

Calculations for Withholding tax (WHT)

1. Scenario: A Business Company in the Agriculture Sector

Company Name: Green Harvest Ltd.

Sector: Agriculture, forestry, and fishing (A 01–03)

Operations: Green Harvest Ltd. is a Tanzanian-based company engaged in large-scale farming and export of various agricultural products such as coffee, tea, and avocados. The company has both local and international investors. They also have a partnership with a foreign company, AgroTech Inc., which provides advanced farming technologies under a licensing agreement.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** Green Harvest Ltd. has taken a loan from a local bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to AgroTech Inc. for the use of their patented farming technology.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for Green Harvest Ltd.

1. Dividends Distribution: Assume Green Harvest Ltd. declares a dividend of TZS 100 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 50 million
 - WHT: 5% of TZS 50 million = TZS 2.5 million
 - Net dividend to be paid: TZS 50 million - TZS 2.5 million = TZS 47.5 million
- **Non-resident shareholders (at 10%):**

- Dividend declared: TZS 50 million
- WHT: 10% of TZS 50 million = TZS 5 million
- Net dividend to be paid: TZS 50 million - TZS 5 million = TZS 45 million

2. Interest Payments: Assume Green Harvest Ltd. pays TZS 20 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 20 million
 - WHT: 10% of TZS 20 million = TZS 2 million
 - Net interest to be paid: TZS 20 million - TZS 2 million = TZS 18 million

3. Royalties Payments: Assume Green Harvest Ltd. pays TZS 30 million in royalties to AgroTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 30 million
 - WHT: 15% of TZS 30 million = TZS 4.5 million
 - Net royalties to be paid: TZS 30 million - TZS 4.5 million = TZS 25.5 million

Summary

- **Dividends (Resident):** TZS 2.5 million WHT
- **Dividends (Non-Resident):** TZS 5 million WHT
- **Interest:** TZS 2 million WHT
- **Royalties:** TZS 4.5 million WHT

Total WHT paid by Green Harvest Ltd. for the respective payments:

- Total WHT on dividends: TZS 2.5 million (resident) + TZS 5 million (non-resident) = TZS 7.5 million
- Total WHT on interest: TZS 2 million
- Total WHT on royalties: TZS 4.5 million

Overall WHT: TZS 7.5 million + TZS 2 million + TZS 4.5 million = TZS 14 million

2. Scenario: A Business Company in the Mining and Quarrying Sector

Company Name: Tanzanite Mining Co.

Sector: Mining and quarrying (B 05–09)

Operations: Tanzanite Mining Co. is a Tanzanian-based company engaged in the extraction and processing of tanzanite and other precious stones. The company has a mix of local and international investors. They have taken a substantial loan from a foreign bank for purchasing

mining equipment. Additionally, they pay royalties to a foreign entity, GemTech Ltd., for the use of specialized mining technology.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** Tanzanite Mining Co. has taken a loan from a foreign bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to GemTech Ltd. for the use of their mining technology.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for Tanzanite Mining Co.

1. Dividends Distribution: Assume Tanzanite Mining Co. declares a dividend of TZS 200 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 100 million
 - WHT: 5% of TZS 100 million = TZS 5 million
 - Net dividend to be paid: TZS 100 million - TZS 5 million = TZS 95 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 100 million
 - WHT: 10% of TZS 100 million = TZS 10 million
 - Net dividend to be paid: TZS 100 million - TZS 10 million = TZS 90 million

2. Interest Payments: Assume Tanzanite Mining Co. pays TZS 50 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 50 million
 - WHT: 10% of TZS 50 million = TZS 5 million
 - Net interest to be paid: TZS 50 million - TZS 5 million = TZS 45 million

3. Royalties Payments: Assume Tanzanite Mining Co. pays TZS 40 million in royalties to GemTech Ltd.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 40 million
 - WHT: 15% of TZS 40 million = TZS 6 million
 - Net royalties to be paid: TZS 40 million - TZS 6 million = TZS 34 million

Summary

- **Dividends (Resident):** TZS 5 million WHT
- **Dividends (Non-Resident):** TZS 10 million WHT
- **Interest:** TZS 5 million WHT
- **Royalties:** TZS 6 million WHT

Total WHT paid by Tanzanite Mining Co. for the respective payments:

- Total WHT on dividends: TZS 5 million (resident) + TZS 10 million (non-resident) = TZS 15 million
- Total WHT on interest: TZS 5 million
- Total WHT on royalties: TZS 6 million

Overall WHT: TZS 15 million + TZS 5 million + TZS 6 million = TZS 26 million

3. Scenario: A Business Company in the Manufacturing Sector

Company Name: Safari Manufacturing Ltd.

Sector: Manufacturing (C 10–33)

Operations: Safari Manufacturing Ltd. is a Tanzanian-based company that produces a range of consumer goods, including packaged foods, beverages, and household items. The company has a combination of local and international shareholders. They have taken a loan from a local bank for expanding their production facilities. Additionally, they pay royalties to a foreign company, TechPack Inc., for using patented packaging technology.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** Safari Manufacturing Ltd. has taken a loan from a local bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to TechPack Inc. for the use of their packaging technology.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for Safari Manufacturing Ltd.

1. Dividends Distribution: Assume Safari Manufacturing Ltd. declares a dividend of TZS 300 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 150 million
 - WHT: 5% of TZS 150 million = TZS 7.5 million
 - Net dividend to be paid: TZS 150 million - TZS 7.5 million = TZS 142.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 150 million
 - WHT: 10% of TZS 150 million = TZS 15 million
 - Net dividend to be paid: TZS 150 million - TZS 15 million = TZS 135 million

2. Interest Payments: Assume Safari Manufacturing Ltd. pays TZS 60 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 60 million
 - WHT: 10% of TZS 60 million = TZS 6 million
 - Net interest to be paid: TZS 60 million - TZS 6 million = TZS 54 million

3. Royalties Payments: Assume Safari Manufacturing Ltd. pays TZS 50 million in royalties to TechPack Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 50 million
 - WHT: 15% of TZS 50 million = TZS 7.5 million
 - Net royalties to be paid: TZS 50 million - TZS 7.5 million = TZS 42.5 million

Summary

- **Dividends (Resident):** TZS 7.5 million WHT

- **Dividends (Non-Resident):** TZS 15 million WHT
- **Interest:** TZS 6 million WHT
- **Royalties:** TZS 7.5 million WHT

Total WHT paid by Safari Manufacturing Ltd. for the respective payments:

- Total WHT on dividends: TZS 7.5 million (resident) + TZS 15 million (non-resident) = TZS 22.5 million
- Total WHT on interest: TZS 6 million
- Total WHT on royalties: TZS 7.5 million

Overall WHT: TZS 22.5 million + TZS 6 million + TZS 7.5 million = TZS 36 million

4. Scenario: A Business Company in the Electricity, Gas, Steam, and Air Conditioning Supply Sector

Company Name: PowerGen Ltd.

Sector: Electricity, gas, steam, and air conditioning supply (D 35)

Operations: PowerGen Ltd. is a Tanzanian-based company involved in generating and distributing electricity, as well as supplying gas and steam. The company has a mix of local and international investors. They have taken a loan from a foreign financial institution to upgrade their power plants. Additionally, they pay royalties to a foreign company, EnergyTech Inc., for the use of proprietary energy management technology.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** PowerGen Ltd. has taken a loan from a foreign bank for upgrading their facilities, which incurs interest payments.
- **Royalties:** The company pays royalties to EnergyTech Inc. for the use of their energy management technology.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for PowerGen Ltd.

1. Dividends Distribution: Assume PowerGen Ltd. declares a dividend of TZS 400 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 200 million
 - WHT: 5% of TZS 200 million = TZS 10 million
 - Net dividend to be paid: TZS 200 million - TZS 10 million = TZS 190 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 200 million
 - WHT: 10% of TZS 200 million = TZS 20 million
 - Net dividend to be paid: TZS 200 million - TZS 20 million = TZS 180 million

2. Interest Payments: Assume PowerGen Ltd. pays TZS 70 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 70 million
 - WHT: 10% of TZS 70 million = TZS 7 million
 - Net interest to be paid: TZS 70 million - TZS 7 million = TZS 63 million

3. Royalties Payments: Assume PowerGen Ltd. pays TZS 60 million in royalties to EnergyTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 60 million
 - WHT: 15% of TZS 60 million = TZS 9 million
 - Net royalties to be paid: TZS 60 million - TZS 9 million = TZS 51 million

Summary

- **Dividends (Resident):** TZS 10 million WHT
- **Dividends (Non-Resident):** TZS 20 million WHT
- **Interest:** TZS 7 million WHT
- **Royalties:** TZS 9 million WHT

Total WHT paid by PowerGen Ltd. for the respective payments:

- Total WHT on dividends: TZS 10 million (resident) + TZS 20 million (non-resident) = TZS 30 million
- Total WHT on interest: TZS 7 million
- Total WHT on royalties: TZS 9 million

Overall WHT: TZS 30 million + TZS 7 million + TZS 9 million = TZS 46 million

5. Scenario: A Business Company in the Water Supply, Sewerage, Waste Management, and Remediation Activities Sector

Company Name: AquaClean Ltd.

Sector: Water supply; sewerage, waste management, and remediation activities (E 36–39)

Operations: AquaClean Ltd. is a Tanzanian-based company that provides water supply services, sewerage systems, waste management solutions, and environmental remediation activities. The company has a diverse shareholder base including local and international investors. They have secured a loan from a local bank to expand their infrastructure. Additionally, they pay royalties to an international company, CleanTech Solutions, for the use of advanced water purification technology.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** AquaClean Ltd. has taken a loan from a local bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to CleanTech Solutions for the use of their water purification technology.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for AquaClean Ltd.

1. Dividends Distribution: Assume AquaClean Ltd. declares a dividend of TZS 250 million.

- **Resident shareholders (at 5%):**

- Dividend declared: TZS 125 million
- WHT: 5% of TZS 125 million = TZS 6.25 million
- Net dividend to be paid: TZS 125 million - TZS 6.25 million = TZS 118.75 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 125 million
 - WHT: 10% of TZS 125 million = TZS 12.5 million
 - Net dividend to be paid: TZS 125 million - TZS 12.5 million = TZS 112.5 million

2. Interest Payments: Assume AquaClean Ltd. pays TZS 40 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 40 million
 - WHT: 10% of TZS 40 million = TZS 4 million
 - Net interest to be paid: TZS 40 million - TZS 4 million = TZS 36 million

3. Royalties Payments: Assume AquaClean Ltd. pays TZS 30 million in royalties to CleanTech Solutions.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 30 million
 - WHT: 15% of TZS 30 million = TZS 4.5 million
 - Net royalties to be paid: TZS 30 million - TZS 4.5 million = TZS 25.5 million

Summary

- **Dividends (Resident):** TZS 6.25 million WHT
- **Dividends (Non-Resident):** TZS 12.5 million WHT
- **Interest:** TZS 4 million WHT
- **Royalties:** TZS 4.5 million WHT

Total WHT paid by AquaClean Ltd. for the respective payments:

- Total WHT on dividends: TZS 6.25 million (resident) + TZS 12.5 million (non-resident) = TZS 18.75 million
- Total WHT on interest: TZS 4 million
- Total WHT on royalties: TZS 4.5 million

Overall WHT: TZS 18.75 million + TZS 4 million + TZS 4.5 million = TZS 27.25 million

6. Scenario: A Business Company in the Construction Sector

Company Name: BuildTanzania Ltd.

Sector: Construction (F 41–43)

Operations: BuildTanzania Ltd. is a Tanzanian-based company that engages in constructing residential, commercial, and industrial buildings. The company has a mixture of local and international investors. They have secured a loan from a local bank to finance large-scale projects. Additionally, they pay royalties to a foreign company, ArchiTech Inc., for the use of specialized construction software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** BuildTanzania Ltd. has taken a loan from a local bank for their projects, which incurs interest payments.
- **Royalties:** The company pays royalties to ArchiTech Inc. for the use of their construction software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for BuildTanzania Ltd.

1. Dividends Distribution: Assume BuildTanzania Ltd. declares a dividend of TZS 500 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 250 million
 - WHT: 5% of TZS 250 million = TZS 12.5 million
 - Net dividend to be paid: TZS 250 million - TZS 12.5 million = TZS 237.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 250 million
 - WHT: 10% of TZS 250 million = TZS 25 million
 - Net dividend to be paid: TZS 250 million - TZS 25 million = TZS 225 million

2. Interest Payments: Assume BuildTanzania Ltd. pays TZS 80 million as interest on a loan.

- **Interest payment (10%):**

- Total interest payment: TZS 80 million
- WHT: 10% of TZS 80 million = TZS 8 million
- Net interest to be paid: TZS 80 million - TZS 8 million = TZS 72 million

3. Royalties Payments: Assume BuildTanzania Ltd. pays TZS 70 million in royalties to ArchiTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 70 million
 - WHT: 15% of TZS 70 million = TZS 10.5 million
 - Net royalties to be paid: TZS 70 million - TZS 10.5 million = TZS 59.5 million

Summary

- **Dividends (Resident):** TZS 12.5 million WHT
- **Dividends (Non-Resident):** TZS 25 million WHT
- **Interest:** TZS 8 million WHT
- **Royalties:** TZS 10.5 million WHT

Total WHT paid by BuildTanzania Ltd. for the respective payments:

- Total WHT on dividends: TZS 12.5 million (resident) + TZS 25 million (non-resident) = TZS 37.5 million
- Total WHT on interest: TZS 8 million
- Total WHT on royalties: TZS 10.5 million

Overall WHT: TZS 37.5 million + TZS 8 million + TZS 10.5 million = TZS 56 million

7. Scenario: A Business Company in the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles Sector

Company Name: TradeHub Ltd.

Sector: Wholesale and retail trade; repair of motor vehicles and motorcycles (G 45–47)

Operations: TradeHub Ltd. is a Tanzanian-based company involved in the wholesale and retail distribution of consumer goods, as well as providing repair services for motor vehicles and motorcycles. The company has a mix of local and international shareholders. They have secured a loan from a foreign bank to expand their retail outlets. Additionally, they pay royalties to a foreign company, AutoTech Services, for the use of specialized repair software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** TradeHub Ltd. has taken a loan from a foreign bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to AutoTech Services for the use of their repair software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for TradeHub Ltd.

1. Dividends Distribution: Assume TradeHub Ltd. declares a dividend of TZS 600 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 300 million
 - WHT: 5% of TZS 300 million = TZS 15 million
 - Net dividend to be paid: TZS 300 million - TZS 15 million = TZS 285 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 300 million
 - WHT: 10% of TZS 300 million = TZS 30 million
 - Net dividend to be paid: TZS 300 million - TZS 30 million = TZS 270 million

2. Interest Payments: Assume TradeHub Ltd. pays TZS 90 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 90 million
 - WHT: 10% of TZS 90 million = TZS 9 million
 - Net interest to be paid: TZS 90 million - TZS 9 million = TZS 81 million

3. Royalties Payments: Assume TradeHub Ltd. pays TZS 50 million in royalties to AutoTech Services.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 50 million
 - WHT: 15% of TZS 50 million = TZS 7.5 million
 - Net royalties to be paid: TZS 50 million - TZS 7.5 million = TZS 42.5 million

Summary

- **Dividends (Resident):** TZS 15 million WHT
- **Dividends (Non-Resident):** TZS 30 million WHT
- **Interest:** TZS 9 million WHT
- **Royalties:** TZS 7.5 million WHT

Total WHT paid by TradeHub Ltd. for the respective payments:

- Total WHT on dividends: TZS 15 million (resident) + TZS 30 million (non-resident) = TZS 45 million
- Total WHT on interest: TZS 9 million
- Total WHT on royalties: TZS 7.5 million

Overall WHT: TZS 45 million + TZS 9 million + TZS 7.5 million = TZS 61.5 million

8. Scenario: A Business Company in the Transportation and Storage Sector

Company Name: TransLogistics Ltd.

Sector: Transportation and storage (H 49–53)

Operations: TransLogistics Ltd. is a Tanzanian-based company specializing in freight transportation, logistics services, and storage solutions. The company has a combination of local and international investors. They have secured a loan from a foreign financial institution to expand their fleet and storage facilities. Additionally, they pay royalties to a foreign company, LogiTech Inc., for the use of advanced logistics management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** TransLogistics Ltd. has taken a loan from a foreign bank for their expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to LogiTech Inc. for the use of their logistics management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for TransLogistics Ltd.

1. Dividends Distribution: Assume TransLogistics Ltd. declares a dividend of TZS 700 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 350 million
 - WHT: 5% of TZS 350 million = TZS 17.5 million
 - Net dividend to be paid: TZS 350 million - TZS 17.5 million = TZS 332.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 350 million
 - WHT: 10% of TZS 350 million = TZS 35 million
 - Net dividend to be paid: TZS 350 million - TZS 35 million = TZS 315 million

2. Interest Payments: Assume TransLogistics Ltd. pays TZS 100 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 100 million
 - WHT: 10% of TZS 100 million = TZS 10 million
 - Net interest to be paid: TZS 100 million - TZS 10 million = TZS 90 million

3. Royalties Payments: Assume TransLogistics Ltd. pays TZS 60 million in royalties to LogiTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 60 million
 - WHT: 15% of TZS 60 million = TZS 9 million
 - Net royalties to be paid: TZS 60 million - TZS 9 million = TZS 51 million

Summary

- **Dividends (Resident):** TZS 17.5 million WHT
- **Dividends (Non-Resident):** TZS 35 million WHT
- **Interest:** TZS 10 million WHT
- **Royalties:** TZS 9 million WHT

Total WHT paid by TransLogistics Ltd. for the respective payments:

- Total WHT on dividends: TZS 17.5 million (resident) + TZS 35 million (non-resident) = TZS 52.5 million
- Total WHT on interest: TZS 10 million
- Total WHT on royalties: TZS 9 million

Overall WHT: TZS 52.5 million + TZS 10 million + TZS 9 million = TZS 71.5 million

9. Scenario: A Business Company in the Accommodation and Food Service Activities Sector

Company Name: StayComfort Ltd.

Sector: Accommodation and food service activities (I 55–56)

Operations: StayComfort Ltd. is a Tanzanian-based company operating a chain of hotels and restaurants. The company has a mix of local and international shareholders. They have secured a loan from a local bank to renovate their hotels and expand their restaurant services. Additionally, they pay royalties to a foreign company, FoodTech Inc., for the use of their advanced reservation and management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** StayComfort Ltd. has taken a loan from a local bank for renovations and expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to FoodTech Inc. for the use of their reservation and management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for StayComfort Ltd.

1. Dividends Distribution: Assume StayComfort Ltd. declares a dividend of TZS 450 million.

- **Resident shareholders (at 5%):**

- Dividend declared: TZS 225 million
- WHT: 5% of TZS 225 million = TZS 11.25 million
- Net dividend to be paid: TZS 225 million - TZS 11.25 million = TZS 213.75 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 225 million
 - WHT: 10% of TZS 225 million = TZS 22.5 million
 - Net dividend to be paid: TZS 225 million - TZS 22.5 million = TZS 202.5 million

2. Interest Payments: Assume StayComfort Ltd. pays TZS 55 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 55 million
 - WHT: 10% of TZS 55 million = TZS 5.5 million
 - Net interest to be paid: TZS 55 million - TZS 5.5 million = TZS 49.5 million

3. Royalties Payments: Assume StayComfort Ltd. pays TZS 40 million in royalties to FoodTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 40 million
 - WHT: 15% of TZS 40 million = TZS 6 million
 - Net royalties to be paid: TZS 40 million - TZS 6 million = TZS 34 million

Summary

- **Dividends (Resident):** TZS 11.25 million WHT
- **Dividends (Non-Resident):** TZS 22.5 million WHT
- **Interest:** TZS 5.5 million WHT
- **Royalties:** TZS 6 million WHT

Total WHT paid by StayComfort Ltd. for the respective payments:

- Total WHT on dividends: TZS 11.25 million (resident) + TZS 22.5 million (non-resident) = TZS 33.75 million
- Total WHT on interest: TZS 5.5 million
- Total WHT on royalties: TZS 6 million

Overall WHT: TZS 33.75 million + TZS 5.5 million + TZS 6 million = TZS 45.25 million

10.Scenario: A Business Company in the Information and Communication Sector

Company Name: InfoConnect Ltd.

Sector: Information and communication (J 58–63)

Operations: InfoConnect Ltd. is a Tanzanian-based company providing information technology services, including internet services, software development, and telecommunications. The company has a combination of local and international investors. They have taken a loan from a foreign financial institution to upgrade their technology infrastructure. Additionally, they pay royalties to a foreign company, TechWorld Inc., for the use of proprietary communication software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** InfoConnect Ltd. has taken a loan from a foreign bank for infrastructure upgrades, which incurs interest payments.
- **Royalties:** The company pays royalties to TechWorld Inc. for the use of their communication software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for InfoConnect Ltd.

1. Dividends Distribution: Assume InfoConnect Ltd. declares a dividend of TZS 550 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 275 million
 - WHT: 5% of TZS 275 million = TZS 13.75 million
 - Net dividend to be paid: TZS 275 million - TZS 13.75 million = TZS 261.25 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 275 million
 - WHT: 10% of TZS 275 million = TZS 27.5 million
 - Net dividend to be paid: TZS 275 million - TZS 27.5 million = TZS 247.5 million

2. Interest Payments: Assume InfoConnect Ltd. pays TZS 85 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 85 million
 - WHT: 10% of TZS 85 million = TZS 8.5 million
 - Net interest to be paid: TZS 85 million - TZS 8.5 million = TZS 76.5 million

3. Royalties Payments: Assume InfoConnect Ltd. pays TZS 45 million in royalties to TechWorld Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 45 million
 - WHT: 15% of TZS 45 million = TZS 6.75 million
 - Net royalties to be paid: TZS 45 million - TZS 6.75 million = TZS 38.25 million

Summary

- **Dividends (Resident):** TZS 13.75 million WHT
- **Dividends (Non-Resident):** TZS 27.5 million WHT
- **Interest:** TZS 8.5 million WHT
- **Royalties:** TZS 6.75 million WHT

Total WHT paid by InfoConnect Ltd. for the respective payments:

- Total WHT on dividends: TZS 13.75 million (resident) + TZS 27.5 million (non-resident) = TZS 41.25 million
- Total WHT on interest: TZS 8.5 million
- Total WHT on royalties: TZS 6.75 million

Overall WHT: TZS 41.25 million + TZS 8.5 million + TZS 6.75 million = TZS 56.5 million

11.Scenario: A Business Company in the Financial and Insurance Activities Sector

Company Name: FinSecure Ltd.

Sector: Financial and insurance activities (K 64–66)

Operations: FinSecure Ltd. is a Tanzanian-based company providing a range of financial services including banking, investment management, and insurance. The company has both local and international shareholders. They have secured a loan from a local bank to enhance

their technological infrastructure for financial services. Additionally, they pay royalties to a foreign company, FinTech Solutions Inc., for the use of advanced financial software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** FinSecure Ltd. has taken a loan from a local bank, which incurs interest payments.
- **Royalties:** The company pays royalties to FinTech Solutions Inc. for the use of their financial software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for FinSecure Ltd.

1. Dividends Distribution: Assume FinSecure Ltd. declares a dividend of TZS 400 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 200 million
 - WHT: 5% of TZS 200 million = TZS 10 million
 - Net dividend to be paid: TZS 200 million - TZS 10 million = TZS 190 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 200 million
 - WHT: 10% of TZS 200 million = TZS 20 million
 - Net dividend to be paid: TZS 200 million - TZS 20 million = TZS 180 million

2. Interest Payments: Assume FinSecure Ltd. pays TZS 75 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 75 million
 - WHT: 10% of TZS 75 million = TZS 7.5 million
 - Net interest to be paid: TZS 75 million - TZS 7.5 million = TZS 67.5 million

3. Royalties Payments: Assume FinSecure Ltd. pays TZS 55 million in royalties to FinTech Solutions Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 55 million
 - WHT: 15% of TZS 55 million = TZS 8.25 million
 - Net royalties to be paid: TZS 55 million - TZS 8.25 million = TZS 46.75 million

Summary

- **Dividends (Resident):** TZS 10 million WHT
- **Dividends (Non-Resident):** TZS 20 million WHT
- **Interest:** TZS 7.5 million WHT
- **Royalties:** TZS 8.25 million WHT

Total WHT paid by FinSecure Ltd. for the respective payments:

- Total WHT on dividends: TZS 10 million (resident) + TZS 20 million (non-resident) = TZS 30 million
- Total WHT on interest: TZS 7.5 million
- Total WHT on royalties: TZS 8.25 million

Overall WHT: TZS 30 million + TZS 7.5 million + TZS 8.25 million = TZS 45.75 million

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Scenario: A Business Company in the Real Estate Activities Sector

Company Name: RealEstate Ltd.

Sector: Real estate activities (L 68)

Operations: RealEstate Ltd. is a Tanzanian-based company engaged in buying, selling, and renting residential and commercial properties. The company has a mix of local and international shareholders. They have secured a loan from a foreign bank to finance new property developments and renovations. Additionally, they pay royalties to a foreign company, PropTech Solutions Inc., for the use of property management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** RealEstate Ltd. has taken a loan from a foreign bank for property developments, which incurs interest payments.
- **Royalties:** The company pays royalties to PropTech Solutions Inc. for the use of their property management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for RealEstate Ltd.

1. Dividends Distribution: Assume RealEstate Ltd. declares a dividend of TZS 500 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 250 million
 - WHT: 5% of TZS 250 million = TZS 12.5 million
 - Net dividend to be paid: TZS 250 million - TZS 12.5 million = TZS 237.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 250 million
 - WHT: 10% of TZS 250 million = TZS 25 million
 - Net dividend to be paid: TZS 250 million - TZS 25 million = TZS 225 million

2. Interest Payments: Assume RealEstate Ltd. pays TZS 90 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 90 million
 - WHT: 10% of TZS 90 million = TZS 9 million
 - Net interest to be paid: TZS 90 million - TZS 9 million = TZS 81 million

3. Royalties Payments: Assume RealEstate Ltd. pays TZS 65 million in royalties to PropTech Solutions Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 65 million
 - WHT: 15% of TZS 65 million = TZS 9.75 million
 - Net royalties to be paid: TZS 65 million - TZS 9.75 million = TZS 55.25 million

Summary

- **Dividends (Resident):** TZS 12.5 million WHT
- **Dividends (Non-Resident):** TZS 25 million WHT
- **Interest:** TZS 9 million WHT
- **Royalties:** TZS 9.75 million WHT

Total WHT paid by RealEstate Ltd. for the respective payments:

- Total WHT on dividends: TZS 12.5 million (resident) + TZS 25 million (non-resident) = TZS 37.5 million
- Total WHT on interest: TZS 9 million
- Total WHT on royalties: TZS 9.75 million

Overall WHT: TZS 37.5 million + TZS 9 million + TZS 9.75 million = TZS 56.25 million

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Scenario: A Business Company in the Professional, Scientific, and Technical Activities Sector

Company Name: ProTech Consultants Ltd.

Sector: Professional, scientific, and technical activities (M 69–75)

Operations: ProTech Consultants Ltd. is a Tanzanian-based company offering professional consulting services in engineering, scientific research, and technical fields. The company has a blend of local and international shareholders. They have secured a loan from a foreign bank to fund the expansion of their research facilities. Additionally, they pay royalties to a foreign company, SciTech Innovations Inc., for the use of specialized technical software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** ProTech Consultants Ltd. has taken a loan from a foreign bank, which incurs interest payments.
- **Royalties:** The company pays royalties to SciTech Innovations Inc. for the use of their technical software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for ProTech Consultants Ltd.

1. Dividends Distribution: Assume ProTech Consultants Ltd. declares a dividend of TZS 600 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 300 million
 - WHT: 5% of TZS 300 million = TZS 15 million
 - Net dividend to be paid: TZS 300 million - TZS 15 million = TZS 285 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 300 million
 - WHT: 10% of TZS 300 million = TZS 30 million
 - Net dividend to be paid: TZS 300 million - TZS 30 million = TZS 270 million

2. Interest Payments: Assume ProTech Consultants Ltd. pays TZS 80 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 80 million
 - WHT: 10% of TZS 80 million = TZS 8 million
 - Net interest to be paid: TZS 80 million - TZS 8 million = TZS 72 million

3. Royalties Payments: Assume ProTech Consultants Ltd. pays TZS 55 million in royalties to SciTech Innovations Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 55 million
 - WHT: 15% of TZS 55 million = TZS 8.25 million
 - Net royalties to be paid: TZS 55 million - TZS 8.25 million = TZS 46.75 million

Summary

- **Dividends (Resident):** TZS 15 million WHT
- **Dividends (Non-Resident):** TZS 30 million WHT
- **Interest:** TZS 8 million WHT
- **Royalties:** TZS 8.25 million WHT

Total WHT paid by ProTech Consultants Ltd. for the respective payments:

- Total WHT on dividends: TZS 15 million (resident) + TZS 30 million (non-resident) = TZS 45 million
- Total WHT on interest: TZS 8 million
- Total WHT on royalties: TZS 8.25 million

Overall WHT: TZS 45 million + TZS 8 million + TZS 8.25 million = TZS 61.25 million

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Scenario: A Business Company in the Administrative and Support Service Activities Sector

Company Name: AdminSupport Ltd.

Sector: Administrative and support service activities (N 77–82)

Operations: AdminSupport Ltd. is a Tanzanian-based company providing a range of administrative and support services including office management, call center services, and facilities management. The company has a mix of local and international shareholders. They have secured a loan from a local bank to expand their facilities and improve service infrastructure. Additionally, they pay royalties to a foreign company, ServiceTech Inc., for using their proprietary office management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** AdminSupport Ltd. has taken a loan from a local bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to ServiceTech Inc. for the use of their office management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for AdminSupport Ltd.

1. Dividends Distribution: Assume AdminSupport Ltd. declares a dividend of TZS 450 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 225 million
 - WHT: 5% of TZS 225 million = TZS 11.25 million
 - Net dividend to be paid: TZS 225 million - TZS 11.25 million = TZS 213.75 million
- **Non-resident shareholders (at 10%):**

- Dividend declared: TZS 225 million
- WHT: 10% of TZS 225 million = TZS 22.5 million
- Net dividend to be paid: TZS 225 million - TZS 22.5 million = TZS 202.5 million

2. Interest Payments: Assume AdminSupport Ltd. pays TZS 60 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 60 million
 - WHT: 10% of TZS 60 million = TZS 6 million
 - Net interest to be paid: TZS 60 million - TZS 6 million = TZS 54 million

3. Royalties Payments: Assume AdminSupport Ltd. pays TZS 50 million in royalties to ServiceTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 50 million
 - WHT: 15% of TZS 50 million = TZS 7.5 million
 - Net royalties to be paid: TZS 50 million - TZS 7.5 million = TZS 42.5 million

Summary

- **Dividends (Resident):** TZS 11.25 million WHT
- **Dividends (Non-Resident):** TZS 22.5 million WHT
- **Interest:** TZS 6 million WHT
- **Royalties:** TZS 7.5 million WHT

Total WHT paid by AdminSupport Ltd. for the respective payments:

- Total WHT on dividends: TZS 11.25 million (resident) + TZS 22.5 million (non-resident) = TZS 33.75 million
- Total WHT on interest: TZS 6 million
- Total WHT on royalties: TZS 7.5 million

Overall WHT: TZS 33.75 million + TZS 6 million + TZS 7.5 million = TZS 47.25 million

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Scenario: A Business Company in the Public Administration and Defence Sector

Company Name: PublicAdmin Ltd.

Sector: Public administration and defence (O 84)

Operations: PublicAdmin Ltd. is a Tanzanian-based company involved in providing administrative and logistical support services to government agencies and defense

organizations. The company has a mix of local and international shareholders. They have taken a loan from a local bank to expand their operations and upgrade their technology. Additionally, they pay royalties to a foreign company, AdminTech Ltd., for specialized administrative software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** PublicAdmin Ltd. has taken a loan from a local bank for expansion, which incurs interest payments.
- **Royalties:** The company pays royalties to AdminTech Ltd. for the use of their administrative software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for PublicAdmin Ltd.

1. Dividends Distribution: Assume PublicAdmin Ltd. declares a dividend of TZS 700 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 350 million
 - WHT: 5% of TZS 350 million = TZS 17.5 million
 - Net dividend to be paid: TZS 350 million - TZS 17.5 million = TZS 332.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 350 million
 - WHT: 10% of TZS 350 million = TZS 35 million
 - Net dividend to be paid: TZS 350 million - TZS 35 million = TZS 315 million

2. Interest Payments: Assume PublicAdmin Ltd. pays TZS 100 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 100 million
 - WHT: 10% of TZS 100 million = TZS 10 million
 - Net interest to be paid: TZS 100 million - TZS 10 million = TZS 90 million

3. Royalties Payments: Assume PublicAdmin Ltd. pays TZS 70 million in royalties to AdminTech Ltd.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 70 million
 - WHT: 15% of TZS 70 million = TZS 10.5 million
 - Net royalties to be paid: TZS 70 million - TZS 10.5 million = TZS 59.5 million

Summary

- **Dividends (Resident):** TZS 17.5 million WHT
- **Dividends (Non-Resident):** TZS 35 million WHT
- **Interest:** TZS 10 million WHT
- **Royalties:** TZS 10.5 million WHT

Total WHT paid by PublicAdmin Ltd. for the respective payments:

- Total WHT on dividends: TZS 17.5 million (resident) + TZS 35 million (non-resident) = TZS 52.5 million
- Total WHT on interest: TZS 10 million
- Total WHT on royalties: TZS 10.5 million

Overall WHT: TZS 52.5 million + TZS 10 million + TZS 10.5 million = TZS 73 million

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Scenario: A Business Company in the Education Sector

Company Name: EduWorld Ltd.

Sector: Education (P 85)

Operations: EduWorld Ltd. is a Tanzanian-based company providing educational services including schools, training programs, and educational consulting. The company has a mix of local and international shareholders. They have secured a loan from a foreign bank to expand their facilities and enhance their digital learning platforms. Additionally, they pay royalties to a foreign company, LearnTech Inc., for using their e-learning software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** EduWorld Ltd. has taken a loan from a foreign bank, which incurs interest payments.
- **Royalties:** The company pays royalties to LearnTech Inc. for the use of their e-learning software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for EduWorld Ltd.

1. Dividends Distribution: Assume EduWorld Ltd. declares a dividend of TZS 550 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 275 million
 - WHT: 5% of TZS 275 million = TZS 13.75 million
 - Net dividend to be paid: TZS 275 million - TZS 13.75 million = TZS 261.25 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 275 million
 - WHT: 10% of TZS 275 million = TZS 27.5 million
 - Net dividend to be paid: TZS 275 million - TZS 27.5 million = TZS 247.5 million

2. Interest Payments: Assume EduWorld Ltd. pays TZS 90 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 90 million
 - WHT: 10% of TZS 90 million = TZS 9 million
 - Net interest to be paid: TZS 90 million - TZS 9 million = TZS 81 million

3. Royalties Payments: Assume EduWorld Ltd. pays TZS 60 million in royalties to LearnTech Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 60 million
 - WHT: 15% of TZS 60 million = TZS 9 million
 - Net royalties to be paid: TZS 60 million - TZS 9 million = TZS 51 million

Summary

- **Dividends (Resident):** TZS 13.75 million WHT
- **Dividends (Non-Resident):** TZS 27.5 million WHT

- **Interest:** TZS 9 million WHT
- **Royalties:** TZS 9 million WHT

Total WHT paid by EduWorld Ltd. for the respective payments:

- Total WHT on dividends: TZS 13.75 million (resident) + TZS 27.5 million (non-resident) = TZS 41.25 million
- Total WHT on interest: TZS 9 million
- Total WHT on royalties: TZS 9 million

Overall WHT: TZS 41.25 million + TZS 9 million + TZS 9 million = TZS 59.25 million

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Scenario: A Business Company in the Human Health and Social Work Activities Sector

Company Name: HealthCare Ltd.

Sector: Human health and social work activities (Q 86–88)

Operations: HealthCare Ltd. is a Tanzanian-based company providing healthcare services including hospitals, clinics, and specialized medical care. The company has a mix of local and international shareholders. They have taken out a loan from a foreign bank to build a new state-of-the-art medical facility. Additionally, they pay royalties to a foreign company, MedTech Solutions Inc., for using advanced medical software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** HealthCare Ltd. has taken a loan from a foreign bank, which incurs interest payments.
- **Royalties:** The company pays royalties to MedTech Solutions Inc. for the use of their medical software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for HealthCare Ltd.

1. Dividends Distribution: Assume HealthCare Ltd. declares a dividend of TZS 800 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 400 million
 - WHT: 5% of TZS 400 million = TZS 20 million
 - Net dividend to be paid: TZS 400 million - TZS 20 million = TZS 380 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 400 million
 - WHT: 10% of TZS 400 million = TZS 40 million
 - Net dividend to be paid: TZS 400 million - TZS 40 million = TZS 360 million

2. Interest Payments: Assume HealthCare Ltd. pays TZS 120 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 120 million
 - WHT: 10% of TZS 120 million = TZS 12 million
 - Net interest to be paid: TZS 120 million - TZS 12 million = TZS 108 million

3. Royalties Payments: Assume HealthCare Ltd. pays TZS 80 million in royalties to MedTech Solutions Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 80 million
 - WHT: 15% of TZS 80 million = TZS 12 million
 - Net royalties to be paid: TZS 80 million - TZS 12 million = TZS 68 million

Summary

- **Dividends (Resident):** TZS 20 million WHT
- **Dividends (Non-Resident):** TZS 40 million WHT
- **Interest:** TZS 12 million WHT
- **Royalties:** TZS 12 million WHT

Total WHT paid by HealthCare Ltd. for the respective payments:

- Total WHT on dividends: TZS 20 million (resident) + TZS 40 million (non-resident) = TZS 60 million
- Total WHT on interest: TZS 12 million
- Total WHT on royalties: TZS 12 million

Overall WHT: TZS 60 million + TZS 12 million + TZS 12 million = TZS 84 million

Scenario: A Business Company in the Arts, Entertainment, and Recreation Sector

Company Name: EntertainCo Ltd.

Sector: Arts, entertainment, and recreation (R 90–93)

Operations: EntertainCo Ltd. is a Tanzanian-based company involved in organizing events, running a theater, and providing recreational services. The company has both local and international shareholders. They have secured a loan from a foreign bank to build a new entertainment complex. Additionally, they pay royalties to a foreign company, CreativeWorks Inc., for the use of exclusive performance rights and entertainment software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** EntertainCo Ltd. has taken a loan from a foreign bank, which incurs interest payments.
- **Royalties:** The company pays royalties to CreativeWorks Inc. for the use of their performance rights and entertainment software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for EntertainCo Ltd.

1. Dividends Distribution: Assume EntertainCo Ltd. declares a dividend of TZS 650 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 325 million
 - WHT: 5% of TZS 325 million = TZS 16.25 million
 - Net dividend to be paid: TZS 325 million - TZS 16.25 million = TZS 308.75 million

- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 325 million
 - WHT: 10% of TZS 325 million = TZS 32.5 million
 - Net dividend to be paid: TZS 325 million - TZS 32.5 million = TZS 292.5 million

2. Interest Payments: Assume EntertainCo Ltd. pays TZS 110 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 110 million
 - WHT: 10% of TZS 110 million = TZS 11 million
 - Net interest to be paid: TZS 110 million - TZS 11 million = TZS 99 million

3. Royalties Payments: Assume EntertainCo Ltd. pays TZS 75 million in royalties to CreativeWorks Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 75 million
 - WHT: 15% of TZS 75 million = TZS 11.25 million
 - Net royalties to be paid: TZS 75 million - TZS 11.25 million = TZS 63.75 million

Summary

- **Dividends (Resident):** TZS 16.25 million WHT
- **Dividends (Non-Resident):** TZS 32.5 million WHT
- **Interest:** TZS 11 million WHT
- **Royalties:** TZS 11.25 million WHT

Total WHT paid by EntertainCo Ltd. for the respective payments:

- Total WHT on dividends: TZS 16.25 million (resident) + TZS 32.5 million (non-resident) = TZS 48.75 million
- Total WHT on interest: TZS 11 million
- Total WHT on royalties: TZS 11.25 million

Overall WHT: TZS 48.75 million + TZS 11 million + TZS 11.25 million = TZS 71 million

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Scenario: A Business Company in the Other Service Activities Sector

Company Name: ServicePlus Ltd.

Sector: Other service activities (S 94–96)

Operations: ServicePlus Ltd. is a Tanzanian-based company providing various other services, including personal services, repair services, and laundry services. The company has

a combination of local and international shareholders. They have secured a loan from a local bank to invest in new equipment and expand their service offerings. Additionally, they pay royalties to a foreign company, ServiceTech Ltd., for using specialized service management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** ServicePlus Ltd. has taken a loan from a local bank, which incurs interest payments.
- **Royalties:** The company pays royalties to ServiceTech Ltd. for the use of their service management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for ServicePlus Ltd.

1. Dividends Distribution: Assume ServicePlus Ltd. declares a dividend of TZS 500 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 250 million
 - WHT: 5% of TZS 250 million = TZS 12.5 million
 - Net dividend to be paid: TZS 250 million - TZS 12.5 million = TZS 237.5 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 250 million
 - WHT: 10% of TZS 250 million = TZS 25 million
 - Net dividend to be paid: TZS 250 million - TZS 25 million = TZS 225 million

2. Interest Payments: Assume ServicePlus Ltd. pays TZS 70 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 70 million
 - WHT: 10% of TZS 70 million = TZS 7 million
 - Net interest to be paid: TZS 70 million - TZS 7 million = TZS 63 million

3. Royalties Payments: Assume ServicePlus Ltd. pays TZS 55 million in royalties to ServiceTech Ltd.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 55 million
 - WHT: 15% of TZS 55 million = TZS 8.25 million
 - Net royalties to be paid: TZS 55 million - TZS 8.25 million = TZS 46.75 million

Summary

- **Dividends (Resident):** TZS 12.5 million WHT
- **Dividends (Non-Resident):** TZS 25 million WHT
- **Interest:** TZS 7 million WHT
- **Royalties:** TZS 8.25 million WHT

Total WHT paid by ServicePlus Ltd. for the respective payments:

- Total WHT on dividends: TZS 12.5 million (resident) + TZS 25 million (non-resident) = TZS 37.5 million
- Total WHT on interest: TZS 7 million
- Total WHT on royalties: TZS 8.25 million

Overall WHT: TZS 37.5 million + TZS 7 million + TZS 8.25 million = TZS 52.75 million

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Scenario: A Business Company in the Activities of Households as Employers Sector

Company Name: HomeCare Ltd.

Sector: Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use (T 97–98)

Operations: HomeCare Ltd. is a Tanzanian-based company providing personal services and household management services. The company assists clients with home maintenance, gardening, and personal care services. It has both local and international shareholders. They have secured a loan from a local bank to expand their operations and improve their service infrastructure. Additionally, they pay royalties to a foreign company, HomeTech Solutions Inc., for using their household management software.

Financial Details:

- **Dividends:** The company plans to distribute dividends to its shareholders, both residents and non-residents.
- **Interest:** HomeCare Ltd. has taken a loan from a local bank, which incurs interest payments.

- **Royalties:** The company pays royalties to HomeTech Solutions Inc. for the use of their household management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- Resident shareholders: 5% or 10% (depending on the type of dividends)
- Non-resident shareholders: 5% or 10% (depending on the type of dividends)

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for HomeCare Ltd.

1. Dividends Distribution: Assume HomeCare Ltd. declares a dividend of TZS 400 million.

- **Resident shareholders (at 5%):**
 - Dividend declared: TZS 200 million
 - WHT: 5% of TZS 200 million = TZS 10 million
 - Net dividend to be paid: TZS 200 million - TZS 10 million = TZS 190 million
- **Non-resident shareholders (at 10%):**
 - Dividend declared: TZS 200 million
 - WHT: 10% of TZS 200 million = TZS 20 million
 - Net dividend to be paid: TZS 200 million - TZS 20 million = TZS 180 million

2. Interest Payments: Assume HomeCare Ltd. pays TZS 50 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 50 million
 - WHT: 10% of TZS 50 million = TZS 5 million
 - Net interest to be paid: TZS 50 million - TZS 5 million = TZS 45 million

3. Royalties Payments: Assume HomeCare Ltd. pays TZS 30 million in royalties to HomeTech Solutions Inc.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 30 million
 - WHT: 15% of TZS 30 million = TZS 4.5 million
 - Net royalties to be paid: TZS 30 million - TZS 4.5 million = TZS 25.5 million

Summary

- **Dividends (Resident):** TZS 10 million WHT

- **Dividends (Non-Resident):** TZS 20 million WHT
- **Interest:** TZS 5 million WHT
- **Royalties:** TZS 4.5 million WHT

Total WHT paid by HomeCare Ltd. for the respective payments:

- Total WHT on dividends: TZS 10 million (resident) + TZS 20 million (non-resident) = TZS 30 million
- Total WHT on interest: TZS 5 million
- Total WHT on royalties: TZS 4.5 million

Overall WHT: TZS 30 million + TZS 5 million + TZS 4.5 million = TZS 39.5 million

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Scenario: A Business Company in the Activities of Extraterritorial Organizations and Bodies Sector

Company Name: GlobalAid Ltd.

Sector: Activities of extraterritorial organizations and bodies (U 99)

Operations: GlobalAid Ltd. is an international non-governmental organization (NGO) based in Tanzania, involved in humanitarian work and international development projects. The organization is funded by various international donors and organizations. They have secured a loan from a foreign bank to support their projects and also pay royalties to an international company, NGOTech Ltd., for using specialized project management software.

Financial Details:

- **Dividends:** The organization does not distribute dividends as it operates as an NGO. Therefore, there are no dividend-related WHT calculations.
- **Interest:** GlobalAid Ltd. has taken a loan from a foreign bank, which incurs interest payments.
- **Royalties:** The organization pays royalties to NGOTech Ltd. for using their project management software.

Withholding Tax (WHT) Rates under Tanzanian Tax Laws

Dividends:

- No WHT calculations as dividends are not applicable to NGOs.

Interest:

- Resident and non-resident lenders: 10%

Royalties:

- Resident and non-resident recipients: 15%

Calculations of WHT for GlobalAid Ltd.

1. Interest Payments: Assume GlobalAid Ltd. pays TZS 200 million as interest on a loan.

- **Interest payment (10%):**
 - Total interest payment: TZS 200 million
 - WHT: 10% of TZS 200 million = TZS 20 million
 - Net interest to be paid: TZS 200 million - TZS 20 million = TZS 180 million

2. Royalties Payments: Assume GlobalAid Ltd. pays TZS 100 million in royalties to NGOTech Ltd.

- **Royalties payment (15%):**
 - Total royalties payment: TZS 100 million
 - WHT: 15% of TZS 100 million = TZS 15 million
 - Net royalties to be paid: TZS 100 million - TZS 15 million = TZS 85 million

Summary

- **Dividends:** Not applicable
- **Interest:** TZS 20 million WHT
- **Royalties:** TZS 15 million WHT

Total WHT paid by GlobalAid Ltd. for the respective payments:

- Total WHT on interest: TZS 20 million
- Total WHT on royalties: TZS 15 million

Overall WHT: TZS 20 million + TZS 15 million = TZS 35 million