

## **Taxes on financial and insurance sector**

Creating a comprehensive list of taxes, levies, duties, and customs applicable to the financial and insurance sector activities in Tanzania involves referencing the specific laws and regulations administered by the Tanzania Revenue Authority (TRA). Below is a list of such taxes with descriptions, the laws providing for them, rates, and calculation examples.

### **1. Corporate Income Tax**

- **Description:** Tax on profits of corporations.
- **Law:** Income Tax Act, 2004.
- **Rate:** 30%.
- **Example:** A financial company with a taxable profit of TZS 1,000,000 would pay TZS 300,000 in corporate tax.

### **2. Value Added Tax (VAT)**

- **Description:** Tax on the value added to goods and services.
- **Law:** Value Added Tax Act, 2014.
- **Rate:** 18%.
- **Example:** A service fee of TZS 1,000,000 would include VAT of TZS 180,000.

### **3. Withholding Tax on Interest**

- **Description:** Tax withheld on interest payments to non-residents.
- **Law:** Income Tax Act, 2004.
- **Rate:** 10%.
- **Example:** Interest payment of TZS 500,000 to a non-resident would withhold TZS 50,000.

### **4. Stamp Duty**

- **Description:** Tax on certain legal documents and transactions.
- **Law:** Stamp Duty Act, 1972.
- **Rate:** Variable.
- **Example:** A TZS 1,000,000 loan agreement might attract a stamp duty of TZS 10,000.

### **5. Excise Duty**

- **Description:** Tax on specific goods and services.
- **Law:** Excise (Management and Tariff) Act, 1952.
- **Rate:** Variable.
- **Example:** Excise duty on financial services might be TZS 100,000 per transaction.

### **6. Capital Gains Tax**

- **Description:** Tax on the gain from the sale of capital assets.
- **Law:** Income Tax Act, 2004.
- **Rate:** 10%.
- **Example:** Sale of shares with a gain of TZS 1,000,000 would incur TZS 100,000 in capital gains tax.

### **7. Skills and Development Levy (SDL)**

- **Description:** Levy on payroll to fund skills development.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4.5%.
- **Example:** Payroll of TZS 1,000,000 incurs an SDL of TZS 45,000.

### **8. Pay-As-You-Earn (PAYE)**

- **Description:** Income tax on employees' earnings.

- **Law:** Income Tax Act, 2004.
- **Rate:** Graduated scale from 0% to 30%.
- **Example:** Monthly salary of TZS 1,000,000 might have PAYE of TZS 200,000.

#### 9. Social Security Contributions

- **Description:** Contributions to social security funds.
- **Law:** Social Security Regulatory Authority Act, 2008.
- **Rate:** 20% (employer and employee contributions combined).
- **Example:** Monthly salary of TZS 1,000,000 incurs TZS 200,000 in social security contributions.

#### 10. Property Tax

- **Description:** Tax on the ownership of property.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Variable.
- **Example:** A commercial property worth TZS 50,000,000 might have a property tax of TZS 500,000.

#### 11. Business License Fee

- **Description:** Fee for obtaining a business license.
- **Law:** Business Licensing Act, 1972.
- **Rate:** Variable based on business size and type.
- **Example:** A financial services firm might pay TZS 1,000,000 annually.

#### 12. Bank of Tanzania Supervision Fee

- **Description:** Fee for supervision by the central bank.
- **Law:** Bank of Tanzania Act, 2006.
- **Rate:** Variable.
- **Example:** Annual fee might be TZS 5,000,000.

#### 13. National Health Insurance Fund (NHIF) Contribution

- **Description:** Contribution to the national health insurance fund.
- **Law:** National Health Insurance Fund Act, 1999.
- **Rate:** 6%.
- **Example:** Monthly salary of TZS 1,000,000 incurs TZS 60,000 in NHIF contributions.

#### 14. Municipal Service Levy

- **Description:** Levy for municipal services.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Variable.
- **Example:** TZS 200,000 annually for municipal services.

#### 15. Tourism Development Levy

- **Description:** Levy on tourism-related businesses.
- **Law:** Tourism Act, 2008.
- **Rate:** 2%.
- **Example:** TZS 1,000,000 in tourism revenue incurs TZS 20,000 in the levy.

#### 16. Customs Duty

- **Description:** Tax on imported goods.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Variable.
- **Example:** Imported office equipment worth TZS 1,000,000 incurs TZS 250,000 in customs duty.

#### 17. Import Duty

- **Description:** Duty on imported goods.

- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Variable, typically 25%.
- **Example:** Imported financial software worth TZS 2,000,000 incurs TZS 500,000 in import duty.

#### 18. Export Duty

- **Description:** Tax on exported goods.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Variable.
- **Example:** Export of financial services incurs TZS 100,000 in export duty.

#### 19. Excise Duty on Air Travel

- **Description:** Tax on air travel tickets.
- **Law:** Excise (Management and Tariff) Act, 1952.
- **Rate:** TZS 10,000 per ticket.
- **Example:** An airline ticket costs TZS 100,000, including TZS 10,000 excise duty.

#### 20. Road Toll

- **Description:** Toll for using public roads.
- **Law:** Roads Act, 2007.
- **Rate:** Variable.
- **Example:** TZS 1,000 per day for company vehicles.

#### 21. Motor Vehicle License Fee

- **Description:** Fee for motor vehicle licensing.
- **Law:** Road Traffic Act, 1973.
- **Rate:** Variable.
- **Example:** TZS 200,000 annually for each company vehicle.

#### 22. Fire and Rescue Service Levy

- **Description:** Levy for fire and rescue services.
- **Law:** Fire and Rescue Force Act, 2007.
- **Rate:** Variable.
- **Example:** TZS 100,000 annually for fire safety services.

#### 23. Environmental Protection Fee

- **Description:** Fee for environmental protection initiatives.
- **Law:** Environmental Management Act, 2004.
- **Rate:** Variable.
- **Example:** TZS 50,000 annually for environmental protection.

#### 24. Royalty on Natural Resources

- **Description:** Royalty for the use of natural resources.
- **Law:** Mining Act, 2010.
- **Rate:** 3% to 6%.
- **Example:** TZS 1,000,000 from resource extraction incurs TZS 60,000 in royalties.

#### 25. Local Government Service Levy

- **Description:** Levy for local government services.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Variable.
- **Example:** TZS 1,000,000 in revenue might incur TZS 50,000.

#### 26. Skills Development Levy (SDL)

- **Description:** Levy on payroll to fund skills development.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4.5%.

- **Example:** TZS 1,000,000 payroll incurs TZS 45,000 in SDL.
- 27. Corporate Tax Advance Payment**
  - **Description:** Advance payment of corporate income tax.
  - **Law:** Income Tax Act, 2004.
  - **Rate:** 30%.
  - **Example:** Advance payment on TZS 1,000,000 estimated profit is TZS 300,000.
- 28. Tourist Development Levy**
  - **Description:** Levy on tourism-related income.
  - **Law:** Tourism Act, 2008.
  - **Rate:** 2%.
  - **Example:** TZS 1,000,000 in tourism revenue incurs TZS 20,000.
- 29. Gaming Tax**
  - **Description:** Tax on gaming activities.
  - **Law:** Gaming Act, 2003.
  - **Rate:** Variable.
  - **Example:** TZS 1,000,000 in gaming revenue incurs TZS 300,000 in gaming tax.
- 30. Dividends Withholding Tax**
  - **Description:** Tax on dividends paid to shareholders.
  - **Law:** Income Tax Act, 2004.
  - **Rate:** 10%.
  - **Example:** Dividends of TZS 1,000,000 incur TZS 100,000 in withholding tax.

These taxes and levies are applicable to various activities within the financial and insurance sectors as per Tanzanian tax laws. The rates and examples provided are indicative and may vary based on specific circumstances and updates to the law.