

THE UNITED REPUBLIC OF TANZANIA

***SPECIAL BILL SUPPLEMENT***

*No. 1*

*11<sup>th</sup> June, 2015*

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**THE FINANCE ACT, 2015**

**ARRANGEMENT OF PARTS**

<i>Part</i>	<i>Title</i>
PART I	PRELIMINARY PROVISIONS
PART II	AMENDMENT OF THE BANK OF TANZANIA, (CAP. 197)
PART III	AMENDMENT OF THE EXPORT TAX ACT, (CAP. 196)
PART IV	AMENDMENT OF THE GAMING ACT, (CAP. 41)
PART V	AMENDMENT OF THE INCOME TAX ACT, (CAP. 332)
PART VI	AMENDMENT OF THE TANZANIA INVESTMENT ACT, (CAP.38)
PART VII	AMENDMENT OF THE PETROLEUM ACT, (CAP. 392)

- PART VIII AMENDMENT OF THE LOCAL GOVERNMENT FINANCE, (CAP. 290)
- PART IX AMENDMENT OF THE URBAN AUTHORITIES (RATING) ACT, (CAP. 289)
- PART X AMENDMENT OF THE RAILWAYS ACT, (CAP. 170)
- PART XI AMENDMENT OF THE WORKERS COMPESATION ACT, (CAP. 293)
- PART XII AMENDMENT OF TANZANIA REVENUE AUTHORITY ACT, (CAP.399)
- PART VIII AMENDMENT OF THE VOCATIONAL EDUCATION AND TRAINING ACT, (CAP. 82)
- PART XIV AMENDMENT OF THE PUBLIC FINANCE ACT, (CAP. 348)
- PART XV AMENDMENT OF THE ROAD AND FUEL TOLLS ACT, (CAP.220)
- PART XVI AMENDMENT OF THE TREASURY REGISTRAR (POWERS AND FUNCTIONS ACT, (CAP. 370)

**NOTICE**

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This Bill to be submitted to National Assembly is published for general information to the public with a statement of its objects and reasons.

Dar -es-Salaam,  
11<sup>th</sup> June, 2015

**OMBENI Y. SEFUE**  
*Secretary to the Cabinet*

**A BILL**  
*for*

**An Act to impose and alter certain taxes, duties, levies, fees and to amend certain written laws relating to collection and management of public revenues.**

**ENACTED** by Parliament of the United Republic of Tanzania.

**PART I**  
**PRELIMINARY PROVISIONS**

Short title                   **1.** This Act may be cited as the Finance Act, 2015.

Commencement               **2.** This Act shall come into operation on the 1<sup>st</sup> day of July, 2015.

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

Construction  
Cap 197                   **3.** This Part shall be read as one with the Bank of Tanzania

Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 36

**4.** The principal Act is amended in section 36 by deleting the words ‘three fiscal years’ appearing in subsection (1) and substituting for them the words “one fiscal year”.

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

Construction  
Cap 196

**5.** This Part shall be read as one with the Export Tax Act, hereinafter referred to as the “principal Act”.

Amendment of  
the Schedule

**6.** The principal Act is amended by deleting the Schedule and substituting for it the following:

“  
SCHEDULE

*(Made under section (3))*

No.	Item	Rate
1	Raw hides and skin	eighty percentum of the value of the commodity (f.o.b) or 0.52 USD per kilogramme, whichever is greater.
2	Wet Blue leather	Ten percentum of the value of the commodity (f.o.b).” ”

**PART IV**  
**AMENDMENT OF THE GAMING ACT,**  
**(CAP. 41)**

Construction  
Cap. 41

**7.** This Part shall be read as one with the Gaming Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 20

**8.** The principal Act is amended in section 20 by deleting the word “five” appearing in subsection (3) and substituting for it the word “eight”.

Amendment  
of section 26

**9.** The principal Act is amended in section 26 by-

- (a) deleting the word “and” appearing at the end of paragraph (j);
- (b) adding immediately after paragraph (j) the following:
  - (k) principal licence for sports betting and slot machines operations;
  - (l) internet sports betting licence;
  - (m) sports betting terminal licence; and
  - (n) certificate of suitability for licence of gaming activities.”

Additional of  
section 31A

**10.** The principal Act is amended by adding after section 31 the following new section 31A-

“  
Imposition  
of winning  
amount

**31A.-**(1) The gaming tax of eighteen percent on winnings is hereby imposed on the amount or value of the winnings in connection with operation of the gaming activities.

(2) The amount or value of the winnings subjected to gaming tax on winning shall not be liable to income tax.

(3) The Board shall prescribe mode of its reporting, collection and remittance to the Board.”

Amendment  
of section 41

**11.** The principal Act is amended in section 41 by-

- (a) deleting subsection (4); and
- (b) renumbering subsection (5) as subsection (4).

Amendment  
of section 82

**12.** The principal Act is amended by deleting section 82 and substituting for it the following:

“Power of the  
Board to  
declare unfit  
machine or  
device

**82.**-(1) The Board may, where is satisfied that any gaming machine or device regulated under this Act is unfit for the intended use, seize or forfeit and condemn such gaming machine or device.

(2) The gaming machine or device under subsection (1) shall be declared unfit for the intended use and be destroyed at owner's cost.

(3) For the purpose of this section, “unfit gaming machine or device” shall include-

- (a) gaming machine or device whose importation contravenes any provision of this Act or any other written laws;
- (b) gaming machine or device which does not meet the standards prescribed under this Act; or
- (c) gaming machine or device owned or under possession of a person who is not authorised by the Board.

(4) The court by or before which any person is convicted of any offence under this Act may order anything produced to court and shown to the satisfaction of the court to relate to the offence to be forfeited and either destroyed or dealt with in such other manners as it may order.”

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

Construction  
Cap. 332

**13.** This Part shall be read as one with the Income Tax Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 10

**14.** The principal Act is amended by adding immediately after section 10 the following new provision-

“Limitation  
for  
exemption

**10A** In exercising powers under this section, the Minister shall not grant tax exemption or remission on income or payment derived from Government project financed by a non concessional loan.”

Amendment of  
First Schedule

by-

**15.** The principal Act is amended in the First Schedule by-

(a) deleting the table appearing in paragraph 1 and substituting for it the following new table:

“

<b>TOTAL INCOME</b>	<b>RATE PAYABLE</b>
Where total income does not exceed Shs. 2,040,000/=	<b>NIL</b>
Where total income exceeds Shs. 2,040,000/= but does not exceed Shs. 4,320,000/=	11% of the amount in excess of Shs. 2,040,000/=
Where total income exceeds Shs. 4,320,000/= but does not exceed Shs. 6,480,000/=	Shs. 250,800/= plus 20% of the amount in excess of Shs. 4,320,000/=
Where total income exceeds Shs. 6,480,000/= but does not exceed Shs. 8,640,000/=	Shs. 682,800/= plus 25% of the amount in excess of Shs. 6,480,000/=
Where total income exceeds Shs. 8,640,000/=	Shs. 1,222,800/= plus 30% of the amount in excess of Shs. 8,640,000/=

(b) deleting the table appearing in paragraph 2(3) and substituting for it the following new table:

“

<b>TURNOVER</b>	<b>TAX PAYABLE WHERE SECTION 80 OF THE INCOME TAX ACT IS NOT COMPLIED</b>	<b>TAX PAYABLE WHERE SECTION 80 OF THE INCOME TAX ACT IS COMPLIED</b>
Where turnover does not exceed shs 4,000,000/=	NIL	NIL
Where turnover exceed shs 4,000,000/= but does not exceed shs 7,500,000/=	150,000/=	3% of the turnover in excess of shs. 4,000,000/=
Where turnover exceed shs. 7,500,000/= but does not exceed shs. 11,500,000/=	318,000/=	135,000/= plus 3.8% of the turnover in excess of shs. 7,500,000/=
Where turnover exceed shs. 11,500,000/= but does not exceed shs. 16,000,000/=	546,000/=	Shs 285,000/= plus 4.5% of the turnover in excess of shs 11,500,000/=
Where turnover exceed shs. 16,000,000/= but does not exceed shs. 20,000,000/=	862,500/=	Shs. 487,000/= plus 5.3 of the turnover in excess of shs. 16,000,000/=.

”

Amendment of  
the Second  
Schedule

**16.** The principal Act is amended in the Second Schedule by inserting the following item immediately after item (f)(vi) of paragraph 1.

“(vii) bond holders from interest on bonds issued by the East African Development Bank which are listed in Dar es Salaam Stock Exchange.”

**PART VI**  
**AMENDMENT OF THE TANZANIA INVESTMENT ACT,**  
**(CAP. 38)**

Construction  
Cap 370

**17.** This Part shall be read as one with the Tanzania Investment Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 19

**18.** The principal Act is amended in section 19 by-

- (a) deleting a “full stop” appearing at the end of the proviso under subsection (1) and adding the following words, “,imported trailers”; and
- (b) inserting the phrase “PVC and HDPE pipes with HS Code 3917.31.00 and imported trailers” immediately after the words “roofing sheets” appearing in paragraph (c) of subsection (3).

Amendment of  
section 20

**19.** The principal Act is amended in section 20 by:

- (a) inserting the phrase ‘PVC and HDPE pipes with HS Code 3917.31.00 and imported trailers” between immediately after the words “roofing sheets” appearing in subsection (2);
- (b) deleting paragraph (c) of subsection (4).
- (c) adding the following provisions after subsection (4):
  - “(5) The Government may identify projects and grant special strategic investment status.
  - (6) Special strategic investment status may

be granted to projects which meets the following criteria:

- (a) a minimum investment capital of not less than the equivalent in Tanzania shillings of three million US dollars (US\$ 300,000,000);
- (b) investment capital transaction is undertaken through a registered local financial and insurance institutions;
- (c) at least one thousand five hundred direct local employment is created with satisfactory number of senior positions; and
- (d) capability to significantly generate foreign exchange earnings, produce significant import substitution goods or supply of important facilities necessary for development in the social, economic or financial sector.

(7) Upon grant of special strategic investment status to a project, the Minister shall propose to the National Investment Steering Committee additional specific fiscal incentives.

(8) Where the National Investment Steering Committee approves additional specific fiscal incentives the Minister for Finance shall confer such additional fiscal incentives as approved by the National Investment Steering Committee under an order published in the *Gazette*.

(9) The National Investment Steering Committee may review every project conferred additional specific fiscal incentives and advise the Government on whether or not to continue issuing the incentives.”

**PART VII**  
**AMENDMENT OF THE PETROLEUM ACT, CAP. 392**

Construction  
Cap. 392

**20.** This Part shall be read as one with the Petroleum Act, hereinafter referred to as the “principal Act”.

Amendment of  
section 32

**21.** The principal Act is amended in section 32 by adding immediately after subsection (3) the following:

“(4) Notwithstanding the provisions of subsections (1) and (2), the Minister responsible for finance may, by order published in the *Gazette*, exempt petroleum fee on fuel for use in a Government project funded by a donor under an agreement between the Government and the donor.

(5) The exemption referred to in subsection (4) shall be granted only where the agreement relating to the donor funded project provides for such exemption.”

**PART VIII**  
**AMENDMENT OF THE LOCAL GOVERNMENT FINANCE ACT,  
(CAP 290)**

Construction  
Cap 290

**22.** This Part shall be read as one with the Local Government Finance Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 6

**23.** The principal Act is amended in section 6(1) by deleting paragraph (q) and substituting for it the following:

“(q) **all monies payable as hotel levy equal to ten percentum of the guest house charges payable by a guest**”;

Amendment  
of section 7

**24.** The principal Act is amended in section 7(1) by-

(a) deleting paragraph (u) and substituting for it the following:

“(u) **all monies payable as hotel levy equal to**

Amendment of section 8

ten percentum of the guest house payable by a guest;”

(b) adding immediately after paragraph (z) the following new paragraph:

“(aa) all monies derived from property rate.”

**25.** The principal Act is amended in section 8(1) by deleting paragraph (l) and substituting for it the following:

“(l) all monies payable as hotel levy equal to ten percentum of the guest house charges payable by a guest.”

Addition of section 17A

**26.** The principal Act is amended by adding immediately after section 17 a new section 17A as follows:

“electronic revenue collection, payment and management systems

**17A.-**(1) For purpose of better revenue control, a local government authority may, among other means of revenue collection, payment and management, use electronic revenue collection, payment and management systems.

(2) The Minister may, upon consultation with Minister responsible for finance, make rules prescribing procedures for electronic means of revenue collection and payment.”

## PART IX

### AMENDMENT OF THE URBAN AUTHORITIES (RATING) ACT, (CAP. 289)

Construction Cap 289

**27.** This Part shall be read as one with the Urban Authorities (Rating) Act, hereinafter referred to as the ‘principal Act.

Amendment of long title

**28.** The Principal Act is amended by deleting the long title and substituting for it the following:

“An Act to enable urban, district and township authorities to impose and collect rates”.

Amendment of section 1

**29.** The Principal Act is amended in section 1 by deleting the

word “Urban” and substituting for it the words “Local Government”.

Amendment  
of section 2

**30.** Section 2 of the principal Act is amended -

- (a) in subsection (1) by deleting the word “township” appearing in paragraph (b) and substituting for it the words “district and township”; and
- (b) by adding immediately after subsection (2) the following new subsection:

“(3) Notwithstanding the provisions of subsection (2), a District authority may, by resolution, declare any property or area to be rateable.”

Amendment  
of section 3

**31.** Section 3 of principal Act is amended-

- (a) in the definition of the term ““authority”” by deleting the word “township” appearing in paragraph (b) and substituting for it the words “district and township”;
- (b) by deleting the definition of the term “Council” and substituting for it the following:

“Council” in relation to a district authorities, means-
  - (a) the district council or township authority; and
  - (b) and in relation to an urban authority, means a town, municipal or a city council, as the case may be”;
- (c) by deleting the definition of the term “Director” and substituting for it the following:

“Director” in relation to a district authority, means-
  - (a) a District Executive Director or Township Executive Officer for that district council or township authority as the case maybe; and
  - (b) in relation to a town, municipality, or city means the Town Director for that

town, Municipal Director for that municipality or City Director for that city;”

**PART X**  
**AMENDMENT OF THE RAILWAYS ACT,**  
**(CAP. 170)**

Construction  
Cap 170

**32.** This Part shall be read as one with the Railways Act, hereinafter referred to as the “principal Act”

Addition of  
section 20A

**33.** The principal Act is amended by adding immediately after section 20 the following:

“Railway  
development  
levy

**20A.-**(1) There shall be charged a levy known as Railways Development Levy.

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

(a) at the rate of 1.5 percent at customs value on importation of goods;

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

(3) The provision of subsection (1) shall not apply to exemptions provided under the East African Community Customs Management Act, 2004.

(4) The levy shall be collected by the Commissioner General appointed under Tanzania Revenue Authority Act and be deposited to the Consolidated Fund to be used solely for railway infrastructure development.”

**PART XI**

**AMENDMENT OF WORKERS COMPENSATION ACT,  
(CAP. 263)**

Construction  
Cap 263

**34.** This Part shall be read as one with the Workers Compensation Act hereinafter referred to as the ‘principal Act’.

Amendment  
of section 75

**35.** The principal Act is amended in section 75 by-

(a) inserting immediately after subsection (2) the following new subsection:

“(3) The assessment and interest payable under this section shall be paid to the Commissioner General appointed under the Tanzania Revenue Authority Act and deposited into the Fund.”

**PART XII**  
**AMENDMENT OF TANZANIA REVENUE AUTHORITY ACT,  
(CAP. 399)**

Construction  
Cap 263

**36.** This Part shall be read as one with the Tanzania Revenue Authority Act hereinafter referred to as the “principal Act”.

Amendment  
of First  
Schedule

**37.** The principal Act is amended by adding in the First Schedule the following items;

“20. Workers Compensation Act, No. 20 of 2008.  
21. The Railways Act, 2012.”

**PART XIII**  
**AMENDMENT OF THE VOCATIONAL EDUCATION AND TRAINING ACT,  
(CAP. 82)**

Construction  
Cap. 82

**38.** This Part shall be read as one with the Vocational Education and Training Tax Act, hereinafter referred to as the “principal Act”.

Amendment  
of Section 19

**39.** The principal Act is amended in section 19(1) by-

- (a) deleting the “full stop” appearing at the end of paragraph (i) and substituting for it a “semi colon”;
- (b) adding the following new paragraph:
  - (h) farms employers whose employees are directly and solely engaged in farming and shall not include employees who are engaged in the management of the farm or processing of farming products.”

**PART XIV**  
**AMENDMENT OF THE PUBLIC FINANCE ACT,**  
**(CAP. 348)**

Construction  
Cap. 348

**40.** This Part shall be read as one with the Public Finance Act, hereinafter referred to as the “principal Act”.

Amendment  
of section 11

**41.** The principal Act is amended in section 11 by deleting subsection (3) and substituting for it the following:

“(3) An executive agency, public corporation, public authority or public institution which charges or imposes and collects fees for services rendered shall, at the end of every quarter of a financial year, remit fifteen per- centum of the gross revenue to the Consolidated Fund.”

**PART XV**  
**AMENDMENT OF THE ROAD AND FUEL TOLLS ACT,**  
**(CAP. 220)**

Construction  
Cap. 220

**42.** This Part shall be read as one with the Road and Fuel Tolls Act, hereinafter referred to as the “principal Act”.

Addition of a  
new section 4A

**43.** The principal Act is amended by adding immediately after section 4, the following:

“Division of road and fuel monies collected as roads and fuel tolls on

tolls

petrol and diesel shall be divided as follows:

- (a) Tanzania shillings 263 per litre imposed on petrol and diesel shall be deposited into the account of the Fund; and
- (b) Tanzania shillings 50 per litre imposed on diesel and Tanzania shillings 50 imposed on petrol shall both be deposited into the Rural Energy Fund.”

Amendment of  
the Second  
Schedule

**44.** The principal Act is amended by deleting the Second Schedule and substituting for it the following:

“**SECOND SCHEDULE**

*(Made under section 7(6))*

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**TOLLS FUEL FILLING POINT**

	<i>Fuel</i>	<i>Rate of Toll</i>
1.	Petrol (MSP and MSR).....	shillings 313/= per litre
2.	Diesel (GO).....	shillings 313/= per litre

”

**PART XVI**  
**AMENDMENT OF THE TREASURY REGISTRAR (POWERS  
AND FUNCTIONS) ACT,  
(CAP. 370)**

Construction  
Cap 370

**45.** This Part shall be read as one with the Treasury Registrar (Powers and Functions) Act, hereinafter referred to as the “principal Act”.

Addition of a  
new section  
10A

**46.** The Principal Act is amended by adding immediately after section 10 the following:

“Operating  
expenditure  
ceiling

**10A.-**(1) Notwithstanding any law to the contrary, the operating expenditure for any public or statutory corporation which is not financed through Government budget shall not exceed sixty percent of its annual gross revenue in any financial year.

(2) A public or statutory corporation shall be required to submit seventy percent of the balance obtained after deducting the operating expenses permissible in subsection (1) to the Consolidated Fund in the manner to be prescribed in regulations.”

Amendment  
of section 8

**47.** The principal Act is amended in section 8(1) (f) by deleting that subparagraph and substituting for it the following:

“Cap. 148

“(f) require each executive agency, public corporation, public or public institution to remit fifteen percentum of its annual gross revenue to the Consolidated Fund in accordance with the Public Finance Act.”

## **OBJECT AND REASONS**

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The Bill proposes for enactment of the Finance Act, 2015. The Bill provides for amendment of various laws with a view to impose and alter certain taxes, duties, levies and fees. Further, it propose to amend other written laws relating to the collection and management of public revenues.

The Bill is divided into Sixteen Parts.

Part I provides for Preliminary Provisions.

Part II of the Bill proposes to amend the Bank of Tanzania Act, Cap 197 Section 36 is amended to enable the Government to borrow one eighth of its annual gross revenue of a previous year instead of average of three previous years gross revenue. The amendment aims at enabling the Government to borrow more money as compared to the amount of money received at an average of one eighth of its annual gross revenue.

Part III provides for amendments of the Export Tax Act, Cap. 196. The amendment intended to raise export tax rate for raw hides and skin from sixty percentum of the value of the commodity (F.O.B) to eight percentum or 0.52UDS per kilogramme, whichever is greater. The percentum is equal to Tanzania shillings 600 per kilogram.

The Part further proposes to introduce an export tax at the rate of five percentum of the value of the commodity on (F.O.B.) wet blue leather. The amendment aims to curb smuggling of raw hides and skin and to align the rates with other East African Community Member states.

Part IV of the Bill proposes to amend the Gaming Act, Cap. 41. In so doing, section 20 is proposed to be amended in order to align the level of investment made on National Lottery Project and the period of licence.

The Part also proposes to amend section 26 in order to increase the Government revenue by introducing the principal licence on sports betting and slot

machines (which are also taxed) and introducing a certificate of suitability and tax on gaming device or equipments.

Further, it proposes to introduce new section 31A for purposes of introducing tax on the winnings at a rate of eighteen percent. The aim is to widen the tax base in order to increase Government revenue.

Further more, the Part proposes amendment to section 41 and 82 with a view of minimizing clashes between operators of different products falling under the national lottery; and to control the use of unfit gaming machines or devices, as the case may be. The Part also provides for penalty in contravention of provisions relating to standards of gaming machines and devices.

Part V of the Bill proposes to amend the Income Tax Act, Cap. 332. Section 10 is amended in order to restrict powers of the Minister to grant income tax exemption on income derived from government project funded by none concessional loans. The aim is to ensure that income tax exemptions are minimized and eventually enhancing tax base. It further amends the First Schedule and Second Schedule in order to reduce the Pay As You Earn (PAYE) rate from twelve to eleven percent and presumptive tax rate by twenty five percent. The Part also exempts income tax and interests derived from bonds issued by the East African Development Bank on the Dar es Salaam Stock Exchange. Generally, the amendment intend to improve employees disposable income, enhance voluntary compliance, minimize administrative costs of tax enforcements, increase revenue collection and to give effect to the agreement made with the East African Community regarding support to the EADB.

Part VI provides for amendment of the Tanzania Investment Act, Cap. 38. Section 20 is amended with a view to identify and grant special strategic investment status and the manner of conferring additional special fiscal incentives. Furthermore, it propose to abolish tax exemption of imported trailers and removing PVC and HDPE pipes with HS Code 3917.31 in the list of deemed capital goods.

Part VII propose amendment to the Petroleum Act, Cap. 392. Section 32 is amended for purposes of empowering the Minister responsible for finance to grant

exemption on petroleum fee for fuel to be used on the Government projects funded by a donor under an agreement between the donor with the Government.

Part VIII of the Bill proposes to amend the Local Government Finance Act, Cap 290. The amendment aims at widening tax base by including the hotel levy collected from the guest house or hotel charges and to introduce electronic revenue collection, payment and management systems. Further, the Bill proposes to give mandate to the Minister responsible for local government to make rules prescribing better carrying out of the electronic collections of revenues and payments.

Part IX of the Bill proposes to amend the Urban Authority (Rating) Act Cap 289. The amendment propose to introduce and recognise the District Authority and Urban Authority to collect property tax as a source of revenue. Further, it proposes to give mandate to the District and Urban Authority to declare any property to be rateable area or property.

Part X of the Bill propose to amend the Railways Act, Cap 170 by introducing a railways development levy imposed at the rate of 1.5 percent on custom value of imported goods which are not exempted under the East Africa Community (Customs Management) Act, 2004. The revenue collected under the levy shall be used for the development of railway infrastructure.

Part XI of the Bill proposes to amend the Workers Compensation Act, Cap 263. The amendment aims at affording the Commissioner General for Tanzania Revenue Authority powers to collect new contributions imposed under the Workers Compensation Act.

Part XII of the Bill proposes to amend the Tanzania Revenue Authority Act, Cap 399. The First Schedule to the Act is amended to incorporate the Railways Act and Workers Compensation Act. The aim of the proposed amendment is to recognize the mandate of Commissioner General for Tanzania Revenue Authority mandate to collect levy and contributions on behalf of the respective authorities.

Part XIII proposes to amend the Vocational Education and Training Act, Cap. 82, with a view to include employees in farms in the exemption of skills and development levy provided under the Act.

Part XIV of the Bill proposes to amend the Public Finance Act, Cap. 348. The Bill proposes to amend section 11 so as to require an executive agency, a public corporation, public authority or public institution which charges or imposes and collects fees for services rendered, to remit fifteen percent of the gross revenue to the Consolidated Fund at the end of every quarter of a financial year. Currently, agencies and public institutions remit ten percent into the Consolidated Fund.

Part XV of the Bill proposes to amend the Road and Fuel Tolls Act, Cap. 220. The amendment aims at increasing the tolls fuel rates for petrol and diesel. The rates are being increased from 263 shillings per litre to 283 shillings per litre for petrol, and from 263 shillings to 348 shillings per litre for diesel. It is further proposed that, the increments on the fuel be deposited in the Rural Energy Authority Fund. The utilization of increments will speed-up installation of electricity in rural areas.

Part XVI of the Bill proposes to amend the Treasury Registrar (Powers and Functions) Act, Cap. 370. The Bill proposes to amend section 8 so as to require each executive agency, public corporation, public or public institution to remit fifteen percent of its annual gross revenue to the Consolidated Fund. Currently, agencies, authorities and public corporations remit ten percent of their gross revenue to the Consolidated Fund.

Further, the Part proposes to add a new section 10A with a view of setting a ceiling for the operating expenditure of any public or statutory corporation which is not financed through Government budget. The operating expenditure of the public or statutory corporations are now required not to exceed sixty percent of their annual gross revenue in any financial year and seventy percent of its surplus after deduction of operation expenditure be remitted to the Consolidated Fund.

The aim of the amendments is to put in place procedure that will regulate expenditure and require public corporations and agencies to effectively contribute to the Consolidated Fund.

### **MADHUMUNI NA SABABU**

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Muswada unapendekeza kutungwa kwa Sheria ya Fedha ya mwaka 2015. Muswada unaweka masharti kuhusu marekebisho ya sheria mbalimbali kwa lengo la kuweka, kutoza au kubadilisha baadhi ya kodi, tozo au ada. vilevile, Muswada unapendekeza kurekebisha sheria nyingine zinazohusu ukusanyaji na usimamizi wa mapato ya umma.

Muswada huu umegawanyika katika Sehemu Kumi na Sita.

Sehemu ya Kwanza ya Muswada inaainisha masharti ya Utangulizi.

Sehemu ya Pili ya Muswada inapendekeza kurekebisha Sheria ya Benki Kuu, Sura ya 197. Kifungu cha 36 kinarekebishwa ili kuiwezesha Serikali kukopa moja ya nane ya mapato yake ya mawaka kwa mwaka uliopita badala ya wastani wa mapato ya miaka mitatu ya nyuma. Marekebisho hayo yanakusudia kuiwezesha Serikali kukopa fedha nyingi zaidi ikilinganishwa na kiasi cha kiasi cha fedha kilichopokelewa kwa moja ya nane ya mapato yake ya mwaka.

Sehemu ya Tatu inapendekeza kufanya Marekebisho kwenye Sheria ya Kodi ya Mauzo ya Nje, Sura ya 196. Marekebisho hayo yanakusudia kuongeza kiwango cha kodi ya mauzo nje ya nchi cha ngozi ghafi kutoka asilimia sitini ya thamani ya bidhaa (F.O.B) hadi asilimia nane au 0.52 ya Dola za Marekani kwa kilo moja, au yoyote iliyo ya zaidi. Asilimia hiyo itakuwa ni sawa na shilingi za kitanzania mia sita kwa kilo. Sehemu hii pia inapendekeza kuanzisha kodi ya mauzo nje ya nchi kwa kiwango cha asilimia tano ya thamani ya bidhaa kwa ngozi mbichi ya bluu (wet blue leather) (F.O.B.).

Marekebisheso haya yanalenga kupambana na uingizaji wa ngozi mbichi kinyume na sheria na kuwianisha viwango kuwa sawa na zile za nchi nyingine wanachama wa Jumuiya ya Afrika Mashariki.

Sehemu ya Nne ya Muswada inapendekeza kufanya marekebisheso kwenye Sheria ya Michezo ya Kubahatisha, Sura ya 41. Kwa kufanya hivyo, inapendekeza marekebisheso katika kifungu cha 20 kwa lengo la kuwianisha kiwango cha uwekezaji kwa miradi ya michezo ya Bahati Nasibu ya Taifa na muda wa leseni.

Sehemu hii pia inapendekeza kurekebisha kifungu cha 26 ili kuongeza mapato ya Serikali kwa kuanzisha leseni kuu (principal licence) ya michezo ya mashine za kamari (ambayo pia inatozwa kodi) na kuanzisha “hati inayofaa” (certificate of suitability) na kodi ya vifaa vya michezo ya kubahatisha.

Aidha, Sehemu hii pia inapendekeza kuongeza kifungu kipywa cha 31A kwa madhumuni ya kuanzisha kodi ya ushindi kwa kiwango cha asilimia kumi na nane. Lengo la marekebisheso haya ni kupanua wigo wa kiwango cha kodi kwa lengo la kuongeza mapato ya Serikali.

Halikadhalika, Sehemu hii inapendekeza kurekebisha vifungu vya 41 na 82 kwa lengo la kupunguza migongano baina ya wauza bidhaa mbalimbali zilizoainishwa chini ya Bahati Nasibu ya Taifa, na kusimamia au kudhibiti matumizi ya vifaa vya michezo ya kubahatisha visivyofaa.

Vilevile, inapendekeza kuweka masharti ya adhabu kwa ukiukwaji wa masharti yanayohusu viwango na vifaa vya michezo ya kubahatisha.

Sehemu ya Tano ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Mapato, Sura ya 332. Kifungu cha 10 kinarekebisheswa ili kuweka ukomo wa mamlaka ya Waziri kutoa msamaha wa kodi ya mapato kwa mapato yanayotokana na miradi ya Serikali inayofadhiliwa na mikopo ya kibashara kwa lengo la kuhakikisha kuwa misamaha ya kodi ya mapato inapunguzwa na hatimaye kupanua wigo wa kodi.

Aidha, inapendekezwa kurekebisha Jedwali la Kwanza na la Pili kwa lengo la kupunguza kodi ya mapato ya ajira (Pay As You Earn) kutoka asilimia kumi na

mbili hadi asilimia kumi na moja na kuweka kiwango cha kodi ya makadirio kwa asilimia ishirini na tano.

Kwa ujumla, Sehemu hii inapendekeza kutoa msamaha wa kodi ya mapato yatokanayo na mauzo ya hatifungani zitakazotolewa na Benki ya Maenedeleo ya Afrika Mashariki katika soko la mitaji la Dar es Salaam. Marekebisho haya yanakusudia kuboresha mapato ya watumishi, kwa lengo la kuhamasisha ulipaji kodi wa hiari, kupunguza gharama ya usimamizi wa ukusanyaji kodi, kuongeza ukusanyaji wa mapato na kutekeleza makubaliano ya Nchi Wanachama wa Jumuiya ya Afrika Mashariki ili kuisaidia Benki ya Maendeleo ya Afrika Mashariki.

Sehemu ya Sita inapendekeza kurekebisha Sheria ya Uwekezaji Tanzania, Sura ya 38. Kifungu cha 20 kinarekebisha ili kutambua uwekezaji mahususi kwa lengo la kuweka utaratibu wa kutambua na kutoa hadhi ya uwekezaji mahususi kwa madhumuni ya kutoa na kufuta misamaha ya kodi na kufuta misamaha ya kodi kwenye uwekezaji huo. Aidha inapendekezwa kufuta misamaha ya kodi kwa matela yanayotoka nje ya nchi na kuondoa mabomba aina ya PVC na HDPE yanayotambulika kwenye HS Code 3917.31 yaliyopo katika orodha ya bidhaa za mtaji.

Sehemu ya Saba inapendekeza marekebisho ya Sheria ya Petroli, Sura ya 392. Kifungu cha 32 kinarekebisha kwa lengo la kumpa mamlaka ya Waziri mwenye dhamana ya masuala ya fedha kutoa msamaha wa tozo ya mafuta ya petrol kwa mafuta yanayotumika kwenye miradi ya Serikali inayofadhiliwa na wahisani kwa mujibu wa mikataba baina ya Serikali na wahisani.

Sehemu ya Nane ya Muswada inapendekeza kurekebisha Sheria ya Fedha ya Mamlaka za Serikali za Mitaa, Sura 290. Marekebisho hayo yanalenga kupanua wigo wa kodi kwa kujumlisha ushuru wa hoteli unaokusanywa kutohana na tozo za nyumba za kulala wageni au hoteli na kuanzisha taratibu wa ukusanyaji, ulipaji na usimamizi wa kodi kwa njia ya kielektroniki.

Aidha, Muswada unapendekeza kumpa mamlaka Waziri mwenye dhamana na masuala ya Serikali za Mitaa kuandaa taratibu za kusimamia utekelezaji wa mifumo ya ususanyaji na malipo ya kielektroniki.

Sehemu ya Tisa ya Muswada inapendekeza kurekebisha Sheria ya Kodi ya Majengo ya Mamlaka za Miji, Sura 289. Marekebiso haya yanapendekeza kuipa Miji na Wilaya mamlaka ya kutoza kodi ya majengo. Vilevile, inapendekeza kuipa Miji na Wilaya mamlaka ya kutamka maeneo yanayotakiwa kutozwa kodi ya majengo.

Sehemu ya Kumi inapendekeza kurekebisha Sheria ya Reli, Sura 170 ili kuanzisha tozo ya kuendeleza reli ya asilimia 1.5 kwenye thamani ya bidhaa inapofika bandarini (CIF) kwa bidhaa zinazoingia nchini isipokuwa zile zilizosamehewa kodi chini ya Sheria ya Ushuru wa Forodha ya Jumuiya ya Afrika Mashariki, 2004. Mapato yatakayotokana na tozo hii yatatumika kwa ajili ya kuendeleza miundombinu ya reli.

Sehemu ya Kumi na Moja ya Muswada inapendekeza kurekebisha Sheria ya Fidia kwa Wafanyakazi, Sura 263. Marekebiso haya yanalenga kumpa Kamishna Mkuu wa Mamlaka ya Mapato Tanzania mamlaka ya kukusanya michango inayotozwa chini ya Sheria hiyo.

Sehemu ya Kumi na Mbili ya Muswada inapendekeza kurekebisha Sheria ya Mamlaka ya Mapato Tanzania, Sura ya 399. Jedwali la Kwanza la Sheria hiyo linarekebishwa ili kuzijumuisha Sheria ya Reli na Sheria ya Fidia kwa Wafanyakazi. Madhumuni ya marekebiso haya ni kutambua mamlaka ya Kamishna Mkuu wa Malaka ya Mapato ya kukusanya tozo na michango kwa niaba ya mamlaka husika.

Sehemu ya Kumi na Tatu inapendekeza kufanya marekebiso katika Sheria ya Elimu na mafunzo ya Ufundi stadi, Sura ya 82. Lengo la marekebiso haya ni kujumuisha wakulima katika Sheria ya Msamaha wa Tozo ya Ufundi stadi ambao wameajiriwa katika mashamba.

Sehemu ya Kumi na Nne inapendekeza kufanya marekebiso katika Sheria ya Fedha za Umma, Sura ya 348. Muswada unapendekeza kufanya marekebiso katika kifungu cha 11 ili kuzitaka wakala, mashirika ya umma, mamlaka za umma au taasisi za umma zinazotoa au kukusanya ada kwa huduma zinazotoa na kuchangia asilimia kumi na tano ya mapato yake ya jumla kwenye Mfuko Mkuu wa Hazina kwa kila mwisho wa robo mwaka wa fedha.

Sehemu ya Kumi na Tano ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Ushuru wa Barabara, Sura ya 220. marekebisho haya yanalenga kuongeza viwango vya bei ya mafuta ya petrol na dizeli. Bei ya mafuta ya petroli inaongezeka toka shillingi 263 kwa lita hadi shillingi 283; na bei ya mafuta ya dizeli inaongezeka kutoka shillingi 263 hadi shilling 348 kwa lita. Vilevile, inapendekezwa kuwa fedha zitakazopatikana kutokana na ongezeko la bei ya mafuta zitumike kugharamia usambazaji wa umeme vijijini kwa kuitia Mfuko wa Mamlaka ya Usambazaji Umeme Vijijini (REA).

Sehemu ya Kumi na Sita ya Muswada inapendekeza kufanya marekebisho kwenye Sheria ya Msajili wa Hazina, Sura ya 370. Muswada unapendekeza kurekebisha kifungu cha 8 ili kuwataka wakala mashirika, mamlaka au taasisi za umma, kuchangia asilimia kumi na tano ya mapato ghafi yake kwenye Mfuko Mkuu wa Hazina. Kwa sasa, wakala, mashirika, mamlaka na taasisi hizo zinachangia asilimia kumi ya mapato ghafi ya mwaka.

Aidha, Muswada unapendekeza kuongeza kifungu kipyga cha **10A**. kwa lengo la kuweka ukomo wa matumizi kwa baadhi ya mashirika na taasisi zinazojiendesha bila ruzuku ya Serikali kwa lengo la kuweka utaratibu utakaosaidia kudhibiti matumizi na kuyawezesha mashirika na taasisi za Serikali kuchangia ipasavyo kwenye Mfuko Mkuu wa Hazina.

Dar es Salaam,  
11 Juni, 2015

**SAADA M. SALUM**  
*Waziri wa Fedha*