

*Bill Supplement to the Zanzibar Government Gazette
Vol. No. CXXXIII 7242 of 24th April, 2024*

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A Bill for an Act to Impose and Alter Certain Taxes
and Duties and to Amend Certain Written Financial
and Tax Laws Relating to Collection and Management
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NOTICE

The Bill hereunder shall be presented before the House of Representatives for the first, second and third readings which will start its session on 15th May, 2024 and is gazetted together with its Objects and Reasons for public notice.

ZANZIBAR
24th April, 2024

(Eng. Zena Ahmed Said)
***Secretary to the Revolutionary
Council and Chief Secretary***

A BILL

for

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 AND OTHER MATTERS CONNECTED THEREWITH

ENACTED by the House of Representatives.

**PART ONE
PRELIMINARY PROVISIONS**

Short title and commencement.

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2024 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 in this part referred to as “the Principal Act”.

Amendment of section 33.

4. Section 33 of the Principal Act is amended by inserting a new word “percent” at the end of subsection (2).

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

Construction.

5. 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”.

6. Section 2 of the Principal Act is amended by:

Amendment
of section 2.

- (a) adding interpretation of new words in its alphabetical order as follows:

“resident” means an individual whose permanent home is in Zanzibar;

“imported services” means services supplied to a taxable person if the supply of the services is made by non-resident;

- (b) deleting the interpretation of the words “Exempt supplies” and “import” and substituting them with the new words in alphabetical order as follows:

“exempt” in relation to a supply or import, means a supply or import that is specified as exempt under this Act;

“import” means bringing or causing goods to be brought into Zanzibar from outside the United Republic of Tanzania; and

- (c) deleting the words “or services” in the interpretation of the word “Transfer”.

7. Section 3 of the Principal Act is amended by adding new subsection (5) immediately after subsection (4) as follows:

Amendment
of section 3.

“(5) The Commissioner may delegate the powers or the performance of any duty imposed to him by this Act in respect of the administration and collection of Value Added Tax on electronic service of non-resident taxable person to the Commissioner General of Tanzania Revenue Authority or any person acting on his behalf.”

8. The Principal Act is amended by adding new sections 4A and 4B immediately after section 4 as follows:

Addition
of new
sections 4A
and 4B.

“Representatives of non-resident taxable person.

4A.-(1) A non-resident taxable person who carries on economic activity in Zanzibar without having a fixed place in Zanzibar, and makes a taxable supply for which the non-resident is liable to pay value added tax shall:

- (a) appoint a value added tax representative in Zanzibar in accordance with the requirements set out in the regulations; and
- (b) if required by the Commissioner, lodge a security.

(2) The value added tax representative shall be a resident and responsible for doing all things required to be done under this Act, which shall include:

- (a) applying for registration or cancellation of registration and fulfilling other obligations in relation to registration; and
- (b) paying any value added tax or any fine, penalty or interest imposed on the non-resident under this Act.

(3) The registration of a value added tax representative shall be in the name of the non- resident taxable person.

(4) The value added tax representative may represent more than one non-resident taxable person and such representative shall register for value added tax in respect of each represented non-resident taxable person.

Services from foreign branch.

4B.-(1) Where a taxable person carries on economic activities at a fixed place in Zanzibar and at one or more fixed places outside Zanzibar:

- (a) the that person shall be treated as two separate persons corresponding respectively to the economic activities carried on inside and outside Zanzibar;

- (b) the person who is outside Zanzibar shall be deemed to have made a supply of imported services to the person inside Zanzibar consisting of any benefit in the nature of services that is received by the person in Zanzibar through or as a result of the activities carried on by the person outside Zanzibar; and
- (c) the time of supply shall be determined on the assumption that a supply has been made.

(2) Where, within twelve months from the time of making a supply referred to in subsection (1) of this section, the person outside Zanzibar makes an allocation of costs to the person inside Zanzibar in respect of the supply, the allocation of costs shall be treated as consideration for the supply.

(3) Where a supply referred to in subsection (1) of this section is a taxable supply, the value of the supply:

- (a) where the provisions of subsection (2) of this section applies, shall be equal to the amount of the costs allocated, reduced by that part, if any, of the amount allocated that represents:
 - (i) salary or wages paid to an employee of the person outside Zanzibar; and
 - (ii) interest incurred by the person outside Zanzibar; and
- (b) in any other case, shall be assumed to have been made by a non-resident outside Zanzibar to a connected person in Zanzibar.”

9. Section 8 of the Principal Act is amended in subsection (1) by inserting the words “insurance, digital,” between the words “banking” and “postal”.

Amendment
of section 8.

Amendment
of section
10.

10. Section 10 of the Principal Act is amended by inserting the words “or import” after each word “supply” whenever appears in the section.

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

Construction.

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

Amendment
of section 9.

12. Section 9 of the Principal Act is amended by:

(a) adding new subsections (2) and (3) immediately after subsection (1) as follows:

“(2) The Head of Customs shall, for the purpose of controlling imported excisable goods, stamp all imported excisable goods at the time of importation in accordance with the laws governing stamping of imported excisable goods.

(3) For the purpose of this section, “stamp” means electronic tax stamp.”; and

(b) renumbering subsection (2) to be subsection (4).

**PART FIVE
AMENDMENT OF THE PROPERTY TAX ACT,
NO. 14 OF 2008**

Constru-
tion.

13. This part shall be read as one with the Property Tax Act No. 14 of 2008 in this part referred to as “the Principal Act”.

Amendment
of section
10.

14. Section 10 of the Principal Act is amended in subsection (2) by deleting the words “the thirtieth day of September each year, and the tax so paid shall expire on the thirtieth June following the year in which the tax was due” and substituting them with the words “thirty first day of December each year”.

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

15. This part shall be read as one with the Vocational Training Act, No. 8 of 2006 in this part referred to as “the Principal Act”. Constru-
tion.

16. Section 29 of the Principal Act is amended in subsection (4) by deleting the words “Income Tax Act” appearing at the end of the subsection and substituting them with the words “Tax Administration Act, No. 10 of 2015”. Amendment
of section
29.

17. Section 30 of the Principal Act is amended in subsection (1) by inserting the words “or Tax Administration Act, No. 10 of 2015” at the end of the subsection. Amendment
of section
30.

18. Section 31 of the Principal Act is amended in subsection (2) by inserting the words “the Tax Administration Act, No. 10 of 2015 and” immediately after the words “provisions of”. Amendment
of section
31.

OBJECTS AND REASONS

The object of this Bill is to impose and alter certain taxes and duties, and to amend the financial and tax laws related to the collection and management of public revenues for better implementation of those laws.

The taxes and duties imposed are intended to be collected by the tax authorities and remitted to the Government Consolidated Fund as public revenues. The amendment of the tax laws intends to simplify the procedures in tax collections, make tax laws up-to-date according to the current situation and increase the Government Revenues without affecting public interests.

The Bill is divided into Seven Parts:

Part One contains provisions of preliminary provisions of short title and commencement.

Part Two propose to amend the Tax Administration and Procedures Act, No. 7 of 2009 in section 33 by inserting the word “percent” at the end of subsection (2) for clarity.

Part Three propose to amend the Value Added Tax Act, No. 4 of 1998 in section 2, 3 and adding new section 4A and 4B. In addition, this part amends section 8 and 10. Generally, the amendments introduce the concept of non-resident taxable person and the procedures to regulate them.

Part Four propose to amend the Excise Duty Act, No. 8 of 2017 in section 9 by adding new subsections (2) and (3) immediately after subsection (1) by providing stamping procedures in excisable goods imported to Zanzibar.

Part Five propose to amend the Property Tax Act, No. 14 of 2008 in section 10 by deleting certain words and substituting them with other words for clarity.

Part Six propose to amend the Vocational Training Act, No. 11 of 2007 in section 29, 30 and 31 in order to comply with amendments made to the Act.

ZANZIBAR
24 April, 2024

(Dr. Saada Mkuya Salum)
**MINISTER OF STATE, PRESIDENT’S
OFFICE, FINANCE AND PLANNING
ZANZIBAR**