

Taxes on public administration and compulsory social security sector

Here's a list of 30 taxes, levies, duties, and customs applicable to businesses in the public administration and compulsory social security sector in Tanzania, including descriptions, applicable laws, rates, and calculation examples:

1. Pay As You Earn (PAYE)

- **Description:** Tax withheld from employee salaries.
- **Law:** Income Tax Act, 2004.
- **Rate:** Progressive rates up to 30%.
- **Example Calculation:** Total monthly payroll of TZS 50,000,000:
 - Calculation: PAYE calculated based on progressive tax brackets.

2. Corporate Income Tax

- **Description:** Tax on the taxable income of public administration entities.
- **Law:** Income Tax Act, 2004.
- **Rate:** 30% of taxable income.
- **Example Calculation:** If a government agency has taxable income of TZS 500,000,000:
 - Calculation: Corporate Income Tax = $30\% \times \text{TZS } 500,000,000 = \text{TZS } 150,000,000$.

3. Property Tax

- **Description:** Tax on government-owned buildings and facilities.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Local government rates based on property values.
- **Example Calculation:** Calculated based on the assessed value of buildings and facilities.

4. Customs Duties

- **Description:** Duties on imported goods and equipment.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Varies by item, typically 0% to 25%.
- **Example Calculation:** Importing vehicles for government use valued at TZS 200,000,000 with a 10% customs duty rate:
 - Calculation: Customs Duty = $10\% \times \text{TZS } 200,000,000 = \text{TZS } 20,000,000$.

5. Value Added Tax (VAT)

- **Description:** Tax on goods and services purchased by public administration entities.
- **Law:** Value Added Tax Act, 2014.
- **Rate:** Standard rate is 18%, with exemptions and zero-rating for certain goods and services.
- **Example Calculation:** Purchasing office equipment for TZS 50,000,000 exclusive of VAT:
 - Calculation: VAT Paid = $18\% \times \text{TZS } 50,000,000 = \text{TZS } 9,000,000$.

6. Service Levy

- **Description:** Local government charge on services used by public administration.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Varies by local government authority.
- **Example Calculation:** Charged TZS 500,000 annually for municipal services.

7. Training Levy

- **Description:** Levy for skills development and training in government agencies.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4.5% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 100,000,000:
 - Calculation: Training Levy = $4.5\% \times \text{TZS } 100,000,000 = \text{TZS } 4,500,000$ per month.

8. Local Government Taxes

- **Description:** Various taxes levied by local governments on government activities.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Determined by local government regulations.

9. Dividend Tax

- **Description:** Tax on dividends paid to government shareholders.
- **Law:** Income Tax Act, 2004.
- **Rate:** 10% for residents, 20% for non-residents.
- **Example Calculation:** Paying TZS 10,000,000 in dividends with a 10% dividend tax rate:
 - Calculation: Dividend Tax = $10\% \times \text{TZS } 10,000,000 = \text{TZS } 1,000,000$.

10. Road User Charges

- **Description:** Charges for use of government vehicles on public roads.
- **Law:** Road Traffic Act, 1973.
- **Rate:** Annual fees based on vehicle type and use.

11. License Fees

- **Description:** Fees for operating licenses for government activities.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Determined based on the type and scope of the license.

12. Environmental Levy

- **Description:** Levy to fund environmental protection measures related to government operations.
- **Law:** Environmental Management Act, 2004.
- **Rate:** Typically 0.3% to 1% of gross procurement or operational spending.
- **Example Calculation:** Annual procurement spending of TZS 1,000,000,000 with a 0.5% environmental levy:
 - Calculation: Environmental Levy = $0.5\% \times \text{TZS } 1,000,000,000 = \text{TZS } 5,000,000$.

13. Excise Duty

- **Description:** Duty on specific goods purchased by government entities.
- **Law:** Excise (Management and Tariff) Act, 2015.
- **Rate:** Specific rates per item, often ad valorem.
- **Example Calculation:** Purchasing fuel for government vehicles valued at TZS 50,000,000 with a 15% excise duty rate:
 - Calculation: Excise Duty = $15\% \times \text{TZS } 50,000,000 = \text{TZS } 7,500,000$.

14. Employment Tax Incentive (ETI)

- **Description:** Incentive for hiring youth employees in government agencies.
- **Law:** Employment Tax Incentive Act, 2016.
- **Rate:** Tax credit of up to 5% of qualifying employees' remuneration.
- **Example Calculation:** Calculated based on the number of qualifying employees and their remuneration.

15. Skills Development Levy

- **Description:** Levy for vocational training in government agencies.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 5% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 200,000,000:
 - Calculation: Skills Development Levy = $5\% \times \text{TZS } 200,000,000 = \text{TZS } 10,000,000$.

16. Stamp Duty

- **Description:** Tax on legal documents such as government contracts.
- **Law:** Stamp Duty Act, 1972.
- **Rate:** Typically 1% of transaction value.
- **Example Calculation:** Signing a government contract valued at TZS 100,000,000:
 - Calculation: Stamp Duty = $1\% \times \text{TZS } 100,000,000 = \text{TZS } 1,000,000$.

17. Withholding Tax

- **Description:** Tax withheld on payments made to suppliers and contractors.
- **Law:** Income Tax Act, 2004.
- **Rate:** Varies by payment type, generally 5% to 15%.
- **Example Calculation:** Payment of TZS 50,000,000 to a non-resident contractor with a 10% withholding tax rate:
 - Calculation: Withholding Tax = $10\% \times \text{TZS } 50,000,000 = \text{TZS } 5,000,000$.

18. Road Maintenance Levy

- **Description:** Levy for road maintenance related to government vehicles and operations.
- **Law:** Road Maintenance Fund Act, 1986.
- **Rate:** Included in fuel prices, varies.

19. Infrastructure Levy

- **Description:** Levy for national infrastructure development related to government projects.
- **Law:** Finance Act, 2023.
- **Rate:** Varies based on specific projects.

20. Concession Fees

- **Description:** Fees for acquiring or renewing government licenses and concessions.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Negotiated fees based on the scale and nature of operations.

21. Penalties and Interest

- **Description:** Charges for late payment or non-compliance with tax and regulatory obligations.
- **Law:** Various tax laws (Income Tax Act, VAT Act, etc.).
- **Rate:** Calculated based on the specific tax or duty owed and period of non-compliance.

22. Development Levy

- **Description:** Levy for local community development related to government projects.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Typically 0.3% of turnover.
- **Example Calculation:** Turnover for the year of TZS 500,000,000:
 - Calculation: Development Levy = $0.3\% \times \text{TZS } 500,000,000 = \text{TZS } 1,500,000$.

23. Health and Safety Levy

- **Description:** Levy for health and safety measures related to government operations.
- **Law:** Occupational Health and Safety Act, 2003.
- **Rate:** Typically 0.3% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 50,000,000:
 - Calculation: Health and Safety Levy = $0.3\% \times \text{TZS } 50,000,000 = \text{TZS } 150,000$.

24. Special License Fees

- **Description:** Fees for acquiring special licenses related to government operations.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Based on the scale and nature of operations, negotiated fees.

25. Transfer Pricing Regulations

- **Description:** Regulations ensuring fair market value in transactions within government entities.
- **Law:** Income Tax Act, 2004.
- **Rate:** Compliance based on transaction specifics.

26. Occupational Safety and Health Fee

- **Description:** Fee for compliance with occupational safety and health regulations.
- **Law:** Occupational Safety and Health Act, 2003.
- **Rate:** Varies based on the scale and nature of operations.

27. Cess

- **Description:** Charge per unit related to government service provision or activities.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Specific rates per service or activity unit.

28. Public Service Fees

- **Description:** Fees for specific public services provided by government agencies.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Determined based on service type and delivery costs.

29. Registration Fees

- **Description:** Fees for registering government entities or activities.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Fixed or variable rates based on registration type.

30. Levies for International Obligations

- **Description:** Levies related to international treaties or agreements.
- **Law:** International agreements and domestic legislation.
- **Rate:** Varies based on international commitments and agreements.

These examples highlight the range of taxes, levies, duties, and customs that businesses in the public administration and compulsory social security sector in Tanzania may be obliged to pay. The calculations are based on hypothetical scenarios and are meant to illustrate how these charges are determined under Tanzanian tax laws and regulations.