

THE FINANCE ACT, 2009

ARRANGEMENT OF PARTS

PART I

PRELIMINARY PROVISIONS

<i>Section</i>	<i>Title</i>
PART I	PRELIMINARY PROVISIONS
PART II	AMENDMENT OF THE AIRPORT SERVICE CHARGE ACT, CAP. 365
PART III	AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT, CAP. 147
PART IV	AMENDMENT OF THE INCOME TAX ACT, CAP. 332
PART V	AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT, CAP. 290
PART VI	AMENDMENT OF THE STAMP DUTY ACT, CAP.189
PART VII	AMENDMENT OF THE PORT SERVICE CHARGE ACT, CAP. 264
PART VIII	AMENDMENT OF THE VALUE ADDED TAX ACT, CAP. 148
PART IX	AMENDMENT OF THE BANK OF TANZANIA ACT, CAP. 197

THE UNITED REPUBLIC OF TANZANIA



NO. 14 OF 2009

I ASSENT,

Jakaya Msho Kikwete
President

29th June, 2009

**An Act to impose and alter certain taxes, duties, fees and
to amend certain written laws relating to the
collection and management of public revenues.**

ENACTED by Parliament of the United Republic of Tanzania.

PART I
PRELIMINARY PROVISIONS

1. This Act may be cited as the Finance Act, 2009. Short
title
2. The provisions of various parts of this Act shall, unless it is otherwise provided, be deemed to have come into operation on the 1st day of July, 2009. Com-
mence-
ment

PART II
AMENDMENT OF THE AIRPORT SERVICE CHARGE ACT, (CAP. 365)

3. This Part shall be read as one with the Airport Service Charge Act, hereinafter referred to as the "principal Act". Constru-
tion
Cap. 365

Addition of Section 10A 4. The principal Act is amended by adding immediately after section 10 the following new section:

"Electronic evidence 10A. A court or any other quasi-judicial body shall accept a copy of a book, document, record or an extract thereof collected or procured in pursuance of section 10 as conclusive evidence of the nature and contents of an electronic document unless the contrary is proved".

PART III

AMENDMENT OF THE EXCISE (MANAGEMENT AND TARIFF) ACT, (CAP. 147)

Construction Cap.147 5. This Part shall be read as one with the Excise (Management and Tariff) Act hereinafter referred to as the "principal Act".

Amendment of Section 2 6. The principal Act is amended in section 2 by inserting the following new definition in its appropriate alphabetical order: "document" means a statement made in writing, including an account, assessment, book, certificate, claim, note, notice, order, return, record, entry, stock, declaration or ruling kept either in paper form or in electronic form;"

Amendment of Section 71 7. The principal Act is amended in section 71 by adding immediately after subsection (5) the following new subsection:

"(6). A court or any quasi-judicial body shall accept a copy of the authorized record under subsection (2) as an evidence of the nature and contents thereof even if such record is kept in electronic form."

Amendment of Section 112 8. The principal Act is amended in section 112 by- (a) adding immediately after subsection (1) the following new subsections-

"(2) An electronic document shall be considered lodged by a person and received by the Commissioner-General under this Act where a document registration number is created by using the person's authentication code.

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Heading No.

22.02

(3) An electronic document shall be considered served on a person by the Commissioner-General under this Act where a document registration number is created and the record is capable of being accessed by using the person's authentication code."

(b) by renumbering subsection (2), (3), (4) and (5) as subsection (4), (5), (6) and (7).

9. The principal Act is amended in section 124 by deleting subsection (4) and substituting for it the following:-

Amend-
ment of
Section 124

"(4) For the purpose of subsection (2), "dutiable value" means, in relation to -

(a) the use of a mobile phone, the amount payable for any airtime service supplied in relation to the use of a mobile phone; and

(b) a prepaid airtime, the face value of the voucher at a sale."

10. The Fourth Schedule to the principal Act is amended by deleting the rates of the excise duty imposed on certain items and substituting for them the following new rates:

Amend-
ment of
the Fourth
Schedule

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
22.02		Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09.		
	2202.10.00	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	l	Tshs. 58.00 per litre
	2202.90.00	-Other	l	Tshs. 58.00 per litre

6 No. 14

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No. 14

Heading No.	H.S. Code No.	Description	Unit	Excise Rate	Heading No
22.03		Beer made from malt			
	2203.00.10	— Stout and poter	l	Tshs. 354.00 per litre	22.06
	2203.00.90	— Other	l	Tshs. 354.00 per litre	
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.			
		- Sparkling wine			
	2204.10.90	—other	l	Tshs. 1,132.00 per litre	22.08
		- Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:	l	Tshs. 1,132.00 per litre	
		— In containers holding 2 l or less			
	2204.21.90	— Other	l	Tshs. 1,132.00 per litre	
	2204.29.90	— Other	l	Tshs. 1,132.00 per litre	
		- Other grape must			
	2204.30.90	—other	l	Tshs. 1,132.00 per litre	
22.05		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.			
		- In containers holding 2 l or less			
	2205.10.90	— Other	l	Tshs. 1,132.00 per litre	

Heading No	H.S. Code No	Description	Unit	Excise Rate
	2205.90.90	— Other	l	Tshs. 1,132.00 per litre
154.00				
3	22.06	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.		
154.00				
3				
	2206.00.30	— Beer made from 100% local unmalted cereals	l	Tshs. 209.00 per litre
00 per	22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.		
00 per				
	2208.20.00	- Spirits obtained by distilling grape wine or grape marc	l	Tshs. 1,678.00 per litre
	2208.30.00	- Whiskies	l	Tshs. 1,678.00 per litre
00 per				
	2208.40.00	- Rum and other spirits obtained by distilling fermented sugar-cane products	l	Tshs. 1,678.00 per litre
00 per				
	2208.50.00	- Gin and Geneva	l	Tshs. 1,678.00 per litre
00 per				
	2208.60.00	- Vodka	l	Tshs. 1,678.00 per litre
	2208.70.00	- Liqueurs and cordials	l	Tshs. 1,678.00 per litre
		- Other:		
00 per				

Heading No	H.S. Code No	Description	Unit	Excise Rate
	2208.90.10	— Distilled Spirits (e.g., Konyagi, Uganda Waragi)	l	Tshs. 1,678.00 per litre
	2208.90.90	— Other	l	Tshs. 1,678.00 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.		
		- Cigarettes containing tobacco:		
	2402.20.10	—without filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 5,749.00 per mil
	2402.20.90	—with filter tip and containing domestic tobacco exceeding 75%	mil	Tshs. 13,564.00 per mil
		— Other	mil	Tshs. 24,633.00 per mil
24.03		Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences.		
		— Smoking tobacco, whether or not containing tobacco substitutes in any proportion		
	2403.10.10	—cut rag/filler	kg	Tshs. 12,441.00 per kg

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PART IV

AMENDMENT OF THE INCOME TAX ACT, (CAP. 332)

11. This Part shall be read as one with the Income Tax Act hereinafter referred to as the "principal Act".

Construction
Cap.332

12. The principal Act is amended by adding the following new section after section 136:

Addition
of section
136A

"Elec-
tronic
document

136A.—(1) An electronic document shall be considered filed by a person and received by the Commissioner under this Act when a document registration number is created using the person's authentication code.

(2) An electronic document shall be considered served on a person by the Commissioner under this Act when a document registration number is created and the document is capable of being accessed by using the person's authentication code."

13. The principal Act is amended by adding the following new section after section 139:

Addition
of section
139A

"Elec-
tronic
evidence

139A. A court or any other *quasi-judicial* body shall accept a copy of a book, document, record or an extract thereof collected or procured in pursuance of sections 138 or 139 as conclusive evidence of the nature and the contents of an electronic document unless the contrary is proved".

14. The First Schedule to the principal Act is amended in sub-paragraph (2) of paragraph 3 by deleting the words "thirty five" and substituting for them the word "thirty".

Amend-
ment of
the First
Schedule

PART V

AMENDMENT OF THE LOCAL GOVERNMENT FINANCES ACT, (CAP. 290)

15. This Part shall be read as one with the Local Government Finances Act, hereinafter referred to as the "principal Act" and shall come into operation on the 1st day of July, 2010.

Construc-
tion
Cap.290

16. The Schedule to the principal Act is amended by deleting the contents of item 1 and substituting for them the following:

Amend-
ment of
the
Schedule

09

Rate

8.00 per

s.
78.00 per

s.
49.00 per

s.
564.00 per

s.
333.00 per

hs.
441.00 per

- 1. Produce Cess on buyers:**
- (a) Crop cess - cap 3% of farm gate price; ● a cess in excess of 3%
 - (b) Forest produce cess - cap 5% of farm gate price or by volume at source on sales of timber, charcoal, logs, mirunda, firewood, poles and thieses (fito)" ● cess sellers ● cess on timber products e.g. furniture and the like

PART VI
AMENDMENT OF THE STAMP DUTY ACT, (CAP. 189)

Construction Cap. 189
Amendment of section 2

17. This Part shall be read as one with the Stamp Duty Act, hereinafter referred to as the "principal Act".

18. The principal Act is amended in section 2 by inserting the phrase "in a paper or electronic form" at the end of the definition of the term "instrument".

PART VII
AMENDMENT OF THE PORT SERVICE CHARGE ACT, CAP. 264

Construction Cap. 264
Addition of section 10A

19. This Part shall be read as one with the Port Service Charges Act hereinafter referred to as the "principal Act".

20. The principal Act is amended in section 10 by adding the following new section:

"Electronic evidence
10A. A court or any other *quasi-judicial* body shall accept a copy of a book, document, record or an extract thereof collected or procured in pursuance of section 10 as conclusive evidence of the nature and the contents of an electronic document unless the contrary is proved".

PART VIII
AMENDMENT OF THE VALUE ADDED TAX ACT, (CAP. 148)

Construction Cap 148

21. This Part shall be read as one with the Value Added Tax Act, hereinafter referred to as the "principal Act".

22. The principal Act is amended in section 2 by inserting in the appropriate alphabetical order the following new definitions:

Amendment of section 2

"document" means a statement in writing, including an account, assessment, book, certificate, claim, note, notice, order, record, return or ruling kept either in paper form or electronic form; and

"lodge" in relation to a document, means filing or the furnishing of a document and includes an act of doing so by electronic means;"

23. The principal Act is amended in section 8 by deleting the word "twenty (20)" and substituting for it the word "eighteen".

Amendment of section 8

24. The principal Act is amended in section 13 by-

Amendment of section 13

(a) adding the following new subsection (4):

"(4) Notwithstanding the preceding provisions, of this section, the taxable value for prepaid airtime mobile phone voucher shall be the face value of the voucher plus any premium thereon."

(b) renumbering subsections (4) and (5) as subsections (5) and (6).

25. The principal Act is amended in section 26 by -

Amendment of section 26

(a) adding new subsections (4) and (5) as follows:

"Electronic document

(4) An electronic document shall be considered lodged by a person and received by the Commissioner under this Act when a document registration number is created using the person's authentication code.

(5) An electronic document shall be considered served on a person by the Commissioner under this Act when a document registration number is created and the document is capable of being accessed using the person's authentication code."

(b) renumbering subsection (4) as subsection (6).

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Amend-
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section 37

26. The principal Act is amended in section 37 by adding a new subsection (9) as follows:

"(9) A court or any other *quasi-judicial* body shall accept a copy of the authorized document under subsection (7) as conclusive evidence of the nature and the contents of an electronic document unless the contrary is proved".

Amend-
ment of
the
Second
Schedule

27. The Second Schedule to the principal Act is amended -

(a) by deleting the content of item 7 and substituting for it the following:

"7. Transport Services

(1) Transportation of persons by any means of conveyance other than air charter, taxi cabs, rental cars, boats or boat charters.

(2) The supply of service for loading and offloading of imported goods to a locally plying ship provided that VAT on offloading service of imported goods from foreign coming ship have been paid."

(b) by deleting the contents of item 8 and substituting for them the following:

"8. Housing and Land

(1) The sale or lease of an interest in land but shall not include a building thereon.

(2) The selling of used or leasing of residential buildings by the National Housing Corporation or the Tanzania Building Agency".

(c) in item 19 by:

- (i) deleting the phrase " and specified cash register"; and
- (ii) adding a full stop immediately after the word "thereto".

(d) by deleting item 27 and substituting for it the following new item:

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"27. Agricultural services

The Supply of services of land preparation, cultivation, planting and harvesting of crops."

(e) by adding a new item 28 as follows:

"28. Dairy, dairy products and equipment

Heat insulated cooling tanks and aluminium jerry cans."

(f) by adding a new item 29 as follows:

"29. Services relating to mobile phones

(1) Supply of service of transferring a prepaid mobile phone airtime voucher from a dealer other than a service provider to the user of a mobile phone."

(g) by adding a new item 30 as follows:

"30. The Supply of Crude edible oil.

The Supply of Crude edible oil by a local processor to a local edible oil processing plant."

28. The Third Schedule to the principal Act is amended by -

(a) deleting item 8 and substituting for it the following -

"8. The importation by or supply to a registered licensed exploration or prospecting company of goods which, if imported or supplied would be eligible for relief from duty under the customs laws for exclusive use in exploration or prospecting of minerals, petroleum or gas.";

(b) deleting item 8A;

(c) deleting item 9 and substituting for it the following:

"9.-(1) Supply of specified goods for sale in the Armed Forces duty free shops.

(2) The Armed Forces duty free shops shall -

(a) be required to submit to the Authority their annual plans detailing quantities of goods to be procured before commencement of Government fiscal year; and

(b) account for utilized relief on goods procured."

Amend-
ment of
the Third
Schedule

- (d) deleting the content of item 15 and substituting for it the following:

"15. The importation by or supply of goods and services for water and sewerage infrastructure development to water and sewerage authorities and institutions or scheme or agent or concessionaire thereof contracted for purpose of providing water and sewerage services to public in the urban and rural areas."

Applica-
tion of
amend-
ment to
item 18

29.-(1) Item 18 of the Third Schedule is amended by deleting the words "pharmaceutical products and".

(2) The disapplication of "Special Relief" to pharmaceutical products intended to under subsection (1) shall come into effect on the 1st day of January 2010.

PART IX

AMENDMENT OF THE BANK OF TANZANIA ACT, (Cap.197)

Construc-
tion
Cap. 197

30. This Part shall be read as one with the Bank of Tanzania Act, hereinafter referred to as the principal Act."

Amend-
ment of
Sections
20 and 21

31. The principal Act is amended -

- (a) in section 20 by adding the following subsection after subsection (6):
"(7) The Bank shall, within three months of the close of the financial year, submit to the Controller and Auditor General accounts for auditing."
(b) in section 21 by deleting the word "three" which appears in subsection (1) and substituting for it the word "six."

Passed in the National Assembly on the 19th June, 2009.

Dr. Thomas D. Kashililah
Clerk of the National Assembly