**Types of Direct Taxes Imposed by Tanzania Revenue Authority (TRA):**

**1. Personal Income Tax (PIT):**

Definition: PIT is a direct tax levied on the income of individuals, encompassing earnings from employment, business profits, and other personal income sources. Applicability: Individuals are subject to PIT based on their total income, with varying rates depending on income levels.

**2. Corporate Income Tax (CIT):**

Definition: CIT is a direct tax imposed on the profits generated by registered companies and corporations operating within Tanzania. Applicability: Companies and corporations are obligated to pay CIT, and the tax rate is determined by their annual taxable income.

**3. Capital Gains Tax:**

Definition: Capital Gains Tax is a direct tax applied to the gains realized from the sale of capital assets like real estate, securities, or businesses. Applicability: Both individuals and businesses are subject to this tax when they realize gains from the sale of specified assets.

**4. Withholding Tax:**

Definition: Withholding Tax is deducted at the source of payment, applicable to various transactions including dividends, interest, royalties, and specific services. Applicability: Service providers are subject to withholding tax on payments for professional and technical services. Dividend recipients experience withholding tax on their earnings. Payments of interest and royalties to nonresidents may incur withholding tax.

**5. Pay As You Earn (PAYE):**

Definition: PAYE is a direct tax collected at the source from employees' salaries by employers, ensuring a systematic collection of income tax. Applicability: Employees bear the PAYE burden, as employers deduct it from their salaries, contributing to regular income tax payments.

**Types of Indirect Taxes Charged by TRA:**

**1. Value Added Tax (VAT):**

Definition: VAT is an indirect consumption tax imposed at each stage of the production and distribution chain, capturing the value added to goods and services. Applicability: Consumers bear the ultimate burden of VAT, paying the tax on purchased goods and services.

**2. Excise Duty:**

Definition: Excise Duty is an indirect tax applied to specific goods and services, typically considered nonessential or harmful, such as alcohol, tobacco, and luxury items. Applicability: Manufacturers and importers shoulder the responsibility for paying excise duty, and the cost is often transferred to consumers through increased prices.

**3. Import Duty:**

Definition: Import Duty is an indirect tax imposed on goods imported into Tanzania, serving as a revenue source and a means to regulate imports. Applicability: Importers are liable for paying import duty, calculated as a percentage of the value of the imported goods.

**4. Stamp Duty:**

Definition: Stamp Duty is an indirect tax levied on various legal documents, contracts, and transactions, both commercial and noncommercial. Applicability: Parties involved in transactions, such as buyers and sellers, are responsible for paying stamp duty.

**5. Environmental Levy:**

Definition: Environmental Levy is an indirect tax introduced to address environmental concerns, imposed on specified goods and services with potential adverse effects on the environment. Applicability: Producers and importers of specified goods bear the responsibility for paying the environmental levy.

**6. Tourist Tax:**

Definition: Tourist Tax is an indirect tax applied to services provided to tourists, contributing to revenue from the tourism sector. Applicability: Service providers in the tourism sector, including hotels, tour operators, and recreational facilities, are responsible for paying tourist tax.