

## Taxes on the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector in Tanzania

Here's a comprehensive list of 30 taxes, levies, duties, and customs that apply to the business activities in the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector in Tanzania. Each item includes a description, the rate applicable, the law applicable, and an example to illustrate how it is calculated and applied.

### 1. Value Added Tax (VAT)

- **Description:** A tax on the value added at each stage of the production and distribution chain.
- **Rate Applicable:** 18%
- **Law Applicable:** Value Added Tax Act, 2014
- **Example:** If a motor vehicle is sold for TZS 10,000,000, the VAT would be 1,800,000 ( $10,000,000 \times 18\%$ ).

### 2. Corporate Income Tax

- **Description:** Tax on the profits of incorporated businesses.
- **Rate Applicable:** 30%
- **Law Applicable:** Income Tax Act, 2004
- **Example:** If a company's profit is TZS 50,000,000, the tax payable would be TZS 15,000,000 ( $50,000,000 \times 30\%$ ).

### 3. Import Duty

- **Description:** Tax on goods imported into Tanzania.
- **Rate Applicable:** Varies by product, generally 0%-25%
- **Law Applicable:** East African Community Customs Management Act, 2004
- **Example:** If importing motor vehicle parts worth TZS 1,000,000 with a duty rate of 20%, the duty would be TZS 200,000.

### 4. Excise Duty

- **Description:** Tax on specific goods and services like fuel, alcohol, and tobacco.
- **Rate Applicable:** Varies; motor vehicle fuel 315 TZS per litre
- **Law Applicable:** Excise (Management and Tariff) Act, 2008
- **Example:** For 1,000 litres of automotive fuel, the duty is TZS 315,000 ( $1,000 \times 315$ ).

### 5. Withholding Tax on Services

- **Description:** Tax withheld at source on payments for specific services.
- **Rate Applicable:** 5%-10%
- **Law Applicable:** Income Tax Act, 2004
- **Example:** On a TZS 1,000,000 maintenance service fee, 5% withholding tax is TZS 50,000.

### 6. Stamp Duty

- **Description:** Tax on certain legal documents and transactions.
- **Rate Applicable:** Varies; typically TZS 500 to 10,000
- **Law Applicable:** Stamp Duty Act, 1972
- **Example:** For a sale agreement of TZS 10,000,000, the duty might be TZS 10,000.

## 7. Skills and Development Levy (SDL)

- **Description:** Levy on gross emoluments paid to employees.
- **Rate Applicable:** 4%
- **Law Applicable:** Vocational Education and Training Act, 1994
- **Example:** For TZS 10,000,000 in employee salaries, SDL is TZS 400,000 (10,000,000 \* 4%).

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

- **Description:** Tax on employees' income withheld by employers.
- **Rate Applicable:** Progressive rates up to 30%
- **Law Applicable:** Income Tax Act, 2004
- **Example:** An employee earning TZS 1,000,000 monthly might pay TZS 100,000 in PAYE.

## 9. Property Tax

- **Description:** Annual tax on property based on its value.
- **Rate Applicable:** Varies by municipality
- **Law Applicable:** Local Government Finance Act, 1982
- **Example:** For a commercial property valued at TZS 50,000,000, a rate of 0.15% would be TZS 75,000 annually.

## 10. Customs Processing Fee

- **Description:** Fee for customs processing of imported goods.
- **Rate Applicable:** 0.6% of CIF value
- **Law Applicable:** East African Community Customs Management Act, 2004
- **Example:** On goods valued at TZS 1,000,000 CIF, the fee is TZS 6,000.

## 11. Motor Vehicle License Fee

- **Description:** Annual fee for motor vehicle licenses.
- **Rate Applicable:** Varies by vehicle type
- **Law Applicable:** Road Traffic Act, 1973
- **Example:** For a private car, the fee might be TZS 150,000 annually.

## 12. Fuel Levy

- **Description:** Tax on fuel sold within the country.
- **Rate Applicable:** 150 TZS per litre
- **Law Applicable:** Road and Fuel Tolls Act, 1985
- **Example:** For 1,000 litres of fuel sold, the levy is TZS 150,000 (1,000 \* 150).

### 13. Road Tolls

- **Description:** Levy on vehicles using certain roads.
- **Rate Applicable:** Varies by road
- **Law Applicable:** Road and Fuel Tolls Act, 1985
- **Example:** A toll of TZS 5,000 might be charged for certain highways.

### 14. Business License Fee

- **Description:** Annual fee for operating a business.
- **Rate Applicable:** Varies by business size and type
- **Law Applicable:** Business Licensing Act, 1972
- **Example:** A retail shop might pay TZS 100,000 annually for a license.

### 15. Tourism Development Levy

- **Description:** Levy on hotels and tourism services.
- **Rate Applicable:** 1% of turnover
- **Law Applicable:** Tourism Act, 2008
- **Example:** A hotel with TZS 100,000,000 turnover would pay TZS 1,000,000 ( $100,000,000 \times 1\%$ ).

### 16. Hotel Levy

- **Description:** Levy on hotel accommodation charges.
- **Rate Applicable:** 5%
- **Law Applicable:** Local Government Finance Act, 1982
- **Example:** For a room charge of TZS 50,000, the levy is TZS 2,500.

### 17. Export Duty

- **Description:** Tax on goods exported from Tanzania.
- **Rate Applicable:** Varies by product
- **Law Applicable:** East African Community Customs Management Act, 2004
- **Example:** On exported raw materials worth TZS 1,000,000 with a duty of 10%, the duty is TZS 100,000.

### 18. Occupational Safety and Health Levy

- **Description:** Levy for ensuring workplace safety and health standards.
- **Rate Applicable:** Varies
- **Law Applicable:** Occupational Health and Safety Act, 2003
- **Example:** A manufacturing plant might pay TZS 50,000 annually.

### 19. Environmental Levy

- **Description:** Tax for environmental protection initiatives.
- **Rate Applicable:** Varies
- **Law Applicable:** Environmental Management Act, 2004

- **Example:** A waste disposal company might pay TZS 100,000 annually.

## 20. Corporate Social Responsibility Levy

- **Description:** Levy for social development contributions.
- **Rate Applicable:** Varies by sector
- **Law Applicable:** Local Government Finance Act, 1982
- **Example:** A mining company might contribute TZS 500,000 annually.

## 21. National Health Insurance Fund (NHIF) Contributions

- **Description:** Contributions to the national health insurance scheme.
- **Rate Applicable:** 3% of gross salary
- **Law Applicable:** National Health Insurance Fund Act, 1999
- **Example:** For an employee with a TZS 1,000,000 salary, the contribution is TZS 30,000.

## 22. Workers Compensation Fund (WCF) Contributions

- **Description:** Contributions for worker compensation insurance.
- **Rate Applicable:** 1% of gross salary
- **Law Applicable:** Workers Compensation Act, 2008
- **Example:** For an employee with a TZS 1,000,000 salary, the contribution is TZS 10,000.

## 23. Personal Income Tax

- **Description:** Tax on individual income.
- **Rate Applicable:** Progressive rates up to 30%
- **Law Applicable:** Income Tax Act, 2004
- **Example:** An individual earning TZS 2,000,000 monthly might pay TZS 300,000 in income tax.

## 24. Local Government Levy

- **Description:** Levy imposed by local governments for services.
- **Rate Applicable:** Varies
- **Law Applicable:** Local Government Finance Act, 1982
- **Example:** A shop might pay TZS 50,000 annually to the local council.

## 25. Capital Gains Tax

- **Description:** Tax on the profit from the sale of assets.
- **Rate Applicable:** 10% for residents, 30% for non-residents
- **Law Applicable:** Income Tax Act, 2004
- **Example:** If an asset is sold for TZS 10,000,000 with a gain of TZS 2,000,000, the tax for a resident is TZS 200,000.

## 26. Vehicle Inspection Fee

- **Description:** Fee for mandatory vehicle inspections.
- **Rate Applicable:** Varies by vehicle type
- **Law Applicable:** Road Traffic Act, 1973
- **Example:** Inspection for a private car might cost TZS 50,000 annually.

## 27. Fishing License Fee

- **Description:** Fee for commercial fishing licenses.
- **Rate Applicable:** Varies by fishing type
- **Law Applicable:** Fisheries Act, 2003
- **Example:** A commercial fishing license might cost TZS 200,000 annually.

## 28. Mining Royalty

- **Description:** Royalty on minerals extracted.
- **Rate Applicable:** Varies by mineral, generally 3%-7%
- **Law Applicable:** Mining Act, 2010
- **Example:** On minerals worth TZS 10,000,000 with a 5% royalty, the payment is TZS 500,000.

## 29. Telecommunications Levy

- **Description:** Levy on telecommunications services.
- **Rate Applicable:** 17%
- **Law Applicable:** Electronic and Postal Communications Act, 2010
- **Example:** On a TZS 1,000,000 telecommunications service charge, the levy is TZS 170,000.

## 30. Municipal Service Levy

- **Description:** Levy for municipal services like waste collection.
- **Rate Applicable:** Varies by municipality
- **Law Applicable:** Local Government Finance Act, 1982
- **Example:** A business might pay TZS 30,000 annually for waste collection services.

This list provides an overview of various taxes, levies, duties, and customs that businesses in Tanzania might encounter, along with their rates and applicable laws. Each example demonstrates how the rate is applied in a practical context.