



THE FINANCE (PUBLIC REVENUE MANAGEMENT)
ACT, 2004

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ACT NO. 9 OF 2004

I ASSENT

Amani
{AMANI ABEID KARUME}

PRESIDENT OF ZANZIBAR
AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL

18th AUGUST, 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 House of Representatives of Zanzibar.

PART I
PRELIMINARY PROVISION

Short title and
commencement.

1. This Act may be cited as the Finance (Public Revenue Management) Act 2004 and shall come into operation immediately after being assented to by the president.

PART II
AMENDMENT OF THE HOTEL LEVY
ACT NO. 1 OF 1995

Construction.

2. This part shall be read as one with the Hotel Levy Act No. 1 of 1995 in this part referred to as the "Principal Act".



Amendment of
section 6.

3. Section 6 of the Principal Act is hereby amended
as follows:

- (a) by renumbering section 6 to be section 6(1);
- (b) by adding new subsections as follows:

“(2) Notwithstanding the provisions of this section, the Commissioner may require from any person the production of any document or information relating to the transaction of any taxpayer and that person shall be required to furnish to the Commissioner such information or document within such time and in such form as he may reasonable be required.

(3) For the purposes of this section, the document or information relating to the transaction of the taxpayer shall be taken to include any profit and loss account and balance sheet or any other book of account, and any correspondence or other writing, relating to the business of the taxpayer.

(4) The Commissioner may take copies of or make extracts from, any document produced under sub-section (2) of this section.

(5) Where it appears to the Commissioner to be necessary he may, at a reasonable time and for a reasonable period, remove any document produced under sub-section (2) of this section and shall provide a receipt for any document so removed, and where a lien is claimed on a document produced under sub-section (2) of this section the removal of the document shall not be regarded as breach of the lien.

(6) Where a document removed by the Commissioner under subsection (5) of this section is reasonably required for the proper conduct of a business he shall, as soon as practicable, provide a copy of the



document, free of charge, to the person by whom it was produced or caused to be produced.

(7) Where any information or document is electronically stored the provisions of sub-section (2) of this section shall be deemed to empower the Commissioner or an authorised officer, for the purpose of exercising the powers conferred in relation to it:

- (a) to view the information or document and to copy or take extract from it by electronic means; or
- (b) to require that it be reproduced in hard copy, or copied on to computer diskette or reduced to some other portable form suitable for removal and capable of reproducing the information or document for viewing.

(8) Where any document, computer diskettes or other things removed under the power conferred by this section are lost or damaged, the Commissioner shall be liable to compensate the respective owner for any expenses reasonably incurred by him in replacing or repairing them.

(9) Any person who fails to produce a document or information required by the Commissioner under this section commits an offence and upon conviction shall be liable to a fine not less than Two Hundred Thousands Shillings or imprisonment for a term of six months or both such fine and imprisonment.

Amendment of section 8.

4. Section 8 of the Principal Act is hereby amended by adding a new subsection (4) immediately after subsection (3) as follows:

“(4) Where the Commissioner receives an objection from a defaulting taxpayer relating to the penalty imposed in accordance with this Act, he may call for, hear or



receive any evidence relevant to the said penalty and he may, if to the best of his judgement, finds it just and appropriate waive the penalty in whole or in part”.

Addition of a new section 8B.

5. The Principal Act is hereby amended by adding a new section 8B immediately after section 8 as follows:

“Attachment.

8B.(1) Where any tax or interest due from a taxpayer remains unpaid, the Commissioner may, by notice in writing require any other person:

- (a) from whom any money is due, or is accruing or may become due, to the taxpayer; or
- (b) who holds money on account of some person for or on account or for payment to the taxpayer, or
- (c) having authority from any person to pay money to the taxpayer;

to pay that money, or any amount as is sufficient to discharge the tax, fine penalty or interest due from the taxpayer, in the manner directed by the Commissioner as and when it would, but for the notice, be or become payable to the taxpayer.

(2) Upon service of a notice under this section, the money necessary to discharge the tax or interest due from that other person is a debt due to the Board and shall be recoverable at the suit of the Commissioner, or any officer authorized by him, in any court of a Regional Magistrate; and all claims by the taxpayer to such money shall be thereby extinguished.

(3) A person on whom a notice under this section has been served and who fails to comply with the notice commits an offence and upon conviction is liable to a fine



not less than Two hundred thousand shillings or ten percent of the amount demanded by the notice, whichever is greater or imprisonment for a term not less than six months or both such fine and imprisonment.

PART III
AMENDMENT OF THE STAMP DUTY
ACT NO. 6 OF 1996

Construction.

6. This part shall be read as one with the Stamp Duty Act No. 6 of 1996 in this part referred to as the "Principal Act".

Amendment of section 16.

7. Section 16 of the Principal Act is hereby amended as follows:

(a) by renumbering section 16 to be section 16(1)

(b) by adding new subsections as follows:

"(2) Notwithstanding the provisions of this section, the Commissioner may require from any person the production of any document or information relating to the transaction of any taxpayer and that person shall be required to furnish to the Commissioner such information or document within such time and in such form as he may reasonable be required.

(3) For the purposes of this section, the document or information relating to the transaction of the taxpayer shall be taken to include any profit and loss account and balance sheet or any other book of account, and any correspondence or other writing, relating to the business of the taxpayer.

(4) The Commissioner may take copies of or make extracts from, any document produced under sub-section (2) of this section.



(5) Where it appears to the Commissioner to be necessary he may, at a reasonable time and for a reasonable period, remove any document produced under sub-section (2) of this section and shall provide a receipt for any document so removed, and where a lien is claimed on a document produced under sub-section (2) of this section the removal of the document under this subsection shall not be regarded as breach of the lien.

(6) Where a document removed by the Commissioner under subsection (5) of this section is reasonably required for the proper conduct of a business he shall, as soon as practicable, provided a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.

(7) Where any information or document is electronically stored, the provisions of sub-section (2) of this section shall be deemed to empower the Commissioner or an authorised officer, for the purpose of exercising the power conferred by the provisions in relation to it:

- (a) to view the information or document and to copy or take extract from it by electronic means; or
- (b) to require that it be reproduced in hard copy, or copied on to computer diskette or reduced to some other portable form suit-able for removal and capable of reproducing the information or document for viewing.

(8) Where any document, computer diskettes or other things removed under the power conferred by this section are lost or damaged, the Commissioner shall be liable to compensate the respective owner for any expenses reasonably incurred by him in replacing or repairing them.



(9) Any person who fails to produce a document or information required by the Commissioner under this section commits an offence and upon conviction shall be liable to a fine not less than Two Hundred Thousands Shillings or imprisonment for a term of six months or both such fine and imprisonment.

Amendment of section 27.

8. Section 27 of the Principal Act is hereby amended by adding a new subsection (5) immediately after subsection (4) as follows:

“(5) Where the Commissioner receives an objection from a defaulting taxpayer relating to the penalty imposed in accordance with this Act, he may call for, hear or receive any evidence relevant to the said penalty and he may, if to the best of his judgement, finds it just and appropriate waive the penalty in whole or in part.”

Addition of a new section 27A.

9. The Principal Act is hereby amended by adding a new section 27A immediately after section 27 as follows: -

“Attachment.

27A.(1) Where any tax or interest due from a taxpayer remains unpaid, the Commissioner may, by notice in writing require any other person:

- (a) from whom any money is due, or is accruing or may become due, to the taxpayer; or
- (b) who holds, money on account of some person for or on account or for payment to, the taxpayer, or
- (c) having authority from any person to pay money to the taxpayer;

to pay that money, or any amount as is sufficient to discharge the tax or interest due from the taxpayer, in the manner directed by the Commissioner as and when it would, but for the notice, be or become payable to the taxpayer;



(2) Upon service of a notice under this section, the money necessary to discharge the tax or interest due from that other person is a debt due to the Board shall be recoverable at the suit of the Commissioner, or any officer authorised by him, in any court of a Regional Magistrate; and all claim by the taxpayer to such money shall be thereby extinguished.

(3) A person on whom a notice under this section has been served and who fails to comply with the notice commits an offence and upon conviction is liable to a fine not less than Two hundred thousand shillings or ten percent of the amount demanded by the notice, whichever is greater or imprisonment for a term not less than six months or both such fine and imprisonment.

PART IV
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, in this part referred to as the "Principal Act".

Amendment of section 6.

11. Section 6 of the Principal Act is hereby amended by adding immediately after subsection (4) the following new subsection (5) as follows:

"(5) Notwithstanding the provisions of subsection (1), (2) and (3) of this section, the Minister may, after consultation with the Board and by order published in the Gazette, make provisions in respect of the time at which a supply is to be treated as taking place."

Amendment of section 7.

12. Section 7 of the Principal Act is hereby amended by adding immediately after subsection (4) the following new subsection (5) as follows: -



“(5) The Minister may, by order published in the Gazette and after consultation with the Board in relation to goods and services generally or in specific goods or services, vary the rules for determining where a supply of such goods and services is made.

Repeal of section 15.

13. Section 15 of the Principal Act is hereby repealed.

Addition of a new section 50A.

14. The Principal Act is hereby amended by adding a new section 50A immediately after section 50 as follows: -

“Waiving of penalty.

50A. Where the Commissioner receives an objection from a defaulting taxpayer relating to the penalty imposed in accordance with this Act, he may call for, hear or receive any evidence relevant to the said penalty and he may, if to the best of his judgement, finds it just and appropriate waive the penalty in whole or in part.”

PART V
AMENDMENT OF THE PETROLEUM LEVY
ACT NO 7 2001

Construction.

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

Amendment of section 12.

16. Section 12 of the Principal Act is hereby amended:

(a) by renumbering section 12 to be section 12(1)

(b) by adding a new subsections as follows:

“(2) Notwithstanding the provisions of this section, the Commissioner may require from any person the production of any document or information relating to the transaction of any taxpayer and that person shall be required to



furnish to the Commissioner such information or document within such time and in such form as he may reasonable be required;

(3) For the purposes of this section, the document or information relating to the transaction of the taxpayer shall be taken to include any profit and loss accounts and balance sheet or any other book of accounts, and any correspondence or other writing, relating to the business of the taxpayer.

(4) The Commissioner may take copies of or make extracts from, any document produced under sub-section (2) of this section.

(5) Where it appears to the Commissioner to be necessary he may, at a reasonable time and for a reasonable period, remove any document produced under sub-section (2) of this section and shall provide a receipt for any document so removed, and where a lien is claimed on a document produced under sub-section (2) of this section the removal of the document under this subsection shall not be regarded as breach of the lien.

(6) Where a document removed by the Commissioner under subsection (5) of this section is reasonably required for the proper conduct of a business he shall, as soon as practicable, provided a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.

(7) Where any information or document is electronically stored, the provisions of sub-section (2) of this section shall be deemed to empower the Commissioner or an authorised officer, for the purpose of exercising the power conferred by the provisions in relation to it:



- (a) to view the information or document and to copy or take extract from it by electronic means; or
- (b) to require that it be reproduced in hard copy, or copied on to computer diskette or reduced to some other portable form suit-able for removal and capable of reproducing the information or document for viewing.

(8) Where any document, computer diskettes or other things removed under the power conferred by this section are lost or damaged, the Commissioner shall be liable to compensate the respective owner for any expenses reasonably incurred by him in replacing or repairing them.

(9) Any person who fails to produce a document or information required by the Commissioner under this section commits an offence and upon conviction shall be liable to a fine not less than Two Hundred Thousands Shillings or imprisonment for a term of six months or both such fine and imprisonment.

Addition of a new section 15A.

"Unlawfully acquired petroleum products.

17. The Principal Act is hereby amended by adding a new section 15A immediately after sections as follows:

15A.(1) Subject to the provisions of this Act or Regulations made thereunder, no person is allowed to engage in the business of buying, selling, storing or transporting petroleum products.

(2) Any person found in possession of any unlawfully acquired petroleum products shall be guilty of an offence and on conviction shall be liable to a fine not less than One Million Shillings and in addition to the said penalty the unlawfully acquired petroleum products and devices used for transportation and storage shall be liable for seizure and forfeiture."



Amendment of section 13.

18. Section 13 of the Principal Act is hereby amended by adding a new subsection (5) immediately after subsection (4) as follows: -

“(5) Where the Commissioner receives an objection from a defaulting taxpayer relating to the penalty imposed in accordance with this Act, he may call for, hear or receive any evidence relevant to the said penalty and he may, if to the best of his judgement, finds it just and appropriate waive the penalty.”

Amendment of section 18.

19. Section 18 of the Principal Act is hereby amended by renumbering sub-section (2)(e) to be subsection (3);

Addition of a new section 18A.

20. The Principal Act is hereby amended by adding a new section 18A immediately after section 18 as follows:-

“Attachment.

18A.(1) Where any tax or interest due from a taxpayer remains unpaid, the Commissioner may, by notice in writing require any other person:

- (a) from whom any money is due, or is accruing or may become due, to the taxpayer; or
- (b) who holds, money on account of some person for or on account or for payment to, the taxpayer, or
- (c) having authority from any person to pay money to the taxpayer;

to pay that money, or any amount as is sufficient to discharge the tax or interest due from the taxpayer, in the manner directed by the Commissioner as and when it would, but for the notice, be or become payable to the taxpayer;



(2) Upon service of a notice under this section, the money necessary to discharge the tax or interest due from that other person is a debt due to the Board shall be recoverable at the suit of the Commissioner, or any officer authorized by him, in any court of a District Magistrate; and all claim by the taxpayer to such money shall be thereby extinguished.

(3) A person on whom a notice under this section has been served and who fails to comply with the notice commits an offence and upon conviction is liable to a fine not less than Two hundred thousand shillings or ten percent of the amount demanded by the notice, whichever is greater or imprisonment for a term not less than six months or both such fine and imprisonment.

PART VI
AMENDMENT OF THE PORT SERVICES CHARGE
ACT NO. 2 OF 1999

Construction.

21. This part shall be read as one with the Port Service Charge Act No. 2 of 1999 in this part referred to as the "Principal Act".

Amendment of section 9.

22. Section 9 of the Principal Act is hereby amended:

- (a) by renumbering section 9 to be section 9(1)
- (b) by adding new subsection (2) as follows:

"(2) Where the Commissioner receives an objection from a defaulting taxpayer relating to the penalty imposed in accordance with this Act, he may call for, hear or receive any evidence relevant to the said penalty and he may, if to the best of his judgement, finds it just and appropriate waive the penalty."



Amendment of
section 12.

23. Section 12 of the Principal Act is hereby amended:

- (a) by renumbering section 12 to be section 12(1)
- (b) by adding new subsections as follows:

“(2) Notwithstanding the provisions of this section, the Commissioner may require from any person the production of any document or information relating to the transaction of any taxpayer and that person shall be required to furnish to the Commissioner such information or document within such time and in such form as he may reasonable be required;

(3) For the purposes of this section, the document or information relating to the transaction of the taxpayer shall be taken to include any profit and loss account and balance sheet or any other book of account, and any correspondence or other writing, relating to the business of the taxpayer.

(4) The Commissioner may take copies of or make extracts from, any document produced under sub-section (2) of this section.

(5) Where it appears to the Commissioner to be necessary he may, at a reasonable time and for a reasonable period, remove any document produced under sub-section (2) of this section and shall provide a receipt for any document so removed, and where a lien is claimed on a document produced under sub-section (2) of this section above the removal of the document under this subsection shall not be regarded as breach of the lien.

(6) Where a document removed by the Commissioner under subsection (5) of this section is reasonably required for the proper conduct of a business he shall, as soon as practicable, provided a copy of the document, free of charge, to the person by whom it was produced or caused to be produced.



(7) Where any information or document is electronically stored, the provision of sub-section (2) of this section shall be deemed to empower the Commissioner or an authorised officer, for the purpose of exercising the power conferred by the provisions in relation to it:

- (a) to view the information or document and to copy or take extract from it by electronic means; or
- (b) to require that it be reproduced in hard copy, or copied on to computer diskette or reduced to some other portable form suit-able for removal and capable of reproducing the information or document for viewing.

(8) Where any document, computer diskettes or other things removed under the power conferred by this section are lost or damaged, the Commissioner shall be liable to compensate the respective owner for any expenses reasonably incurred by him in replacing or repairing them.

(9) Any person who fails to produce a document or information required by the Commissioner under this section commits an offence and upon conviction shall be liable to a fine not less than Two Hundred Thousands Shillings or imprisonment for a term of six months or both such fine and imprisonment.

Addition of a new section 13A.

24. The Principal Act is hereby amended by adding a new section 13A immediately after section 13 as follows:

"Attachment.

13A.(1) Where any tax or interest due from a taxpayer remains unpaid, the Commissioner may, by notice in writing require any other person:

- (a) from whom any money is due, or is accruing or may become due, to the taxpayer; or



- (b) who holds, money on account of some person for or on account or for payment to, the taxpayer, or
- (c) having authority from any person to pay money to the taxpayer;

to pay that money, or of much as is sufficient to discharge the tax or interest due from the taxpayer, in the manner directed by the Commissioner as and when it would, [but for the notice,] be or become payable to the taxpayer;

(2) Upon service of a notice under this section, the money necessary to discharge the tax or interest due from that other person is a debt due to the Board shall be recoverable at the suit of the Commissioner, or any officer authorized by him, in any court of a Regional Magistrate; and all claim by the taxpayer to such money shall be thereby extinguished.

(3) A person on whom a notice under this section has been served and who fails to comply with the notice commits an offence and upon conviction is liable to a fine not less than Two hundred thousand shillings or ten percent of the amount demanded by the notice, whichever is greater or imprisonment for a term not less than six months or both such fine and imprisonment.

PASSED in the House of Representatives on the 22nd day of July, 2004.


KHAMIS JUMA CHANDE
CLERK OF THE HOUSE OF REPRESENTATIVES
ZANZIBAR