

THE UNITED REPUBLIC OF TANZANIA

ACT SUPPLEMENT**No. 21****9th October, 2008**

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THE FINANCE ACT, 2008

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THE UNITED REPUBLIC OF TANZANIA



No. 13 of 2008

I ASSENT,

JAKAYA MRISHO KIKWETE,
President

3rd October, 2008

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

ENACTED by Parliament of the United Republic of Tanzania.

PART I

PRELIMINARY PROVISIONS

ENACTED by Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Finance Act, 2008.
2. The provisions of various Parts of this Act shall be deemed to have come into operation on the 1st day of July, 2008.

Short title

Commence-
ment

PART II

AMENDMENT OF THE CAPITAL MARKETS AND SECURITIES ACT, (CAP. 79)

3. This Part shall be read as one with the Capital Markets and Securities Act hereinafter referred to as the "principal Act".

Constitution
Cap.79

Addition
of section
9A

4. The principal Act is amended by adding immediately after section 9 the following new section-

"Powers
of
the
Minister

9A. The Minister shall determine in respect of the Authority, the amount of money which shall remain the property of the Authority for its budgetary purposes and the amount of money which shall be treated as public funds to be credited to the Consolidated Fund."

PART III

AMENDMENT OF THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY ACT, (CAP. 413)

Constru-
ction
Cap. 413

5. This Part shall be read as one with the Energy and Water Utilities Regulatory Authority Act hereinafter referred to as the "principal Act."

Addition
of
Section
49A

6. The principal Act is amended by adding immediately after section 49 the following new section-

"Powers
of the
Minister
respon-
sible for
finance

49A.—(1) Upon approval of any annual or supplementary budget, under section 49, the Minister shall cause the budget to be submitted to the Minister responsible for finance.

(2) Subject to subsection (1), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds and credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART IV

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

Constru-
ction
Cap. 147

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

Amend-
ment of
section
124

8. The principal Act is amended in subsection (2) of section 124 by deleting the phrase "rate of 7%" and substituting for it the phrase "rate of 10%".

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

"FOURTH SCHEDULE"

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
		- Sparkling wine		
22.01	2204.10.90	--other	l	Tshs. 1,053.00 per litre
		Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.		
		- Mineral waters and aerated waters	l	
22.02	2201.10.90	---Other, including club soda	l	Tshs. 54.00 per litre
		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. 54.00 per litre
	2202.90.00	-Other	l	Tshs. 54.00 per litre
22.03		Beer made from malt		
	2203.00.10	--- Stout and porter	l	Tshs. 329.00 per litre
	2203.00.90	--- Other	l	Tshs. 329.00 per litre
22.04		Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09.		

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2008

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
		- Sparkling wine		
	2204.10.90	--other	l	Tshs. 1,053.00 per litre
		- Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:		
		-- In containers holding 2 l or less		
	2204.21.90	--- Other	l	Tshs. 1,053.00 per litre
	2204.29.90	--- Other	l	Tshs. 1,053.00 per litre
		- Other grape must		
	2204.30.90	--other	l	Tshs. 1,053.00 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. 1,053.00 per litre
	2205.90.90	--- Other	l	Tshs. 1,053.00 per litre
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.		
	2206.00.30	----Beer made from 100% local unmalted cereals	l	Tshs. 194.00 per litre

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.		
	2208.20.00	- Spirits obtained by distilling grape wine or grape marc	l	Tshs. 1,561.00 per litre
	2208.30.00	- Whiskies	l	Tshs. 1,561.00 per litre
	2208.40.00	- Rum and other spirits obtained by distilling fermented sugar-cane products	l	Tshs. 1,561.00 per litre
	2208.50.00	- Gin and Geneva	l	Tshs. 1,561.00 per litre
	2208.60.00	- Vodka	l	Tshs. 1,561.00 per litre
	2208.70.00	- Liqueurs and cordials	l	Tshs. 1,561.00 per litre
		- Other:		
	2208.90.10	--- Distilled Spirits (e.g., Konyagi, Uganda Waragi)	l	Tshs. 1,561.00 per litre
	2208.90.90	--- Other	l	Tshs. 1,561.00 per litre
24.02		Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.		
		- Cigarettes containing tobacco:	mil.	
	2402.20.10	---without filter tip and containing domestic tobacco exceeding 75%	mil.	Tshs. 5,348.00 per mil
	2402.20.20	---with filter tip and containing domestic tobacco exceeding 75%	mil.	Tshs. 12,618.00 per mil
	2402.20.90	--- Other	mil.	Tshs. 22,915.00 per mil

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
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. 11,573.00 per kg
27.10		- Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than waste oils:		
		--- Residual oils:		
	2710.19.41	---- Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 125 centistrokes	l	Tshs. 97.00 per litre
	2710.19.42	---- Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 180 centistrokes	l	Tshs. 97.00 per litre
	2710.19.43	---- Residual fuel oils (marine, furnace and similar fuel oils) of a Kinematic viscosity of 280 centistrokes	l	Tshs. 97.00 per litre
	2710.19.49	---- Other residual fuels	l	Tshs. 97.00 per litre
39.23		Article for the conveyance or packing of goods, of plastics		
		---- Sacks and Bags (including cans)		
	3923.21.00	--of Polymer of ethylene	Kg. 120	
	3923.29.00	--of Polymer of ethylene	Kg. 120	

Heading No.	H.S. Code No.	Description	Unit	Excise Rate
87.03		Motor car and other motor vehicles principally designed for the transport of persons (other than those of heading No. 8702), including station wagons and racing cars.		
		--other vehicles with spark ignition combustion reciprocating piston engine.		
	8703.22.90	---other	u	5%
		--of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc		
	8703.23.01	of a cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc	u	5%
	8703.23.99	---other	u	10%
		---of a cylinder capacity exceeding 3,000 cc		
	8703.24.90	---other	u	10%
		--other vehicles, with compression ignition internal combustion piston engine (diesel or semi-diesel)		
		-- of a cylinder capacity not exceeding 1,500cc	u	
	8703.31.91	--- of a cylinder capacity not exceeding 1,000cc.	u	NIL
	8703.31.99	---other		5%
		-- of a cylinder capacity exceeding 1,500cc but does not exceed 2,500cc		
	8703.32.91	----of a cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc	u	5%
	8703.32.99	----other	u	10%
		--- of a cylinder capacity exceeding 2,500cc	u	5%
	8703.33.90	---other	u	10%.

PART V

AMENDMENT OF THE GAMING ACT, (CAP. 41)

✓ ✗
 Construc-
 tion
 Cap. 41

10. This Part shall be read as one with the Gaming Act hereinafter referred to as the "principal Act".

Addition
 of section
 64A

11. The principal Act is amended by adding immediately after section 64 the following new section-

"Powers
 of the
 Minister

64A. The Minister shall determine in respect of the Board, the amount of money which shall remain the property of the Board for its budgetary purposes and the amount of money which shall be treated as public funds to be credited to the Consolidated Fund."

PART VI

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

✗
 Construc-
 tion
 Cap. 332

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

Amend-
 ment of
 section 3

13. Section 3 of the principal Act is amended by deleting the definition of the word "turnover" and substituting for it the following new definition: "turnover" in relation to a business by a resident person for the year of income, means an amount to be included in calculating the person's income under section 8 without deducting any amount under Subdivision D of Division I of Part II."

Amend-
 ment of
 section 4

14. Section 4 of the principal Act is amended-

(a) in subsection (1) by deleting the whole of paragraph (a) and substituting for it the following-

"(a) who has total income for the year of income or is a corporation which has a perpetual unrelieved loss determined under section 19 for the year of income and the previous two consecutive years of income attributable to tax incentives;"

- (b) in subsection (3) by deleting the whole of paragraph (a) and substituting for it the following-
 - "(a) applying the relevant rates of income tax determined under paragraphs 1, 3(1) or 3(3) of the First Schedule as the case may be, to the person's total income or turnover for the year of income; and."

- (c) by adding immediately after subsection (7) the following new subsection;
 - "(8) The income tax payable by a corporation with perpetual unrelieved loss for three consecutive years of income under paragraph (a) of subsection (1) shall not apply to a corporation conducting agricultural business or engaged in the provision of health or education.

15. The principal Act is amended by adding immediately after section 83 the following new section-

Addition of section 83A

"Withholding of income tax for other goods and services

83A. The Government shall withhold income tax at a rate of 2 per centum of the gross payment in respect of the supply of goods and services to the Government by a resident person who is not a holder of a Tax Identification Number."

16. The principal Act is amended in section 117 by adding immediately after subsection (9) the following new subsection-

Amendment of section 117

- "(10) Where a payer fails to pay an amount of tax specified in appointment notice within thirty days of the date-
 - (a) of service of such notice on him; or
 - (b) on which any money comes into his hands or become due by him to, his tax debtor,
 whichever event is the latter, and the payer has-
 - (i) not given a notification under subsection (6) of this section; or
 - (ii) given such notification which has been rejected by the Commissioner,
 the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery

of such amount as if it were tax due and payable by the payer, the due date for the payment of which was the date upon which such amount should have been paid to the Commissioner under this subsection."

Amendment of section 127

17. The principal Act is amended in section 127 by-

- (a) deleting paragraphs (a) and (b); and
- (b) inserting immediately after the word "to" appearing at the end of the opening words the phrase "remit interest and penalties under section 125(2)."

Amendment of the First Schedule

18. The principal Act is amended in the First Schedule by-

- (a) deleting the personal income tax rates imposed on paragraph 1(1) and substituting for them the following new rates-

"TOTAL INCOME	RATE PAYABLE
Where total income does not exceed TShs.1,200,000/=	NIL
Where total income exceeds TShs.1,200,000/= but does not exceed TShs.4,320,000/=	15% of the amount in excess of TShs.1,200,000/=
Where total income exceeds Tshs. 4,320,000/= but does not exceed Tshs. 6,480,000/=	Tshs. 468,000/= plus 20% of the amount in excess of Tshs. 4,320,000/=
Where total income exceeds Tshs. 6,480,000/= but does not exceed Tshs. 8,640,000/=	Tshs. 900,000/= plus 25% of the amount in excess of Tshs. 6,480,000/=
Where total income exceeds Tshs. 8,640,000/=	Tshs.1,440,000/= plus 30% of the amount in excess of Tshs. 8,640,000/="

(b) adding immediately after subparagraph (2) of paragraph 3 the following new subparagraph:

“(3) Income of a corporation with perpetual unrelieved loss for three consecutive years attributable to tax incentives shall be taxed at the rate of 0.3 per centum of the turnover of the third year of perpetual unrelieved loss.”

19. The principal Act is amended in the Second Schedule by adding immediately after item (t) of paragraph I the following new item—

Amendment of the Second Schedule

“(u) amounts derived from gains on realization of asset by a unit holder on redemption of a unit by a unit trust.”

PART VII

A MENDMENT OF THE LOCAL AUTHORITIES PENSIONS FUND ACT, (CAP. 407)

20. This Part shall be read as one with the Local Authorities Pensions Fund Act hereinafter referred to as the "principal Act".

Construction Cap.407

21. The principal Act is amended by adding immediately after section 4 the following new section-

Addition of section 4A

"The Fund to be an agent of the Government

4A.-(1) The Fund established under section 4 shall be an agent of the Government for the purpose of effecting payment of terminal benefits to retirees on behalf of the Government.

(2) The Government shall remit to the Fund such amount of funds as would be sufficient to pay insured persons entitled to commuted pension gratuity and who, prior to becoming members of the Fund, were Government employees.

(3) Payment of benefits under this section shall be effected in accordance with the procedures of the Government and shall not prejudice benefits otherwise enjoyable under the Act.

(4) The Fund and the Government shall enter into an agency agreement for purposes of stipulating procedures and modalities for carrying out responsibilities of an agent and the Government.

(5) The Government shall-

- (a) pay to the Fund an agency fee and initial cost at a rate or amount to be agreed between the Fund and the Government as stipulated in the agreement; and
- (b) quarterly or monthly in advance, remit to the Fund such funds that would be paid out as pensions for the pensioners or their beneficiaries."

PART VIII

✓ **AMENDMENT OF THE MOTOR VEHICLES (TAX ON REGISTRATION AND TRANSFER) ACT, (CAP. 124)**

Construction
Cap. 124

22. This Part shall be read as one with the Local Authorities Pensions Fund Act hereinafter referred to as the "principal Act".

Amendment of the First Schedule

23. The First Schedule to the principal Act is amended by-

- (a) deleting the phrase "ninety thousand shillings (Shs. 90,000/=)" appearing at the end of paragraph (3) and substituting for it the phrase "one hundred twenty thousand shillings (Shs. 120,000/=)";
- (b) adding immediately after paragraph (3) the following new paragraph-
 "(4) In case of a motor-cycle, thirty five thousand shillings (35,000/=)".

PART IX

AMENDMENT OF THE NGORONGORO CONSERVATION AREA ACT, (CAP. 284)

Construction
Cap. 284

24. This Part shall be read as one with the Ngorongoro Conservation Area Act hereinafter referred to as the "principal Act".

Amendment of section 13

25. The principal Act is amended in subsection (7) of section 13 by inserting immediately after the word "shall" appearing in the second line the phrase "subject to section 13A."

Addition of section 13

26. The principal Act is amended by adding immediately after section 13 the following section-

"Powers of the Minister responsible for finance

13A.-(1) Upon approval of annual or supplementary budget under section 13, the Minister shall cause such budget to be submitted to the Minister responsible for finance for approval.

(2) Subject to subsection (1), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds to be credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART X

AMENDMENT OF THE NATIONAL PARKS ACT, (CAP. 282)

27. This Part shall be read as one with the National Parks Act, hereinafter referred to as the "principal Act".

Construction
Cap. 282

28. The principal Act is amended in subsection (7) of section 10 by inserting immediately after the word "shall" appearing in the second line the phrase "subject to section 10A".

Amendment of
section
10

29. The principal Act is amended by adding immediately after section 10 the following new section-

Addition
of section
10A

"Powers
of the
Minister
responsible
for
finance

10A-(1) Upon approval of annual or supplementary budget under section 10, the Minister shall cause the budget to be submitted to the Minister responsible for finance.

(2) Subject to subsection (1) the Minister responsible for finance shall determine in respect of the Trustee the amount of money which shall be treated as public funds to be credited to the Consolidated Fund and the amount of money which shall remain as funds of the Trustees for its budgetary purposes."

PART XI

AMENDMENT OF THE PARASTATAL ORGANISATIONS PENSIONS SCHEME ACT,
(CAP. 372)

30. This Part shall be read as one with the Parastatal Organisations Pensions Scheme Act hereinafter referred to as the "principal Act".

Construction
Cap. 372

31. The principal Act is amended by adding immediately after section 6 the following new section-

Addition
of section
10A

"The fund to be an agent of the Government

6A.-(1) The Fund established under section 6 shall be the agent of the Government for purposes of effecting payment of pension benefits.

(2) The Government pensioners who shall be subject of payment by the agent shall include-

- (a) pensioners in the Government Pension Register who are in receipt of monthly pension and who had retired before the 1st day of July, 2004;
- (b) pensioners who were reinstated in the Government Pension Register; and
- (c) all employees who are currently contributing to the Fund and who prior to the membership of the Fund were Government employees.

(3) The Government shall remit to the Fund commuted pension, gratuity and monthly pension in respect of employees or their beneficiaries.

(4) The Fund shall enter into an agency agreement with the Government, which shall stipulate the procedures and modalities of carrying out the responsibilities of an agent and the Government.

(5) The Government shall pay to the Fund-

- (a) an agency fee and initial cost at a rate or amount agreed upon between the Fund and the Government; and
- (b) quarterly or monthly in advance, such funds that would be paid out as pensions for pensioners or their beneficiaries."

PART XII

AMENDMENT OF THE PUBLIC SERVICE RETIREMENT BENEFITS ACT, (CAP. 371)

Construction Cap. 371

32. This Part shall be read as one with the Public Service Retirement Benefits Act hereinafter referred to as the "principal Act".

Addition of Section 31A

33. The principal Act is amended by adding immediately after section 31 the following new section-

"The Fund
to be
an agent
of
Govern-
ment

31A.—(1) The Fund established under section 31 shall be an agent of the Government for purposes of payment of terminal benefits to retirees on behalf of the Government.

(2) The retirees to be covered under subsection (1) shall include—

- (a) members of Tanzania Peoples Defence Forces;
- (b) members of Tanzania Intelligence and Security Services;
- (c) public servants who retired by virtue of sections 16 and 17(3) before the first day of July, 2004 and whose terminal benefits are yet to be paid; and
- (d) pensioners whose monthly pension is calculated in accordance with section 20(3).

(3) The Fund and the Government shall enter into an agency agreement for purposes of stipulating procedures and modalities for carrying out the responsibilities of an agent and the Government.

(4) The Government shall—

- (a) pay to the Fund an agency fee and initial cost at a rate or amount to be agreed between the Fund and the Government; and
- (b) quarterly or monthly in advance, remit to the Fund such funds that would be paid out as gratuities and pensions, for the retirees and pensioners or their beneficiaries".

PART XIII

AMENDMENT OF THE PUBLIC PROCUREMENT ACT, (CAP. 410)

34. This Part shall be read as one with the Public Procurement Act hereinafter referred to as the "principal Act".

Construc-
tion
Cap.410

35. The principal Act is amended by adding immediately after section 25 the following new section—

Addition
of
section
25A

"Powers
of the
Minister

25A.-(1) Upon approval of an annual budget or any supplementary budget under section 25 the Board shall submit such budget to the Minister for approval.

(2) Subject to subsection (1), the Minister shall determine in respect of the Authority the amount of money which shall be treated as public funds to be credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART XIV

AMENDMENT OF THE PROVIDENT FUND (GOVERNMENT EMPLOYEES) (CAP. 51)

Constru-
tion
Cap.51

36. This Part shall be read as one with the Provident Fund (Government Employees) Act hereinafter referred to as the "principal Act".

Addition
of section
3A

37. The principal Act is amended by adding immediately after section 3 the following new section-

"The
Fund to
be an
agent of
Govern-
ment

3A.-(1) The Fund established under section 3 shall be an agent of the Government for the purposes of payment of terminal benefits to retirees.

(2) The retirees covered under subsection (1) shall include-

- (a) members of the Police Force and Prisons who have not contributed to the Fund prior to the month of July, 1999 and whose gratuities ought to be paid by the Treasury;
- (b) teachers employed under the contract of service after retirement;
- (c) Members of Parliament, Regional Commissioners and District Commissioners; and
- (d) other Government employees who may be categorized as such.

(3) The Fund shall receive and keep contributions from the Treasury for retirees referred to in subsection (2).

(4) The Fund shall enter into an agency agreement with the Government which shall stipulate procedures and modalities for carrying out responsibilities of an agent and the Government.

(5) The Government shall-

(a) pay to the Fund an agency fee and initial cost at a rate or amount to be agreed upon between the Fund and the Government; and

(b) quarterly or monthly in advance, remit to the Fund such funds that would be paid out as gratuities for the retirees or their beneficiaries."

PART XV

AMENDMENT OF THE PORTS ACT, (CAP. 166)

38. This Part shall be read as one with the Ports Act hereinafter referred to as the "principal Act."

Construc-
tion
Cap.166

39. The principal Act is amended in section 74 by adding immediately after subsection (3) the following new subsections-

Amend-
ment of
section
74

"(4) Upon approval of any annual budget or supplementary budget under this section, the Minister shall cause the budget to be submitted to the Minister responsible for finance .

(5) Subject to subsection (4), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds and credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART XVI

AMENDMENT OF THE SURFACE AND MARINE TRANSPORT REGULATORY
AUTHORITY ACT, (CAP. 413)

Construc-
tion
Cap. 413

40. This Part shall be read as one with the Surface and Marine Transport Regulatory Authority Act hereinafter referred to as the "principal Act."

Amend-
ment of
section
47

41. The principal Act is amended in section 47 by adding immediately after subsection (5) the following new subsections—

"(6) Upon approval of annual or supplementary budget the Minister shall cause the budget to be submitted to the Minister responsible for finance.

(7) Subject to subsection (6), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds to be credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART XVII

AMENDMENT OF THE TANZANIA CIVIL AVIATION AUTHORITY ACT,
(CAP. 80)

Construc-
tion
Cap.80

42. This Part shall be read as one with the Tanzania Civil Aviation Authority Act hereinafter referred to as the "principal Act."

Amend-
ment of
section
47

43. The principal Act is amended in section 47 by adding immediately after subsection (5) the following new subsections—

"(6) Upon approval of any annual or supplementary budget under this section the Minister shall cause the budget to be submitted to the Minister responsible for finance.

(7) Subject to subsection (6), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds and credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART XVIII

AMENDMENT OF THE TANZANIA COMMUNICATION REGULATORY AUTHORITY
ACT, (CAP. 172)

44. This Part shall be read as one with the Tanzania Communication Regulatory Authority Act hereinafter referred to as the "principal Act." Amend-
ment
of section
47

45. The principal Act is amended in section 54 by adding immediately after subsection (5) the following new subsections- Amend-
ment
of
section
54

"(6) Upon approval of any annual or supplementary budget, under this section the Minister shall cause the budget to be submitted to the Minister responsible for finance.

(7) Subject to subsection (6), the Minister responsible for finance shall determine in respect of the Authority the amount of money which shall be treated as public funds to be credited to the Consolidated Fund and the amount of money which shall remain as funds of the Authority for its budgetary purposes."

PART XIX

AMENDMENT OF THE TANZANIA FOOD, DRUGS AND COSMETICS ACT, (CAP.
219)

46. This Part shall be read as one with the Tanzania Food, Drugs and Cosmetics Act hereinafter referred to as the "principal Act). Constru-
ction
Cap.219

47. The principal Act is amended in section 7- Amend-
ment of
section 7

(a) in subsection (4), by inserting immediately after the word "shall" appearing in the second line the phrase, " subject to subsection (4A)";

(b) by adding immediately after subsection (4) the following new subsection-

"(4A) The Minister responsible for finance shall, determine in respect of the Authority, the amount of funds which shall be treated as funds of the Authority for its budgetary purposes to be kept in the General Fund and the amount of money which shall be treated as public funds to be credited to the Consolidated Fund."

PART XX

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

Constru-
ction
Cap. 148

48.—(1) This Part shall be read as one with the Value Added Tax Act hereinafter referred to as the "principal Act".

(2) Amendment of the First Schedule to the principal Act under paragraph (a) of section 49 shall come into operation on the 1st day of January, 2009.

Amend-
ment of
the First
Schedule

49. The First Schedule to the principal Act is amended—
(a) by deleting the whole notes appearing immediately after item 2 and substituting for it the following—

"Notes

For the purposes of item 1 and 2—

- (a) goods are treated as exported from the United Republic of Tanzania if they are delivered or made available to an address outside the United Republic of Tanzania as evidenced by documentary proof acceptable to the Commissioner;
- (b) all supplies of services are treated as being supplied in the place where the supplier belongs as defined in subsection (4) of section 7 except supplies of services, which may be treated as exported, subject to documentary proof acceptable to the Commissioner as follows—
 - "(i) the supply of services and ancillary services relating to cultural, artistic, sporting, scientific, educational, entertainment, fairs and exhibitions, including the supply of services of organizers of such activities shall be treated as being exported only when such services are physically carried out outside the United Republic of Tanzania;
 - (ii) the supply of service of valuation of, and work on movable tangible property shall be treated as being exported only when such services are

- physically carried out outside the United Republic of Tanzania;
- (iii) the supply of ancillary transport activities such as loading and unloading, handling and similar activities shall be treated as being exported only when such services are physically carried out outside the United Republic of Tanzania;
 - (iv) the supply of services connected with immovable property, including-
 - (a) the services of experts and estate agents;
 - (b) the provision of accommodation in the hotel sector or in sectors with a similar function such as holiday camps or sites developed for use as camping sites;
 - (c) the granting of rights to use immovable property and services for the preparation and coordination of construction work, such as the services of architects and of firms providing on-site supervision,shall be treated as being exported only when the immovable property is located outside the United Republic of Tanzania;
 - (v) the supply of services rendered by an intermediary acting in the name and on behalf of another person shall be treated as being exported only when the underlying transaction is supplied outside the United Republic of Tanzania;
 - (vi) the supply of services of consultants, engineers, lawyers, accountants and other similar services, as well as data processing and the provision of information, shall be treated as being exported only when such services are supplied to a person other than a related person who is established or has his permanent address or usually resides outside the United Republic of Tanzania, provided that such services are not related to business established or to be established in the United Republic of Tanzania;

(vii) the supply of telecommunication services, radio and television broadcasting services shall be treated as being exported only if effective enjoyment of such services takes place outside the United Republic of Tanzania."

(b) by adding immediately after item 12 the following new item-
"13. The supply of sacks by a local manufacturer of sacks".

Amend-
ment of
the
Second
Schedule

50. The Second Schedule to the principal Act is amended by-

(a) adding immediately after item 12 (3) the following sub-item-

"(4) Bitumen";

(b) adding immediately after item 24 the following new items-

"25. Burning Jelly-

The supply of jelly oil used as burning energy.

26. Natural Gas-

Compressed Natural Gas (CNG) and CNG cylinders"

27. The services supplied by a registered sugarcane growers association to its members for land preparation, cutting, loading, unloading and transportation of sugarcane from farms to sugar manufacturing factories."

Amend-
ment of
the Third
Schedule

51. The Third Schedule to the principal Act is amended as follows-

(a) in item 2 by-

(i) designating it as sub-item (1);

(ii) adding immediately after sub-item (1) the following new sub-item-

"(2) The relief granted under sub-item (1) shall limit the number of non-utility vehicles to the satisfaction of the Commissioner in relation to project plan submitted".

(b) in item 10 by-

(i) deleting the phrase "in the execution of its functions and" appearing immediately after the word "question" of sub-item (1)(b).

- (ii) deleting sub-item (4) and substituting for it with the following new sub-item—

“(4) Notwithstanding the provisions of paragraphs (b) and (c), the special relief provided thereby shall not include motor vehicles and household consumables”.

- (iii) adding immediately after sub-item (4) the following sub-items:

“(5) The relief under this item shall be granted upon submission of the proof that the goods or services relieved are to be wholly and exclusively used for the purpose of the project.

(6) The registered religious charitable community based or other non-profit driven organization or institution shall be required to submit to the Authority their annual plans detailing each of the projects intended for implementation before the commencement of the Government fiscal year.

(7) The registered religious, charitable community based or other non-profit driven organization or institution shall be obliged to account for the utilized relief on goods or services.”;

- (c) by deleting items 11, 17 and 20;
- (d) in item 13, by deleting the phrase "holding a special agreement with the Government of the United Republic of Tanzania or" and
- (e) by adding immediately after item 29 the following new item—
- “30. The importation of ethanol, dyestuff and thickening agent by a local manufacturer of burning jelly.”

Passed in the National Assembly on the 27th August, 2008

DR. THOMAS D. KASHILLILAH,
Acting Clerk of the National Assembly