

*A Bill Supplement to the Zanzibar Government Gazette
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A Bill for an Act to Amend Certain Written Financial
and Tax Laws Relating to Collection and Management
of Public Revenues and other matters connected therewith 281

NOTICE

ZANZIBAR
12th June, 2023

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

A BILL

for

**AN ACT 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 the Representatives of Zanzibar.

**PART ONE
PRELIMINARY PROVISIONS**

Short title
and commence-
ment.

1. This Act may be cited as the Finance (Public Revenue Management) Act, 2023 and shall come into operation immediately after being assented to by the President and published in the Gazette.

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”.

Addition of a
new section
18A.

4. The Principal Act is amended by adding new section 18A immediately after section 18 as follows:

“Filing of
Tax Returns
under special
circumstances.

18A.-(1) The Commissioner General may direct the taxable person to file a tax return at earlier date than the date prescribed under section 18 of this Act where taxable person:

- (a) is about to leave Zanzibar permanently;
- (b) is about to close the business permanently;
or
- (c) has become bankrupt, goes into liquidation or wound up.

(2) The directives of the Commissioner General under subsection (1) of this section, shall be in writing and served on the taxable person specifying the period or other information to be covered by tax return and the date by which the return shall be filed.”

5. Section 19 of the Principal Act is amended by:

- (a) in subsection (1), deleting the words “fines, penalties and” appearing between the words “impose” and “interest”; and
- (b) in subsection (3), deleting the words “fines, penalties and” appearing between the words “any” and “interest”.

Amendment
of section
19.

6. The Principal Act is amended by adding new sections 19A, 19B and 19C immediately after section 19 as follows:

Addition
of new
sections
19A, 19B
and 19C.

“Self-
Assessment.

19A.-(1) Where a taxable person is required to file a tax return under this Act or any other tax law, the tax return filed shall be a self-assessment of a tax liability.

(2) A person other than the Commissioner General shall not amend or adjust the assessment under this section.

Jeopardy
assessment.

19B.-(1) The Commissioner General may at any time make a jeopardy assessment where a taxable person has failed to file a tax return on due date.

(2) The Commissioner General may use the best judgement and available information in making the jeopardy assessment.

(3) The jeopardy assessment shall not relieve a taxable person from the obligation to file a tax return.

(4) The filing of a tax return shall not affect the jeopardy assessment.

(5) The jeopardy assessment may be valid for such period with respect to such events or subject matter as the Commissioner General may specify in the notice of assessment.

(6) Where the jeopardy assessment covers the period or events covered by a self-assessment of a taxable person with respect to the same tax, any tax paid with respect to the jeopardy assessment shall be credited against tax payable with respect to the self-assessment.

Withdrawal of assessments.

19C.-(1) The Commissioner General may, despite the fact that no objection or appeal has been lodged, withdraw an assessment issued if he is satisfied that the assessment was issued:

- (a) to the incorrect taxable person;
- (b) in respect of the incorrect tax period;
- (c) as a result of an incorrect tax base, rate, information or calculations; and
- (d) for any other lawful reason that will render such assessment to be withdrawn.

(2) An assessment withdrawn under subsection (1) of this section, shall be regarded as not to have been issued.”

Amendment of section 20.

7. Section 20 of the Principal Act is amended in paragraph (c) by deleting the words “fines, penalties and” appearing between the words “amounts” and “interest”.

Repeal and replacement of section 21.

8. Section 21 of the Principal Act is repealed and replaced with a new section 21 as follows:

“Notice of assessment.

21. A notice of assessment made under this Act shall be delivered to the assessed taxable person and inform him of his right to object under the provisions of this Act.”

Amendment of section 21B.

9. Section 21B of the Principal Act is amended by:

- (a) repealing subsections (3) and (5) and replacing them with the new subsections (3) and (5) as follows:

“(3) Where the Commissioner General agrees to amend the objected decision or assessment, the decision or assessment shall be amended accordingly and the Commissioner General shall provide a notice setting out such amendment of objected decision or assessment and to be served on such person.

(5) Where the Commissioner General:

- (a) intends to amend the objected decision or assessment in accordance with the objection and any further evidence; or
- (b) decides to refuse to amend the objected decision or assessment,

he shall serve the person who made the objection with a notice setting out the reason for the intention or decision.”

- (b) adding new subsection (6) and (7) immediately after subsection (5) as follows:

“(6) The person who made the objection shall, within twenty one days from the receipt of the notice pursuant to subsection (5) of this section, make submission in writing to the Commissioner General on his agreement or disagreement with the amended objected decision or assessment or the refusal.

(7) The Commissioner General may, after expiry of twenty one days of the submission by the person who made the objection pursuant to subsection (6) of this section:

- (a) determine the objection in the light of the amended objected decision or assessment or refusal and any submission made by the person who made the objection; or
- (b) determine the objection partially in accordance with the submission of the person who made the objection, and proceed to issue a final determination of objection.”

10. Section 23 of the Principal Act is amended by:

- (a) adding a new subsection (2) immediately after subsection (1) as follows:

“(2) Notwithstanding with the provisions of subsection (1) section, a taxable person who issues a receipt through an approved government electronic payment system shall be deemed to have issued such receipt by using electronic fiscal device.”

- (b) renumbering subsections (2), (3), (4), (5) and (6) to be subsections (3), (4), (5), (6) and (7) respectively.

Amendment of section 31.

11. Section 31 of the Principal Act is amended by repealing subsection (3).

Amendment of section 33.

12. Section 33 of the Principal Act is amended by deleting the word “five” appearing in subsection (2) and substituting for it with the word “ten”.

Amendment of section 59.

13. Section 59 of the Principal Act is amended in subsection (2) by adding a new paragraph (d) as follows:

- (d) withdrawal of assessment.

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

Construction.

14. 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 8.

15. Section 8 of the Principal Act is amended in subsection (1) by inserting the words “except for banking, postal and telecommunication services where the rate shall be eighteen per cent of the taxable value” after the word “per cent”.

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

16. 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”. Construction.

17. Section 28 of the Principal Act is amended in subsection (1) by repealing paragraph (a). Amendment of section 28.

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

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

19. Section 3 of the Principal Act is amended by: Amendment of section 3.

(a) repealing subsection (2) and replacing it with a new subsection (2) as follows:

“ (2) Stamp duty under subsection (1) of this section, shall be imposed and collected:

- (a) for all instruments which shall be charged at the rate specified under the First schedule to this Act, unless the instrument specified are exempted from payment of duty; or
- (b) for the turnover on supply of goods and services for the small and medium taxable persons which shall be charged at the rate specified under the Second, Third and Fourth Schedule of this Act.”

(b) repealing subsections (3), (4), (5) and (6).

20. Section 60 of the Principal Act is amended by repealing subsection (2) and replacing it with a new subsection (2) as follows: Amendment of section 60.

“(2) The Minister may, by order published in the Gazette, amend, vary or replace any Schedule under this Act.”

Repeal of
section 62

21. Section 62 of the Principal Act is hereby repealed.

PART SIX
AMENDMENT OF THE ROAD TRANSPORT
ACT, NO. 7 OF 2003

Construction. **22.** This part shall be read as one with the Road Transport Act, No. 7 of 2003 in this part referred to as “the Principal Act”.

Amendment
of section 2. **23.** Section 2 of the Principal Act is amended by adding words “or 2238W ~ 2.23KW” between the words “of not exceeding 50cc” and word “and” in the interpretation of word “mopeds”.

PART SEVEN
AMENDMENT OF THE VOCATIONAL TRAINING
ACT, NO. 11 OF 2007

Construction. **24.** This part shall be read as one with the Vocational Training Act, No. 11 of 2007 in this part referred to as “the Principal Act”.

Amendment
of section
27.

25. Section 27 of the Principal Act is amended by:

- (a) in subsection (2), deleting the word “four” and substituting for it with the word “five.”
- (b) in subsection (3), deleting the words “five per centum (5%)” and substituting for it the words “four per centum.”
- (c) adding new subsection (8) and (9) immediately after subsection (7) as follows:

“(8) The employer with three or not more than five employees shall file a nil return every after six months through e-filing system or in a mode indicated by the Deputy Commissioner.

(9) Subject to the provisions under subsection (8) of this section, where an employer fails to file every after six months returns, commits an offence and shall be liable to a fine of not less than Five Hundred Thousand Tanzania Shillings”.

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

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

27. Section 20 of the Principal Act is amended by repealing subsections (6) and (7). Amendment of section 20.

28. The Principal Act is amended by adding a new section 20A immediately after section 20 as follows: Addition of a new section 20A.

“Exemptions. **20A.**-(1) The rates imposed under section 20(3) of this Act, relating to importation of goods except for petroleum products, alcoholic beverage, cigar and tobacco shall not apply to:

- (a) the Government Institutions which are non-profit making and financed through the Consolidated Fund, Donor Funded Projects, Diplomats or Diplomatic missions, United Nations and its Agencies; and
- (b) raw materials, industrial inputs and packaging materials for registered manufacturers.

(2) For the purpose of this section “Diplomats or Diplomatic mission” shall be those recognized under the Third Schedule of the Value Added Tax Act, No. 4 of 1998.”

OBJECTS AND REASONS

The objects and reasons of this Bill are to impose and alter certain taxes and duties, and to make an amendment of the Financial and Tax Laws relating to collection and management of public revenues for better implementation of those laws.

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

The Bill is divided into Eight Parts, where:

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

Part Two: proposes the amendment of the Tax Administration and Procedures Act, No. 7 of 2009 in section 5 and by adding new sections 18A, 19A, 19B, 19C; repeal and replace section 21. Also, this part proposes the amendment in section 19, 20, 21B, 23, 31, 33 and 59.

Part Three: proposes the amendment of the Value Added Tax Act, No. 4 of 1998 in section 8.

Part Four: proposes the amendment of the Property Tax Act, No. 14 of 2008 in section 28(1) by repealing paragraph (a).

Part Five: proposes the amendment of the Stamp Duty Act, No. 7 of 2017 in section 3, 60 and repealing section 62.

Part Six: proposes the amendment of the Road Transport Act, No. 7 of 2003 in section 2.

Part Seven: proposes the amendment of the Vocational Training Act, No. 11 of 2007 in section 27.

Part Eight: proposes the amendment of the Finance (Public Revenue Management) Act, No. 9 of 2015 in section 20 and adding new sections 20A.

ZANZIBAR
12th June, 2023

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

