

## Taxes on human health and social work sector

Here's a comprehensive list of taxes, levies, duties, and customs that businesses in the human health and social work sector in Tanzania might be obliged to pay. Each item includes a description, the applicable law, the rate at which it is charged, and an example of how it is calculated:

### 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:** For an employee earning TZS 1,000,000 per month:
  - Calculation: PAYE = TZS 82,500 + 25% of the amount exceeding TZS 720,000.

### 2. Corporate Income Tax

- **Description:** Tax on the taxable income of healthcare and social work businesses.
- **Law:** Income Tax Act, 2004.
- **Rate:** 30% of taxable income.
- **Example Calculation:** If a hospital has a taxable income of TZS 50,000,000:
  - Calculation: Corporate Income Tax = 30% × TZS 50,000,000 = TZS 15,000,000.

### 3. Value Added Tax (VAT)

- **Description:** Tax on goods and services purchased by healthcare and social work businesses.
- **Law:** Value Added Tax Act, 2014.
- **Rate:** Standard rate is 18%, with some exemptions for certain health services.
- **Example Calculation:** Purchasing medical supplies for TZS 10,000,000 exclusive of VAT:
  - Calculation: VAT Paid = 18% × TZS 10,000,000 = TZS 1,800,000.

### 4. Skills Development Levy (SDL)

- **Description:** Levy for vocational training.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 20,000,000:
  - Calculation: SDL = 4% × TZS 20,000,000 = TZS 800,000.

### 5. Service Levy

- **Description:** Local government charge on services used by healthcare and social work businesses.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Varies by local government authority.
- **Example Calculation:** Charged TZS 1,000,000 annually for municipal services.

### 6. Property Tax

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

## 7. 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 20,000,000 to a contractor with a 10% withholding tax rate:
  - Calculation: Withholding Tax =  $10\% \times \text{TZS } 20,000,000 = \text{TZS } 2,000,000$ .

## 8. Stamp Duty

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

## 9. Customs Duties

- **Description:** Duties on imported goods and equipment for healthcare and social work use.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Varies by item, typically 0% to 25%.
- **Example Calculation:** Importing medical equipment valued at TZS 15,000,000 with a 10% customs duty rate:
  - Calculation: Customs Duty =  $10\% \times \text{TZS } 15,000,000 = \text{TZS } 1,500,000$ .

## 10. Excise Duty

- **Description:** Duty on specific goods purchased by healthcare and social work businesses.
- **Law:** Excise (Management and Tariff) Act, 2015.
- **Rate:** Specific rates per item, often ad valorem.
- **Example Calculation:** Purchasing fuel for hospital generators valued at TZS 5,000,000 with a 15% excise duty rate:
  - Calculation: Excise Duty =  $15\% \times \text{TZS } 5,000,000 = \text{TZS } 750,000$ .

## 11. Training Levy

- **Description:** Levy for skills development and training in healthcare and social work institutions.
- **Law:** Vocational Education and Training Act, 1994.
- **Rate:** 4.5% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 30,000,000:
  - Calculation: Training Levy =  $4.5\% \times \text{TZS } 30,000,000 = \text{TZS } 1,350,000$ .

## 12. Environmental Levy

- **Description:** Levy to fund environmental protection measures related to healthcare and social work activities.
- **Law:** Environmental Management Act, 2004.
- **Rate:** Typically 0.3% to 1% of gross procurement or operational spending.
- **Example Calculation:** Annual procurement spending of TZS 40,000,000 with a 0.5% environmental levy:
  - Calculation: Environmental Levy =  $0.5\% \times \text{TZS } 40,000,000 = \text{TZS } 200,000$ .

## 13. Registration Fees

- **Description:** Fees for registering healthcare and social work institutions.

- **Law:** Health Facility Registration Act, 1999.
- **Rate:** Fixed or variable rates based on registration type.
- **Example Calculation:** A fixed registration fee of TZS 1,000,000 for a new clinic.

#### 14. License Fees

- **Description:** Fees for operating licenses for healthcare and social work institutions.
- **Law:** Health Facility Registration Act, 1999.
- **Rate:** Determined based on the type and scope of the license.
- **Example Calculation:** License fee of TZS 2,500,000 for operating a residential care facility.

#### 15. Health and Safety Levy

- **Description:** Levy for health and safety measures in healthcare and social work institutions.
- **Law:** Occupational Health and Safety Act, 2003.
- **Rate:** Typically 0.3% of payroll.
- **Example Calculation:** Total monthly payroll of TZS 25,000,000:
  - Calculation: Health and Safety Levy =  $0.3\% \times \text{TZS } 25,000,000 = \text{TZS } 75,000$ .

#### 16. Road Maintenance Levy

- **Description:** Levy for road maintenance related to vehicles owned by healthcare and social work institutions.
- **Law:** Road Maintenance Fund Act, 1986.
- **Rate:** Included in fuel prices, varies.

#### 17. Local Government Taxes

- **Description:** Various taxes levied by local governments on healthcare and social work institutions.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Determined by local government regulations.

#### 18. Penalties and Interest

- **Description:** Charges for late payment or non-compliance with tax 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.

#### 19. Development Levy

- **Description:** Levy for local community development related to healthcare and social work projects.
- **Law:** Local Government Finance Act, 1982.
- **Rate:** Typically 0.3% of turnover.
- **Example Calculation:** Turnover for the year of TZS 100,000,000:
  - Calculation: Development Levy =  $0.3\% \times \text{TZS } 100,000,000 = \text{TZS } 300,000$ .

#### 20. 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.

#### 21. Public Service Fees

- **Description:** Fees for specific public services provided to healthcare and social work institutions.
- **Law:** Various sector-specific laws and regulations.
- **Rate:** Determined based on service type and delivery costs.

## 22. Dividend Tax

- **Description:** Tax on dividends paid to shareholders of private healthcare and social work institutions.
- **Law:** Income Tax Act, 2004.
- **Rate:** 10% for residents, 20% for non-residents.
- **Example Calculation:** Paying TZS 10,000,000 in dividends to non-resident shareholders:
  - Calculation: Dividend Tax = 20% × TZS 10,000,000 = TZS 2,000,000.

## 23. Foreign Service Levy

- **Description:** Levy on foreign services utilized by healthcare and social work institutions.
- **Law:** Income Tax Act, 2004.
- **Rate:** Varies based on service type.
- **Example Calculation:** Payment for foreign consultancy services of TZS 5,000,000:
  - Calculation: Levy determined based on specific regulations.

## 24. Export Duty

- **Description:** Duty on the export of health-related products.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Varies by product, typically 0% to 15%.
- **Example Calculation:** Exporting medical supplies valued at TZS 20,000,000 with a 5% export duty rate:
  - Calculation: Export Duty = 5% × TZS 20,000,000 = TZS 1,000,000.

## 25. Import Duty

- **Description:** Duty on imported medical equipment and supplies.
- **Law:** East African Community Customs Management Act, 2004.
- **Rate:** Varies by item, typically 0% to 25%.
- **Example Calculation:** Importing diagnostic equipment valued at TZS 30,000,000 with a 10% import duty rate:
  - Calculation: Import Duty = 10% × TZS 30,000,000 = TZS 3,000,000.

## 26. Research and Development Levy

- **Description:** Levy for funding research and development in healthcare.
- **Law:** National Science and Technology Act, 1986.
- **Rate:** Typically 0.5% to 2% of revenue.
- **Example Calculation:** Annual revenue of TZS 150,000,000 with a 1% levy:
  - Calculation: R&D Levy = 1% × TZS 150,000,000 = TZS 1,500,000.

## 27. Social Security Contributions

- **Description:** Contributions to social security for employees in healthcare and social work.
- **Law:** National Social Security Fund Act, 1997.
- **Rate:** 20% of payroll (employer and employee combined).
- **Example Calculation:** Total monthly payroll of TZS 60,000,000:
  - Calculation: Social Security Contributions = 20% × TZS 60,000,000 = TZS 12,000,000.

## 28. Land Rent

- **Description:** Rent paid for land leased for healthcare and social work purposes.
- **Law:** Land Act, 1999.
- **Rate:** Varies by location and land size.
- **Example Calculation:** Determined based on specific lease agreements.

#### 29. Accreditation Fees

- **Description:** Fees for accrediting healthcare and social work programs and institutions.
- **Law:** Health Facility Registration Act, 1999.
- **Rate:** Varies based on program and institution type.
- **Example Calculation:** Accreditation fee of TZS 3,000,000 for a new specialized medical program.

#### 30. Levies for International Obligations

- **Description:** Levies related to international healthcare and social work treaties or agreements.
- **Law:** International agreements and domestic legislation.
- **Rate:** Varies based on international commitments and agreements.
- **Example Calculation:** Determined based on specific international obligations.

These examples illustrate the range of taxes, levies, duties, and customs that businesses in the human health and social work sector in Tanzania may be obliged to pay under the country's tax laws and regulations. The calculations are based on hypothetical scenarios to show how these charges are determined.