

THE FINANCE ACT, 2004

ARRANGEMENT OF CONTENTS

<i>Part</i>	<i>Title</i>
PART I	PRELIMINARY PROVISIONS.
PART II	AMENDMENT OF BUSINESS LICENSING ACT, 1972.
PART III	AMENDMENT OF THE EAST AFRICAN CUSTOMS AND TRANSFER TAX MANAGEMENT ACT, 1970.
PART IV	AMENDMENT OF THE EXCISE TARIFF ORDINANCE (CAP. 332).
PART V	AMENDMENT OF THE GAMING ACT, 2003.
PART VI	AMENDMENT OF THE IMMIGRATION ACT, 1995.
PART VII	AMENDMENT OF THE INCOME TAX ACT, 2004.
PART VIII	AMENDMENT OF THE INTOXICATING LIQUORS ACT, 1968.
PART IX	AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT, 1982.
PART X	AMENDMENT OF THE PUBLIC SERVICE RETIREMENT BENEFITS ACT, 1999.
PART XI	AMENDMENT OF THE STAMP DUTY ACT, 1972.
PART XII	AMENDMENT OF THE VALUE ADDED TAX ACT, 1997.
PART XIII	AMENDMENT OF THE VOCATIONAL EDUCATION AND TRAINING ACT, 1994.
PART XIV	AMENDMENT OF THE TAX REVENUE APPEALS ACT, 2000.
PART XV	AMENDMENT OF THE CUSTOMS TARIFF ACT, 1976.



No. 15 OF 2004

I ASSENT

Benjamin W. Mkapa
President

29th September 2004

An Act to impose and alter certain taxes and duties and to amend certain written financial and tax laws relating to collection and management of public revenues.

ENACTED by the Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

1. This Act may be cited as the Finance Act, 2004.

Short title

2. The provisions of the various Parts of this Act shall, except where it is provided otherwise in respect of the commencement of any Part, be deemed to have come into operation on the 1st day of July, 2004.

Commencement

PART II

AMENDMENT OF THE BUSINESS LICENSING ACT, 1972

3. This Part shall be read as one with the Business Licensing Act, 1972 hereinafter referred to as the "principal Act".

Construction
Act No. 25
of 1972

4. The principal Act is amended in section 3 by adding immediately after subsection (3), the following new subsections:

Amendment of
section 3

"(4) The business licence referred to under paragraph (a) of subsection (1) shall be issued once at the commencement of such business and shall remain valid until the particulars

of the business are changed or the business is closed or the licence is revoked.

(5) It shall be a duty of a local government authority, whenever required, to furnish the Minister with information relating to business licence issued within its area of jurisdiction.”

Amend-
ment of
section 8

5. Section 8 of the principal Act is amended by—

(a) deleting subsection (1) and substituting for it the following:

8.—(1) The fees payable for a business licence under this Act shall—

“Licence
fees

(a) in case of business with turnover of less than twenty million, be nil;

(b) in case of business with turnover of twenty million or more, be twenty thousand shillings.

(2) Where a business is regulated in any other written law and the fee is required under such law, the licence fee for that business under this Act shall be nil.”

(b) by renumbering subsections (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8) and (9) respectively.”

Amend-
ment of
section 9

6. The principal Act is amended by repealing section 9 and replacing it with the following—

“Business
licence
payable to
Central
and Local
Govern-
ment

9.—(1) Business licence fees shall—

(a) for categories of business licence issued under Part A of the Schedule, be payable to the Central Government; and

(b) for categories of business licence issued under Part B of the Schedule, be payable to local government authorities.

(2) Notwithstanding the provisions of subsection (1), no business licence fees shall be payable in respect of a hospital, dispensary and health centres owned or operated by religious organisation.

Addition
of
Schedule

7. The principal Act is amended by adding the Schedule as follows:

SCHEDULE

(Under section 9)

PART A

BUSINESS WHOSE FEES SHALL BE PAYABLE TO THE CENTRAL GOVERNMENT

1. Agency business.
2. Broker business.
3. Banking.
4. Financial institutions and capital markets.
5. Clearing and forwarding.
6. Cargo valuation and superintendence.
7. Shipping business.
8. Insurance.
9. Manufacture's representative.
10. Estate.
11. Commercial traveller.
12. Postal services.
13. Electricity power and energy supply.
14. Telecommunication business.
15. Passengers and goods transportation.
16. Electrical media.
17. Processing and manufacturing of goods and selling.
18. Hunting.
19. Night clubs.
20. Tourists business.
21. Exportation.
22. Importation.
23. Dealership/franchise.
24. General trading (silver and gold smith dealers locally owned).
25. Endorsement on transfer of licence.
26. Duplicate licence for lost one.
27. Any other business of national/international nature.

PART B

BUSINESS WHOSE LICENCE FEES SHALL BE PAYABLE TO THE LOCAL GOVERNMENT
AUTHORITY

1. Non tourist hotels.
2. Regional trading companies.
3. Building contractors.
4. Co-operative societies.
5. Specified professions.
6. General trading.
7. Auctioneers.
8. Selling spare parts.
9. Electrical contractors.
10. General merchandising.
11. Endorsement on transfer of licences.
12. Duplicate licence for lost one.
13. Any other business not of national or international nature.

PART III

AMENDMENT OF THE EAST AFRICAN CUSTOMS AND TRANSFER TAX
MANAGEMENT ACT, 1970.

8. This Part shall be read as one with the East African Customs and Transfer Tax Management Act, 1970 in this Part referred to as the "principal Act".

Construc-
tion
Cap. 27

9. Section 48 of the principal Act is amended in the proviso of subsection (1) by deleting the phrase "Interest equivalent to the bank rate" and substituting for it the phrase "Interest equivalent to commercial bank lending rate of the Central Bank."

Amend-
ment of
section 48

10. Section 53 of the principal Act is amended in subsection (8) by deleting the phrase "two thousand shillings in addition thereto, to a fine not exceeding one hundred shillings" and substituting for it the phrase:

Amend-
ment of
section 53

"four hundred thousand shillings and if the building is so used after thirty days, in addition thereto, a fine not exceeding twenty thousand shillings for every thirty days or part thereof."

11. The principal Act is amended in section 154 by adding immediately after subsection (2) the following subsection—

Amend-
ment of
section
154

"(3) Where an amount of duty including penalty which is due under this Act remains unpaid after the date upon which it is payable, the interest equal to the commercial bank lending rate of the Central Bank together with a further five percentum per annum shall be payable".

Amend-
ment of
section
178

12. The principal Act is amended in subsection (1) of Section 178—
- (a) by deleting the word "two" appearing in the first line and substituting for it the word "five".
 - (b) by adding immediately after the opening statement the following paragraph.
 - "(a) to keep all books and documents relating in any way to such goods; and
 - (c) by renumbering paragraphs (a) to (c) as paragraphs (b) to (d) respectively.

PART IV

AMENDMENT OF THE EXCISE TARIFF ORDINANCE (CAP 332)

Construc-
tion
Cap. 332

13. This Part shall be read as one with the Excise Tariff Ordinance in this Part referred to as the "principal Ordinance".

Amend-
ment
section 3

14. The principal Ordinance is amended in section 3—
- (a) by adding immediately after subsection (3) the following subsections—
 - "(4) There shall be charged duty at the rate of five percentum of the dutiable value in respect of the service for pay- to - view television provided by licensed cable television network or cable operator other than the Government or the local government authority".
 - (5) For the purposes of subsection (4), "dutiable value" means the amount payable for any service supplied in relation to pay - to- view satelite television".
 - (b) by renumbering subsections (4), (5) and (6) as subsections (6), (7) and (8) respectively.

Amend-
ment of
section 4

15. The principal Ordinance is amended in subsection (1) of section 4 by—
- (a) deleting the phrase "Mainland Tanzania" appearing in paragraph (b) and substituting for it the phrase "the United Republic of Tanzania";
 - (b) by adding immediately after paragraph (d) the following paragraph—

"(e) any pay - to - view satellite television service provider when the service is supplied";

16. The principal Ordinance is amended in subsection (1) of section 10 by deleting the phrase "Mainland Tanzania" appearing in paragraph (d) and substituting for it the phrase "the United Republic of Tanzania".

Amendment of section 10

17. The principal Ordinance is amended in section 20—

Amendment of section 20

(a) in subsection (1), by deleting the phrase "Mainland Tanzania" appearing in paragraph (b) and substituting for it the phrase "the United Republic of Tanzania.

(b) in subsection (2), by deleting the phrase "Mainland Tanzania" wherever it appears in that subsection and substituting for it the phrase "the United Republic of Tanzania".

18. The First Schedule to the principal Ordinance is hereby amended by deleting the excise duty rates imposed on certain items and substituting for them the following new rates.

Amendment of the First Schedule

FIRST SCHEDULE

Heading No.	H.S. Code	Description	Unit	Excise Duty Rate
22.01		Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.		
		- Mineral waters and aerated waters		
	2201.10.90	- Other, including club soda	1	39.4 per litre
22.02		Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages, not including fruit or vegetable juices of heading No. 20.09.		
		- Waters, including mineral waters.		

	2204.29.10	-- With the domestic grapes content exceeding 75%.	1	NIL
	2204.29.90	-- Other		Shs. 780.00 per litre
		-- Other grape must		
	2204.30.10	-- With the domestic grapes content exceeding 75%.		NIL
	2204.30.90	-- Other		Shs. 780.00 per litre
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.		
		-- In containers holding 2l or less		
	2205.10.10	-- With the domestic grapes content exceeding 75%	1	NIL
	2205.10.90	-- Other		Shs. 780.00 per litre
		-- Other		
	2205.90.10	-- With the domestic grapes content exceeding 75%	1	NIL
	2205.90.90	-- Other	1	Shs. 780.00 per litre
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.		
	2208.20.00	- Spiritis obtained by distilling grape wine or grape marc	1	Shs. 1,158.00 per litre
	2208.30.00	- Whiskies	1	Shs. 1,158.00 per litre
	2208.40.00	- Rum and tafia	1	Shs. 1,158.00 per litre

Heading No.	H.S. Code	Description	Unit	Excise Duty Rate
	2208.50.00	– Gin and Geneva		Shs. 1,158.00 per litre
	2208.60.00	– Vodca		Shs. 1,158.00 per litre
	2208.70.00	– Liqueurs and cordials		Shs. 1,158.00 per litre
		– Other		
	2208.90.10	– Distilled Spirits e.g. Konyagi		Shs. 1,158.00 per litre
	2208.90.90	– Other		Shs. 1,158.00 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.		
		– Cigarettes containing tobacco		
	2402.20.10	– Of length not exceeding 70 mm with the domestic tobacco contents exceeding 75%		Shs. 3,970.00 per mil.
	2402.20.20	– Of length equal to 70 mm or more, with the domestic tobacco contents exceeding 75%		Shs. 9,367.00 per mil.
	2402.20.90	– Other		Shs. 17,017.00 per mil.
24.03		– Other manufactured tobacco and manufactured tobacco substitutes; “homogenized” or “reconstituted” tobacco, tobacco extracts and essences.		
		– Smoking tobacco, whether or not containing tobacco substitutes in any proportion.		
	2403.10.10	– Cut rag/filler		Shs. 8,593.00 per kg.
27.11	2711.21.00	– Natural gas	kg	NIL

PART V

AMENDMENT OF THE GAMING ACT, 2003

19. This Part shall be read as one with the Gaming Act, 2003 herein referred to as the principal Act.”

Construc-
tion
Act No. 4
of 2003

20. The principal Act is amended in subsection (1) of section 3, by inserting the following definition in its appropriate alphabetical order.

Amend-
ment of
Section 3

“return of income” means a return of income of a person for a month and shall be in a manner and form prescribed specifying the persons chargeable income for every month from each licensed gaming activity.”

21. The principal Act is amended in section 31.

Amend-
ment of
Section 31

(a) in subsection (4), by adding immediately after the word “month” appearing in the second line the words “file a return of income and;”

(b) in subsection (6) –

(i) by deleting the figures 101, 103, 107, 108, and 109 and substituting for them figures 100, 110, 112, 113 and 114 respectively;

(ii) by deleting the year “1973” appearing in the second line; and substituting for it the year “2004”.

22. The Principal Act is amended by repealing section 35 and substituting for it the following –

Repeal of
Section
35

Offences for evasion of tax 35. The provisions of sections 101, 102, 104, 105, 106, 108 and 109 of the Income Tax, Act, 2004 relating to offences and penalties shall apply to offences with respect to taxes under this Act.”

PART VI

AMENDMENT OF THE IMMIGRATION ACT, 1995

23. This Part shall be read as one with the Immigration Act, 1995 hereinafter referred to as the “principal Act”.

Construc-
tion
Act No. 7
of 1995

24. The principal Act is amended in section 3 by adding in its appropriate alphabetical order the following new definition:

Amend-
ment of
section 3

“visa” means a permission granted to a foreigner who intends to enter into Tanzania for business, holiday, study or research or any other approved activity.”

25. The principal Act is amended -

Amend-
ment of
section
15

(a) in subsection (1) of section 15 by deleting paragraph (a) and substituting for it the following:

“(a) he is in possession of a passport with a visa;”

(b) by adding immediately after section 15 the following new section:

“Rates payable for visa

15A.-(1) The rates payable for visa granted under this Act shall be as prescribed in the Schedule.

(2) The Minister may by Notice published in the Gazette, repeal or amend the Schedule.

SCHEDULE

(Made under section 15A)

VISA FEE RATES

- A. MULTIPLE ENTRY VISA FEES:
 - (i) More than six months.....US\$ 100
 - (ii) Six Months or less US\$ 60
- B. SINGLE ENTRY VISA FEES

A minimum of US\$ 20 variable on the basis of reciprocity.

PART VII

AMENDMENT OF THE INCOME TAX ACT, 2004

26. This Part shall be read as one with the Income Tax Act, 2004, hereinafter referred to as the “principal Act”.

Constru-
tion
Act No.
11 of
2004

27. The principal Act is amended in section 9(2) by deleting the phrase “retirement payments paid by an approved retirement fund” which appears in paragraph (a).

Ame-
ndment of
sec-tion 9

28. The principal Act is amended in section 19-

(a) in subsection (2) (b) by:

Amend-
ment of
section 19

- (i) deleting the word “and” appearing at the end of paragraph (b);
- (ii) deleting a full-stop which appears at the end of paragraph (c) and substituting for it a “semi-colon” and the word “and”;
- (iii) adding paragraph (d) immediately after paragraph (c):

“(d) in the case of loss incurred on agricultural business, only in calculating the person’s income derived from agricultural business”;

- (b) in subsection (4), by adding the following definition immediately after the definition of “unrelieved loss”, the new definition:

“agricultural business” means the practice of rearing of crops or animals including forestry, beekeeping, aquaculture and farming with a view to deriving a profit but excludes extraction of natural resources or processing of agricultural produce other than preparing such produce for the purpose of sale in its original form.”

Amendment of section 39

29. The principal Act is amended in paragraph (c) of section 39 by-
- (a) deleting the word “or” appearing after the figure “4” and substituting for it a comma;
 - (b) by inserting immediately after figure “5” the following figures “6 or 8”.

Amendment of section 62

30. The principal Act is amended in section 62 by-
- (a) repealing subsection (3);
 - (b) renumbering subsection (4) as subsection (3);
 - (c) deleting the phrase “(calculated ignoring subsection (3)) which appears in subsection (3) as renumbered.

Amendment of section 63

31. The principal Act is amended in section 63 by-
- (a) repealing subsection (1);
 - (b) renumbering subsections (2) and (3) as subsections (1) and (2) respectively.

Amendment of section 82

32. The principal Act is amended in section 82(1) by-
- (a) substituting for a comma which appears after the word “rent” in paragraph (a) the word “or” and

- (i) deleting the word “and” appearing at the end of paragraph (b);
- (ii) deleting a full-stop which appears at the end of paragraph (c) and substituting for it a “semi-colon” and the word “and”;
- (iii) adding paragraph (d) immediately after paragraph (c):

“(d) in the case of loss incurred on agricultural business, only in calculating the person’s income derived from agricultural business”;

- (b) in subsection (4), by adding the following definition immediately after the definition of “unrelieved loss”, the new definition:

“agricultural business” means the practice of rearing of crops or animals including forestry, beekeeping, aquaculture and farming with a view to deriving a profit but excludes extraction of natural resources or processing of agricultural produce other than preparing such produce for the purpose of sale in its original form.”

Amendment of section 39

29. The principal Act is amended in paragraph (c) of section 39 by-
- (a) deleting the word “or” appearing after the figure “4” and substituting for it a comma;
 - (b) by inserting immediately after figure “5” the following figures “6 or 8”.

Amendment of section 62

30. The principal Act is amended in section 62 by-
- (a) repealing subsection (3);
 - (b) renumbering subsection (4) as subsection (3);
 - (c) deleting the phrase “(calculated ignoring subsection (3)) which appears in subsection (3) as renumbered.

Amendment of section 63

31. The principal Act is amended in section 63 by-
- (a) repealing subsection (1);
 - (b) renumbering subsections (2) and (3) as subsections (1) and (2) respectively.

Amendment of section 82

32. The principal Act is amended in section 82(1) by-
- (a) substituting for a comma which appears after the word “rent” in paragraph (a) the word “or” and

(b) deleting the phrase "or where the person is an approved retirement fund a retirement payment to another person".

33. The principal Act is amended in section 142-

Amend-
ment of
section
142

(a) by deleting the phrase "subsection (6)" which appears in subsection (1) and substituting for it the phrase "subsections (6) and (8)";

(b) by adding the following provision after subsection (7):

"(8)The provisions of sections 7(2), 9(2) and Division II of Part V shall apply for the year of income commencing on or after 1st January, 2005."

34. The First Schedule to the principal Act is amended -

Amend-
ment of
the First
Schedule

(a) in paragraph 1, by deleting all particulars relating to tax rates which appears in sub-paragraph (1) and substituting for it the following particulars:

TOTAL INCOME	RATE PAYABLE
Where total income does not exceed shs. 720,000/=	NIL
Where total income exceeds shs. 720,000/= but does not exceed shs. 2,160,000/=	18.5% of the amount in excess of shs. 720,000/=
Where total income exceeds shs. 2,160,000/= but does not exceed shs. 4,320,000/=	Shs. 266,400/= plus 20% of the amount in excess of Shs. 2,160,000/=
Where total income exceeds shs. 4,320,000/= but not exceed shs. 6,320,000/=	Shs. 698,400/= plus 25% of the amount in excess of Shs. 4,320,000/=
Where total income exceeds shs. 6,480,000/=	Shs. 1,238,400/= plus 30% of the amount in excess of Shs. 6,480,000/=;

(b) by substituting for the figure "600,000" which appears in subparagraphs (2) (a) and (3) (a) (ii), the figure "720,000";

(c) in paragraph 2, by deleting all particulars relating to presumptive income tax which appears in subparagraph (3) and substituting for it the following particulars:

TURNOVER	TAX PAYABLE WHERE INCOMPLETE RECORDS ARE KEPT	TAX PAYABLE WHERE COMPLETE RECORDS ARE KEPT
Where turnover does not exceed Shs. 3,000,000/=	Shs. 35,000/=	1.1% of the turnover
Where turnover exceed Shs. 3,000,000/= but does not exceed Shs. 7,000,000/=	Shs. 95,000/=	Shs. 33,000/= plus 1.3% of the turnover in excess of Shs. 3,000,000/=
Where turnover exceed Shs. 7,000,000/= but does not exceed Shs. 14,000,000/=	Shs. 291,000/=	Shs. 85,000/= plus 2.5% of the turnover in excess of Shs. 7,000,000/=
Where turnover exceed Shs. 14,000,000/= but does not exceed Shs. 20,000,000/=	Shs. 520,000/=	Shs. 260,000/= plus 3.3% of the turnover in excess of Shs. 14,000,000/=

Amendment of the Third Schedule

35. The Third Schedule to the principal Act is amended-

(a) in the table appearing in subparagraph (1) of paragraph 1-

(i) by deleting the word;

“agriculture”, appearing in the sixth line of Class 2;

(ii) by adding immediately after Class 7 the following new class:

CLASS	DEPRECIABLE ASSET
8.	Plant and machinery (including windmills, electric generators and distribution equipment) used in agriculture.

(b) in subparagraph (2) (a) of paragraph 1, by deleting the word “or” appearing immediately after the figure “5” and substituting for it a comma and inserting thereafter the phrase “or 8”;

(c) in paragraph 2-

(i) by deleting the words “agriculture, livestock farming or “appearing in subparagraph (1) (a) (ii);

(ii) by deleting subparagraph (3) and substituting for it the following-

“(3) The allowance granted to a person under subparagraph (1) shall be available in two portions as follows:

- (a) the first portion shall be available in the year of income in which the asset is added to the person’s pool of depreciable assets; and
- (b) the remaining portion shall be available during the year of income following that in which the first portion is added, but not if the pool has been dissolved under paragraph 4 in the meantime.”
- (iii) in the table appearing immediately after subparagraph (6) of paragraph 3, by adding immediately after Class 7 the following new Class-

“CLASS	RATE
8.	100%

(d) in paragraph 3-

- (i) by deleting the word “and” appearing immediately after figure “2”; and substituting for it a comma and inserting the phrase “or 8 immediately after figure 7”;
- (ii) by deleting the word “or” appearing immediately after figure “2” in subparagraph (3) and substituting for it a comma and inserting the phrase “or 8” immediately after figure “3”;
- (iii) by deleting subparagraph (5) and substituting for it the following provision:

“(5) Additions to the cost of a depreciable asset included in a person’s pool of depreciable assets are added to the depreciation basis of the person’s relevant pool as follows:

- (a) subject to item (b) of this paragraph, at the time the asset is added to the pool in accordance with subparagraph (2) of paragraph 1 or the expenditure is incurred, whichever is later; or

(b) in the case of an asset for which an initial allowance is granted under paragraph 2, twelve months after the time referred to in subparagraph (a)".

(e) in paragraph 4-

- (i) by deleting the word "or" after the figure "5" in sub paragraph (1) (a) and substituting for it a comma and inserting the phrase "or 8" after figure "6";
- (ii) by deleting the word "or" appearing after figure "2" in subparagraph (1)(b)(i) and substituting for it a comma and inserting the word "or 8";
- (iii) by deleting the word "or" appearing after figure "2" in subparagraph (4)(a) and substituting for it a comma and inserting the word "or 8" after figure "3".

PART VIII

AMENDMENT OF THE INTOXICATING LIQUORS ACT, 1968

Construction Act
No. 28 of
1968

36. This Part shall be read as one with the Intoxicating Liquors Act, 1968, hereinafter referred to as the "principal Act".

Repeal of
section 15

37. The principal Act is amended by repealing section 15 and replacing it with the following new section:

"Hotel
licence

15. A holder of a licence authorizing the dealing in hotel business may deal in the sale of intoxicating liquor for consumption without acquiring a separate licence for dealing in the sale of intoxicating liquor".

Repeal of
section 16

38. The principal Act is amended by repealing section 16 and replacing it with the following new section:

"Restau-
rant
licence

16. A holder of a licence authorizing the dealing in restaurant business may deal in the sale of intoxicating liquor for consumption without acquiring a separate licence for dealing in the sale of intoxicating liquor";

39. The principal Act is amended by repealing section 17.

Repeal of
section 17

40. The principal Act is amended in section 65 by deleting the word "light" immediately after the words "sale of" appearing at the end of fifth line of subsection (1).

Amend-
ment of
section 65.

PART IX

AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT, 1982

41. This Part shall be read as one with the Local Government Finances Act, 1982 hereinafter referred to as the "principal Act".

Construc-
tion
Act No. 9
of 1982

42. The principal Act is amended in subsection (1) of section 13 by adding immediately after the words "or acts" in the fourth line the phrase.

Amend-
ment of
section 13

"specified in the Schedule"

43. The Schedule to the principal Act is amended:

Amend-
ment of
the
Schedule

(a) in the Second Column, of the first row by adding immediately after the words "service, matter or act", the phrase "in respect of which a local government authority may impose rates, charges, levies, fees or dues;"

(b) in the Second Column of item I, by adding immediately after paragraph (b) the following:

"The cess shall be levied only in the district in which the product originated and not in the districts where it passes through or where it is sold in markets".

(c) in item 4 by adding immediately after the word "levy" appearing at the end of item (c) the phrase "shall be charged only for facilities provided by the local government authority."

PART X

AMENDMENT OF THE PUBLIC SERVICE RETIREMENT BENEFITS ACT, 1999

44. This Part shall be read as one with the Public Service Retirement Benefits Act, 1999 hereinafter referred to as the "principal Act."

Construc-
tion Act
No. 2 of
1999

Repeal of
section 82

45. The principal Act is amended by repealing section 82 and replacing for it the following provision:

"Registra-
tion of
pension-
ers

82.-(1) Subject to the provisions of subsection (2), any person who was, on the date of retirement from the service qualified for payment of pension shall, irrespective whether that person-

- (a) opted payment in lumpsum; or
- (b) ceased to receive payment by reason of affluxion of time.

be re-registered in the pensioners payroll and entitled to payment of pension.

(2) The person who opted for payment of lumpsum shall be re-registered to the pensioners pay roll and qualify for payment of pension after expiry of a period of ten years following the date of retirement from the service.

(3) A pension to whom the provisions of subsection (1) apply shall, from the 1st day of January, 2005, be entitled to payment of minimum montly pension.

(4) The provisions of subsections (1) and (2) shall apply *mutatis mutandis* to person who retired from the service of the Peoples Defence Forces, Police Force and Prisons";

PART XI

AMENDMENT OF THE STAMP DUTY ACT, 1972

Construc-
tion Act
No. 20 of
1972

46. This Part shall be read as one with the Stamp Duty Act, 1972, hereinafter referred to as the "principal Act."

Repeal of
section 9,
10 and
14A

47. The principal Act is amended by repealing sections 9, 10, and 14A.

Amend-
ment of
the
Schedule

48. The Schedule to the principal Act is amended-

(a) in article 22:

- (i) by deleting the words "4 percent" appearing in the third column and substituting for them the words "1 percent";
- (ii) by adding immediately after the last proviso the new item and rates as follows:-

"(c) for conveyance of agricultural landsh. 500/=

(b) in article 51 by adding immediately after item (1) the following new item-

"(m) for business income".

PART XII

AMENDMENT OF THE VALUE ADDED TAX ACT, 1997

49. This Part shall be read as one with the Value Added Tax Act, 1997 in this Part referred to as the "principal Act."

Construction Act No. 24 of 1997

50. The principal Act is amended in section 28 by adding the following provision-

"Amendment of section 28

"Power of the Commissioner to remit Penalty and interest

28A. Where the Commissioner is satisfied that there is good cause to remit penalty and, or interest imposed under section 27 and, or section 28 of this Act, he may remit the whole or part of the penalty or the interest payable by that person."

51. The principal Act is amended in section 17 by adding immediately after subsection (2) the following proviso-

"Amendment of section 17

"Provided that, any repayment claim lodged covering the period beyond five years from the date of its lodgements shall not be remitted."

Amend-
ment of
the First
Schedule

52. The First Schedule to the principal Act is amended by adding immediately after item 6 the following new items:

“7. The supply by a local manufacturer of tractors for agricultural use, planters, harrows, combine harvesters, fertilizer distributors, liquid or powder sprayers for agriculture, spades, shovels, mattocks, picks, axes, forks and rakes, axes and other tools of a kind used in agriculture, horticulture or forestry.

8. The supply by a local manufacturer of fertilizers, pesticides, insecticides, fungicides, rodenticides, herbicides, antisprouting products, and plant growth regulators and similar products which are necessary for use in agricultural purposes.

9. The supply by a local manufacturer of-

(a) fishing nets and accessories; and

(b) outboat engines for fishing.

10. The supply by a local manufacturer of veterinary medicines, drugs and equipment which have been approved by the Minister responsible for Health upon recommendation of the Tanzania Food and Drugs Authority.

11. The supply by a local manufacturer of-

(a) human medicines, drugs and equipment which have been approved by the Minister responsible for Health upon the recommendation of the Tanzania Food and Drugs Authority;

(b) articles designed for use by the blind or disabled.”

- 53.** The Second Schedule to the principal Act is amended —
- (a) in item 1, by adding immediately after sub-item (5) the following new sub-item —
- “(6) Locally grown tea whether in the form of made tea, blended or packed tea.
- 54.** The Third Schedule to the principal Act is amended by—
- (a) in sub-item (1) of item 9 by deleting the whole of paragraph (a) and substituting for it the following:
- “(a) in the case of a religious organization for the advancement of religion,”
- (b) by deleting paragraph 2A and substituting for it the following:
- “2A. Importation or supply of goods or services to project funded by the Government relating to infrastructure and utilities development.”
- (c) by adding immediately after item 21 the following new items:
- “22. The supply of goods by domestic manufacturers for sale in a duly licenced duty free shop.
23. The supply of destination inspection services to Tanzania Revenue Authority.”

PART XIII

AMENDMENT OF THE VOCATIONAL EDUCATION AND TRAINING ACT, 1994

- 55.** This Part shall be read as one with the Vocational Education and Training Act, 1994 herein referred to as the “principal Act.”
- 56.** The principal Act is amended in subsection (1) of section 16:
- (a) by deleting the figures 101, 103, 107, 108 and 109 and substituting for them the figures 100, 110, 112, 113 and 114 respectively.
- (b) by deleting the year “1973” appearing at the end of subsection (1) and substituting for it the year “2004”.

PART XIV

AMANEMENT OF THE TAX REVENUE APPEALS ACT, 2000

Construc-
tion
Act No.
15 of
2000

57. This Part shall be read as one with the Tax Revenue Appeals Act, 2000 hereinafter referred to as the "principal Act".

Amend-
ment of
Part III

58. The principal Act is amended by—

(a) deleting sub-title PART III and substituting for it the following:

**"PART III
OBJECTION TO TAX ASSESSMENT**

(b) repealing sections 12 and 13 and substituting for them the following:

Notice of
objection
to assess-
ment

12.—(1) Any person who disputes an assessment made upon him may, by notice in writing to the Commissioner General, object to the assessment.

(2) A notice of objection shall contain a statement in precise form, of the grounds in respect of which the objection to an assessment is made, and shall be filed with the Commissioner General within thirty days from the date of service of the notice of the assessment.

(3) Where a notice of objection to an assessment is given, the person objecting shall, pending the final determination of the objection to an assessment by the Commissioner General in accordance with section 13 pay the amount of tax which is not in dispute or one third of the assessed tax, whichever amount is greater.

(4) The Commissioner General may, upon being satisfied that there exist good reasons warranting reduction or waiver of tax payable in accordance with the requirement of subsection (3), direct that a lesser amount be paid or waive the required tax deposit.

(5) On receipt of the notice of objection, the Commissioner General shall—

(a) admit the notice of objection to assessment of tax; or

(b) refuses to admit the notice of objection to assessment of tax;

(6) The Commissioner General shall not refuse to admit the notice of objection to assessment of tax unless —

- (a) the notice does not comply with the requirements of subsections (1), (2) or (3);
- (b) the notice does not raise any question of law or fact in relation to the assessment;
- (c) the relief sought cannot be granted in law or equity;
- (d) the objection is time barred; or
- (e) the objection is otherwise misconceived.

(7) Any person who is aggrieved with the refusal by the Commissioner General to admit the notice of objection may, on depositing with the Commissioner General the amount of tax assessed which is not in dispute or one third of the amount of tax assessed, whichever is greater, together with the interest due as a result of late payment of the tax in respect of which the notice of objection is issued, appeal to the Board against the refusal and the decision of the Board on whether or not the notice of objection be admitted by the Commissioner General shall be final.

(8) Where a notice of objection has been given under subsection (1), then irrespective of whether the assessment has been finally determined or not —

- (a) the tax not in dispute shall be payable at the time of filing the notice of objection and if the due date occurred earlier than the period of thirty days referred to under subsection (2), the tax not in dispute shall be payable on that due date;
- (b) the amount of tax as finally determined shall, if be lesser than the amount deposited with the Commissioner General, be repaid to the objector.

(9) For avoidance of doubt —

- (a) the tax not in dispute shall be the amount which would be charged if the assessment was amended in accordance with the notice of objections;
- (b) the whole of the tax or duty assessed on imports shall be deemed to be not in dispute.

13.—(1) The Commissioner General shall, upon admission of an objection in accordance with section 12, determine the objection as filed, or call for any evidence as may appear to be necessary for the determination of the objection, and may, in that respect —

- (a) amend the assessment in accordance with the objection;
- (b) amend the assessment in the light of any further evidence that has been received; or
- (c) refuse to amend the assessment.

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

(3) Where the Commissioner General—

- (a) proposes to amend the assessment in accordance with the objection and any further evidence; or
 - (b) proposes to refuse to amend the objection,
- he shall serve the objector with a notice setting out the reasons for the proposal.

(4) Upon receipt of the notice pursuant to subsection (3), the objector shall, within thirty days make submission in writing to the Commissioner General on his agreement or disagreement with the proposed amended assessment or the proposed 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 proposed amended assessment or proposed refusal and any submission made by the objector; or
- (b) determine the objection partially in accordance with the submission by the objector; or
- (c) determine the objection in accordance with the proposed amendment or proposed refusal.

(6) Where the objector has not responded to the Commissioner General's proposal to amend the assessment or proposal to refuse to amend the assessment served in accordance with subsection (3), the Commissioner General shall proceed to make the final assessment of tax and accordingly serve the objector with a notice thereof.

Amend-
ment of
section 15

59. The principal Act is amended in section 15 by repealing subsection (1) and substituting for it the following:

“15. –(1) Where in relation to any assessment –

- (a) no notice of objection has been given; or
- (b) a notice of objection has been given and–
 - (i) the assessment has been amended under subsection (1) of section 13; or
 - (ii) a notice of objection has been given and the assessment has been amended under section 13 in such a way that no appeal will be available against the amendment;
 - (iii) an appeal has not been preferred against any determination of an objection by the Commissioner General;
 - (iv) the objection has been finally determined on assessment of tax on an appeal,

the assessment as made, or as amended, or as determined on appeal, as the case may be, shall be final and conclusive.”

60. The principal Act is amended by repealing section 16 and substituting for it the following:

“Right of
appeal to
the Board
and to the
Tribunal

16. – (1) Any person who is aggrieved by the final determination of the assessment of tax by Commissioner General may appeal to the Board.

(2) Notwithstanding the provisions of subsection (1), an appeal shall not lie in respect of –

- (a) a determination made by the Commissioner General in accordance with section 13(1)(a); or
- (b) a determination made by the Commissioner General in accordance with section 13(5)(a);
- (c) a determination made by the Commissioner General in accordance with section 13(5)(b) to the extent that the determination is made in accordance with the submission by the objector.

(3) The Board shall not entertain an appeal pursuant to this section unless–

- (a) a notice of appeal is served upon the Commissioner General within thirty days following the date on which a notice of final determination of assessment of tax is served on the appellant; and

(b) the appeal is lodged with the Board within forty-five days following the date on which the notice of final determination of assessment of tax is served on the appellant.

(4) A party who is aggrieved by the decision of the Board may appeal against that decision to the Tribunal within thirty days from the date of the decision, and shall serve notice to the opposite party within fifteen days following the date on which the notice of appeal was filed to the Tribunal.

(5) The Board or Tribunal, may extend the limit of time set under subsection (3) or subsection (4) of the section if it is satisfied that the failure by a party to give notice of appeal, lodge an appeal or to effect service to the opposite party was occasioned by absence from the United Republic, sickness or other reasonable cause, subject to such terms and conditions as to costs as it may consider just and appropriate.

(6) Where an objector prefers an appeal to the Board or to the Tribunal, any tax deposited pursuant to section 12(3) shall continue to remain deposited with Commissioner General pending the final determination of the appeal by the Board or, as the case may be, the Tribunal.

PART XV

AMENDMENT OF THE CUSTOMS TARIFF ACT, 1976

61. This Part shall be read as one with the Customs Tariff Act, 1976 hereinafter referred to as the "principal Act".

62. The Third Schedule to the principal Act is amended by inserting the following entries in appropriate Harmonized System Code arrangement:

Heading No.	H.S. Code	Description	Unit	I/Duty
84.13	8413.92.00	Parts	Kg	0%
84.32	8432.90.00	Parts	Kg	0%
84.33	8433.90.00	Parts	Kg	0%
84.34	8434.90.00	Parts	Kg	0%
84.35	8435.90.00	Parts	Kg	0%
84.36	8436.91.00	Parts	Kg	0%
84.37	8437.90.00	Parts	Kg	0%

Passed in the National Assembly on the 5th August, 2004.

Kipenko Mussa

 Clerk of the National Assembly

Construction
 Act No. 12
 of 1976

Amendment of the
 Third
 Schedule