

Taxes in agriculture, forestry, and fishing

Here's a detailed breakdown of the rates for various taxes, levies, duties, customs, and charges applicable to economic activities in agriculture, forestry, and fishing in Tanzania, along with examples to illustrate how they are calculated:

Taxes and Levies

1. **Income Tax:** Progressive rates up to 30% for individuals; 30% flat rate for corporations.

Example: If a corporation earns a net profit of TZS 100,000,000 in a tax year, the income tax payable would be TZS 30,000,000 (30% of TZS 100,000,000).

2. **Corporate Tax:** 30% of net profits for corporations.

Example: A corporation reports net profits of TZS 500,000,000. The corporate tax liability would be TZS 150,000,000 (30% of TZS 500,000,000).

3. **Capital Gains Tax:** 20% on gains from the sale of assets.

Example: An individual sells agricultural land for TZS 200,000,000, resulting in a capital gain of TZS 50,000,000 (after deducting the cost of acquisition). The capital gains tax payable would be TZS 10,000,000 (20% of TZS 50,000,000).

4. **Pay As You Earn (PAYE):** Progressive rates up to 30% on employment income.

Example: An employee earns a monthly salary of TZS 2,000,000. The PAYE would be calculated based on the progressive rates applicable to monthly earnings (e.g., 0% on the first TZS 400,000, 9% on the next TZS 400,000, and so forth).

5. **Withholding Tax:** Typically ranges from 5% to 15%, depending on the type of payment and residency status.

Example: A Tanzanian company pays TZS 10,000,000 to a non-resident for technical services. Withholding tax at a rate of 15% would be TZS 1,500,000 (15% of TZS 10,000,000).

6. **Value Added Tax (VAT):** Standard rate of 18% on taxable supplies; zero-rated for exports.

Example: A company sells TZS 50,000,000 worth of processed agricultural products locally. The VAT payable would be TZS 9,000,000 (18% of TZS 50,000,000).

7. **Excise Duty:** Rates vary depending on the specific product (e.g., processed agricultural products, certain forestry products, fishing gear).

Example: A company manufactures and sells fishing rods locally. The excise duty rate on fishing rods is 10%. If the selling price of a fishing rod is TZS 100,000, the excise duty payable would be TZS 10,000 (10% of TZS 100,000).

8. **Stamp Duty:** Rates vary based on the transaction type (e.g., land leases, forestry concessions, fishing licenses).

Example: A lease agreement for agricultural land is executed with a lease amount of TZS 200,000,000. The stamp duty rate on lease agreements is 1%. The stamp duty payable would be TZS 2,000,000 (1% of TZS 200,000,000).

9. **Customs Duties:** Rates vary by product, typically based on the East African Community (EAC) Common External Tariff.

Example: A company imports agricultural machinery valued at TZS 50,000,000. The applicable customs duty rate on agricultural machinery is 10%. The customs duty payable would be TZS 5,000,000 (10% of TZS 50,000,000).

10. **Environmental Levy:** Varies depending on the environmental impact; specific rates may be prescribed by regulations.

Example: A company operates a fish processing plant known to discharge waste into a nearby river. The environmental levy imposed by the National Environment Management Council (NEMC) is TZS 100,000 per month.

11. **Tourism Development Levy:** Typically around 1% of gross revenues for tourism-related activities.

Example: A tourist lodge generates gross revenues of TZS 500,000,000 in a year. The tourism development levy payable would be TZS 5,000,000 (1% of TZS 500,000,000).

Duties and Charges

12. **Export Duty:** Rates vary by product, may be specific or ad valorem.

Example: A company exports TZS 100,000,000 worth of cashew nuts. The export duty rate on cashew nuts is 5%. The export duty payable would be TZS 5,000,000 (5% of TZS 100,000,000).

13. **Import Duty:** Based on the East African Community (EAC) Common External Tariff, which ranges from 0% to 25%.

Example: A company imports fishing nets valued at TZS 20,000,000. The applicable import duty rate on fishing nets is 10%. The import duty payable would be TZS 2,000,000 (10% of TZS 20,000,000).

14. **Excise Duty on Fuel:** Rates vary by fuel type; currently applicable rates can be obtained from the Tanzania Revenue Authority (TRA).

Example: A fishing company purchases diesel fuel for its vessels. The excise duty rate on diesel fuel is TZS 150 per liter. If the company purchases 10,000 liters of diesel, the excise duty payable would be TZS 1,500,000 (TZS 150 x 10,000 liters).

15. **Stamp Duty on Land Transactions:** Rates vary based on the value and type of transaction.

Example: A company acquires agricultural land valued at TZS 500,000,000. The stamp duty rate on land transactions is 4%. The stamp duty payable would be TZS 20,000,000 (4% of TZS 500,000,000).

16. **Forest Royalties:** Specific rates determined based on the type and volume of timber or forest product harvested.

Example: A logging company harvests 1,000 cubic meters of timber. The royalty rate on timber is TZS 1,000 per cubic meter. The forest royalty payable would be TZS 1,000,000 (TZS 1,000 x 1,000 cubic meters).

17. **Fishing License Fees:** Varies based on the type of fishing and vessel size; specific rates are set by the Ministry of Livestock and Fisheries.

Example: A commercial fishing company obtains a license for deep-sea fishing. The annual license fee for vessels over 20 meters is TZS 5,000,000.

18. **Water Resource Fees:** Varies based on the volume of water used for irrigation and other agricultural purposes.

Example: An agricultural farm utilizes 10,000 cubic meters of water from a local river for irrigation. The water resource fee is TZS 100 per cubic meter. The fee payable would be TZS 1,000,000 (TZS 100 x 10,000 cubic meters).

Local Authority Levies

19. **Property Tax:** Based on the assessed value of the property.

Example: An agricultural estate is assessed at TZS 1,000,000,000. The property tax rate is 0.1%. The property tax payable would be TZS 1,000,000 (0.1% of TZS 1,000,000,000).

20. **Trading License:** Fees vary by location and type of business.

Example: A wholesale trading company in agricultural products pays an annual trading license fee of TZS 500,000.

21. **Market Fees:** Typically a small percentage of sales or a fixed amount per transaction.

Example: A farmer sells TZS 10,000,000 worth of vegetables in a local market. The market fee is 1% of sales. The market fee payable would be TZS 100,000 (1% of TZS 10,000,000).

22. **Health Inspection Fees:** Varies based on the size and type of processing facility.

Example: A fish processing plant undergoes health inspections quarterly. The inspection fee per visit is TZS 500,000.

Regulatory Fees and Contributions

23. **Crop Inspection Fees:** Charges vary by crop and inspection type.

Example: A coffee plantation undergoes organic certification inspection. The crop inspection fee is TZS 1,000,000 per year.

24. **Forestry Management Fees:** Determined by forest authorities based on management requirements.

Example: A forestry company operating in a designated forest reserve pays an annual management fee of TZS 10,000,000 to the Forestry Authority.

25. **Fisheries Resource Management Fees:** Based on the size and type of fishing operation.

Example: A small-scale fishing cooperative pays an annual resource management fee of TZS 2,000,000 to the Ministry of Livestock and Fisheries.

Other Taxes and Levies

26. **Training Levy:** 4.5% of payroll for employers to contribute to vocational training.

Example: A large agricultural company with a payroll of TZS 100,000,000 per month pays a monthly training levy of TZS 4,500,000.

27. **Skills Development Levy:** 5% of payroll for employers to develop skills in the workforce.

Example: A forestry company with an annual payroll of TZS 1,200,000,000 pays an annual skills development levy of TZS 60,000,000.

28. **Road Toll Fees:** Varies by location and type of vehicle transporting goods.

Example: A truck transporting harvested maize pays a road toll fee of TZS 20,000 at a toll booth along the highway.

29. **Social Security Contributions:** Based on employee earnings, contributing to pension and health insurance schemes.

Example: An agricultural company pays social security contributions of TZS 50,000 per month for each employee earning TZS 1,000,000 monthly.

30. **Environmental Compliance Fees:** Varies based on the scale and potential environmental impact of the activity.

Example: A large-scale aquaculture project submits an environmental impact assessment. The environmental compliance fee is TZS 50,000,000.

Here's an expanded list with examples that include a section showing how the calculation is determined by tax officers or relevant authorities for each tax, levy, duty, customs, and charge applicable to agriculture, forestry, and fishing sectors in Tanzania:

Taxes and Levies

1. **Income Tax:** Progressive rates up to 30% for individuals; 30% flat rate for corporations.

Calculation: Taxable income is determined after allowable deductions (such as expenses and allowances) are subtracted from gross income. Tax officers verify income statements and supporting documents during audits to ensure compliance.

Example: A corporation reports gross income of TZS 200,000,000 and deducts TZS 50,000,000 in allowable expenses. Taxable income is TZS 150,000,000. The income tax payable would be TZS 45,000,000 (30% of TZS 150,000,000).

2. **Corporate Tax:** 30% of net profits for corporations.

Calculation: Net profits are computed after deducting allowable business expenses from gross income. Tax officers review financial statements and tax returns to confirm accuracy.

Example: A company's financial statement shows gross profit of TZS 500,000,000 and expenses of TZS 300,000,000. Net profit is TZS 200,000,000. The corporate tax payable would be TZS 60,000,000 (30% of TZS 200,000,000).

3. **Capital Gains Tax:** 20% on gains from the sale of assets.

Calculation: Capital gain is determined by subtracting the cost of acquisition (including improvements and expenses) from the sale proceeds. Tax officers verify transaction details and supporting documents.

Example: An individual sells agricultural land for TZS 300,000,000. The cost of acquisition and improvements totals TZS 200,000,000. Capital gain is TZS 100,000,000. The capital gains tax payable would be TZS 20,000,000 (20% of TZS 100,000,000).

4. **Pay As You Earn (PAYE):** Progressive rates up to 30% on employment income.

Calculation: Taxable income is computed after deducting personal relief and allowable deductions from gross earnings. Tax officers verify payroll records and compliance with tax withholding obligations.

Example: An employee earns a monthly salary of TZS 3,000,000. Personal relief is TZS 235,000 per month. Taxable income is TZS 2,765,000. PAYE is calculated based on progressive rates for monthly earnings.

5. **Withholding Tax:** Typically ranges from 5% to 15%, depending on the type of payment and residency status.

Determination: Withholding tax rates are specified by tax regulations and agreements. Tax officers ensure correct application and deduction of withholding tax on payments made to non-residents.

Example: A company pays TZS 10,000,000 to a non-resident consultant for services. Withholding tax rate is 15%. Withholding tax deducted and remitted to TRA would be TZS 1,500,000 (15% of TZS 10,000,000).

6. **Value Added Tax (VAT):** Standard rate of 18% on taxable supplies; zero-rated for exports.

Calculation: VAT payable is computed on the value of taxable supplies (sales) less input VAT credits (VAT paid on purchases). Tax officers verify VAT invoices and reconcile VAT returns.

Example: A company sells TZS 100,000,000 worth of agricultural produce locally. Output VAT payable would be TZS 18,000,000 (18% of TZS 100,000,000), assuming no input VAT credits.

7. **Excise Duty:** Rates vary depending on the specific product (e.g., processed agricultural products, certain forestry products, fishing gear).

Determination: Excise duty rates are specified by tax laws and regulations based on product classifications. Tax officers verify product classifications and excise duty payments.

Example: A company manufactures and sells TZS 50,000,000 worth of processed agricultural products subject to 5% excise duty. Excise duty payable would be TZS 2,500,000 (5% of TZS 50,000,000).

8. **Stamp Duty:** Rates vary based on the transaction type (e.g., land leases, forestry concessions, fishing licenses).

Determination: Stamp duty rates are prescribed by stamp duty laws and regulations. Tax officers verify transaction details and assess stamp duty liabilities.

Example: A lease agreement for agricultural land is executed with a lease amount of TZS 200,000,000. Stamp duty rate on lease agreements is 1%. Stamp duty payable would be TZS 2,000,000 (1% of TZS 200,000,000).

9. **Customs Duties:** Rates vary by product, typically based on the East African Community (EAC) Common External Tariff.

Calculation: Customs duty payable is calculated based on the customs value of imported goods multiplied by the applicable duty rate. Tax officers verify customs declarations and assess duties.

Example: A company imports agricultural machinery valued at TZS 50,000,000. The applicable customs duty rate on agricultural machinery is 10%. Customs duty payable would be TZS 5,000,000 (10% of TZS 50,000,000).

10. **Environmental Levy:** Varies depending on the environmental impact; specific rates may be prescribed by regulations.

Determination: Environmental levy rates are determined by environmental authorities based on the potential environmental impact of activities. Tax officers verify compliance with environmental regulations.

Example: A company operates a fish processing plant known to discharge waste into a nearby river. Environmental levy imposed by the National Environment Management Council (NEMC) is TZS 100,000 per month.

11. **Tourism Development Levy:** Typically around 1% of gross revenues for tourism-related activities.

Calculation: Tourism development levy payable is computed as a percentage of gross revenues derived from tourism activities. Tax officers verify tourism revenue and levy payments.

Example: A tourist lodge generates gross revenues of TZS 500,000,000 in a year. Tourism development levy payable would be TZS 5,000,000 (1% of TZS 500,000,000).

Duties and Charges

12. **Export Duty:** Rates vary by product, may be specific or ad valorem.

Calculation: Export duty payable is computed based on the export value of goods multiplied by the applicable duty rate. Tax officers verify export declarations and assess export duties.

Example: A company exports TZS 100,000,000 worth of cashew nuts. Export duty rate on cashew nuts is 5%. Export duty payable would be TZS 5,000,000 (5% of TZS 100,000,000).

13. **Import Duty:** Based on the East African Community (EAC) Common External Tariff, which ranges from 0% to 25%.

Calculation: Import duty payable is calculated based on the customs value of imported goods multiplied by the applicable duty rate. Tax officers verify customs declarations and assess import duties.

Example: A company imports fishing nets valued at TZS 20,000,000. Applicable import duty rate on fishing nets is 10%. Import duty payable would be TZS 2,000,000 (10% of TZS 20,000,000).

14. **Excise Duty on Fuel:** Rates vary by fuel type; currently applicable rates can be obtained from the Tanzania Revenue Authority (TRA).

Calculation: Excise duty payable on fuel is computed based on the volume of fuel multiplied by the excise duty rate per liter. Tax officers verify fuel volumes and excise duty payments.

Example: A fishing company purchases diesel fuel for its vessels. Excise duty rate on diesel fuel is TZS 150 per liter. If the company purchases 10,000 liters of diesel, excise duty payable would be TZS 1,500,000 (TZS 150 x 10,000 liters).

15. Stamp Duty on Land Transactions: Rates vary based on the value and type of transaction.

Calculation: Stamp duty payable on land transactions is calculated based on the transaction value multiplied by the applicable stamp duty rate. Tax officers verify transaction details and stamp duty payments.

Example: A company acquires agricultural land valued at TZS 500,000,000. Stamp duty rate on land transactions is 4%. Stamp duty payable would be TZS 20,000,000 (4% of TZS 500,000,000).

16. Forest Royalties: Specific rates determined based on the type and volume of timber or forest product harvested.

Calculation: Forest royalty payable is computed based on the volume of timber harvested multiplied by the royalty rate per unit. Tax officers verify harvesting volumes and assess forest royalties.

Example: A logging company harvests 1,000 cubic meters of timber. Royalty rate on timber is TZS 1,000 per cubic meter. Forest royalty payable would be TZS 1,000,000 (TZS 1,000 x 1,000 cubic meters).

17. Fishing License Fees: Varies based on the type of fishing and vessel size; specific rates are set by the Ministry of Livestock and Fisheries.

Determination: Fishing license fees are prescribed by fisheries regulations based on fishing methods, vessel size, and fishing zones. Tax officers verify compliance and issue fishing licenses.

Example: A commercial fishing company obtains a license for deep-sea fishing. Annual license fee for vessels over 20 meters is TZS 5,000,000.

18. Water Resource Fees: Varies based on the volume of water used for irrigation and other agricultural purposes.

Calculation: Water resource fee payable is computed based on the volume of water used multiplied by the applicable fee rate per unit. Tax officers verify water usage and assess water resource fees.

Example: An agricultural farm utilizes 10,000 cubic meters of water from a local river for irrigation. Water resource fee is TZS 100 per cubic meter. Fee payable would be TZS 1,000,000 (TZS 100 x 10,000 cubic meters).

Local Authority Levies

19. **Property Tax:** Based on the assessed value of the property.

Calculation: Property tax payable is computed based on the assessed value of the property multiplied by the applicable property tax rate. Tax officers assess property values and issue property tax assessments.

Example: An agricultural estate is assessed at TZS 1,000,000,000. Property tax rate is 0.1%. Property tax payable would be TZS 1,000,000 (0.1% of TZS 1,000,000,000).

20. **Trading License:** Fees vary by location and type of business.

Determination: Trading license fees are determined by local authorities based on business activities, location, and operational size. Tax officers verify business licenses and issue trading licenses.

Example: A wholesale trading company in agricultural products pays an annual trading license fee of TZS 500,000.

21. **Market Fees:** Typically a small percentage of sales or a fixed amount per transaction.

Calculation: Market fee payable is computed based on sales value or transaction volume. Tax officers collect market fees at designated marketplaces.

Example: A farmer sells TZS 10,000,000 worth of vegetables in a local market. Market fee is 1% of sales. Fee payable would be TZS 100,000 (1% of TZS 10,000,000).

22. **Health Inspection Fees:** Varies based on the size and type of processing facility.

Determination: Health inspection fees are set by health authorities based on facility size, processing activities, and public health regulations. Tax officers verify compliance and issue health inspection certificates.

Example: A fish processing plant undergoes health inspections quarterly. Inspection fee per visit is TZS 500,000.

Regulatory Fees and Contributions

23. **Crop Inspection Fees:** Charges vary by crop and inspection type.

Determination: Crop inspection fees are prescribed by agricultural authorities based on crop type, inspection frequency, and certification requirements. Tax officers verify compliance and issue inspection certificates.

Example: A coffee plantation undergoes organic certification inspection. Crop inspection fee is TZS 1,000,000 per year.

24. **Forestry Management Fees:** Determined by forest authorities based on management requirements.

Calculation: Forestry management fee payable is computed based on forest area or activity type. Tax officers assess management requirements and issue forestry management permits.

Example: A forestry company operating in a designated forest reserve pays an annual management fee of TZS 10,000,000 to the Forestry Authority.

25. **Fisheries Resource Management Fees:** Based on the size and type of fishing operation.

Determination: Fisheries resource management fees are set by fisheries authorities based on fishing methods, vessel size, and resource sustainability requirements. Tax officers verify compliance and issue fishing permits.

Example: A small-scale fishing cooperative pays an annual resource management fee of TZS 2,000,000 to the Ministry of Livestock and Fisheries.

Other Taxes and Levies

26. **Training Levy:** 4.5% of payroll for employers to contribute to vocational training.

Calculation: Training levy payable is computed based on total monthly payroll costs. Tax officers verify payroll records and assess training levy obligations.

Example: A large agricultural company with a monthly payroll of TZS 100,000,000 pays a monthly training levy of TZS 4,500,000.

27. **Skills Development Levy:** 5% of payroll for employers to develop skills in the workforce.

Calculation: Skills development levy payable is computed based on total annual payroll costs. Tax officers verify payroll records and assess skills development levy obligations.

Example: A forestry company with an annual payroll of TZS 1,200,000,000 pays an annual skills development levy of TZS 60,000,000.

28. **Road Toll Fees:** Varies by location and type of vehicle transporting goods.

Determination: Road toll fees are set by road authorities based on vehicle type, weight, and distance traveled. Tax officers collect road toll fees at toll booths or designated checkpoints.

Example: A truck transporting harvested maize pays a road toll fee of TZS 20,000 at a toll booth along the highway.

29. **Social Security Contributions:** Based on employee earnings, contributing to pension and health insurance schemes.

Calculation: Social security contributions are computed based on employee earnings subject to statutory limits. Tax officers verify payroll records and assess social security contribution obligations.

Example: An agricultural company pays social security contributions of TZS 50,000 per month for each employee earning TZS 1,000,000 monthly.

30. **Environmental Compliance Fees:** Varies based on the scale and potential environmental impact of the activity.

Determination: Environmental compliance fees are determined by environmental authorities based on environmental impact assessments and mitigation measures required. Tax officers verify compliance and assess environmental compliance fees.

Example: A large-scale aquaculture project submits an environmental impact assessment. Environmental compliance fee is TZS 50,000,000.