

Taxes on arts, entertainment, and recreation sector

Here is a comprehensive list of taxes, levies, duties, and customs that businesses in the arts, entertainment, and recreation sector in Tanzania might be obliged to pay. Each item includes a description, the applicable law, the rate at which it is charged, and an example of how it is calculated:

1. Pay As You Earn (PAYE)

- **Description:** Tax withheld from employee salaries.
- **Law:** Income Tax Act, 2004.
- **Rate:** Progressive rates up to 30%.
- **Example Calculation:** For an employee earning TZS 1,000,000 per month:
 - Calculation: $\text{PAYE} = \text{TZS } 82,500 + 25\% \text{ of the amount exceeding TZS } 720,000.$

2. Corporate Income Tax

- **Description:** Tax on the taxable income of businesses in the arts, entertainment, and recreation sector.
- **Law:** Income Tax Act, 2004.
- **Rate:** 30% of taxable income.
- **Example Calculation:** If a sports club has a taxable income of TZS 50,000,000:
 - Calculation: $\text{Corporate Income Tax} = 30\% \times \text{TZS } 50,000,000 = \text{TZS } 15,000,000.$

3. Value Added Tax (VAT)

- **Description:** Tax on goods and services sold by businesses in the arts, entertainment, and recreation sector.
- **Law:** Value Added Tax Act, 2014.
- **Rate:** Standard rate is 18%.
- **Example Calculation:** Ticket sales of TZS 10,000,000 for a concert:
 - Calculation: $\text{VAT} = 18\% \times \text{TZS } 10,000,000 = \text{TZS } 1,800,000.$

4. Skills Development Levy (SDL)

- **Description:** Levy for vocational training.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 20,000,000:
 - Calculation: $\text{SDL} = 4\% \times \text{TZS } 20,000,000 = \text{TZS } 800,000.$

5. Service Levy

- **Description:** Local government charge on services used by businesses in the sector.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Varies by local government authority.
- **Example Calculation:** Charged TZS 1,000,000 annually for municipal services.

6. Property Tax

- **Description:** Tax on buildings and facilities owned by businesses in the sector.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Local government rates based on property values.
- **Example Calculation:** Calculated based on the assessed value of an amusement park.

7. Withholding Tax

- **Description:** Tax withheld on payments made to suppliers and contractors.
- **Law:** Income Tax Act, 2004.
- **Rate:** Varies by payment type, generally 5% to 15%.
- **Example Calculation:** Payment of TZS 20,000,000 to a contractor with a 10% withholding tax rate:
 - Calculation: Withholding Tax = $10\% \times \text{TZS } 20,000,000 = \text{TZS } 2,000,000$.

8. Stamp Duty

- **Description:** Tax on legal documents such as contracts and agreements.
- **Law:** Stamp Duty Act, 1972.
- **Rate:** Typically 1% of transaction value.
- **Example Calculation:** Signing a contract valued at TZS 5,000,000:
 - Calculation: Stamp Duty = $1\% \times \text{TZS } 5,000,000 = \text{TZS } 50,000$.

9. Customs Duties

- **Description:** Duties on imported goods and equipment for the sector.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Varies by item, typically 0% to 25%.
- **Example Calculation:** Importing musical instruments valued at TZS 15,000,000 with a 10% customs duty rate:
 - Calculation: Customs Duty = $10\% \times \text{TZS } 15,000,000 = \text{TZS } 1,500,000$.

10. Excise Duty

- **Description:** Duty on specific goods sold by businesses in the sector.
- **Law:** Excise (Management and Tariff) Act, 2015.
- **Rate:** Specific rates per item, often ad valorem.
- **Example Calculation:** Selling alcohol at an event valued at TZS 5,000,000 with a 15% excise duty rate:
 - Calculation: Excise Duty = $15\% \times \text{TZS } 5,000,000 = \text{TZS } 750,000$.

11. Training Levy

- **Description:** Levy for skills development and training in the sector.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4.5% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 30,000,000:
 - Calculation: Training Levy = $4.5\% \times \text{TZS } 30,000,000 = \text{TZS } 1,350,000$.

12. Environmental Levy

- **Description:** Levy to fund environmental protection measures related to activities in the sector.
- **Law:** Environmental Management Act, 2004.
- **Rate:** Typically 0.3% to 1% of gross procurement or operational spending.
- **Example Calculation:** Annual procurement spending of TZS 40,000,000 with a 0.5% environmental levy:
 - Calculation: Environmental Levy = $0.5\% \times \text{TZS } 40,000,000 = \text{TZS } 200,000$.

13. Registration Fees

- **Description:** Fees for registering businesses and activities in the sector.
- **Law:** Business Activities Registration Act, 2007.
- **Rate:** Fixed or variable rates based on registration type.

- **Example Calculation:** A fixed registration fee of TZS 1,000,000 for a new entertainment business.

14. License Fees

- **Description:** Fees for operating licenses for businesses in the sector.
- **Law:** Business Activities Registration Act, 2007.
- **Rate:** Determined based on the type and scope of the license.
- **Example Calculation:** License fee of TZS 2,500,000 for operating a sports facility.

15. Health and Safety Levy

- **Description:** Levy for health and safety measures in businesses in the sector.
- **Law:** Occupational Health and Safety Act, 2003.
- **Rate:** Typically 0.3% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 25,000,000:
 - Calculation: Health and Safety Levy = $0.3\% \times \text{TZS } 25,000,000 = \text{TZS } 75,000$.

16. Road Maintenance Levy

- **Description:** Levy for road maintenance related to vehicles owned by businesses in the sector.
- **Law:** Road Maintenance Fund Act, 1986.
- **Rate:** Included in fuel prices, varies.

17. Local Government Taxes

- **Description:** Various taxes levied by local governments on businesses in the sector.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Determined by local government regulations.

18. Penalties and Interest

- **Description:** Charges for late payment or non-compliance with tax obligations.
- **Law:** Various tax laws (Income Tax Act, VAT Act, etc.).
- **Rate:** Calculated based on the specific tax or duty owed and period of non-compliance.

19. Development Levy

- **Description:** Levy for local community development related to projects in the sector.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Typically 0.3% of turnover.
- **Example Calculation:** Turnover for the year of TZS 100,000,000:
 - Calculation: Development Levy = $0.3\% \times \text{TZS } 100,000,000 = \text{TZS } 300,000$.

20. Occupational Safety and Health Fee

- **Description:** Fee for compliance with occupational safety and health regulations.
- **Law:** Occupational Safety and Health Act, 2003.
- **Rate:** Varies based on the scale and nature of operations.

21. Public Service Fees

- **Description:** Fees for specific public services provided to businesses in the sector.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Determined based on service type and delivery costs.

22. Dividend Tax

- **Description:** Tax on dividends paid to shareholders of private businesses in the sector.
 - **Law:** Income Tax Act, 2004.
 - **Rate:** 10% for residents, 20% for non-residents.
 - **Example Calculation:** Paying TZS 10,000,000 in dividends to non-resident shareholders:
 - Calculation: Dividend Tax = 20% × TZS 10,000,000 = TZS 2,000,000.
- 23. Foreign Service Levy**
- **Description:** Levy on foreign services utilized by businesses in the sector.
 - **Law:** Income Tax Act, 2004.
 - **Rate:** Varies based on service type.
- 24. Export Duty**
- **Description:** Duty on the export of cultural and recreational products.
 - **Law:** East African Community Customs Management Act, 2004.
 - **Rate:** Varies by product, typically 0% to 15%.
- 25. Import Duty**
- **Description:** Duty on imported equipment and supplies for the sector.
 - **Law:** East African Community Customs Management Act, 2004.
 - **Rate:** Varies by item, typically 0% to 25%.
- 26. Research and Development Levy**
- **Description:** Levy for funding research and development in the sector.
 - **Law:** National Science and Technology Act, 1986.
 - **Rate:** Typically 0.5% to 2% of revenue.
- 27. Social Security Contributions**
- **Description:** Contributions to social security for employees in the sector.
 - **Law:** National Social Security Fund Act, 1997.
 - **Rate:** 20% of payroll (employer and employee combined).
- 28. Land Rent**
- **Description:** Rent paid for land leased for arts, entertainment, and recreational purposes.
 - **Law:** Land Act, 1999.
 - **Rate:** Varies by location and land size.
- 29. Accreditation Fees**
- **Description:** Fees for accrediting programs and institutions in the sector.
 - **Law:** Various sector-specific laws and regulations.
 - **Rate:** Varies based on program and institution type.
- 30. Levies for International Obligations**
- **Description:** Levies related to international treaties or agreements in the sector.
 - **Law:** International agreements and domestic legislation.
 - **Rate:** Varies based on international commitments and agreements.

These examples provide a comprehensive overview of the types of taxes, levies, duties, and customs that businesses in the arts, entertainment, and recreation sector in Tanzania may be required to pay under the country's tax laws and regulations. The calculations are based on hypothetical scenarios to illustrate how these charges are determined.