



**AN ACT TO IMPOSE AND ALTER CERTAIN TAXES AND DUTIES AND
TO AMEND CERTAIN LAWS RELATING TO COLLECTION AND
CONTROL OF PUBLIC REVENUES AND OTHER
MATTERS CONNECTED THEREWITH**

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ACT NO. 2 OF 2026

I ASSENT

**{DR. HUSSEIN ALI MWINYI}
PRESIDENT OF ZANZIBAR AND CHAIRMAN OF
THE REVOLUTIONARY COUNCIL**

27/06/2026

**AN ACT TO IMPOSE AND ALTER CERTAIN TAXES AND DUTIES AND TO
AMEND CERTAIN LAWS RELATING TO COLLECTION AND
CONTROL OF PUBLIC REVENUES AND OTHER
MATTERS CONNECTED THEREWITH**

ENACTED by the House of Representatives of Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

- Short title and commencement. **1.** This Act may be cited as the Finance (Public Revenue Management) Act, 2026 and shall come into operation immediately after being assented to by the President.
- Amendment of certain laws. **2.** The laws specified in various parts of this Act are amended in the manner specified in their respective parts.

**PART TWO
AMENDMENT OF THE TAX ADMINISTRATION
AND PROCEDURES ACT, NO. 7 OF 2009**

- Construction. **3.** This part shall be read as one with the Tax Administration and Procedures Act, No. 7 of 2009 where in this part referred to as “the Principal Act”.
- Amendment of section 8. **4.** Section 8 of the Principal Act is amended in subsection (2) by deleting words “documents as referred to under section 6” and substituting them with the words “a proof of identity”.



Amendment
of section 9.

5. Section 9 of the Principal Act is amended by repealing subsection (3) and replacing it with a new subsection (3) as follows:

“(3) A certificate of registration or tax registration number issued under this Act, shall be displayed at all time in a conspicuous position whether physical or digital at the taxable person’s place of business.”

Amendment
of section
23.

6. Section 23 of the Principal Act is amended in subsection (7) by inserting the words “not less than Two Hundred Thousand Shillings and not exceeding” before the words “of” and “Two Millions”.

Amendment
of section
31.

7. Section 31 of the Principal Act is amended by adding new subsections (3) and (4) immediately after subsection (2) as follows:

“(3) A taxpayer may, in writing, apply to the Commissioner General for an extension of time to pay tax under any tax law.

(4) The Commissioner General may, upon the receipt of the application and if satisfied that the extension is necessary due to taxpayer’s absence from Zanzibar, sickness or other good cause, extend the date on which tax or part of tax shall be paid.”

Amendment
of section
41.

8. Section 41 of the Principal Act is amended in subsection (1) by adding a new paragraph (e) immediately after paragraph (d) as follows:

“(e) who acts as intermediaries including banks, payment card, electronic payment providers and other approved payment service providers to the taxable person”.

Amendment
of section
62A.

9. Section 62A of the Principal Act is amended by:

- (a) deleting the word “Commissioner” appearing in subsection (1) and substituting for it with the words “relevant authority”;
- (b) repealing subsection (2); and
- (c) renumbering subsection (3) to be subsection (2).



**PART THREE
AMENDMENT OF THE VALUE ADDED TAX
ACT, NO. 4 OF 1998**

Construction. **10.** This part shall be read as one with the Value Added Tax Act, No. 4 of 1998 where in this part referred to as “the Principal Act”.

Amendment
of section
16. **11.** Section 16 of the Principal Act is amended by:

(a) adding a new subsection (4) immediately after subsection (3) as follows:

“(4) Notwithstanding any other provision of this Act, a taxable person registered under Zanzibar Investment Promotion Authority carrying on tourism or hotel services, shall not be entitled to deduct input tax incurred on the acquisition or importation on construction services, construction materials, renovation or improvement of capital goods, including building, fixtures, furniture, equipments or motor vehicles, where such capital goods are used, or are intended to be used in taxable tourism services.”

(b) renumbering the remaining subsections accordingly.

**PART FOUR
AMENDMENT OF THE STAMP DUTY
ACT, NO. 7 OF 2017**

Construction. **12.** This part shall be read as one with the Stamp Duty Act, No. 7 of 2017 where in this part referred to as “the Principal Act”.

Amendment
of section 65. **13.** Section 65 of the Principal Act is amended by deleting the words “31st December in every year” appearing at the end of the subsection (2) and substituting them with the words “after twelve months from the date of issue”.

Amendment
of section 77. **14.** Section 77 of the Principal Act is amended in subsection (3) by deleting the words “for international transport” appearing at the end of paragraph (b).

**PART FIVE
AMENDMENT OF THE HOTEL LEVY
ACT, NO.1 OF 1995**

Construction. **15.** This part shall be read as one with the Hotel Levy Act, No. 1 of 1995 where in this part referred to as “the Principal Act”.



Amendment
of Section 3.

16. Section 3 of the Principal Act is amended by:

- (a) repealing subsection (3); na
- (b) renumbering subsection (4) to be subsection (3).

**PART SIX
AMENDMENT OF EXCISE DUTY
ACT, NO. 8 OF 2017**

Construction.

17. This part shall be read as one with the Excise Duty Act, No. 8 of 2017 where in this part referred to as “the Principal Act”.

Repeal and
replacement
of new
section 18.

18. The Principal Act is amended by repealing section 18 and replacing it with a new section 18 as follow:

“Exemption
on goods
cleared in
Tanzania
Mainland.

18.-(1) Goods imported and cleared under the customs procedures in Tanzania Mainland shall not be chargeable with duty when transferred for consumption in Zanzibar where the rate of excise duty applicable at the time of importation in Tanzania Mainland is the same or higher as the rate applied in Zanzibar.

(2) Where the excise duty applied in Zanzibar is higher than the rate applied in Tanzania Mainland, the difference in the excise duty shall be deemed to have not been paid and shall be collected upon transfer of goods to Zanzibar.”

**PART SEVEN
AMENDMENT OF THE VOCATIONAL TRAINING
ACT, NO. 8 OF 2006**

Construction.

19. This part shall be read as one with the Vocational Training Act, No. 8 2006 where in this part referred to as “the Principal Act”.

Amendment of
section 27.

20. Section 27 of the Principal Act is amended in subsection (3) by deleting the words “four percent” and substituting for them with words “three percent”.



**PART EIGHT
AMENDMENT OF THE FINANCE
(PUBLIC REVENUE MANAGEMENT)
ACT, NO. 9 OF 2015**

Construction. **21.** This part shall be read as one with the Finance (Public Revenue Management) Act, No. 9 of 2015 where in this part referred to as “the Principal Act”.

Amendment
of section
20A. **22.** Section 20A of the Principal Act is amended in subsection (1) by adding a new paragraph (c) immediately after paragraph (b) as follows:

“(c) supply of articles aids, medical devices or other equipment specifically designated for the use of persons with disabilities.”

**PART NINE
AMENDMENT OF THE ZANZIBAR INVESTMENT
ACT, NO. 10 OF 2023**

Construction. **23.** This part shall be read as one with the Zanzibar Investment Act, No.10 of 2023 where in this part referred to as “the Principal Act”.

Addition of
new section
26A. **24.** The Principal Act is amended by adding a new section 26A immediately after section 26 as follows:

“Misuse of tax
exemption. **26A.**-(1) An investor who has been granted tax exemption under this Act and misuses that exemption, commits an offence and shall, upon conviction, be liable to:

- (a) pay the tax which would have been paid if the tax exemption was not granted; and
- (b) pay a penalty of fifty percent of the tax which would have been paid if the tax exemption was not granted.

(2) Subject to the provisions of subsection (1) of this section, no other tax exemption shall be granted to that investor.”



**PART TEN
AMENDMENT OF THE EMPLOYMENT
ACT, NO. 11 OF 2005**

Construction. **25.** This part shall be read as one with the Employment Act, No.11 of 2005 where in this part referred to as “the Principal Act”.

Amendment of section 83. **26.** Section 83 of the Principal Act is amended by adding a new subsection (5) immediately after subsection (4) as follows:

“(5) An employer who fails to furnish copies, returns and statistics, whether periodical or otherwise of the employment contracts, number of employees, rates of remuneration and any other conditions of services affecting such employment, commits an offence and shall, upon conviction be liable to a fine of not less than One Million Shillings or imprisonment not less than three months or both such fine and imprisonment.”

PASSED by the House of Representatives of Zanzibar on 22nd June, 2026.

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(RAYA ISSA MSELLEM)

Clerk of the House of Representatives of Zanzibar