

THE UNITED REPUBLIC OF TANZANIA

SPECIAL SUPPLEMENT

No. 3

30th June, 2018

to the Special Gazette of the United Republic of Tanzania No. 6 Vol. 99 dated 30th June, 2018
Printed by the Government Printer, Dar es Salaam by Order of Government

GOVERNMENT NOTICE NO. 282A published on 30/06/2018

THE TAX ADMINISTRATION ACT
(CAP.438)

ORDER

(Made under section 70(2))

THE TAX ADMINISTRATION (REMISSION OF INTEREST
AND PENALTY) ORDER, 2018

- Citation 1. This order may be cited as The Tax Administration (Remission of Interest and Penalty) Order, 2018.
- Duration 2 This Order shall come into effect on 1st July, 2018 and expire on 31st December, 2018.
- Application 3. This Order shall apply to taxes, levies and duties arising out of tax laws administered by the Tanzania Revenue Authority.
- Interpretation 4. In this Order, unless the context otherwise requires:
"Act" means The Tax Administration Act;
"assessment" has the meaning ascribed to it under the Act;
"Commissioner General" means the Commissioner-General appointed under the Tanzania Revenue Authority Act;
"eligible tax" means taxes, levies or duties emanating from a tax law administered by Tanzania Revenue Authority except:-
- Cap.438

Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (contd.)

- (a) East African Community Customs Management Act, 2004;
- (b) taxes, levies, duties or fees collected on behalf of local government authorities, other institutions or agencies arising out of non-tax laws administered by the Tanzania Revenue Authority;

“eligible person” means a person who has:-

- (a) filed a tax return in respect of an eligible tax but has not paid the whole or part of the tax due;
- (b) not filed a return in respect of an eligible tax and has not paid the whole or part of the eligible tax;
- (c) not applied for taxpayer identification number or any required registration;
- (d) filed an objection to the Commissioner General; or
- (e) a pending case in the Tax Revenue Appeals Board, Tax Revenue Appeals Tribunal or Court of Appeal of Tanzania.

“tax” has the meaning ascribed to it under the Act or any other tax law;

“interest” has the meaning ascribed to it under the Act or a respective tax law;

“penalty” has the meaning ascribed to it under the Act or a respective tax law;

Provided that any other term used in this Order shall have the meaning ascribed to it under the Tax Administration Act, 2015.

Power of the
Commissioner
General to remit
interest or penalty

5. The Commissioner General may remit the whole of interest or penalty in respect of eligible tax payable by an eligible person where the eligible person or his duly authorised representative has in his application:-

- (a) voluntarily disclosed or affirmed his tax liability;
- (b) agreed in writing within the validity period of this Order to pay the principal tax within the financial year 2018/19; and
- (c) agreed to finally conclude his tax liability without any further grievance or dispute.

Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (contd.)

Return

6.-(1) The Commissioner General may require a person who has voluntarily disclosed unpaid eligible tax to file a return or returns in respect of disclosed taxes.

(2) The Commissioner General may assess the tax liability of the eligible person in such manner as the Commissioner General may deem reasonable in accordance with the available information.

Eligible taxes

7. This Order shall only apply to eligible taxes payable by an eligible person.

Exclusion

8. This Order shall not apply to a person:-

(a) who may otherwise be an eligible person but who has already paid the eligible tax;

(b) whose tax affairs are being audited or investigated by the Commissioner General in respect of an eligible tax for the period under audit or investigation;

(c) who has been convicted of fraud by a court in respect of an eligible tax;

(d) who has been convicted of a transnational organized crime, including money laundering, human trafficking, poaching, economic sabotage, corruption, drug trafficking or involvement in terrorism;

(e) whose assessment is a result of an EFD or other offence which has been compounded; or

(f) whose assessment emanates from an offence involving willful or fraudulent omission or commission under a tax law.

Application for remission

9.-(1) Any eligible person who has a tax liability in respect of an eligible tax may lodge an application in a prescribed form to the Commissioner General stating:-

(a) the amount of principal tax payable; and

(b) the amount of interest or penalty to be remitted.

(2) Subject to paragraph(1), the eligible person who applies for remission under this Order shall provide further information as specified in the prescribed form.

(3) Notwithstanding paragraphs (1) and (2), an application lodged under this paragraph shall be submitted on or before 30th November, 2018.

Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (contd.)

(4) The prescribed form referred under paragraph (1) is form number ITX207.01.E as provided in the schedule to this Order.

Determination

10.-(1) The Commissioner General may only determine an application filed to him within the tenure of this Order.

(2) The Commissioner General may determine an application received by him within thirty days from the date of receipt.

Settlement
Agreement

11.-(1) Where the Commissioner General agrees with the application done by an eligible person, the Commissioner General and the eligible person shall sign a settlement agreement for payment of the principal amount of the eligible tax.

(2) The settlement agreement referred in paragraph (1) shall include the following:-

- (a) material facts of the default on which the remission application is based;
- (b) the total amount payable by the eligible person prior to the grant of the remission under this Order separately indicating principal tax, interest and penalties;
- (c) payment arrangements and due dates; and
- (d) the commitment of the Commissioner General and the eligible person to comply with the conditions of the settlement agreement.

(3) The commitment referred to in paragraph (2) shall include finality and conclusiveness of the tax liability or assessment.

(4) Once a settlement agreement under this paragraph has been finally executed by both parties, it shall be conclusive evidence that the tax liability or assessment referred to therein has been finally and conclusively settled in terms of section 15 of The Tax Revenue Appeals Act.

Cap.408

Rescission

12. Where an eligible person, who has been granted with a remission under this Order, fails to implement any of the terms of the settlement agreement, the Commissioner General shall rescind the settlement agreement and proceed to demand the eligible tax as if no remission was granted

Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (contd.)

False or fraudulent representations

13. Where a settlement agreement has been entered on influence of false or fraudulent representation, it shall remain to be void and may be rescinded by the Commissioner General.

Offence

14. An eligible person or any person who uses false or fraudulent acts or omissions, commits an offence under the Act and upon conviction shall be liable to a relevant penalty as provided under the relevant provisions of the Act relating to violation of the provisions of the Act or commission of false or fraudulent misrepresentations as the case may be.

Tax Administration (Remission of Interest and Penalty)

GN. No. 282A (contd.)

Title: Mr Mrs Ms

First Name

Middle Name

Surname

Position

SignatureDate

Day

Month

Year

To be submitted in triplicate

FOR OFFICIAL USE ONLY

Remarks by the Officer:

.....
.....
.....

.....
Full Name Signature Date

Remarks by the Manager:

.....
.....

.....
Full Name Signature Date

DECISION BY COMMISSIONER GENERAL

I,.....Commissioner General, approve /do not approve the application and direct that, Tshsbeing the principal amount of the eligible tax be paid by the applicant by.....

Tshs.....being interest /penalty is here by remitted.

Signature.....

Date:.....

Dodoma,
30th June, 2018

PHILIP I. MPANGO,
Minister for Finance and Planning