

## Taxes on Extraterritorial organizations and bodies operating

In Tanzania, such as embassies, international organizations, and NGOs, often have unique tax obligations, exemptions, and benefits compared to other business sectors. However, they may still be subject to certain local taxes, levies, duties, and customs under Tanzanian law. Below is a comprehensive list of 30 such obligations, including descriptions, applicable laws, rates, and calculation examples:

### 1. Value Added Tax (VAT)

- **Description:** Tax on the value added to goods and services.
- **Law:** Value Added Tax Act, 2014.
- **Rate:** 18%.
- **Example Calculation:** If an extraterritorial body purchases supplies worth TZS 1,000,000:
  - $\text{VAT} = 18\% \times \text{TZS } 1,000,000 = \text{TZS } 180,000.$

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

- **Description:** Income tax withheld from salaries of employees.
- **Law:** Income Tax Act, 2004.
- **Rate:** Progressive rates up to 30%.
- **Example Calculation:** For an employee earning TZS 3,000,000 monthly:
  - $\text{PAYE} = 30\% \times (\text{TZS } 3,000,000 - \text{TZS } 720,000) = \text{TZS } 684,000.$

### 3. Social Security Contributions

- **Description:** Contributions to social security for employees.
- **Law:** National Social Security Fund Act, 1997.
- **Rate:** 20% of payroll (employer and employee combined).
- **Example Calculation:** For a monthly payroll of TZS 5,000,000:
  - $\text{Contribution} = 20\% \times \text{TZS } 5,000,000 = \text{TZS } 1,000,000.$

### 4. Skills Development Levy (SDL)

- **Description:** Levy for vocational training.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4% of payroll.
- **Example Calculation:** For a monthly payroll of TZS 5,000,000:
  - $\text{SDL} = 4\% \times \text{TZS } 5,000,000 = \text{TZS } 200,000.$

### 5. Workers Compensation Fund (WCF) Contribution

- **Description:** Contribution to the workers' compensation fund.
- **Law:** Workers Compensation Act, 2008.
- **Rate:** 1% of payroll.
- **Example Calculation:** For a monthly payroll of TZS 5,000,000:
  - $\text{WCF} = 1\% \times \text{TZS } 5,000,000 = \text{TZS } 50,000.$

### 6. Stamp Duty

- **Description:** Tax on legal documents.
- **Law:** Stamp Duty Act, 1972.
- **Rate:** Typically 1% of contract value.
- **Example Calculation:** If a lease agreement is valued at TZS 50,000,000:
  - $\text{Stamp Duty} = 1\% \times \text{TZS } 50,000,000 = \text{TZS } 500,000.$

### 7. Withholding Tax on Services

- **Description:** Tax on payments to non-residents for services.
- **Law:** Income Tax Act, 2004.
- **Rate:** 15%.

- **Example Calculation:** If a service contract with a non-resident is TZS 10,000,000:
  - Withholding Tax =  $15\% \times \text{TZS } 10,000,000 = \text{TZS } 1,500,000$ .
- 8. **Corporate Income Tax**
  - **Description:** Tax on profits of organizations.
  - **Law:** Income Tax Act, 2004.
  - **Rate:** 30%.
  - **Example Calculation:** If an organization's profit is TZS 100,000,000:
    - Corporate Income Tax =  $30\% \times \text{TZS } 100,000,000 = \text{TZS } 30,000,000$ .
- 9. **Import Duty**
  - **Description:** Duty on imported goods.
  - **Law:** East African Community Customs Management Act, 2004.
  - **Rate:** Varies by item, typically 0% to 25%.
  - **Example Calculation:** For imported goods valued at TZS 20,000,000:
    - Import Duty =  $25\% \times \text{TZS } 20,000,000 = \text{TZS } 5,000,000$ .
- 10. **Export Duty**
  - **Description:** Duty on exported goods.
  - **Law:** East African Community Customs Management Act, 2004.
  - **Rate:** Varies by product, typically 0% to 15%.
  - **Example Calculation:** For exported goods valued at TZS 10,000,000:
    - Export Duty =  $10\% \times \text{TZS } 10,000,000 = \text{TZS } 1,000,000$ .
- 11. **Property Tax**
  - **Description:** Tax on owned properties.
  - **Law:** Local Government Finance Act, 1982.
  - **Rate:** Varies based on property value.
  - **Example Calculation:** If property value is TZS 50,000,000:
    - Property Tax =  $0.3\% \times \text{TZS } 50,000,000 = \text{TZS } 150,000$ .
- 12. **Business License Fee**
  - **Description:** Fee for business operations.
  - **Law:** Business Licensing Act, 1972.
  - **Rate:** Varies by business size and type.
  - **Example Calculation:** Annual fee of TZS 200,000 for a small organization.
- 13. **Environmental Levy**
  - **Description:** Levy for environmental protection.
  - **Law:** Environmental Management Act, 2004.
  - **Rate:** Varies by local authority.
  - **Example Calculation:** Annual environmental levy of TZS 50,000.
- 14. **Fire Safety Compliance Fees**
  - **Description:** Fees for fire safety inspections and compliance.
  - **Law:** Fire and Rescue Act, 2007.
  - **Rate:** Varies based on property size and type.
  - **Example Calculation:** Annual compliance fee of TZS 100,000.
- 15. **Municipal Service Levy**
  - **Description:** Levy for local municipal services.
  - **Law:** Local Government Finance Act, 1982.
  - **Rate:** 0.3% of turnover.
  - **Example Calculation:** Annual turnover of TZS 20,000,000:
    - Municipal Service Levy =  $0.3\% \times \text{TZS } 20,000,000 = \text{TZS } 60,000$ .
- 16. **Telecommunications Levy**
  - **Description:** Levy on telecommunications services.

- **Law:** Tanzania Communications Regulatory Authority Act, 2003.
  - **Rate:** Varies by service provider.
  - **Example Calculation:** Monthly tax of TZS 10,000 on services.
- 17. Training Levy**
- **Description:** Levy for employee training programs.
  - **Law:** Vocational Education and Training Act, 1994.
  - **Rate:** 6% of payroll.
  - **Example Calculation:** For a monthly payroll of TZS 10,000,000:
    - $\text{Training Levy} = 6\% \times \text{TZS } 10,000,000 = \text{TZS } 600,000.$
- 18. Foreign Service Levy**
- **Description:** Levy on foreign services utilized.
  - **Law:** Income Tax Act, 2004.
  - **Rate:** Varies based on service type.
  - **Example Calculation:** Service value of TZS 5,000,000:
    - $\text{Foreign Service Levy} = 10\% \times \text{TZS } 5,000,000 = \text{TZS } 500,000.$
- 19. Land Rent**
- **Description:** Rent for leased land.
  - **Law:** Land Act, 1999.
  - **Rate:** Varies by location and land size.
  - **Example Calculation:** Annual rent of TZS 100,000 per acre.
- 20. Stamp Duty on Leases**
- **Description:** Tax on lease agreements.
  - **Law:** Stamp Duty Act, 1972.
  - **Rate:** 1% of lease value.
  - **Example Calculation:** Lease value of TZS 1,000,000:
    - $\text{Stamp Duty} = 1\% \times \text{TZS } 1,000,000 = \text{TZS } 10,000.$
- 21. Fuel Levy**
- **Description:** Levy included in fuel prices.
  - **Law:** Road Maintenance Fund Act, 1986.
  - **Rate:** Included in the price per liter of fuel.
  - **Example Calculation:** TZS 100 per liter included in fuel price.
- 22. Road Toll**
- **Description:** Toll for using certain roads.
  - **Law:** Road Tolls Act, 1985.
  - **Rate:** Varies by road and vehicle type.
  - **Example Calculation:** TZS 1,000 per vehicle per entry.
- 23. Vehicle Registration Fees**
- **Description:** Fees for registering vehicles.
  - **Law:** Road Traffic Act, 1973.
  - **Rate:** Varies by vehicle type.
  - **Example Calculation:** TZS 200,000 for a passenger car.
- 24. Airport Service Charge**
- **Description:** Charge for using airport facilities.
  - **Law:** Civil Aviation Act, 2006.
  - **Rate:** Fixed fee per passenger.
  - **Example Calculation:** TZS 50,000 per international passenger.
- 25. Excise Duty on Alcohol**
- **Description:** Duty on alcohol production.
  - **Law:** Excise (Management and Tariff) Act, 1952.
  - **Rate:** Varies by alcohol type.

- **Example Calculation:** TZS 1,000 per liter of spirits.
- 26. **Excise Duty on Tobacco**
  - **Description:** Duty on tobacco products.
  - **Law:** Excise (Management and Tariff) Act, 1952.
  - **Rate:** Varies by tobacco type.
  - **Example Calculation:** TZS 500 per pack of cigarettes.
- 27. **Hotel Levy**
  - **Description:** Levy on hotel accommodations.
  - **Law:** Local Government Finance Act, 1982.
  - **Rate:** 10% of room charges.
  - **Example Calculation:** Room charge of TZS 100,000:
    - $\text{Hotel Levy} = 10\% \times \text{TZS } 100,000 = \text{TZS } 10,000.$
- 28. **Tourism Development Levy**
  - **Description:** Levy on tourism services.
  - **Law:** Tourism Act, 2008.
  - **Rate:** 2% of turnover.
  - **Example Calculation:** Annual turnover of TZS 10,000,000:
    - $\text{Tourism Levy} = 2\% \times \text{TZS } 10,000,000 = \text{TZS } 200,000.$
- 29. **Airport Departure Tax**
  - **Description:** Tax on departing passengers.
  - **Law:** Civil Aviation Act, 2006.
  - **Rate:** Fixed fee per passenger.
  - **Example Calculation:** TZS 10,000 per domestic passenger.
- 30. **Income Tax on Royalties**
  - **Description:** Tax on royalties received.
  - **Law:** Income Tax Act, 2004.
  - **Rate:** 15%.
  - **Example Calculation:** Royalties of TZS 1,000,000:
    - $\text{Income Tax on Royalties} = 15\% \times \text{TZS } 1,000,000 = \text{TZS } 150,000.$

These taxes, levies, duties, and customs reflect the financial obligations that extraterritorial organizations and bodies operating in Tanzania may encounter under the country's tax laws.