

# THE FINANCE (NO. 2) ACT 1994

## ARRANGEMENT OF SECTIONS

### *Section*

### *Title*

#### PART I

##### PRELIMINARY

1. Short title.
2. Commencement.

#### PART II

##### AMENDMENT OF THE BUSINESS LICENSING ACT, 1972

3. Construction and commencement.
4. Amendment of Section 17.

#### PART III

##### AMENDMENT OF THE CAR BENEFIT TAX ACT, 1991

5. Construction and commencement.
6. Amendment of sections 4(2) and 7.

#### PART IV

##### AMENDMENT OF THE CUSTOMS TARIFF ACT, 1976

7. Construction and commencement.
8. Amendment of the First Schedule.
9. Amendment of the Third Schedule.

#### PART V

##### AMENDMENT OF THE EAST AFRICAN CUSTOMS AND TRANSFER TAX MANAGEMENT ACT

10. Construction and commencement.
11. Amendment of sections 7, 11, 19, 31 etc.

#### PART VI

##### AMENDMENT OF THE AUCTIONEERS ORDINANCE CAP. 22

12. Construction and commencement.
13. Amendment of the Second Schedule.

**PART VII**

## AMENDMENT OF THE INCOME TAX ACT, 1973

- 14. Construction and commencement.
- 15. Amendment of section 2.
- 16. Amendment of section 3.
- 17. Amendment of section 7.
- 18. Amendment of section 60.
- 19. Amendment of section 93.
- 20. Amendment of section 99.
- 21. Amendment of section 102.

**PART VIII**

## AMENDMENT OF THE MOTOR VEHICLE SURTAX ACT, 1994

- 22. Construction and commencement.
- 23. Amendment of section 4.
- 24. Amendment of section 5.
- 25. Addition of section 5A and 5B.
- 26. Amendment of schedule.

**PART IX**AMENDMENT OF THE MOTOR VEHICLES TAX ON REGISTRATION AND  
TRANSFER ACT, 1972

- 27. Construction and commencement.
- 28. Amendment of the second schedule.

**PART X**AMENDMENT OF THE NATIONAL INVESTMENT  
(PROMOTION AND PROTECTION) 1990

- 29. Construction and commencement.
- 30. Amendment of section 2.
- 31. Repeal and replacement of section 12.
- 32. Amendment of section 20.
- 33. Auditing and supervision of approved enterprises.

**PART XI**

## AMENDMENT OF PENSIONS ORDINANCE (CAP. 37 1)

- 34. Construction and commencement.
- 35. Amendment of section 2.
- 36. Amendment of section 20A.

**PART XII****AMENDMENT OF THE DEFENCE FORCES (SERVICE AND PENSIONS  
GRATUITIES) REGULATIONS, 1968**

- 37. Construction and commencement.
- 38. Amendment of Regulation 11.

**PART XIII****AMENDMENT OF THE PENSIONS REGULATIONS, 1954**

- 39. Construction and commencement.,
- 40. Amendment of Regulation 6.
- 41. Amendment of Regulation 23.

**PART XIV****AMENDMENT OF THE POLITICAL LEADERS PENSIONS ACT, 1981**

- 42. Construction and commencement
- 43. Amendment of section 9.
- 44. Amendment of Section I 1,

**PART XV****AMENDMENT OF THE UNIFIED TEACHING SERVICE  
(PENSIONS AND GRATUITIES) REGULATION. 1965**

- 45. Construction and commencement.
- 46. Amendment of Regulation 13.

Amendment of second schedule.  
Amendment of the third schedule.

**PART XVI****AMENDMENT OF THE ROADS TOLLS ACT,. 1985**

- Construction and commencement.
- 48. Amendment of section 3.
- 49. Amendment of section 4.
- 50. Amendment of section 6.
- 51. Amendment of second schedule.
- 52. Amendment of the Third Schedule.

**PART XVII****AMENDMENT OF THE ROAD TRAFFIC ACT, 1973**

- 53. Construction and commencement..
- 54. Repeal of sections: 6A. 6C, 6D and 6E.

**PART XVIII**

AMENDMENT OF THE SALES TAX ACT, 1976

- 55. Construction and commencement.
- 56. Amendment of section 57
- 57. Amendment of the second schedule.

**PART XIX**

AMENDMENT OF THE SPECIFIED BUILDINGS TAX ACT, 1993

- 58. Construction and commencement.
- 59. Amendment of section 5.
- 60. Amendment of section 12.

**PART XX**

AMENDMENT OF THE STAMP DUTY ACT, 1972

- 61. Construction and commencement.
- 62. Amendment of section 5.
- 63. Amendment of section 72.

## THE UNITED REPUBLIC OF TANZANIA



NO. 16 OF 1994

I ASSENT,

President

3/11/94

**An Act to impose and alter certain taxes and duties and to amend certain Written Laws relating to the 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 (No. 2) Act, 1994.                                                                              | Short title            |
| 2. The provisions of the various Parts of this Act shall each come into operation on such date as is specified in the respective Parts. | Com-<br>mence-<br>ment |

## PART II

## AMENDMENT OF THE BUSINESS LICENSING ACT, 1972

- |                                                                                                                                                                                                            |                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| 3. This Part shall be read as one with the Business Licensing Act, 1972 and shall be deemed to have come into operation on the 1st day of July, 1994.                                                      | Construc-<br>tion and<br>com-<br>mence-<br>ment |
|                                                                                                                                                                                                            | Act No.<br>25<br>of 1972                        |
| 4. Section 17 of the Business Licensing Act, 1972 is hereby amended by deleting the Proviso to subsection (1) and substituting for it the following:                                                       | Amend-<br>ment of<br>section 17                 |
| (a) in case of offences under paragraph (a) to (g), is liable to a fine not exceeding fifty thousand shillings or to a term of imprisonment not exceeding two years or to both such fine and imprisonment. |                                                 |

- (b) in case of an offence under paragraph (h), shall be liable to pay in addition to licence fee a penalty of three hundred per centum (300%) of such fee.

### PART III

#### AMENDMENT OF THE CAR BENEFIT TAX ACT, 1991

Construc-  
tion and  
com-  
mence-  
ment

Acts No.  
19  
of 1991

Amend-  
ment of  
sections  
A(2), and  
7

5. This Part shall be read as one with the Car Benefit Tax Act, 1991 the principal Act, and shall be deemed to have come into operation on the first day of July, 1994.

6. The Car Benefit Tax, is hereby amended-

- (a) by repealing subsection (2) of section 4;  
(b) by deleting section 7 and substituting for it the following section:-

7.-(I) The Commissioner may, where he is satisfied that a Commercial Company has committed an offence under any regulations made under this Act-

- (a) require such Commercial company to make payment of the tax due plus the interest of two per centum payable for every month of continued default; or  
(b) compound such offence by requiring such commercial company to make payment of sum of money which shall not be less than ten thousand and, not more than fifty thousand.

(2) The power conferred by this section shall only be exercised where the person admits in writing that he has committed the offence.

(3) The Commissioner shall give to the person from whom he receives such sum of money, a receipt therefor.

(4) Where an offence is compounded in accordance with the provisions of subsection (1) (b) and proceedings are brought against the offender for the same offence, it shall be a good defence for such offender if he proves to the satisfaction of the Court that the offence with which he is charged has been compounded under subsection. (1).

## PART IV

## AMENDMENT OF THE CUSTOMS TARIFF ACT, 1976

7. This Part shall be read as one with the Customs Tariff Act, 1976 and shall be deemed to have come into operation on the 17th day of June, 1994.

8. The First Schedule to the Customs Tariff Act, 1976 is amended in the column headed import duty by deleting all references to figure "40% " and substituting for them the figure "50%11

9. The Third Schedule to the Customs Tariff Act is amended by deleting paragraph 26 and substituting for it the following:

26. The Capital goods necessarily required for an approved enterprise under the National Investment (Promotion and Protection) Act, 1990 and imported for use solely and exclusively in such approved enterprise"

Com-  
mence-  
ment and  
Construc-  
tion  
Amend-  
ment of  
First  
Schedule  
Amend-  
ment of  
Third  
Schedule

## PART V

AMENDMENT OF THE EAST AFRICAN CUSTOMS AND TRANSFER TAX  
MANAGEMENT

10. This Part shall be read as one with the East African Customs and Transfer Tax Management Act, 1970, and shall be deemed to have come into operation on the 1st day of July, 1994.

11. The East African Customs and Transfer Tax Management Act, 1970 is hereby amended-

- (a) in subsection (1) of Section 7 by deleting the words "one hundred thousand" and "one thousand US dollars" appearing in the text 'it the end of paragraphs (a) to (c) and substituting for them the words "two million five hundred thousand".
- (h) In subsection (2) of section 7, by deleting the words "one hundred thousand" and "one thousand US dollars" and substituting for them the words "two million five hundred thousand" and "an equivalent of that amount in US dollars" respectively.
- (b) In subsection 4 of section I 1, by deleting the words "-ten thousand" and "one \*hundred US Dollars" appearing therein, and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount if US dollars" respectively.
- (c) In subsection (2) of section 19 by deleting the words "---ten thousand" and "one hundred US dollars" appearing therein, and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in US dollars".

Construc-  
tion and  
com-  
mence-  
ment  
E.A.C. &  
T.T.M.  
Cap.27  
Amend-  
ment of  
sections 7,  
11, 19, 31  
etc

- (e) In sub-section (2) of section 31 by deleting the words "twenty thousand" and "two hundred US dollars" appearing therein and substituting for them the words "five hundred and thousand" and the words "the equivalent of that amount in US dollars" respectively.
- (f) In section 48-
  - (i) by deleting the words "one year " appearing in Subsection (1) and substituting for it the words "six months"
  - (ii) by adding immediately after subsection (1) the following proviso:

"Provided that, clothes, soft drinks, wines, beer and spirits shall be warehoused for a period not exceeding three months"
  - (iii) by deleting the proviso to subsection (2);
  - (iv) by adding immediately after subsection (2) the following:

"(3) Perishable goods and any kind of food stuffs, shall not be warehoused in accordance with the provisions of this Act".
- (v) by renumbering subsection (3), (4), and (5) as (4), (5), and (6) respectively.
- (g) In section 50-
  - (i) by deleting the words "eighty thousand" and "seven hundred US dollars" appearing in subsection (2) and substituting for them the words "two million" and the words "an equivalent of that amount in US dollars" respectively.
  - (ii) by deleting the words "twenty thousand shillings" and the words "fifty US dollars" appearing in paragraph 3 and substituting for them the words "five hundred thousand" and "an equivalent of that amount in US dollars" respectively.
- (h) In section 52 by deleting the passage appearing immediately after paragraphs (a) and (b) and Substituting for it the following:

"commits an offence and upon conviction is liable to imprisonment for a term not exceeding two years or to a fine not exceeding two million five hundred thousand shillings or an equivalent of that amount in US dollars if the offender is a foreigner, or to both such fine and imprisonment"
- (i) In section 53, by deleting the words "fifty thousand" and "two thousand" and appearing in subsection (8) and substituting for them the words "one million"; "two hundred and fifty thousand"
- (j) In section 55, by deleting the words "ten thousand" appearing in subsection (3) and substituting for them the words "two hundred and fifty thousand"

- (k) In section 56, by deleting the words "ten thousand" and "one hundred US dollars" appearing in subsection (3) and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in I US dollars,, respectively.
- (1) In section 58, by deleting the words "ten thousand" and "fifty US dollars" appearing in subsection (2) and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in US dollars" respectively.
- (m) In section 71, by deleting the words "five thousand" and "fifty US dollars" appearing in subsection (2) and substituting for them the words "One hundred and twenty five thousand" and "an equivalent of that amount in US dollars" respectively.
- (n) In sub-section (2) -of section 77, by deleting the words "one hundred thousand" and "one thousand US dollars. appearing therein and substituting for them the words "two million five, hundred thousand" and "an equivalent of that amount to US dollars" respectively.
- (0) In sub-section (3) of section 80, by deleting the words "ten thousand" and "one hundred US dollars" appearing therein and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in US dollars respectively.
- (P) In subsection (2) of section 87, by deleting the words "twenty thousand" and "two hundred US dollars" and substituting for them the words "five hundred thousand" and "an equivalent of that amount in U\$ dollars" respectively.
- (q) In subsection (2) of section 89, by deleting the words "twenty thousand" and "two hundred US dollars, appearing therein and substituting for them the words "five hundred thousand" and "an equivalent of that amount in US dollars" respectively.
- (r) In subsection (2) of section 90 by deleting the words "twenty thousand" and "two hundred US dollars", appearing therein and substituting for them the words "five hundred thousand" and "an equivalent of that amount in US dollars respectively.
- (S) In subsection (2) of section 93, by deleting the words "forty thousand" and "four thousand US dollars" appearing therein and substituting for them the words "One million" and "the equivalent of that amount in US dollars"
- (t) In subsection (4) of section 94, by deleting the words -ten thousand" and "one hundred US dollars" appearing therein and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in US dollars"

- (u) In section 128- by
  - (i) by deleting the words "forty thousand and four hundred U\$ dollars" appearing in paragraph (a) and substituting for them the words "One million" and "an equivalent of that amount in U\$ dollars;" respectively.
  - (ii) by deleting the words "two hundred and fifty thousand" and "two thousand U\$ dollars" appearing in paragraph (b), and substituting for them, the words "Six million two hundred and fifty thousand" and "an equivalent of that amount in U\$ dollars" respectively.
- (v) In sub-section 2 of section 129-
  - (i) by deleting the words "forty thousand" and "one hundred U\$ dollars" appearing in paragraph (a) of that provision and substituting for them the words "One million" and "an equivalent of that amount in U\$ dollars" respectively.
  - (ii) by deleting the words "two hundred and fifty thousand" and "two thousand US dollars" appearing in paragraph (b) of subsection (2) and substituting for them the words "Six million two hundred and fifty thousand" and "an equivalent of that amount in U\$ dollars" respectively.
- (w) In sub-section (3) of section 131, by deleting the words "four hundred" appearing therein and substituting for them the words "ten thousand US dollars" or an equivalent of that amount in Tanzania Shillings if the offender is a resident.
- (X) in section 143, by deleting the words "fifty thousand" and "four hundred U\$ dollars" appearing in subsection (1), and substituting for them the words "One million" and "an equivalent of that amount in U\$ dollars.
- (y) in paragraph (c) of section 145,
  - (i) by deleting the words "forty thousand" and four hundred U\$ dollars" appearing in item (i) of that paragraph and substituting for them the words "One million" and equivalent of that amount in U\$ dollars respectively.
  - (ii) by deleting the words "two hundred and fifty thousand" and two thousand U\$ dollars" appearing in item (ii) of paragraph (c) and substituting for them the words "Six million two hundred and fifty thousand" and "an equivalent of that amount in U\$ dollars" respectively.
  - (iii) by deleting the words "fourty thousand" and "four hundred U\$ dollars" appearing in item (iii) of paragraph (c) and substituting for them the words "one million, two hundred and fifty and "an equivalent of that amount in U\$ dollars" respectively.

- (z) In section 146, by deleting the words "one thousand" and "one thousand US dollars" appearing in the end of the text of section 146 and substituting for them the words "three hundred per centum of tax evaded and equivalent of that amount in US\$ dollars respectively.
- (aa) In section 148, by deleting the words "of an amount not less than 20% and not more than 50% of the value of the endangered goods or of the tax in question whichever is the greater amount" appearing at the end of the text of Section 148 and substituting for them the words "three hundred per centum of the tax evaded or an equivalent of that amount in US\$ dollars if the offender is foreigner"
- (bb) In section 150, by deleting the words "twenty thousand" and "two hundred US dollars" appearing therein and substituting for them the words "five hundred thousand" and "an equivalent of that amount in US dollars" respectively.
- (cc) In section 151, by deleting the words "ten thousand and "one hundred US dollars" appearing therein and substituting for them the words "two hundred and fifty thousand" and "an equivalent of that amount in US dollars" respectively.
- (dd) In subsection (1) of section 154, by deleting the words "forty thousand" and "four hundred US dollars" appearing therein and substituting for them the words "one million" and "an equivalent of that amount in US dollars" respectively.
- (ee) In subsection (2) of section 156, by deleting the words "two hundred and fifty thousand" and "two thousand US dollars" appearing therein and substituting for them the words "six million two hundred and fifty thousand" and "equivalent of that amount in US dollars" respectively.
- (ff) In section 168-
  - (i) by deleting the words "forty thousand" and "four hundred US dollars" appearing in paragraphs (a) and (b) of subsection (1) and substituting for them the words "One million" and "an equivalent of that amount in US dollars" respectively.
  - (ii) by deleting the words "forty thousand" and the words "four hundred US dollars" appearing in subsection (3) and substituting for them the words "one million" and "an equivalent of that amount in US dollars" respectively.

#### "PART VI

#### AMENDMENT OF THE AUCTIONEERS ORDINANCE CAP. 227

12. This Part shall be read as one with the Auctioneers Ordinance Cap 227 and shall be deemed to have come into operation on the fifteenth day of August, 1994.

Construc-  
tion and  
Com-  
mence-  
ment Cap.  
227

Amend-  
ment of  
the sec-  
and  
schedule

13. The second schedule of the Ordinance is hereby deleted and replaced by the following-

#### SECOND SCHEDULE

|                             |           |
|-----------------------------|-----------|
| A. For a general licence:   | Shs. Cts. |
| (a) For one year .....      | 15,000.00 |
| (b) For half a year - ..... | 3,000.00  |
| 13% For local licence:      |           |
| (a) For. one year .....     | 5,000.00  |
| (b) For half a year .....   | 275.00    |

### PART VII

#### AMENDMENT OF THE INCOME TAX ACT 1973

Construc-  
tion and this  
Com-  
mence-  
ment  
(Acts),  
1973 No.  
33

14. This Part shall be read as one with the Income Tax Act, 1973 in this Part referred to as the "Principal Act" and shall be deemed to have come into operation on the first day of July 1994.

Amend-  
ment of  
section 2

15. Section 2 of the Principal Act is hereby amended-

- (a) in subsection (1) in the definition of the word "interest by inserting the words, "or discount on treasury bills" between the words "credit", and "but" which appear in the fourth line of that definition.
- (b) in subsection (4) by deleting paragraphs (a) and (b) of that subsection and substituting for them with the following new paragraphs--
  - "(a) in respect of non-resident person, income shall be deemed to have accrued in the United Republic if such income arises in, or becomes due or payable in, the United Republic;
  - (b) in respect of a non-resident person, income shall be deemed to have derived from the United Republic if the locality of the source of the income is the United Republic or if the income accrues under a contract the locality of which is the United Republic."

16. The Principal Act is hereby amended by adding immediately below subsection (3) the following new, subsection-

Amend-  
ment of  
section

"(4) (a) Every person who becomes chargeable to tax for the first time in accordance with the provision of paragraph (a) and (b) of subsection (1) of this section shall register with the Commissioner at a nearest office within a period of thirty days after the date on which such person becomes so chargeable.

(b) Every tax withholder to whom the provisions of Part IX B applies shall register with the Commissioner at a nearest office within thirty days after the date the obligation to comply with this part first arises.

(c) A person or tax withholder who fails to comply with the provisions of paragraph (a) or (b) as the case may be shall be guilty of an offence.

17. Section 7 of the Principal Act is amended in subsection (1) by deleting paragraph (c) of that subsection and substituting for it with the following new paragraph-

Amend-  
ment of  
section 7

"(c) where any corporation issues debentures or redeemable preference shares for a sum less than their nominal value or redeemable value whichever is greater or bonus share, the issue of such debentures or preferential shares or bonus shares shall be deemed to include a payment of dividend on the shares held by shareholders of an amount equal to such excess or, in the case of bonus share an amount equal to the nominal value.

Provided that this paragraph shall not apply if-

- (i) the sum paid for such ninety five percent or more of their nominal or redeemable value, whichever is greater;
- (ii) in the case of bonus shares, the ownership in such shares did not change hands during such year of income"

18. Section 60 of the Principal Act is hereby amended-

Amendm  
ent of sec-  
tion 60

(a) in paragraph (b) of subsection (2) by deleting the words "one hundred fifty thousand shillings" and substituting for them the words "one million five hundred thousand.

(b) in subsection (3) by deleting that subsection and substituting for it with the following subsections "(3) For the purposes of this section "authorised accountant" shall have the meanings assigned to those expressions respectively in the Auditors and Accountants (Registration) Act, 1972 provided that no such authorised auditor or authorised accountant shall practice as a tax consultant without being so registered by the Commissioner.

(4) An authorised auditor or accountant who practices as a tax consultant without fulfilling the conditions of the provisions of subsection (3) of this section shall be guilty of an offence."

(5) For the purposes of this section a tax consultant to whom the registration requirements under subsection (3) of this section apply shall include any person who holds out to be or renders services as a tax consultant irrespective of whether or not such person is or is not an authorised accountant or auditor.

Amend-  
ment of  
section 93

19. Section 93 of the Principal Act is hereby amended in subsection (5) by deleting that subsection and substituting for it with the following subsection-

"(5) An appellate authority shall not entertain any appeal unless the appellant has before lodging the appeal deposited with the Commissioner the whole of the tax not in dispute or if the whole tax is in dispute half of the whole tax assessed under the assessment or as the case may be, the amended assessment, together with any interest due under section 101:

Provided that where the appellant is unable to deposit the tax not in dispute or half of the whole tax assessed on account of-

- (a) uncertainty as to the any question of law or fact;
  - (b) consideration of hardship or equity; or
  - (c) impossibility or undue difficulty or expenses of recovery of tax;
- the Commissioner may allow the appellant to deposit such lesser amount as is reasonable in the circumstances."

Amend-  
ment of  
section 99

20. Section 99 of the Principal Act is hereby amended-

- (a) in subsection (1A) by deleting that subsection and substituting for it with the following new subsection-

(1A) A return of income required to be furnished to the Commissioner under section 57 in respect of the income of any person shall for the purposes of the collection of tax constitute a final self-assessment and the tax thereon shall be payable;

- (i) in the case to which the provisions of subsection (1) of section 57 applied on the date specified to be the date on or before which such a return is required to be furnished to the Commissioner; and
- (ii) in all other cases within thirty days from the date of service of a notice to furnish such return of income to the Commissioner.

- (b) in subsection (2) by deleting that subsection and substituting for it with the following new subsection "(2). The tax charged in any assessment other than a provisional assessment shall be payable within thirty days from the date of service of notice of such assessment.

Provided that where any person is assessed under section 79(2) (b) or 79(3) or 83 after the expiry of the aforesaid specified due date or the due date specified in subsection (1A) of this section, the due date upon such assessment shall be the date on which the service of such assessment is deemed to have been effected under subsection (3) of section 135- of this Act."

21. Section 102 of the Principal Act is hereby amended-

Amend-  
ment of  
section  
102

"(a) in subsection (1) by deleting that subsection and substituting for it with the following new subsection-

(i) if, for any year of income, the amount of tax assessed on the income finally declared by any person is more than twenty percent of the estimate of the tax chargeable contained in a provisional return of Income made by that person in respect of such year, interest at the rate of one and half percent per month shall be payable, on the whole of such difference, from the due date of payment of second installment specified in subsection (4) of section 99 to the date on or before which the Whole such difference falls due for payment."

(b) in subsection (2) by repealing that subsection."

## PART VIII

### AMENDMENT OF THE MOTOR VEHICLE SURTAX ACT, 1994

22. This Part shall be read as one with the Motor Vehicle Surtax Act, 1994 in this Part referred to as the principal Act, and shall be deemed to have come into operation on the seventeenth day of June, 1994.

Construc-  
tion and  
Com-  
mence-  
ment

23. The Principal Act is hereby amended in section 4 by deleting paragraph (a) of sub-section (1).

Amend-  
ment Of  
section 4

24. The Principal Act is hereby amended in section 5 by deleting that section and substituting for it the following section:-

Amend-  
ment of  
section 5

"Payment of tax 5.-(1) Every individual person shall pay tax to the Commissioner upon first registration of a motor vehicle or upon making a transfer by a transferee.

(2) The rates of tax payable in accordance with this section shall be at the rate specified in the schedule to this Act."

25. The principal Act is hereby amended in section 5 by adding sections 5A and 5B immediately below section 5--

Addition  
of sections  
5A and 5B

5A-(1) Subject to the provisions of this Act, the Commissioner may grant or refund any tax which has been paid in error or mistake.

(2) No refund shall be granted under this section unless the person claiming such refund presents his claim within a period of twelve months from the date on which the tax was paid.

Provided that no refund shall be granted in respect of an error or mistake as to the basis on which the liability of an applicant should have been computed where the tax was in fact been paid on the basis or in accordance with the practice generally prevailing at the time such tax was paid.

5B-(1) The Commissioner may, where he is satisfied that any person has committed any offence under this Act, compound such offence and may order such person to pay such sum of money not less than five thousand shillings and not more than twenty thousand shillings as the Commissioner may think fit, and may order anything liable to forfeiture in connection therewith to be forfeited.

(2) The Commissioner shall not exercise his powers under subsection (1) unless the person against whom he exercises such powers has admitted in writing that he has committed the offence and requests the Commissioner to deal with such offence under the provisions of subsection (1)-

(3) Where the Commissioner makes any order under subsection (1)-

- (a) such order shall be put into writing and shall have attached to it a copy of the written admission of the offence by the person against whom the order is made, and also the copy of the request by such person to the Commissioner to deal with the matter under subsection (1).
- (b) such order shall specify the offence which such person committed and the penalty imposed by the Commissioner
- (c) a copy of such order shall be given to such person if he so requests.

(4) Where any order is made against any person under subsection (1) in respect of any offence, such person shall not be liable for prosecution in respect of that offence, and if any such prosecution is brought it shall be a good defence for such person to prove that the offence with which he is charged has been compounded under this section.

(5) Every order under subsection (1) shall be final, and shall not be subject to appeal and may be enforced in the same manner as a decree or order of the High Court.

26. The Schedule of the Principal Act is hereby repealed and replaced by the following schedule:-

---

SCHEDULE

---

Made under Section 5 (2)

---

MOTOR VEHICLE SURTAX PAYABLE

| <i>Motor Vehicle<br/>Engine Capacity</i> | <i>upon first<br/>Registration<br/>Shs.</i> | <i>upon making<br/>Transfer<br/>Shs.</i> |
|------------------------------------------|---------------------------------------------|------------------------------------------|
| 1. Of UP to 1 100 C.C                    | 50,000/-                                    | 25,000/-                                 |
| 2. Between 1 101 c.c and 1600 c.c        | 100,000/-                                   | 50,000/-                                 |
| 3. Between 1601 c.c and 2201 c.c         | 150,001-                                    | 75,000/-                                 |
| 4. Between 2201 c.c and above            | 200,000/-                                   | 100,000/-                                |

---

PART IX

---

AMENDMENT OF THE MOTOR VEHICLES (TAX ON REGISTRATION AND TRANSFER) ACT, 1972

27. This Part shall be read as one with the Motor Vehicles (Tax on Registration and Transfer Act, 1972, in this Part referred to as the "principal, Act" and shall be deemed to have come into operation on the seventeenth day of June, 1994.

28. The principal Act is hereby amended in the Second Schedule by deleting paragraph (1) and substituting for it the following paragraph-

"(1) in case of motor-cycle, shs., 15,000/-

Amend-  
ment of  
the Sec-  
ond  
schedule

PART X

AMENDMENT OF THE NATIONAL INVESTMENT (PROMOTION AND PROTECTION) ACT, 1990

29. This Part shall be read as one with the National Investment (Promotion and Protection) Act, 1990, in this Act referred to as "the Principal Act" and shall be deemed to have come into operation on the 17th day of June, 1994.

Construc-  
tion and  
com-  
mence-  
ment Act  
No. 10 of  
1990

30. Section 2 of the Act is amended in the definition relating to the phrase operative date" by putting a full-stop immediately after the word "enterprise" appearing in the fourth and fifth line of paragraph (b) and deleting the words appearing thereafter; and by deleting the words "or a new enterprise" appearing in the second and third line.

Amend-  
ment of  
section 2"

(Repeal  
and re-  
placement  
of section  
12)

31. Section 12 of the Act is hereby repealed and replaced by the following:-

"proce-  
dure with  
respect to  
applica-  
tions

12.-(1) An application for a Certificate of Approval shall be made in accordance with such procedures and form as the Centre may prescribe and shall be accompanied by-

- (a) a statement on the intended contribution of the enterprise to the objectives set out in subsection (1) of section 13 of this Act;
- (b) a list of the capital goods necessary for the establishment or rehabilitation or the extension of the enterprise which are intended to be imported;
- (c) such fees as may be prescribed by the Centre from time to time; and
- (d) such other information as the Centre may require.

(2) The Centre shall within ten days of receipt of an application, submit a copy of the same to the Ministry, Government Department or Agency with the sectoral responsibility for an enterprise of such nature.

(3) Any Ministry, Government Department or Agency to which a copy of an application is submitted shall, within fourteen days of receipt, submit to the Centre any comments on the application.

(4) At the expiry of the fourteen days referred to in subsection (3) the Centre shall proceed to consider the application together with any comments submitted on it and-

- (a) if the Centre is of the opinion that a certificate of Approval should not be granted it shall reject the application and its decision shall be final and binding
- (b) if the Centre is of the opinion that a certificate of Approval ought to be granted, it shall immediately, and in any case in not less than twenty one days before the expiry of sixty days from the date the application was received, submit to the Minister responsible for Finance a recommendation for the granting of exemption, or remission of tax or duty, as the case may be, which shall be accompanied with—

- (i) a copy of the application;
- (ii) the list of the capital goods intended to be imported for the enterprise.
- (iii) any comments made by the sectoral Ministry, Government Department or Agency;
- (iv) any other information which the Minister may require.

(5) The decision of the Minister responsible for Finance on the application relating to the granting of exemption or remission of tax or duty, shall be final And binding on the Centre.

(6) Subject to subsection (5) of this section, the Centre shall consider an application made to it within sixty days after the receipt of the application and may subject to the provisions of this Act, in its discretion grant or refuse the application and its decision shall be final and binding";

32. Section 20 of the Act is amended-

"Amendment of section 20

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

"(1) The benefits which may be granted under this Act shall only be conferred-

(a) in relation to a new enterprise to be established-

- (i) by a foreign investor, if the value of the investment is not less than US\$. 500,000; and
- (ii) by a local investor, if the value of the investment is not less than US\$. 100,000; or

(b) In relation the rehabilitation or extension of an existing enterprise-

- (i) by a foreign investor it the ; investment is not less than US\$. 250,000; and
- (ii) by a local investor if the value of the investment is not less than US\$. 50,000; provided that in each case the value of the investment is not less. than 90% of the appraised value of the assets of the existing enterprise;"

(b) by adding immediately after subsection (2) the following new subsection-

"(3) Notwithstanding the provisions of subsection (1) of this section no benefit or other incentive shall be conferred under this Act in relation to-

(a) any investment relating to-

- (i) the areas specified in paragraph 3 of Part A of the Schedule to this Act;
- (ii) Radio and television broadcasting
- (iii) banks;
- (iv) the business of casinos, gambling houses and night clubs;
- (v) activities specified in Part C of the schedule other than-
  - (aa) bakeries, confectioneries and goods processing for the local market;
  - (bb) tailoring of garments for domestic market;
  - (cc) manufacture of leather goods for domestic market;
  - (dd) building repair and decoration units;
  - (ee) manufacture of houses and office furniture for domestic market.
- (b) the acquisition of spare parts for motor vehicles and machines including raw materials for use by the enterprise;
- (c) Saloon cars or other motor vehicles and goods for personal use of the officers and employees of the enterprise;

"Auditing and supervision of approved enterprises

33.-(I) The Centre shall establish a system of periodic inspection and assessment of the implementation of every approved enterprise and the utilization of the benefits incentives conferred under the Act and submit a report to the Minister.

(2) Where upon inspection the Centre is satisfied that-

- (a) the implementation of an approved enterprise has not commenced within two years from the date of the Certificate of Approval; or
- (b) considering the pace or level of the implementation of an approved enterprise it is likely that the enterprise will not be completed or that when it is completely it is unlikely that the goals specified in section 13 of this Act will be achieved;

the Centre-

- (ii) in relation to paragraph (a), shall issue a notice revoking the Certificate of Approval.
- (iii) in relation to paragraph (b) may issue a notice revoking the Certificate of approval or issue such directives as it may deem necessary for the implementation of the approved enterprise.

(3) Without prejudice to subsection (2) the Minister responsible for Finance, shall establish a system of inspection and audit of the utilization of any exemption or remission Of tax Or duty granted Pursuant to this Act, and may, upon being satisfied that the exemption or remission of tax or duty has been utilized for a purpose other than in furtherance of an approved enterprise, revoke the exemption or remission and may in addition demand payment of the tax or duty exempted or remitted;

Provided that the powers to revoke any exemption of remission shall be exercised after the parties concerned have been given an opportunity to be heard and the Centre has been informed.

## PART XI

### AMENDMENT OF PENSIONS ORDINANCE (CAP. 371)

34. This Part shall be read as one with the Pensions Ordinance in this Part referred to as "the Ordinance" and shall be deemed to have come into operation on the first day of July, 1994.

Construc-  
tion and  
Com-  
mence-  
ment Cap,  
371

35. Section 2(1) of the Ordinance is amended in the definition relating to the phrase "service of Tanganyika" by deleting and substituting for it the following- Amend-  
section 2

"service of Tanganyika" means service in a civil capacity under the Government of Tanganyika or under the then East African Community before the 1st day of July, 1977 on permanent and pensionable terms under the General Fund service and being a citizen of Tanganyika;"

36. Section 20A (5) of the Ordinance is deleted and substituted with the following-

Amend-  
ment of  
section  
20A

"(5) Where an officer in receipt of pension dies, the dependants of the officer shall receive a survivor's pension equal to the amount the officer was receiving as monthly pension for a period of thirty six months from the date immediately preceding the date of the officer's death:

Provided that in the case where the officer on retirement opted for a lumpsum payment of the pension and was so paid, such officer shall not be covered by this subsection.

## PART XII

### AMENDMENT OF THE DEFENCE FORCES (SERVICE PENSIONS AND GRATUITIES) REGULATIONS, 1968

37. This Part shall be read as one with the Defence Forces (Service, Pensions and Gratuities) Regulations, 1968 and shall be deemed to have come into operation on the first day of July, 1994.

Construc-  
tion and  
com-  
mence-  
ment  
G. N. no.  
52 of 1968

Amend-  
ment of  
Regula-  
tion 11

38. Regulation 11 of the Defence Forces (Service Pensions and Gratuities) Regulations, 1968 is amended in sub-paragraph (b) of paragraph (1) by deleting the words "thirty six thousand" and substituting for them the words "sixty thousand".

### PART XIII

#### AMENDMENT OF THE PENSIONS REGULATIONS, 1954

Construc-  
tion and  
com-  
mence-  
ment  
Supp. 66-  
70

39. This Part shall be read as one with the Pensions Regulations, 1954 and shall be deemed to have come into operation on the first day of July, 1994.

Amend-  
ment Of  
Rejgula-  
tion 6

40. Regulation 6 of the Pensions Regulations is amended by adding the following immediately after sub-regulation (2)-

"(3) Notwithstanding the provisions of sub-regulation (1)(c), where a female officer has exercised her option to continue in the service of Tanganyika under the Government Employees Provident Fund scheme, she may re-elect to continue her service on pensionable terms:

Provided that where such female officer has exercised such re-election, she shall be entitled only to her contribution to the Government Employees Provident Fund."

Amend-  
ment of  
Regula-  
tion 23

41. Regulation 23 of the Pensions Regulations is amended in sub-paragraph (c) of paragraph (1) by deleting the words "thirty six thousand" and substituting for them the words "sixty thousand".

### PART XIV

#### AMENDMENT OF THE POLITICAL LEADERS PENSIONS

#### ACT, 1981

Construc-  
tion and  
com-  
mence-  
ment Act  
No. 14 of  
1981

42. **This Part shall be read as one with the Political Leaders' Pensions Act, 1981 and shall be deemed to have come into operation on the first day of July, 1994.**

"Amend-  
ment 'If  
Section 9

43. Section 9 of the Political Leaders Pensions Act, 1981 is amended by adding immediately after subsection (3) the following new subsection—

"(4) Where a political leader who prior to taking a political office was public officer and ceases to hold office in the circumstances described in paragraph (b) of subsection (1), his last salary as a political leader shall be taken into account in computing any pension or gratuity granted under this Act

44. Section 11(l) of the Political Leaders' Pensions Act, 1981 is amended in paragraph (c) by deleting the words "thirty six thousand" and substituting for them the words "sixty thousand".

Amend-  
ment of  
Section 11

## PART XV

### AMENDMENT OF THE UNIFIED TEACHING SERVICE (PENSIONS AND GRATUITIES) REGULATIONS, 1965

45. This Part shall be read as one with the Unified Teaching Service (Pensions and Gratuities) Regulations, 1965 and shall be deemed to have come into operation on the first day of July, 1994.

Construc-  
tion and  
com-  
mence-  
ment  
G.N. No.  
304 of  
1965

46. Regulations 13(l)(c) of the Unified Teaching Service (Pension and Gratuities) Regulations, 1965 is amended by deleting the words "thirty six thousand" and substituting for them the words "sixty thousand".

Amend-  
ment of  
Regula-  
tion 13

## PART XVI

### AMENDMENT OF THE ROAD TOLLS ACT, 1985

47. This Part shall be read as one with the Road Tolls Act 1985 in this Part referred to as "the Act" and shall be deemed to have come into operation on the 17th day of June, 1994.

Construc-  
tion and  
com-  
mence-  
ment Act  
No 13  
1985

48. Section 3 of the Act is amended by deleting the definition relating to the word "vehicle" and substituting for it the following-  
"vehicle" includes every description of conveyance for the transport of human being and goods.

Amend-  
ment of  
section 3

49. Section 4 of the Act is amended by, deleting subsections (1), (2) and (3) and substituting them with the following-

Amend-  
ment of  
section 4

4-(I) There is hereby imposed a toll to be known as a road toll payable under this Act.

(2) The road toll shall be paid by-

(a) any person upon the purchase or fuel as the case may be;

(b) the owner or driver of a vehicle bearing foreign registration upon passing a customs border post.

...

(c) by the owner or driver of a vehicle carrying fuel in bulk upon passing a custom border post for use in Mainland Tanzania.

(3) Notwithstanding the generality of subsection (2), payment of the road toll in respect of vehicles bearing foreign registration shall be made in foreign convertible currency, on such rate as the Minister shall, by order published in the *Gazette*, determine."

50. Section 6 of the Act is amended by-

(a) deleting subsections (2) and (3) and substituting thereof the following-

"(2) There shall be established at or within each schedule toll station, point or points at which road tolls shall be paid and collected.

(3) Where road tolls are payable upon sale of fuel, every bonded oil installment shall be a station at which road tolls shall be paid and collected."

(b) by adding the following sub-section immediately after sub-section (3)-

"(4) Every vehicle crossing the border carrying fuel in bulk for use in Mainland Tanzania shall stop at the paying point and the owner or person in charge of such vehicle shall pay the toll collector at that point the toll in respect of the fuel his vehicle is carrying."

(c) by renumbering the remaining subsections (4), (5), (6) and (7) as subsections (5), (6), (7) and (8) respectively.

(d) subsection (2) of section 7 is deleted and substituted with the following-

"(2) Every person or body of persons supplying fuel to a fuel station or to any person shall be a toll collector in relation to that station or person; and shall collect from the owner or operator of the fuel filling station or such a person the road toll payable in respect of the fuel he supplies to him together with the payment due to him for the supply of fuel. The collector shall then pay over the road toll so collected to the Commissioner in such manner as the Minister may prescribe. The amount of money subsequently released as road toll by the owner or operator of the fuel filling station paid upon purchase of fuel by owners or drivers of vehicles shall be retained by him as refund to himself for the money previously paid by him as road toll to the toll collector. "

Amendm  
ent of Sec-  
ond  
Schedule

51. The Second Schedule to the Act is deleted and replaced with the following-

## "SECOND SCHEDULE

(Section 4(5))

## RATE OF TOLLS IN RESPECT OF FUEL

| <i>Fuel</i>                      | <i>Rate of Toll</i> |
|----------------------------------|---------------------|
| 1. Super of Regular Petrol ..... | Shs. 35.00/-.       |
| 2. Diesel .....                  | Shs. 35.00/-.       |

52. The Third Schedule to the Act is amended by adding the following-

Amend-  
ment of  
Third  
Schedule

- "2. All bonded oil installations in Mainland Tanzania.  
3. All Customs Border Posts in Mainland Tanzania."

## PART XVII

## AMENDMENT OF THE ROAD TRAFFIC ACT, 1973

53. This Part shall be read as one with the Road Traffic Act, 1973 and shall be deemed to have come into operation on the 17th day of June, 1994.

Construc-  
tion and  
Com-  
mence-  
ment Act  
No. 33 of  
1973

54. Sections 6A, 6B, 6C, 6D and 6E of the Road Traffic Act, 1973 are hereby repealed.

Repeal of  
Sections  
6A, 6C,  
6D and 6E

## PART XVIII

## AMENDMENT OF THE SALES TAX ACT, 1976

55. This Part shall be read as one with the Sales Tax Act, 1976, in this Part referred to as the "principal Act," and shall be deemed to have come into Operation on the 1st day of July, 1994.

Construc-  
tion and  
Com-  
mence-  
ment Act.  
No. 13 of  
1976

56. Section 57 of the, principal Act is hereby amended-

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

Amend-  
ment of  
Section 57

"(1) Any person guilty of an offence under this Act shall, in addition to paying the duty which would have been paid under this Act had the offence not been committed, be liable to a fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding four years or to both such fine and imprisonment.

(2) Without prejudice to subsection (1) of this section, any person convicted of an offence under paragraphs (m) and (p) of subsection (1) of section 56, shall in addition to the penalty imposed under subsection (1) of this section, be liable to pay an additional sum equal to three hundred percentum of the duty which would have been paid if the offence had not been committed.";

(b) by renumbering the present subsection (2) as subsection (3

Amend-  
ment of  
the Sec-  
ond  
Schedule

57. The second Schedule to the principal Act is hereby amended by adding in the appropriate column, the following items, description of services and rates:-

"4. The following services where the monthly gross earnings are not less than shillings 400,000/- -

|                                                       |       |     |
|-------------------------------------------------------|-------|-----|
| (a) Building contractors                              | _____ | 10% |
| (b) Electrical contractors                            | _____ | 10% |
| (c) Engineers                                         | _____ | 10% |
| (d) Accountants                                       | _____ | 10% |
| (e) Advocates                                         | _____ | 10% |
| (f) Auctioneers                                       | _____ | 10% |
| (g) Consultants other than Medical Consultants        | _____ | 10% |
| (h) Clearing and forwarding Agents                    | _____ | 10% |
| (i) Garages                                           | _____ | 10% |
| (j) Tour Operators                                    | _____ | 10% |
| (k) Laundry and Dry Clearing                          | _____ | 10% |
| (l) Photo Studios                                     | _____ | 10% |
| (m) Fitness Centres                                   | _____ | 10% |
| (n) Hair Saloons                                      | _____ | 10% |
| (o) Barber shops                                      | _____ | 10% |
| (p) Tailoring Marts                                   | _____ | 10% |
| (q) Secretarial Services                              | _____ | 10% |
| (r) Commercial advertisements by radio and television | _____ | 10% |

## PART XIX

### AMENDMENT OF THE SPECIFIED BUILDINGS TAX ACT, 1993

Construc-  
tion Act.  
No. 12 of  
1993

58. This Part shall be read be as one with the Specified Buildings Tax Act, 1993 in this part referred to as the "principal Act"

Amend-  
ment of  
section 5

59. The principal Act is hereby amended in section 5-

- (a) by numbering the present contents of that section as subsection (1);
- (b) by adding immediately after subsection (1) as renumbered, the following subsection:

"(2) Where a notice of assessment has been issued on any day after the first six months of the Government financial year, the due date for the payment of the buildings tax assessed shall be any day within but not later than, thirty days from the date of the notice";

60. The principal Act is amended in Section 12 by deleting paragraph (f) and substituting for it the following paragraph:—

"(f) buildings in use as factories as defined in the Factories Ordinance; Schools, colleges or other institutions of learning."

Amend-  
ment of  
section 12  
Cap. 297

## PART XX

### AMENDMENT OF THE STAMP DUTY ACT, 1972

61. This Part shall be read as one with the Stamp Duty Act, 1972, in this Part referred to as the "principal Act" and shall be deemed to have come into operation on the 1st day of July, 1994.

Construc-  
tion and  
Com-  
mence-  
ment Act  
No. 20 of  
1972

62. Section 5 of the Principal Act is hereby amended in subsection (1)—

Amend-  
ment of  
section 5

(a) in the proviso, by adding immediately before sub-paragraph (i), the following new sub-paragraph:—

(i) before calculating the stamp duty payable in accordance with article 51 of the Schedule to this Act on a receipt issued by the manufacturer of locally manufactured goods which are chargeable to sales tax in accordance with the Sales Tax Act 1976 or to Excise Duty pursuant to the Excise Tariff Ordinance, the whole of the sales tax and the Excise Duty shall be deducted from the gross sum.";

Act No.  
13 of 1976  
Cap. 332

(b) by renumbering the present sub-paragraphs (i); (ii); (iii); (iv) and (v) of that proviso, as sub-paragraphs (ii); (iii); (iv); (v) and (vi), respectively;

63. Section 72 of the principal Act is hereby amended by adding immediately after subsection (1), the following subsection;—

Amend-  
ment of  
Section 72

"(2) Without prejudice to subsection (1) of this section, any person convicted of an offence under paragraphs (i) or (o) of this section, in addition to the penalty imposed under sum equal to three hundred percentum of the stamp duty which would have been paid had the offence not been committed."

Passed in the National Assembly on the Nineteenth day of August, 1994.

  
Clerk of the National Assembly