



THE FINANCE ACT, 2002

ARRANGEMENT OF SECTIONS

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ACT NO. 7 OF 2002

I ASSENT

Amani
{ AMANI ABEID KARUME }
PRESIDENT OF ZANZIBAR
AND

CHAIRMAN OF THE REVOLUTIONARY COUNCIL

29th August....., 2002

**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 House of Representatives of Zanzibar.

PART – I
PRELIMINARY PROVISION

Short title.

1. This Act may be cited as the Finance Act, 2002.

Commencement.

2. The provisions of the various parts of this Act shall, save where it is provided otherwise in respect of the commencement of any part, come into operation immediately after being assented to by the president.

PART – II
AMENDMENT OF THE VALUE ADDED TAX
ACT NO. 4 OF 1998

Construction.

3. This part shall be read as one with the Value Added Tax Act, No. 4 of 1998, in this part to be referred to as the "Principal Act".



Amendment
of section 2.

4. Section 2 of the Principal Act is hereby amended by including the following definition:

“taxable person” means a person registered or required to be registered under the provision of this Act”.

Amendment
of section 17.

5. Section 17 of the Principal Act is hereby amended by deleting subsection (1) thereof and substituting for the following:

“(1) Any taxable person whose tax liabilities in respect of a particular prescribed accounting period are not exhausted by allowable deductions shall, within five working days after the due date for lodging his tax return for that period, remit the net amount due to the Deputy Commissioner.”

Amendment of
section 19.

6. Section 19 of the principal Act is hereby amended by adding new subsection (8) immediately after subsection (7) as follows:-

“(8) The Deputy Commissioner shall have the powers to cancel registration of any taxable person if satisfied that that person is no longer required to be registered under the provisions of this Act”.

Amendment
of section 26.

7. Section 26 of the principal Act is hereby amended by deleting subsection (3) thereof and substituting for the following

“(3) The return shall be lodged within ten working days after the end of the prescribed accounting period to which it relates or such other time as determined by the Deputy Commissioner.”



PART III
AMENDMENT OF HOTEL LEVY
ACT NO. 1 OF 1995

- Construction. 8. This Act shall be read as one with the Hotel Levy Act, Act No. 1 of 1995 in this part to be referred to as the "Principal Act."
- Addition of a new section 5A. 9. The principal Act is hereby amended by adding a new section 5A, immediately after section 5 as follows:
- "Registration. 5A(1) Any person who engages in hotel business shall be fully registered by the Commissioner prior to the commencement of his business.
- (2) All applications for registration shall be made to the Commissioner in the prescribed form".
- Addition of a new section 5B 10. The principal Act is hereby amended by adding a new section 5B, immediately after section 5A as follows:
- "Certificate of Registration 5B (1) A certificate of registration shall be issued to a taxable person registered under this Act which shall state the name, principal place of business, taxpayer identification number, hotel levy registration number and the date on which registration takes effect.
- (2) The taxpayer identification number and hotel levy registration number shall be shown in all returns, notice of appeal or other documents used for the purpose of this Act.
- (3) A certificate of registration issued under this Act shall be displayed in a conspicuous position at taxpayer's place of business".
- Addition of a new section 5C. 11. The principal Act is hereby amended by adding a new section 5C, immediately after section 5B as follows:



"Cancellation of registration.

5C.(1) Any person who is no longer required to be registered under this Act shall give notice to the Commissioner on the same.

(2) Any person who fails to give notice under this section commits an offence and upon conviction is liable to a fine not less than fifty thousand shillings but not exceeding two hundred thousands shillings.

(3) If the Commissioner is satisfied that any person is no longer required to be registered under this Act may, subject to any other conditions prescribed in this Act or in regulations, including the payment of all hotel levy due, cancel the registration with effect from the date of the notification or from any other date which may be determined by the Commissioner.

(4) The Commissioner shall, in writing, notify the person referred to in this section of the date on which the cancellation takes effect".

Addition of a new section 8A.

12. The principal Act is hereby amended by adding new section 8A immediately after section 8 as follows: -

"Notice of closing.

(1) Every owner of the hotel business shall give notice to the Commissioner immediately after the business ceases to operate.

(2) The owner referred to in this section shall, as soon as possible, notify the Commissioner on the change of ownership of the business.

(3) Any person who fails to give notice under this section commits an offence; and upon conviction is liable to a fine not less than one hundred thousand shillings but not exceeding five hundred thousand shillings".

Amendment of section 9

13. Subsection (1) of section 9 of the principal Act is hereby amended by adding new paragraphs (g) and (h) immediately after paragraph (f) as follows:-



“(g) any person who fails to inform the Commissioner on the closure of his business”

“(h) any person who fails to register under section 5A of this Act”.

Repeal of section 15

14. Section 15 of the principal Act is hereby repealed.

PART IV
AMENDMENTS OF PETROLEUM LEVY
ACT NO. 7 OF 2001

Construction.

15. This part shall be read as one with the Petroleum Levy Act, No 7 of 2001, in this part shall be referred to as the “Principal Act”.

Addition of a new section 6A.

16. The principal Act is hereby amended by adding a new section 6A, immediately after section 6 as follows:

“Registration.

6.A (1)

Any person who engages in the business of petroleum products shall be dully registered by the Commissioner prior to the commencement of the business.

(2) All applications for registration shall be made to the Commissioner in the prescribed form”.

Addition of a new section 6B.

17. The principal Act is hereby amended by adding a new section 6B, immediately after section 6A as follows:

“Certificate of Registration.

6B (1) A certificate of registration shall be issued to a taxable person registered under this Act which shall state the name, principal place of business, taxpayer identification number, Petroleum levy registration number and the date on which registration takes effect.



(2) The taxpayer identification number and Petroleum levy registration number shall be shown in all returns, notice of appeal or other documents used for the purpose of this Act.

(3) A certificate of registration issued under this Act shall be displayed in a conspicuous position at taxpayer's place of business".

Addition of a new section 6C.

18. The principal Act is hereby amended by adding a new section 6C, immediately after section 6B as follows:

"Cancellation of registration.

6C. (1) Any person who is no longer required to be registered under this Act shall give notice to the Commissioner on the same.

(2) Any person who fails to give notice under this section commits an offence; and upon conviction is liable to a fine not less than fifty thousand shillings but not exceeding two hundred thousands shillings.

(3) If the Commissioner is satisfied that any person is no longer required to be registered under this Act may, subject to any other conditions prescribed in this Act or in regulations, including the payment of all petroleum levy due, cancel the registration with effect from the date of the notification or from any other date which may be determined by the Commissioner.

(4) The Commissioner shall, in writing, notify the person referred to in this section of the date on which the cancellation takes effect".

amendment of section 14.

19 Section 14 of the principal Act is hereby amended by deleting subsection (1) and substituting for the following:-

"(1) If any dispute arises as to whether any owner is liable for the levy or any or what amount of levy is payment from that owner, the owner shall pay the amount referred to in section 19 of this Act".



Amendment
of section 15.

20. Section 15 of the principal Act is hereby amended by adding a new paragraph (j) immediately after paragraph (i) as follows:-

“(j) Any person found in possession of unlawfully acquired petroleum products”.

Amendment
of section 18.

21. Section 18 of the principal Act is hereby amended in subsection (2) by deleting the phrase “Order XXXV of the Civil Procedure Code” appearing in paragraph (b) and substituting for it with the following phrase “Order XLII of the Civil Procedure Decree Cap. 8”

Amendment
of section 19.

22. Section 19 of the principal Act is hereby amended:-

(a) by inserting the word “Tribunal” which appears in paragraph (c) instead of the word “Minister”

(b) by adding a new subsection (6) immediately after subsection (5) as follows:

“(6) No appeal shall be heard unless:

(a) all tax returns required under this Act to be made by the appellant at the time of the appeal are lodged.

(b) where the appeal is against an assessment of the Commissioner or otherwise; involves a dispute over an amount of tax or interest allegedly due and unpaid by the appellant,

(i) If part of the assessment is disputed, the whole of the undisputed amount, or

(ii) If the whole of the amount assessed is disputed, half of the amount disputed; is deposited with the Appeal Tribunal”.



PART V
AMENDMENT OF THE
ZANZIBAR REVENUE BOARD ACT NO.6 OF 1996

- Construction. 23. This part shall be read as one with the Zanzibar Revenue Board Act, No.6 of 1996, in this part to be referred to as the "Principal Act."
- Amendment of section 4. 24. Section 4 of the principal Act is hereby amended by adding a new subsection (4) immediately after subsection (3) as follows:-
- "(4) The Board shall have its own terms and conditions of service, salaries and other allowances including any other fringe benefits for the Commissioner, Managers, Officers and other staff of the Board".
- Amendment of section 22. 25. The Principal Act is hereby amended :-
- (a) by adding a new section 22 as follows:-
- "Consequential amendment. 22. All the laws under this Act or any other law relating to revenue collection that the word "Commissioner of Inland Revenue" appears shall be read as "Commissioner of the Zanzibar Revenue Board".
- (b) by renumbering the previous section 22 to be section 23.
- Amendment of section 30. 26. Section 30 of the principal Act is hereby amended by adding a new subsection (3) immediately after subsection (2) as follows:-
- "(3) The Board shall have statutory powers to formulate and implement policies and other regulations for its staff integrity".



PART VI
AMENDMENT OF THE AIRPORT SERVICE CHARGE
ACT NO 2 OF 1999.

- Construction. 27. This part shall be read as one with the Airport Service Charge Act No. 2 of 1999, in this part to be referred to as the "Principal Act."
- Amendment of section 15. 28. Section 15 of the principal Act is hereby amended .
- (a) by adding the following phrase "collection agent" between the words "person" and "who" appearing in that section.
- (b) by adding paragraph (g) immediately after paragraph (f) as follows:-
- "(g) fails to submit returns within time allowed for lodging his tax return".

PART VII
AMENDMENT OF THE FINANCIAL ADMINISTRATION
ACT, NO. 8 OF 1996

- Construction. 29. This part shall be read as one with the financial Administration Act, No. 8 of 1996, in this part to be referred to as the "principal Act."
- Amendment of section 30. 30. Section 30 of the principal Act is hereby amended by deleting subsection (1) thereof and substituting for the following:-
- "(1) Every government department shall maintain adequate records of stores or public assets and the Minister may make regulations or orders governing the movement and control of public assets or stores".
- Amendment of section 32. 31. Section 32 of the principal Act is hereby amended by adding a new subsection (3) immediately after subsection (2) as follows :-



"(3) Store Officer mentioned in subsection (1) of this section shall remain responsible of stores up to and until he officially hand over that responsibility to another officer".

Amendment of section 36.

32. Section 36 of the principal Act is hereby amended by deleting subsection (3) thereof.

Replacement of section 37.

33. Section 37 of the principal Act is hereby repealed and replaced by the following.

"Inspection and verification of Government stores.

37.(1) There shall be a Government Stock Verifier under the Ministry of Finance who shall be appointed by the President.

(2) The Government Stock Verifier shall examine departmental records, accounts and procedures relating to government assets and to verify stock movement and report to Paymaster General.

(3) The Minister may, anytime, assign Government Stock Verifier to make such an examination to a particular Ministry, department or International organisation and furnish the report to the Minister or as directed by the Minister.

(4) The Government Stock Verifier shall have free excess to records, files and documents relating to store accounts and shall also accompany with any security requirements applicable to be taken by person employed in that department.

(5) In exercising his duty under this section, the Government Stock Verifier may delegate his powers to any Senior Government officer in writing after the approval of the Paymaster General.



(6) The Store Verification department, whose work involves the design, management and inspection of store accounts shall act in consultation with the Paymaster General and in any case of despite between these authorities the matter shall be referred to the Minister for directions".

Passed in the House of Representatives on the 19th day of July, 2002.

A handwritten signature in blue ink that reads "Khamis Juma Chande".

{ KHAMIS JUMA CHANDE }
CLERK OF THE HOUSE OF REPRESENTATIVES