

Taxes on activities of households as employers of domestic personnel and undifferentiated goods- and services-producing activities of households

Businesses or entities involved in the sector of activities of households as employers of domestic personnel and undifferentiated goods- and services-producing activities of households for their own use in Tanzania are generally subject to fewer formal taxes and levies compared to commercial businesses. However, here is a list of applicable taxes, levies, duties, and customs along with descriptions, applicable laws, rates, and calculation examples:

1. Pay As You Earn (PAYE)

- **Description:** Tax withheld from salaries paid to domestic employees.
- **Law:** Income Tax Act, 2004.
- **Rate:** Progressive rates up to 30%.
- **Example Calculation:** For a domestic worker earning TZS 500,000 per month:
 - Calculation: $\text{PAYE} = \text{TZS } 0 + 9\% \text{ of the amount exceeding TZS } 170,000 = 9\% \times (\text{TZS } 500,000 - \text{TZS } 170,000) = \text{TZS } 29,700.$

2. Social Security Contributions

- **Description:** Contributions to social security funds for domestic employees.
- **Law:** National Social Security Fund Act, 1997.
- **Rate:** 20% of payroll (employer and employee combined).
- **Example Calculation:** For a domestic worker earning TZS 500,000 per month:
 - Calculation: $\text{Social Security Contributions} = 20\% \times \text{TZS } 500,000 = \text{TZS } 100,000.$

3. Skills Development Levy (SDL)

- **Description:** Levy for vocational training and skills development.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4% of payroll.
- **Example Calculation:** For a household employing a domestic worker earning TZS 500,000 per month:
 - Calculation: $\text{SDL} = 4\% \times \text{TZS } 500,000 = \text{TZS } 20,000.$

4. Workers Compensation Fund (WCF) Contribution

- **Description:** Contribution to the workers' compensation fund for domestic workers.
- **Law:** Workers Compensation Act, 2008.
- **Rate:** 1% of payroll.
- **Example Calculation:** For a domestic worker earning TZS 500,000 per month:
 - Calculation: $\text{WCF Contribution} = 1\% \times \text{TZS } 500,000 = \text{TZS } 5,000.$

5. Stamp Duty on Employment Contracts

- **Description:** Tax on legal documents such as employment contracts.
- **Law:** Stamp Duty Act, 1972.
- **Rate:** Typically 1% of contract value.
- **Example Calculation:** If an employment contract is valued at TZS 5,000,000:
 - Calculation: $\text{Stamp Duty} = 1\% \times \text{TZS } 5,000,000 = \text{TZS } 50,000.$

6. Property Tax

- **Description:** Tax on residential property where domestic workers are employed.
- **Law:** Local Government Finance Act, 1982.

- **Rate:** Local government rates based on property values.
 - **Example Calculation:** Calculated based on the assessed value of the property.
7. **Health Insurance Contributions**
- **Description:** Contributions to health insurance for domestic employees.
 - **Law:** Social Health Insurance Benefits Act, 2015.
 - **Rate:** Varies by health insurance provider.
 - **Example Calculation:** Monthly contribution of TZS 30,000 for a domestic worker.
8. **Environmental Levy**
- **Description:** Levy for waste management and environmental services.
 - **Law:** Environmental Management Act, 2004.
 - **Rate:** Varies by local authority.
 - **Example Calculation:** Annual environmental levy of TZS 50,000 for a household.
9. **Training Levy**
- **Description:** Levy for vocational training for domestic workers.
 - **Law:** Vocational Education and Training Act, 1994.
 - **Rate:** 4.5% of payroll.
 - **Example Calculation:** For a household employing a domestic worker earning TZS 500,000 per month:
 - Calculation: Training Levy = $4.5\% \times \text{TZS } 500,000 = \text{TZS } 22,500$.
10. **Development Levy**
- **Description:** Levy for local community development.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Typically 0.3% of household turnover.
 - **Example Calculation:** Annual household turnover of TZS 10,000,000:
 - Calculation: Development Levy = $0.3\% \times \text{TZS } 10,000,000 = \text{TZS } 30,000$.
11. **Local Government Service Levy**
- **Description:** Levy for local government services utilized by households.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by local government authority.
 - **Example Calculation:** Annual levy of TZS 200,000 for municipal services.
12. **Accreditation Fees for Household Workers**
- **Description:** Fees for accrediting and certifying domestic workers.
 - **Law:** Various sector-specific laws and regulations.
 - **Rate:** Varies based on accreditation program.
 - **Example Calculation:** Accreditation fee of TZS 100,000 per worker.
13. **Health and Safety Levy**
- **Description:** Levy for health and safety compliance in households employing workers.
 - **Law:** Occupational Health and Safety Act, 2003.
 - **Rate:** Typically 0.3% of payroll.
 - **Example Calculation:** Total monthly payroll of TZS 500,000:
 - Calculation: Health and Safety Levy = $0.3\% \times \text{TZS } 500,000 = \text{TZS } 1,500$.
14. **Municipal Cleaning Fees**
- **Description:** Fees for municipal cleaning and waste management services.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by municipality.

- **Example Calculation:** Monthly cleaning fee of TZS 10,000.
- 15. Fire and Safety Compliance Fees**
 - **Description:** Fees for fire and safety compliance in residential properties.
 - **Law:** Fire and Rescue Act, 2007.
 - **Rate:** Varies by property size and type.
 - **Example Calculation:** Annual compliance fee of TZS 50,000.
- 16. TV and Radio License Fees**
 - **Description:** Fees for owning and operating TV and radio sets in households.
 - **Law:** Tanzania Communications Regulatory Authority Act, 2003.
 - **Rate:** Fixed annual fee per device.
 - **Example Calculation:** Annual fee of TZS 30,000 per TV set.
- 17. Water Usage Fees**
 - **Description:** Fees for water usage by households.
 - **Law:** Water Supply and Sanitation Act, 2009.
 - **Rate:** Varies by consumption.
 - **Example Calculation:** Monthly water usage fee of TZS 50,000.
- 18. Electricity Usage Fees**
 - **Description:** Fees for electricity usage by households.
 - **Law:** Energy and Water Utilities Regulatory Authority Act, 2001.
 - **Rate:** Varies by consumption.
 - **Example Calculation:** Monthly electricity bill of TZS 100,000.
- 19. Property Transfer Tax**
 - **Description:** Tax on the transfer of residential property.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** 1% of property value.
 - **Example Calculation:** Property transfer valued at TZS 50,000,000:
 - Calculation: Property Transfer Tax = $1\% \times \text{TZS } 50,000,000 = \text{TZS } 500,000$.
- 20. Road Maintenance Levy**
 - **Description:** Levy included in fuel prices for road maintenance.
 - **Law:** Road Maintenance Fund Act, 1986.
 - **Rate:** Varies.
 - **Example Calculation:** Included in the price per liter of fuel.
- 21. Waste Collection Fees**
 - **Description:** Fees for waste collection services.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by local authority.
 - **Example Calculation:** Monthly fee of TZS 10,000.
- 22. Garden and Lawn Maintenance Fees**
 - **Description:** Fees for garden and lawn maintenance services provided by local authorities.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by service type.
 - **Example Calculation:** Monthly maintenance fee of TZS 20,000.
- 23. Telephone and Internet Service Tax**
 - **Description:** Tax on telephone and internet services used by households.
 - **Law:** Tanzania Communications Regulatory Authority Act, 2003.
 - **Rate:** Varies by service provider.
 - **Example Calculation:** Monthly tax of TZS 15,000.
- 24. Security Services Fee**

- **Description:** Fees for private security services employed by households.
 - **Law:** Private Security Industry Regulation Act, 2009.
 - **Rate:** Varies by security service provider.
 - **Example Calculation:** Monthly fee of TZS 50,000.
25. **Parking Fees**
- **Description:** Fees for parking in residential areas.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by location.
 - **Example Calculation:** Monthly parking fee of TZS 5,000.
26. **Building Permit Fees**
- **Description:** Fees for obtaining building permits for residential properties.
 - **Law:** Urban Planning Act, 2007.
 - **Rate:** Varies by project size.
 - **Example Calculation:** Permit fee of TZS 200,000.
27. **Animal Keeping Fees**
- **Description:** Fees for keeping pets or livestock in residential areas.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by animal type.
 - **Example Calculation:** Annual fee of TZS 10,000 per pet.
28. **Outdoor Advertising Fees**
- **Description:** Fees for outdoor advertising in residential areas.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by advertisement size and type.
 - **Example Calculation:** Monthly fee of TZS 50,000.
29. **Firearm License Fees**
- **Description:** Fees for firearm licenses for personal protection.
 - **Law:** Firearms and Ammunition Control Act, 2015.
 - **Rate:** Fixed annual fee.
 - **Example Calculation:** Annual license fee of TZS 100,000.
30. **Local Service Tax**
- **Description:** General tax for various local services utilized by households.
 - **Law:** Local Government Finance Act, 1982.
 - **Rate:** Varies by local authority.
 - **Example Calculation:** Annual tax of TZS 100,000.

These taxes, levies, duties, and customs reflect a broad range of charges that households as employers and for their own undifferentiated activities may encounter under Tanzanian tax laws.