notice of the refund decision within the time prescribed in subsection (1).

(4) Where the Commissioner General makes a decision under subsection (2)(b), the Commissioner General shall reconsider the application after the applicant provides the information or where the applicant rejects the offer.

(5) The Commissioner General shall serve the applicant with notice of that decision within thirty days of receiving the information requested under subsection (2).

[s. 72]

Payment of tax
refund **84.**—(1) Where the Commissioner General is satisfied that the taxpayer has paid excess tax, he shall—

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

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

(2) Where the Commissioner General accepts a taxpayer's refund application in part, he shall refund the amount accepted.

(3) Where the Commissioner General refunds an amount of tax to a person, he shall be liable to pay that person an interest in accordance with the provisions of the relevant tax law.

(4) The interest under this section shall be calculated at the statutory rate and shall be for the period commencing on the date the refund decision is issued and ending on the day the refund is made.

(5) The interest paid by a person under a tax law with respect to tax which has not been paid on time shall, to the extent that the tax is found to have been paid, be refunded to that person with any interest at the rate stipulated under subsection (4).

(6) The Commissioner General shall maintain a separate bank account and ensure that there are sufficient funds in that account for the purposes of this section.

[s. 73]

Short levy or
erroneous refund
Act No.
3 of 2021 s. 63

85.—(1) Where any duty or tax has been short-levied or erroneously refunded, a person who ought to have paid the amount short-levied or to whom the refund has erroneously been made, shall, on demand by the Commissioner General, pay the amount short-levied or repay the amount erroneously refunded.

(2) The amount referred under subsection (1) may be recovered as if it were a tax in relation to which the amount was short-levied or erroneously refunded:

Provided that, the Commissioner General shall not make any such demand after five years from the date of such short levy or erroneous refund, unless such short levy or erroneous

refund had been caused by fraud on the part of the person who has to pay the amount short-levied or to whom the refund was erroneously made.

[s. 74]

PART XI

INTEREST, PENALTIES AND OFFENCES

(a) Interest

Interest for under
estimating tax
payable
Act No.
4 of 2017 s. 56

86.—(1) The amount of interest that an installment payer shall pay for each period under subsection (4), shall be calculated at the statutory rate compounded monthly, applied to the excess of—

(a) the total amount of income that would have been paid by way of installments during the year of income to the start of the period had the person's estimate or revised estimate equaled the correct amount; over

(b) the amount of income tax paid by installments during the year of income to the start of the period.

(2) For purposes of calculating interest payable under subsection (1), any extension granted under section 48 or 66 or suspension under section 62(7) shall not be taken in consideration.

(3) This section applies where an instalment payer's estimate or revised estimate of income tax payable for a year of income under section 113 of the Income Tax Act is less than eighty percent of the correct amount.

(4) Where this section applies, the instalment payer shall be liable for interest for each month or part of a month from the date the first instalment for the year of income is payable until the due date by which the person shall file a return of income for the year of income under section 117(1) of the Income Tax Act.

(5) For purposes of this section, “correct amount” means the income tax payable by the payer for the year of income under section 4(1)(a) and (b) of the Income Tax Act.

Cap. 332

Cap. 332

Cap. 332

[s. 75]

Interest for failing to pay tax
Act No.
4 of 2017 s. 57

87.—(1) Where any amount of tax imposed under a tax law remains unpaid after the due date prescribed in a tax law, the interest at the statutory rate compounded monthly shall be payable to the Commissioner General.

Cap. 332

(2) For purposes of calculating interest payable under subsection (1), any extension granted under section 48 or 66 or suspension under section 62(7) shall not be applied.

(3) A withholding agent may not recover from a withholdee an interest payable by the agent in respect of a failure to comply with section 104, 105 or 106 of the Income Tax Act.

(4) Interest payable under this section or under any other tax law shall not be affected or waived for the reason of delay due to court proceedings or any other dispute resolution process.

[s. 76]

(b) Penalties

Penalty for failing to maintain documents

88.—(1) A person who fails to maintain proper documents as required by a tax law is liable for a penalty for each month or part of a month during which the failure continues.

(2) The penalty shall, in the case of an individual, be 1 currency point or, in the case of a body corporate be 10 currency points.

(3) The Commissioner General shall determine tax attributable to a period on a just and reasonable basis including apportioning tax assessed with respect to a larger period or by reference to taxable events happening within the period.

[s. 77]

Penalty for failing to file tax return

89.—(1) A person who fails to file a tax return or pay tax on due date as required by a tax law is liable for a penalty for each month or part of a month during which the failure continues.

(2) The penalty is—

(a) two point five percent of the amount of tax assessable with respect to the tax return less tax paid by the start of the period towards that amount; and

(b) in the case of an individual, 5 currency points or in the case of a body corporate, 15 currency points, whichever is higher.

(3) The penalty applies separately for a failure to file a tax return that is an estimate or provisional amount and a failure to file a tax return incorporating the final amount.

[s. 78]

Penalty for
making false
or misleading
statements
Act No.
3 of 2021 s. 64

90.—(1) A person is liable for a penalty if he—

- (a) makes a statement to a tax officer which is false or misleading in a material particular;
- (b) omits to include in the statement made to the tax officer, any matter or thing without which the statement is misleading in a material particular; or
- (c) entered into controlled transactions or series of controlled transactions and fails to determine the income and expenditure resulting from the transaction in a manner that is inconsistent with arms length principle.

(2) The penalty shall be—

- (a) where the statement or omission is made without reasonable excuse, fifty percent of the tax shortfall;
- (b) where the statement or omission is made knowingly or recklessly, seventy five percent of the tax shortfall; or
- (c) for a person who has contravened subsection (1)(c), one hundred percent of the tax shortfall.

(3) Notwithstanding subsection (2), the penalty shall be—

- (a) increased by ten percent for the second or subsequent application of this section to the person; and
- (b) reduced by ten percent if the person voluntarily discloses the statement prior to its discovery by the tax officer or the next tax audit of the person.

(4) A statement shall be considered to have been made to the tax officer in the performance of duties under a tax law when it is made orally, in writing or in any other form and it includes a statement made—

- (a) in any document or information required to be filed under a tax law;

- (b) in a document furnished to the tax officer otherwise than under a tax law;
- (c) in an answer to a question put to a person by the tax officer; or
- (d) to another person with the knowledge or reasonable expectation that the statement shall be passed to the tax officer.

(5) A person who contravenes section 24(3) or 25(5) shall be considered to have made a false or misleading statement to a tax officer.

[s. 79]

Penalty for aiding
and abetting

91. A person who aids, abets, counsels or induces another person to commit an offence on conviction shall be liable for a penalty equal to one hundred percent of the tax shortfall.

[s. 80]

(c) Assessment of Interest and Penalties

Assessment of
interest and
penalties
Acts No.
4 of 2017 s. 58

92.-(1) The Commissioner General shall assess the interest and penalties for which a person is liable under this Part.

(2) Liability for interest and penalties under this Part with respect to a particular failure or statement is calculated separately for each section of this Part.

(3) The imposition of interest and penalties under this Part is in addition to any other tax imposed by a tax law and does not relieve any person from liability to criminal proceedings.

(4) Where a particular failure or statement incurs interest or a penalty both under this Act and any other tax law, the Commissioner General shall assess the person under a tax law with the higher rate of interest or penalty.

(5) Where an assessment is made under this section, the Commissioner General shall serve a written notice of the assessment, which may be incorporated with another notice of assessment under a tax law on the person, stating-

- (a) the name of the person and the person's Taxpayer Identification Number;

- (b) the amount of the interest or penalty assessed by the Commissioner General;
- (c) the manner in which the assessment is calculated;
- (d) the reasons for making the assessment;
- (e) the date on which the interest or penalties shall be paid; and
- (f) the time, place and manner of objecting to the assessment.

(6) An assessment made under this section is an original assessment for the purposes of section 59.

[s. 81]

(d) Offences

Offence for failing
to comply with
tax law
Act No.
5 of 2022 s. 112

93. Notwithstanding the provisions of a tax law relating to offence, a person who fails to comply with a provision of a tax law commits an offence and on conviction shall be liable-

- (a) where the failure results or, if undetected may have resulted in an underpayment of tax in an amount exceeding 50 currency points, to a fine of not less than 20 currency points and not more than 50 currency points, or to imprisonment for a term of not more than six months, or to both; and
- (b) in any other case, to a fine of not less than 10 currency points and not more than 20 currency points.

[s. 82]

Offence for failing
to pay tax

94. A person who fails to pay any tax on, or before the date on which the tax is payable commits an offence and on conviction shall be liable-

- (a) where the failure is to pay tax in excess of 50 currency points, to a fine of not less than 25 currency points and not more than 100 currency points or imprisonment for a term of not less than three months and not more than one year, or to both; and

(b) in any other case, to a fine of not less than 10 currency points and not more than 25 currency points or imprisonment for a term of not less than one month and not more than three months, or to both.

[s. 83]

Offence for
making or
using false or
misleading
statements or
documents
Cap. 399
Act No.
2 of 2016 s. 58

95.—(1) A person who, in any matter relating to any tax laws set out under Part A of the First Schedule to the Tanzania Revenue Authority Act—

- (a) makes any entry of any building, room, place, or item of a plant, which is false or incorrect in any material particular;
- (b) makes or causes to be made any declaration, certificate, application, return, account, or other document, which is false or incorrect in any material particular;
- (c) when required to answer any question put to that person by an officer, refuses to answer such question or makes any false or incorrect statement in reply thereto;
- (d) is in any way involved in any fraudulent evasion of the payment of any tax;
- (e) obtains any remission, rebate or refund of tax which he is not entitled to obtain;
- (f) makes any false statement or false representation in order to obtain any remission, rebate, refund of tax or any tax benefit;
- (g) acquires possession of, keeps, conceals, removes or in any way deals with, any excisable goods or any taxable goods which have been manufactured or supplied without payment of the full tax;
- (h) counterfeits or in any way falsifies or uses when counterfeited or in any way falsified, any document required or issued by or used for the purpose of the tax;
- (i) omits or fails to make or cause to be made any declaration, certificate, application, return, account, or other documents, which is true or correct in any material particular; or

(j) acquires, possesses, keeps or conceals, or in any way deals with, any fiscal receipt or fiscal document which is false or incorrect in any material particular, commits an offence and on conviction shall be liable for payment of twice of the amount of the tax evaded.

(2) A person who in any matter relating to any tax law-

- makes a statement to a tax officer which is false or misleading in material particular; or
- omits to include in the statement made to a tax officer, any matter or thing without which the statement is misleading in material particular,

commits an offence.

(3) The person who commits an offence under this section on conviction shall be liable,-

- where the statement or omission is made without reasonable excuse-
 - and, if the inaccuracy of the statement is undetected, and may have resulted in an underpayment of tax in an amount exceeding 50 currency points, to a fine of not less than 25 currency points and not more than 100 currency points or imprisonment for a term of not less than three months and not more than one year, or to both; and
 - in any other case, to a fine of not less than 10 currency point and not more than 25 currency points or imprisonment for a term of not less than one month and not more than three months, or to both; or
- where the statement or omission is made knowingly or recklessly-
 - and, if the inaccuracy of the statement is undetected, and may have resulted in an underpayment of tax in an amount exceeding 50 currency points, to a fine of not less than 50 currency points and not more than 200 currency points or imprisonment for a term of not less than one year and not more than two years, or to both; and

(ii) in any other case, to a fine of not less than 20 currency point and not more than 50 currency points or imprisonment for a term of not less than six months and not more than one year, or to both.

(4) For purposes of determining whether or not a statement is made to a tax officer, or when such statement is considered to be false or misleading in material particular, the provisions of section 90(4) and (5) shall apply.

[s. 84]

Offence for
impeding tax
administration
Act No.
3 of 2021 s. 65

96.—(1) A person who impedes or attempts to impede the administration of a tax law commits an offence.

(2) The person who commits an offence under this section on conviction shall be liable—

(a) where the offence involves fraud or undue force, to a fine of twice the amount sought to be evaded or recovered or 200 currency points, whichever is greater or imprisonment for a term of not less than two years and not more than four years, or to both; and

(b) in any other case, to a fine of not less than 10 currency points and not more than 200 currency points or imprisonment for a term of not more than two years, or to both.

(3) In this section, “impeding administration of a tax law” includes—

(a) where a tax officer is acting in the performance of duties under a tax law, assaulting, obstructing or attempting to assault or obstruct the officer or interfering with any asset used by the officer;

(b) failing to comply with a notice under section 53 or answer truthfully when being interrogated under section 109;

(c) evading or recovering tax;

(d) fraudulently dealing with an asset charged under section 72 so as to prevent seizure;

(e) recovering an asset seized under section 51, 73, 75 or 109;

- (f) interfering with any lock, seal, mark, fastening or other security used to restrain an asset under section 75 or 109;
- (g) with the intent of evading any obligation under a tax law, knowingly dealing in any way with a document or asset that is or contains or produces information, including by way of measurement, that is false or misleading in a material particular;
- (h) disguising, warning or hiding a person with the intent that a liability, obligation or arrest of any person under a tax law is evaded;
- (i) committing any offence under a tax law where the person has already been convicted of an offence under a tax law or had an offence compounded under section 106;
- (j) refusal to produce documents;
- (k) destroying, damaging, cutting away, casting adrift, deface or interfering with any instrument or a property used for the purpose of tax authority;
- (l) failure to produce official translation of the communication or document which is in a language other than official language;
- (m) failure to maintain a primary data server in the United Republic as required by section 43;
- (n) uses, keeps, or provides, any false or unjust scales, weighing or measuring instruments, weights or measures; or
- (o) by any means prevents or contrives to prevent, the proper officer from taking a just and true account or making proper examination of any excisable goods or materials.

[s. 85]

Offence for failing
to use fiscal
device
Acts Nos.
2 of 2016 s. 59
5 of 2022 s. 113
7 of 2023 s. 58

97.-(1) A person who-

- (a) fails to acquire and use fiscal device upon commencement of business operations or expiry of the period specified by the Commissioner;

(b) fails to issue fiscal receipt at the time of supply of goods, rendering service or receiving payment for goods or service;

(c) issues a fiscal receipt that is false or incorrect in any material particular;

(d) uses fiscal device in any manner that misleads the system or the Commissioner; or

(e) tempers with or causes fiscal device to work improperly or in a manner that does not give a correct or true document,

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

(2) The provisions of subsection (1) shall not apply to a person who is exempted by any tax law to acquire or use fiscal device.

(3) Where any amount of tax has been evaded in any of the offence referred to in subsection (1), a person involved on conviction shall be liable in addition to a fine under subsection (1), a fine twice the amount of tax evaded or imprisonment for a term not exceeding three years.

(4) A person who fails to demand or report a denial of issuance of a fiscal receipt upon payment or receipt of goods or service, commits an offence and on conviction shall be liable to a fine of twenty percent of the tax evaded or 2 currency points, whichever is greater.

[s. 86]

Offences by
authorised and
unauthorised
persons
Act No.
5 of 2022 s. 114

98.—(1) A person authorised by the Authority to perform any function or carry on any duty under a tax law commits an offence where that person—

(a) directly or indirectly asks for or takes in connection with the person's duties, any payment or reward or promise or security for any such payment or reward, not being a payment or reward that the person is lawfully entitled to receive; or

(b) agrees to, permits, conceals, connives at or acquiesces in any act or thing whereby the Government is or may be defrauded with respect to any matter under a tax law, including the payment of tax.

(2) A person who is not authorised by the Authority commits an offence if that person-

- collects or attempts to collect an amount of tax payable under a tax law or an amount which that person describes as tax; or
- makes representations with the intent to make another person to believe that, that person is a tax officer.

(3) A person who commits an offence under subsection (1) or (2) on conviction shall be liable to a fine of not less than 200 currency points or to imprisonment for a term of not less than twelve months and not more than five years, or to both.

(4) A person who contravenes section 25 commits an offence and on conviction shall be liable to a fine not exceeding 100 currency points or to imprisonment for a term not exceeding one year, or to both.

(5) A person who is required to be registered or licensed under a tax law to perform any function and fails to apply for such registration or licensing within the period prescribed by law or as may be notified by the Commissioner General commits an offence and on conviction shall be liable to a fine not exceeding 500 currency points or to imprisonment for a term not exceeding one year or to both.

[s. 87]

Offences by entities

99.-(1) Where an entity has committed an offence under a tax law, every person who is a manager of the entity at the time of commission of that offence shall be treated to have committed that offence.

(2) Subsection (1) shall not apply where the manager has exercised the degree of care, diligence, and skill that would have been exercised by a reasonable person in preventing the commission of that offence.

[s. 88]

Obligation to pay tax not affected by conviction or compoundment
Act No.
2 of 2016 s. 60

100. Payment of fine on conviction by the court or compoundment of an offence under this Act, shall not affect an obligation of a person to pay such tax.

[s. 88A]

General penalty
Act No.
2 of 2016 s. 60

101.—(1) A person who commits an offence under this Act for which no specific penalty is provided, on conviction shall be liable to a fine of not less than 200 currency points and not more than 300 currency points or to imprisonment for a term not exceeding three years or to both.

(2) Where any amount of tax evaded in any of the offence referred to in subsection (1), a person involved shall on conviction be liable, in addition to a fine under subsection (1), a fine twice the amount of tax evaded or imprisonment for a term not exceeding three years.

[s. 88B]

Offence for aiding or abetting

102. A person who aids, abets, counsels or induces another person to commit an offence under a tax law commits an offence and on conviction shall be liable—

- (a) where the original offence involves a statement of the kind prescribed in section 95(1) and, if the inaccuracy of the statement were undetected, may have resulted in an underpayment of tax to a fine of not less than 100 currency points and not more than 200 currency points, or to imprisonment for a term of not less than one year and not more than two years, or to both;
- (b) where the original offence involves inducing an authorised person to commit an offence under section 98, to a fine of not less than 200 currency points, or to imprisonment for a term of not less than twelve months and not more than five years, or to both; or
- (c) in any other case, to a fine of not less than 50 currency points and not more than 100 currency points, or to imprisonment for a term of not less than six months and not more than one year, or to both.

[s. 89]

VAT offence **103.**—(1) A person commits an offence if that person—
Cap. 148 (a) fails to apply for registration as required under the Value Added Tax Act;

Cap. 148 (b) fails to notify the Commissioner General of ceasing to be liable for value added tax as required under the Value Added Tax Act;

Cap. 148 (c) fails to notify the Commissioner General of a change in circumstances as required under the Value Added Tax Act;

Cap. 148 (d) fails to notify the Commissioner General of the change in interest or ownership of property or control of business by reason of death, bankruptcy, winding-up or other legal process that vests in another person interest or ownership of property as required under the Value Added Tax Act;

Cap. 148 (e) fails to notify the Commissioner General of a transfer as required under the Value Added Tax Act; or

Cap. 148 (f) holds himself out as a taxable person under the Value Added Tax Act, where that person is not.

(2) The person who commits an offence under this section on conviction shall be liable—
Stamp duty offences (a) where the failure or holding out is made knowingly or recklessly, to a fine of not less than 100 currency points and not more than 200 currency points or to imprisonment for a term of not less than one year and not more than two years, or to both; or
(b) in any other case, to a fine of not less than 50 currency points and not more than 100 currency points or to imprisonment for a term of not less than one month and not more than three months, or to both.

[s. 90]

104.—(1) A person commits an offence if that person—
(a) draws, signs or deals in any manner with any instrument, bill of exchange, cheque or promissory note that has not been duly stamped;

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(b) votes or attempts to vote under any proxy not duly stamped;

(c) issues any share warrant not duly stamped;

(d) fails to cancel a stamp as required under the Stamp Duty Act;

Cap. 189 (e) executes or assists in the preparation of an instrument that breaches the requirements of the Stamp Duty Act;

Cap. 189 (f) fails to give a receipt that is properly stamped as required under the Stamp Duty Act;

Cap. 189 (g) is a person appointed to sell stamps who disobeys a lawful direction given by the Commissioner General;

(h) is not a person appointed to sell stamps but the person sells or offers for sale, other than by way of surrender to a stamp duty officer, any stamp other than adhesive stamps each of the value of fifty cents or less; or

(i) fails to comply with the terms of any composition agreement made under the Stamp Duty Act.

(2) The person who commits an offence under this section on conviction shall be liable-

(a) where the action or failure is made knowingly or recklessly, to a fine of not less than 100 currency points and not more than 200 currency points or imprisonment for a term of not less than one year and not more than two years, or to both; or

(b) in any other case, to a fine of not less than 20 currency points and not more than 50 currency points or imprisonment for a term of not less than one month and not more than three months, or to both.

[s. 91]

Excise duty
offences
Act No.
5 of 2022 s. 115
Cap. 147

105.-(1) A person who, contrary to the provisions of the Excise (Management and Tariff) Act-

(a) manufactures any excisable goods without being licensed by the licensing authority;

- (b) does not abide with any of the condition in a licence imposed on him or breaches any of the licence conditions given to him;
- (c) does not obey a suspension or revocation of his licence by the Commissioner together with any condition thereof;
- (d) fails to keep records with respect to manufacture, storage and delivery of excisable goods at his factory or place of work in the prescribed manner;
- (e) denatures spirits for sale without being licensed by the licensing authority and adopting the prescribed formula;
- (f) fails to make entry or declaration, before commencing manufacture of excisable goods, of each building, room, place, machinery or equipment, item of plant for the manufacture, preparation for sale or storage of excisable goods;
- (g) makes use of any building, room, place, machinery or equipment or item of plant for manufacture, preparation for sale or storage of excisable goods without a valid entry;
- (h) makes use of a building, room, place, machinery or equipment or item of manufacture, preparation for sale or storage of excisable goods for purpose other than that declared in the approved entry; or
- (i) effects alteration in shape, position, or capacity of a building, room, place of manufacture or preparation for sale or storage of excisable goods without prior permission of the Commissioner,

commits an offence and on conviction, shall be liable to a fine not exceeding 330 currency points or to imprisonment for a term not exceeding three years or to both.

(2) Where a person who commits an offence under subsection (1) is a subsequent offender, such person on conviction shall be liable to a fine of not less than 330 currency

points but not exceeding 3500 currency points or to imprisonment for a term of not less than five years but not exceeding twenty years or to both.

(3) In addition to the penalty provided for under subsection (1) or (2), the court may issue an order for forfeiture of any plant, excisable goods or materials connected to the commission of the offence.

[s. 91A]

Compounding of
offences
Act No.
2 of 2016 s. 61

106.—(1) Where a person commits an offence under a tax law, the Commissioner General may compound the offence and may order a person to pay the fine that would have been paid had such person been prosecuted and convicted for the offence or order forfeiture of any goods related to the offence or to both.

(2) The Commissioner General shall not compound an offence—

- (a) unless the person admits in writing that the person has committed the offence and accepts the proposed terms of compoundment;
- (b) in respect of conduct of a transaction referred to in section 98; or
- (c) after court proceedings commence with respect to the offence unless the consent of the Director of Public Prosecutions is obtained.

(3) The Commissioner General's order—

- (a) shall be in writing and specify—
 - (i) the offence committed;
 - (ii) the sum of money to be paid;
 - (iii) any asset forfeited; and
 - (iv) the date for payment of the money and surrender of the asset;
- (b) shall be attached with the written submission referred to in paragraph (a) of subsection (2);
- (c) shall be served on the person who committed the offence;
- (d) shall be final and not be subject to appeal; and

(e) may be enforced in the same manner as an order of the High Court for the payment of the amount and delivery of any asset stated in the order.

(4) Where the Commissioner General compounds an offence under this section, a person whose offence is compounded shall not be liable for prosecution for that offence.

[s. 92]

Repealed

107. [Repealed by Act No. 3 of 2021 s. 66.]

[s. 92A]

PART XII

TAX PROCEEDINGS

Multiple proceedings
Act No.
2 of 2016 s. 62

108.—(1) The proceedings to recover tax or prosecution of a person under one provision of a tax law does not restrict simultaneous or separate proceedings to recover the same tax or to prosecute a person under a different provision of that law or a provision of a different tax law.

(2) Notwithstanding the provisions of tax law, a person may be convicted or fined for more than one offence with respect to same course of conduct or omission.

(3) Where two or more provisions which create an offence apply to the same part of a course of conduct or omission of a person, the adjudicator may choose under which provision the person is to be convicted or fined.

(4) In any criminal proceeding under this Act or any other tax law any document, statement or a copy of or extract from any document or statement, relating to the affairs of any person that has been seized or obtained by the Commissioner General shall be admissible in evidence.

(5) A document, statement or copy of or extract referred to in subsection (4) shall be admissible irrespective of whether any person was-

- induced to provide or make it; or
- led to believe that criminal proceedings would not be instituted.

(6) A witness on behalf of the prosecution shall not be compelled to disclose the fact that he received any information or document relating to any tax matter or the nature of the information or document or the name of the person who gave that information or document.

(7) Where a person is charged for an offence under this Act which is similar to an offence in any other tax law, the provisions of the tax law related to criminal proceedings shall apply *mutatis mutandis* with the provisions of this Act.

[s. 93]

Power of search,
seizure and arrest

109.—(1) A tax officer authorised to search, seize or arrest may apply to a magistrate for an order to arrest a person.

(2) The application under subsection (1), shall state the reasons which make an authorised tax officer to believe that a person—

- (a) has committed an offence under a tax law;
- (b) will abscond before the person is charged or stand trial for an offence under a tax law;
- (c) will destroy, tamper or otherwise dispose of evidence of an offence under a tax law; or
- (d) has in possession any good to which any offence under a tax law has been committed or full duty has not been paid as required by a tax law.

(3) The magistrate may, after being satisfied that the situation represents a serious risk to the collection of tax or the administration of justice, make an order authorising the tax officer, to be accompanied by the police officer, to—

- (a) enter any premises or place and restrain assets that may reasonably provide evidence that an offence has been committed under a tax law;
- (b) restrain and search any premises, place, vehicle or other asset on or in which the tax officer believes on reasonable grounds there is such evidence;

- (c) interrogate and search or cause to be interrogated and searched a person who the tax officer believes on reasonable grounds has committed an offence under a tax law or to be in possession of assets mentioned in paragraph (a);
- (d) arrest a person who the tax officer believes on reasonable grounds has committed an offence under a tax law; and
- (e) use reasonable force for the purposes of the preceding paragraphs including by way of breaking into any premises, place or asset that may reasonably contain evidence referred to in paragraph (a).

(4) Upon restraining an asset under subsection (3), the tax officer shall-

- (a) serve a written notice on the possessor of the asset and, where there is more than one possessor, service on a single possessor is sufficient; or
- (b) where no possessor is available, leave the notice at the premises or place where the restraining takes place.

(5) The notice shall-

- (a) identify and list the assets restrained;
- (b) state the assets which have been restrained under this section and the reason for the restraint; and
- (c) set out the terms for release, including any as to security required, and terms for disposal of any assets seized.

(6) A tax officer arresting a person shall immediately take that person to the nearest police station.

(7) A person shall be searched by another person of the same sex.

(8) A tax officer may exercise any of the powers granted by a magistrate under this section in conjunction with any other of his powers granted under this Act.

[s. 94]

110.-(1) An authorised officer may, without a warrant, exercise the powers referred under section 109 where-

- (a) the owner or person in control of the premises consented in writing; or

(b) he is on reasonable grounds satisfied that-

- there may be an imminent removal or destruction of relevant material likely to be found on the premises; or
- the delay in obtaining a warrant would defeat the object of the search and seizure.

(2) The authorised officer shall, before carrying out the search, inform the owner or person in control of the premises-

- that the search is being conducted under this section; and
- the law or tax offence that is the basis for the search.

(3) The provisions of section 109(4) to (7) shall apply to a search to be conducted under this section.

(4) The powers provided for under subsection (3)(a) to (e) of section 109 shall apply to a search conducted under this section as if an order of the court has been obtained.

[s. 95]

Provision of security

111. A security provided by any person for the purposes of complying with any provision of a tax law shall not act as a defence in any proceeding for recovery of tax or with respect to an offence under that tax law or any other tax law.

[s. 96]

Publication of offenders

112.-(1) The Commissioner General may publish in a newspaper or any media of wide circulation within the United Republic, a list of persons who-

- have repeatedly failed to pay tax on time after being notified of his obligation to pay tax by the Commissioner General;
- have been convicted of an offence under a tax law, where the time for appeal has expired; or
- had repeatedly committed such an offence compounded under section 106.

(2) The list of persons under subsection (1) may specify-

- the name and address of the person;
- the offence committed;

- (c) the period during which the offence occurred;
- (d) the amount of tax involved; and
- (e) particulars of any fine or sentence imposed.

[s. 97]

Regulations

113.—(1) The Minister may make regulations under any tax law for the better carrying into effect of the principles, purposes and provisions of that tax law.

(2) Regulations made under subsection (1) may relate to a tax law or tax laws.

[s. 98]

Amendments by Minister

114. The Minister may, in consultation with the Commissioner General, by order published in the *Gazette*, amend, vary, add or replace any Schedule to this Act.

[s. 99]

PART XIII

TRANSITION AND SAVINGS PROVISIONS

Transition and savings provisions

115.—(1) Subject to this section, the respective tax laws shall continue to apply for periods and events occurring before the date on which this Act comes into effect.

(2) All appointments made under the respective tax laws and subsisting at the date this Act comes into effect shall be deemed to be appointments made under this Act.

(3) Any international agreement made by the Government of the United Republic that is effective under the respective tax laws at the time this Act comes into effect shall continue to have effect under this Act.

(4) Regulations, rules, practice notes, rulings, orders and notices made under the respective tax laws and in force at the commencement of this Act shall continue to be in force as if they were made under this Act until such time as they are amended or revoked.

(5) All blank forms and documents used in relation to the respective tax laws may continue to be used under this Act and all references in those forms and documents to provisions of and expressions appropriate to the prior law shall be deemed to refer to the corresponding provisions and expressions of this Act.

(6) Any appeal, prosecution or other proceedings commenced before this Act comes into operation shall continue and be disposed of as if this Act had not come into force.

(7) Any tax liability that arose before this Act comes into operation may be recovered by fresh proceedings under this Act, but without prejudice to any action already taken for the recovery of the tax.

(8) A reference in this Act to “this Act” or to a provision of “this Act” includes, where the context requires, a reference to the prior law or to a corresponding provision of the prior law, respectively.

[s. 100]

SCHEDULES

FIRST SCHEDULE

(Made under section 3)

TAX RETURNS AND ASSESSMENTS

Tax Returns
Acts Nos.
4 of 2017 s. 61
8 of 2019 s. 46
7 of 2023 s. 59

Cap. 332

Cap. 148

1. The following are tax returns for the purposes of this Act:
 - (a) in relation to income tax-
 - (i) a statement of tax withheld or treated as withheld filed under section 109 of the Income Tax Act;
 - (ii) a statement of estimated tax payable filed under section 114 of the Income Tax Act; and
 - (iii) a return of income filed under section 117 of the Income Tax Act;
 - (b) in relation to Value Added Tax, a return filed under section 69 of the Value Added Tax Act;

Cap. 82 (c) [Spent.]
 (d) in relation to Gaming tax, a return filed under section 33 of the Gaming Act;

Cap. 41 (e) in relation to Excise Duty, a return filed under section 140 of the Excise (Management and Tariff) Act;

Cap. 147 (f) in relation to Airport Service Charge, a return filed under section 7 of the Airport Service Charge Act; and

Cap. 365 (g) in relation to Port Service Charge, a return filed under section 7 of the Port Service Charge Act.

Cap. 264 (h) in relation to bed night levy, a return filed under the Tourism (Tourism Development Levy) Regulations.

Assesments 2.-(1) For purposes of this Act, “assessment” includes-

Cap. 332 (a) in relation to income tax, an assessment made under section 120 of the Income Tax Act;

(b) in relation to the taxes referred to in paragraphs 1(b) to (e), an assessment made under paragraph 3 of this Schedule in respect of the obligation to file a tax return;

(c) in relation to gaming tax, a demand notice of the Board made under section 33 of the Gaming Act;

(d) in relation to stamp duty, a note, certificate, decision or requirement of a Stamp Duty Officer under section 24, 25, 45 or 51 of the Stamp Duty Act;

(e) in relation to property rate, a demand or a demand note issued by the Commissioner General under the Local Government Authorities (Rating) Act; and

(f) in relation to this act, an assessment made under sections 58 (jeopardy assessment), 59 (adjusted assessment) or 92 (interest and penalty assessment) of this Act.

(2) The Commissioner General may exercise all powers under this Act with respect to any assessment (including a self-assessment), including powers under Part VII of this Act.

Self-assessments 3.-(1) Where a person files a tax return in accordance with an obligation to which this paragraph applies, an assessment is treated as made on the due date for filing the tax return.

(2) The assessment is in an amount equal to the net amount of tax due, if any, as shown in the tax return.

(3) An “obligation to which this paragraph applies” means an obligation to file a tax return in accordance with the provisions referred to in paragraphs 1(b) to (e).

SECOND SCHEDULE

(Made under section 4(3))

CURRENCY POINT

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

THIRD SCHEDULE

(Made under section 25(2) and (4))

TRANSACTIONS FOR WHICH TAXPAYER IDENTIFICATION NUMBER IS REQUIRED

Act No.
3 of 2021 s. 67

S/N.	INSTITUTION	PURPOSE OF TRANSACTIONS
1.	Commissioner General of the Tax Authority	New registrations under the Value Added Tax Act. Importation of goods; customs clearing and forwarding.
		Registration of ownership or transfer of vehicles under the Road Traffic Act.
		Licensing of motor vehicles under the Transport Licensing Act.
2.	Commissioner for Lands	Registration of title upon transfer of ownership.
3.	Central and Local Government	Trade licence.
4.	Business Registration and Licensing Authority	New registrations
5.	Registrar of Patents and Trade Service Marks	New registrations
6.	Ministry of Industry and Trade	Trade licensing and industrial licensing
7.	Ministry of Natural Resources and Tourism	Licensing
8.	Ministry of Energy and Minerals	Licensing

9.	All Government Ministries, Government Agencies, Local Government Authorities, Financial Institutions, Cooperative Societies and Public Bodies.	All contracts, including contract of supply of goods and services.
10.	Workers Compensation Fund	Employee's registration
11.	Occupational Safety and Health Authority	Employee's registration
12.	Government, Company or individual	Employment

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