

## Taxes on Manufacturing sector

Here's a list of 30 taxes, levies, duties, and customs applicable to various manufacturing activities based on the divisions, groups, and classes provided:

### 1. Value Added Tax (VAT)

- **Description:** Tax on consumption of goods and services.
- **Rate:** Standard rate is 18%.
- **Law:** Value Added Tax Act, No. 14 of 1997.

#### Example Calculation:

- **Scenario:** A manufacturer sells goods for TZS 100,000,000.

#### Calculation:

- $\text{VAT Payable} = (\text{Selling Price}) \times (\text{VAT Rate})$
- $\text{VAT Payable} = \text{TZS } 100,000,000 \times 18\%$
- $\text{VAT Payable} = \text{TZS } 100,000,000 \times 0.18$
- $\text{VAT Payable} = \text{TZS } 18,000,000$

Therefore, VAT payable on sales of TZS 100,000,000 at 18% is TZS 18,000,000.

### 2. Corporate Income Tax

- **Description:** Tax on profits of companies.
- **Rate:** Standard rate is 30%.
- **Law:** Income Tax Act, Cap 332.

#### Example Calculation:

- **Scenario:** A manufacturing company earns a profit of TZS 50,000,000.

#### Calculation:

- $\text{Income Tax Payable} = (\text{Profit}) \times (\text{Tax Rate})$
- $\text{Income Tax Payable} = \text{TZS } 50,000,000 \times 30\%$
- $\text{Income Tax Payable} = \text{TZS } 50,000,000 \times 0.30$
- $\text{Income Tax Payable} = \text{TZS } 15,000,000$

Therefore, corporate income tax payable on profit of TZS 50,000,000 at 30% is TZS 15,000,000.

### 3. Pay As You Earn (PAYE)

- **Description:** Tax on employment income.
- **Rate:** Progressive rates up to 30%.
- **Law:** Income Tax Act, Cap 332.

### Example Calculation:

- **Scenario:** An employee earns a monthly salary of TZS 1,000,000.

#### Calculation:

- $\text{PAYE Deduction} = (\text{Salary}) \times (\text{Applicable Tax Rate})$

Using progressive rates:

- For the first TZS 400,000: 0%
- For the next TZS 600,000: 9%

#### Calculation:

- $\text{PAYE Deduction} = (\text{TZS } 400,000 \times 0\%) + (\text{TZS } 600,000 \times 9\%)$
- $\text{PAYE Deduction} = (\text{TZS } 0) + (\text{TZS } 54,000)$
- $\text{PAYE Deduction} = \text{TZS } 54,000$

Therefore, PAYE deduction for a monthly salary of TZS 1,000,000 is TZS 54,000.

## 4. Skills Development Levy (SDL)

- **Description:** Levy to fund skills development in Tanzania.
- **Rate:** 4.5% of employee salaries.
- **Law:** Vocational Education and Training Act, No. 1 of 1994.

### Example Calculation:

- **Scenario:** A company's total payroll is TZS 30,000,000 per month.

#### Calculation:

- $\text{SDL Payable} = (\text{Total Payroll}) \times (\text{SDL Rate})$
- $\text{SDL Payable} = \text{TZS } 30,000,000 \times 4.5\%$
- $\text{SDL Payable} = \text{TZS } 30,000,000 \times 0.045$
- $\text{SDL Payable} = \text{TZS } 1,350,000$

Therefore, SDL payable on a monthly payroll of TZS 30,000,000 is TZS 1,350,000.

## 5. Import Duty

- **Description:** Tax on goods imported into Tanzania.
- **Rate:** Varies depending on the type of goods.
- **Law:** East African Community Customs Management Act, 2004.

### Example Calculation:

- **Scenario:** A company imports machinery valued at TZS 200,000,000 with an import duty rate of 10%.

**Calculation:**

- Import Duty Payable = (Import Value) × (Import Duty Rate)
- Import Duty Payable = TZS 200,000,000 × 10%
- Import Duty Payable = TZS 200,000,000 × 0.10
- Import Duty Payable = TZS 20,000,000

Therefore, import duty payable on machinery valued at TZS 200,000,000 with a 10% duty rate is TZS 20,000,000.

**6. Environmental Levy**

- **Description:** Levy to fund environmental conservation.
- **Rate:** Varies depending on the activity.
- **Law:** Environmental Management Act, No. 20 of 2004.

**Example Calculation:**

- **Scenario:** A manufacturing plant with activities impacting the environment pays an annual levy of TZS 5,000,000.

**Calculation:**

- Environmental Levy Payable = TZS 5,000,000

Therefore, environmental levy payable annually is TZS 5,000,000.

**7. Stamp Duty**

- **Description:** Tax on documents.
- **Rate:** Varies depending on the document type.
- **Law:** Stamp Duty Act, Cap 189.

**Example Calculation:**

- **Scenario:** A company executes a lease agreement for TZS 100,000,000.

**Calculation:**

- Stamp Duty Payable = TZS 100,000,000 × 1%
- Stamp Duty Payable = TZS 1,000,000

Therefore, stamp duty payable on a lease agreement of TZS 100,000,000 at 1% is TZS 1,000,000.

**8. Training Levy**

- **Description:** Levy for training employees in specific sectors.
- **Rate:** 0.15% of total payroll.

- **Law:** Vocational Education and Training Act, No. 1 of 1994.

#### **Example Calculation:**

- **Scenario:** A company's total payroll is TZS 50,000,000 per month.

#### **Calculation:**

- Training Levy Payable = TZS 50,000,000 × 0.15%
- Training Levy Payable = TZS 50,000,000 × 0.0015
- Training Levy Payable = TZS 75,000

Therefore, training levy payable on a monthly payroll of TZS 50,000,000 is TZS 75,000.

### **9. Excise Duty**

- **Description:** Duty on specific goods manufactured in Tanzania.
- **Rate:** Variable rates depending on the type of goods.
- **Law:** Excise Duty Act, Cap 147.

#### **Example Calculation:**

- **Scenario:** A manufacturer produces excisable goods valued at TZS 80,000,000 with an excise duty rate of 15%.

#### **Calculation:**

- Excise Duty Payable = TZS 80,000,000 × 15%
- Excise Duty Payable = TZS 80,000,000 × 0.15
- Excise Duty Payable = TZS 12,000,000

Therefore, excise duty payable on goods valued at TZS 80,000,000 with a 15% duty rate is TZS 12,000,000.

### **10. Capital Gains Tax**

- **Description:** Tax on gains from sale of capital assets.
- **Rate:** 20% for resident companies.
- **Law:** Income Tax Act, Cap 332.

#### **Example Calculation:**

- **Scenario:** A manufacturing company sells a property for TZS 150,000,000, and the cost of acquisition was TZS 120,000,000.

#### **Calculation:**

- Capital Gain = TZS 150,000,000 - TZS 120,000,000
- Capital Gain = TZS 30,000,000

- Capital Gains Tax Payable = TZS 30,000,000 × 20%
- Capital Gains Tax Payable = TZS 30,000,000 × 0.20
- Capital Gains Tax Payable = TZS 6,000,000

Therefore, capital gains tax payable on the sale of property resulting in a gain of TZS 30,000,000 is TZS 6,000,000.

## 11. Customs Processing Fee

- **Description:** Fee for customs processing services.
- **Rate:** Varies depending on the type of declaration.
- **Law:** East African Community Customs Management Act, 2004.

### Example Calculation:

- **Scenario:** A company submits an import declaration valued at TZS 120,000,000.

#### Calculation:

- Customs Processing Fee = TZS 120,000,000 × 0.2%
- Customs Processing Fee = TZS 120,000,000 × 0.002
- Customs Processing Fee = TZS 240,000

Therefore, customs processing fee payable on an import declaration of TZS 120,000,000 at 0.2% is TZS 240,000.

## 12. Withholding Tax

- **Description:** Tax deducted at source on certain payments.
- **Rate:** Varies depending on the payment type.
- **Law:** Income Tax Act, Cap 332.

### Example Calculation:

- **Scenario:** A company pays TZS 10,000,000 as consultancy fees.

#### Calculation:

- Withholding Tax Deductible = TZS 10,000,000 × 5%
- Withholding Tax Deductible = TZS 10,000,000 × 0.05
- Withholding Tax Deductible = TZS 500,000

Therefore, withholding tax payable on consultancy fees of TZS 10,000,000 at 5% is TZS 500,000.

## 13. Environmental Impact Assessment (EIA) Fee

- **Description:** Fee for assessing environmental impact of projects.
- **Rate:** Varies depending on the project scale.

- **Law:** Environmental Management Act, No. 20 of 2004.

#### **Example Calculation:**

- **Scenario:** A manufacturing company submits an EIA for a new project valued at TZS 300,000,000.

#### **Calculation:**

- $\text{EIA Fee} = \text{TZS } 300,000,000 \times 0.1\%$
- $\text{EIA Fee} = \text{TZS } 300,000,000 \times 0.001$
- $\text{EIA Fee} = \text{TZS } 300,000$

Therefore, EIA fee payable for an assessment of a project valued at TZS 300,000,000 at 0.1% is TZS 300,000.

### **14. Airport Service Charge**

- **Description:** Charge for using airport facilities.
- **Rate:** Varies depending on passenger or cargo.
- **Law:** Tanzania Airports Authority Act, No. 12 of 2005.

#### **Example Calculation:**

- **Scenario:** A manufacturing company exports goods with air freight costing TZS 50,000,000.

#### **Calculation:**

- $\text{Airport Service Charge} = \text{TZS } 50,000,000 \times 1\%$
- $\text{Airport Service Charge} = \text{TZS } 50,000,000 \times 0.01$
- $\text{Airport Service Charge} = \text{TZS } 500,000$

Therefore, airport service charge payable on air freight of TZS 50,000,000 at 1% is TZS 500,000.

### **15. Road Tolls**

- **Description:** Fee for using public roads.
- **Rate:** Varies depending on vehicle type and distance.
- **Law:** Road Traffic Act, No. 30 of 1973.

#### **Example Calculation:**

- **Scenario:** A company transports goods over a distance of 200 km with a truck.

#### **Calculation:**

- $\text{Road Tolls} = \text{TZS } 200,000 \times 0.5 \text{ per km}$
- $\text{Road Tolls} = \text{TZS } 200,000 \times 0.5$

- Road Tolls = TZS 100,000

Therefore, road tolls payable for a truck traveling 200 km at TZS 0.5 per km is TZS 100,000.

## 16. Training Levy

- **Description:** Levy for training employees in specific sectors.
- **Rate:** 0.15% of total payroll.
- **Law:** Vocational Education and Training Act, No. 1 of 1994.

### Example Calculation:

- **Scenario:** A company's total payroll is TZS 50,000,000 per month.

#### Calculation:

- Training Levy Payable = TZS 50,000,000 × 0.15%
- Training Levy Payable = TZS 50,000,000 × 0.0015
- Training Levy Payable = TZS 75,000

Therefore, training levy payable on a monthly payroll of TZS 50,000,000 is TZS 75,000.

## 17. Building and Land Rates

- **Description:** Tax on buildings and land.
- **Rate:** Varies depending on location and property value.
- **Law:** Local Government Finance Act, No. 9 of 1982.

### Example Calculation:

- **Scenario:** A company owns a factory building assessed at TZS 500,000,000.

#### Calculation:

- Building and Land Rates = TZS 500,000,000 × 0.1%
- Building and Land Rates = TZS 500,000,000 × 0.001
- Building and Land Rates = TZS 5,000,000

Therefore, building and land rates payable annually on a property assessed at TZS 500,000,000 at 0.1% is TZS 5,000,000.

## 18. Road Maintenance Levy

- **Description:** Levy for road maintenance.
- **Rate:** 3% of fuel purchase price.
- **Law:** Finance Act.

**Example Calculation:**

- **Scenario:** A company purchases fuel worth TZS 100,000,000.

**Calculation:**

- Road Maintenance Levy = TZS 100,000,000 × 3%
- Road Maintenance Levy = TZS 100,000,000 × 0.03
- Road Maintenance Levy = TZS 3,000,000

Therefore, road maintenance levy payable on fuel purchases of TZS 100,000,000 at 3% is TZS 3,000,000.

**19. Import Declaration Fees**

- **Description:** Fee for lodging import declarations.
- **Rate:** Varies depending on the type and value of goods.
- **Law:** Tanzania Revenue Authority Act, No. 11 of 1995.

**Example Calculation:**

- **Scenario:** A company lodges an import declaration valued at TZS 150,000,000.

**Calculation:**

- Import Declaration Fee = TZS 150,000,000 × 0.05%
- Import Declaration Fee = TZS 150,000,000 × 0.0005
- Import Declaration Fee = TZS 75,000

Therefore, import declaration fee payable on a declaration of TZS 150,000,000 at 0.05% is TZS 75,000.

**20. Export Levy**

- **Description:** Levy on goods exported from Tanzania.
- **Rate:** Varies depending on the type of goods.
- **Law:** Export Levy Act, Cap 213.

**Example Calculation:**

- **Scenario:** A company exports goods valued at TZS 80,000,000 with an export levy rate of 2%.

**Calculation:**

- Export Levy Payable = TZS 80,000,000 × 2%
- Export Levy Payable = TZS 80,000,000 × 0.02
- Export Levy Payable = TZS 1,600,000



Therefore, export levy payable on goods exported with a value of TZS 80,000,000 at 2% is TZS 1,600,000.

## 21. Tourist Development Levy

- **Description:** Levy on tourist services.
- **Rate:** TZS 5,000 per tourist.
- **Law:** Tourism Act, No. 29 of 2008.

### Example Calculation:

- **Scenario:** A company provides tourist accommodation to 1,000 tourists.

#### Calculation:

- Tourist Development Levy = 1,000 tourists × TZS 5,000
- Tourist Development Levy = TZS 5,000,000

Therefore, tourist development levy payable for 1,000 tourists at TZS 5,000 per tourist is TZS 5,000,000.

## 22. Royalty Fees

- **Description:** Fee paid for use of intellectual property.
- **Rate:** Varies depending on the agreement.
- **Law:** Copyright and Neighboring Rights Act, No. 7 of 1999.

### Example Calculation:

- **Scenario:** A company pays royalty fees of TZS 20,000,000 for using patented technology.

#### Calculation:

- Royalty Fees Payable = TZS 20,000,000

Therefore, royalty fees payable for use of patented technology amount to TZS 20,000,000.

## 23. Environmental Compliance Certificate (ECC) Fees

- **Description:** Fee for obtaining environmental compliance certificate.
- **Rate:** Varies depending on project scale.
- **Law:** Environmental Management Act, No. 20 of 2004.

### Example Calculation:

- **Scenario:** A company applies for an ECC for a project valued at TZS 500,000,000.

**Calculation:**

- $\text{ECC Fees} = \text{TZS } 500,000,000 \times 0.05\%$
- $\text{ECC Fees} = \text{TZS } 500,000,000 \times 0.0005$
- $\text{ECC Fees} = \text{TZS } 2,500,000$

Therefore, ECC fees payable for assessment of a project valued at TZS 500,000,000 at 0.05% is TZS 2,500,000.

**24. Business License Fees**

- **Description:** Fee for operating a business.
- **Rate:** Varies depending on business type and location.
- **Law:** Local Government (Rating) Act, No. 8 of 1982.

**Example Calculation:**

- **Scenario:** A company operates in a municipality with a business license fee of TZS 1,000,000.

**Calculation:**

- $\text{Business License Fee} = \text{TZS } 1,000,000$

Therefore, business license fee payable annually is TZS 1,000,000.

**25. Export Processing Zone (EPZ) Levy**

- **Description:** Levy for operating in EPZ.
- **Rate:** Varies depending on EPZ authority.
- **Law:** Export Processing Zones Act, No. 6 of 2002.

**Example Calculation:**

- **Scenario:** A company operates within an EPZ with a levy rate of 1% on export value.

**Calculation:**

- $\text{EPZ Levy} = \text{TZS } 100,000,000 \times 1\%$
- $\text{EPZ Levy} = \text{TZS } 100,000,000 \times 0.01$
- $\text{EPZ Levy} = \text{TZS } 1,000,000$

Therefore, EPZ levy payable on an export value of TZS 100,000,000 at 1% is TZS 1,000,000.

**26. Trade License Fees**

- **Description:** Fee for engaging in trade activities.
- **Rate:** Varies depending on trade volume.

- **Law:** Local Government (Rating) Act, No. 8 of 1982.

#### **Example Calculation:**

- **Scenario:** A company engages in wholesale trade with a trade license fee of TZS 500,000.

#### **Calculation:**

- Trade License Fee = TZS 500,000

Therefore, trade license fee payable annually for wholesale trade is TZS 500,000.

### **27. Consular Fees**

- **Description:** Fee for consular services.
- **Rate:** Varies depending on service.
- **Law:** Consular Fees Act, Cap 16.

#### **Example Calculation:**

- **Scenario:** A company pays consular fees of TZS 50,000 for notarizing a document.

#### **Calculation:**

- Consular Fees Payable = TZS 50,000

Therefore, consular fees payable for notarizing a document amount to TZS 50,000.

### **28. Energy Levy**

- **Description:** Levy on energy consumption.
- **Rate:** Varies depending on energy type and consumption.
- **Law:** Energy and Water Utilities Regulatory Authority Act, No. 11 of 2001.

#### **Example Calculation:**

- **Scenario:** A company consumes electricity worth TZS 200,000,000.

#### **Calculation:**

- Energy Levy = TZS 200,000,000 × 1%
- Energy Levy = TZS 200,000,000 × 0.01
- Energy Levy = TZS 2,000,000

Therefore, energy levy payable on electricity consumption of TZS 200,000,000 at 1% is TZS 2,000,000.

### **29. Stamp Duty**

- **Description:** Tax on legal documents.
- **Rate:** Varies depending on document type and value.
- **Law:** Stamp Duty Act, No. 5 of 1967.

**Example Calculation:**

- **Scenario:** A company signs a contract valued at TZS 100,000,000.

**Calculation:**

- Stamp Duty = TZS 100,000,000 × 0.3%
- Stamp Duty = TZS 100,000,000 × 0.003
- Stamp Duty = TZS 300,000

Therefore, stamp duty payable on a contract valued at TZS 100,000,000 at 0.3% is TZS 300,000.

### **30. Rental Income Tax**

- **Description:** Tax on rental income.
- **Rate:** 15% of rental income.
- **Law:** Income Tax Act, No. 11 of 2004.

**Example Calculation:**

- **Scenario:** A company earns rental income of TZS 20,000,000 annually.

**Calculation:**

- Rental Income Tax = TZS 20,000,000 × 15%
- Rental Income Tax = TZS 20,000,000 × 0.15
- Rental Income Tax = TZS 3,000,000

Therefore, rental income tax payable annually on income of TZS 20,000,000 at 15% is TZS 3,000,000.