

## Applicable Taxes Overview

More detailed information for each tax, duty, levy, and customs item listed. Each entry will include a description, the law that provides for it, the applicable rate, and an example calculation scenario.

## Corporate Taxes

### 1. Corporate Income Tax (CIT)

- **Description:** A tax levied on the profits of companies and other corporate entities.
- **Law:** Income Tax Act, Cap 332.
- **Rate:** 30% for resident companies, 12% for mining companies.
- **Example Calculation:** If a resident company earns TZS 100 million in profit, the CIT due would be TZS 30 million (30% of TZS 100 million).

### 2. Skills and Development Levy

- **Description:** A levy on employers to fund skills and development programs.
- **Law:** Skills and Development Levy Act, 2010.
- **Rate:** 4.5% of the gross emoluments paid to employees.
- **Example Calculation:** If a company pays TZS 10 million in salaries, the levy would be TZS 450,000 (4.5% of TZS 10 million).

### 3. Payroll Tax

- **Description:** A local tax imposed on businesses based on their payroll, often used to fund local services.
- **Law:** Local Government Revenue Act, Cap 290.
- **Rate:** Varies by local authority regulations.
- **Example Calculation:** In a locality where the payroll tax rate is 1%, if a company's payroll is TZS 5 million, the tax would be TZS 50,000 (1% of TZS 5 million).

### 4. Fringe Benefits Tax

- **Description:** A tax on non-cash benefits provided by an employer to an employee.
- **Law:** Income Tax Act, Cap 332.
- **Rate:** Incorporated within the CIT regime, specific rates for different types of benefits may vary.
- **Example Calculation:** If an employee receives a car worth TZS 20 million as a benefit and the applicable fringe benefit rate is 5%, the taxable amount would be TZS 1 million (5% of TZS 20 million).

### 5. Capital Gains Tax

- **Description:** Tax on the profit from the sale of assets such as property or shares.
- **Law:** Income Tax Act, Cap 332.
- **Rate:** 10%.
- **Example Calculation:** If a company sells a piece of property for TZS 50 million that was bought for TZS 30 million, the capital gain is TZS 20 million. The tax due would be TZS 2 million (10% of TZS 20 million).

### 6. Branch Tax

- **Description:** Tax imposed on the profits of a branch of a foreign company that is remitted abroad.
- **Law:** Income Tax Act, Cap 332.

- **Rate:** 10%.
- **Example Calculation:** If a foreign company's Tanzanian branch has TZS 10 million in profits remitted abroad, the branch tax due would be TZS 1 million (10% of TZS 10 million).

## Individual Taxes

### 1. Individual Income Tax

- **Description:** A tax on the income earned by individuals, including wages, salaries, and other income.
- **Law:** Income Tax Act, Cap 332.
- **Rate:** Progressive rates from 9% to 30% depending on income brackets.
- **Example Calculation:** For a monthly salary of TZS 1 million, assuming a simplified progressive tax rate, the tax might be TZS 60,000 if the effective rate is 6%.

### 2. Skills and Development Levy

- **Description:** Same as for corporate entities; applied to individual income.
- **Law:** Skills and Development Levy Act, 2010.
- **Rate:** 4.5% of gross emoluments.
- **Example Calculation:** For an individual earning TZS 1 million monthly, the levy would be TZS 45,000 (4.5% of TZS 1 million).

### 3. Payroll Tax

- **Description:** Same as for corporate entities but applied to the individual's payroll as per local authority regulations.
- **Law:** Local Government Revenue Act, Cap 290.
- **Rate:** Varies by local authority.
- **Example Calculation:** If the local rate is 0.5% and the individual's monthly salary is TZS 1 million, the payroll tax would be TZS 5,000 (0.5% of TZS 1 million).

### 4. Fringe Benefits Tax

- **Description:** Same as for corporate entities but applied to the value of benefits received by individuals.
- **Law:** Income Tax Act, Cap 332.
- **Rate:** Incorporated within personal income tax regime.
- **Example Calculation:** If an employee receives a benefit valued at TZS 5 million and the applicable rate is 5%, the taxable value would be TZS 250,000 (5% of TZS 5 million).

## Indirect Taxes

### 1. Value-added Tax (VAT)

- **Description:** A consumption tax on the sale of goods and services.
- **Law:** Value Added Tax Act, Cap 148.
- **Rate:** 18%.
- **Example Calculation:** For a product priced at TZS 1 million before VAT, the VAT would be TZS 180,000 (18% of TZS 1 million).

### 2. Excise Duty

- **Description:** Tax on specific goods such as alcohol, tobacco, and fuel.
- **Law:** Excise Duty Act, Cap 147.
- **Rate:** Varies by product.

- **Example Calculation:** For a bottle of alcohol costing TZS 10,000 with an excise duty rate of 50%, the excise duty would be TZS 5,000 (50% of TZS 10,000).
- 3. **Import Duty**
  - **Description:** Tax on goods imported into Tanzania.
  - **Law:** Customs Act, Cap 403.
  - **Rate:** Varies depending on the product and trade agreements.
  - **Example Calculation:** For an imported good valued at TZS 500,000 with an import duty rate of 10%, the duty would be TZS 50,000 (10% of TZS 500,000).
- 4. **Export Duty**
  - **Description:** Tax on goods exported from Tanzania.
  - **Law:** Customs Act, Cap 403.
  - **Rate:** Varies depending on the product.
  - **Example Calculation:** For goods exported worth TZS 200,000 with an export duty of 5%, the duty would be TZS 10,000 (5% of TZS 200,000).
- 5. **Stamp Duty**
  - **Description:** Tax on legal documents such as contracts and deeds.
  - **Law:** Stamp Duty Act, Cap 189.
  - **Rate:** Varies based on the document and transaction value.
  - **Example Calculation:** For a property sale document valued at TZS 50 million with a stamp duty rate of 1%, the duty would be TZS 500,000 (1% of TZS 50 million).

## Other Taxes

1. **Fuel Levy**
  - **Description:** Tax imposed on fuel products to fund infrastructure projects.
  - **Law:** The Energy Act, 2003 and related regulations.
  - **Rate:** 0.1 TZS per liter.
  - **Example Calculation:** For 1,000 liters of petrol, the fuel levy would be TZS 100 (0.1 TZS per liter).
2. **Road Toll**
  - **Description:** Fee charged for using certain roads or highways.
  - **Law:** Road Toll Act, Cap 168.
  - **Rate:** Varies by vehicle type and road.
  - **Example Calculation:** For a truck using a toll road with a fee of TZS 20,000, the road toll would be TZS 20,000.
3. **Airport Service Charge**
  - **Description:** Fee for airport services, typically included in the ticket price.
  - **Law:** Regulations by the Tanzania Civil Aviation Authority (TCAA).
  - **Rate:** Varies based on the service and destination.
  - **Example Calculation:** For an international flight with a service charge of USD 50, the charge would be USD 50.
4. **Tourism Development Levy**
  - **Description:** Levy on accommodation services to support tourism development.
  - **Law:** Tourism Act, 2008.
  - **Rate:** 1% of the total accommodation cost.

- **Example Calculation:** For a hotel stay costing TZS 200,000, the levy would be TZS 2,000 (1% of TZS 200,000).
5. **Withholding Tax**
- **Description:** Tax withheld at source on various types of income.
  - **Law:** Income Tax Act, Cap 332.
  - **Rate:** 10% on dividends, 10% on interest, varies for other types.
  - **Example Calculation:** For a dividend of TZS 1 million, the withholding tax would be TZS 100,000 (10% of TZS 1 million).
6. **Dividend Tax**
- **Description:** Tax on dividends paid to shareholders.
  - **Law:** Income Tax Act, Cap 332.
  - **Rate:** 10%.
  - **Example Calculation:** For a dividend of TZS 500,000, the tax due would be TZS 50,000 (10% of TZS 500,000).
7. **Interest Tax**
- **Description:** Tax on interest income earned.
  - **Law:** Income Tax Act, Cap 332.
  - **Rate:** 10%.
  - **Example Calculation:** For interest income of TZS 200,000, the tax due would be TZS 20,000 (10% of TZS 200,000).
8. **Rent Tax**
- **Description:** Tax on rental income received from property.
  - **Law:** Income Tax Act, Cap 332.
  - **Rate:** 10%.
  - **Example Calculation:** For rental income of TZS 1 million, the tax due would be TZS 100,000 (10% of TZS 1 million).
9. **Royalty Tax**
- **Description:** Tax on payments for the use of intellectual property or resources.
  - **Law:** Income Tax Act, Cap 332.
  - **Rate:** 10%.
  - **Example Calculation:** For royalty income of TZS 300,000, the tax due would be TZS 30,000 (10% of TZS 300,000).
10. **Natural Resource Levy**
- **Description:** Levy on the extraction or exploitation of natural resources.
  - **Law:** Mining Act, Cap 123 and other related legislation.
  - **Rate:** Varies by resource and specific regulations.
  - **Example Calculation:** For a mining operation with a revenue of TZS 50 million and a levy rate of 5%, the levy would be TZS 2.5 million (5% of TZS 50 million).
11. **Solidarity Levy**
- **Description:** Tax introduced to fund social and development projects.
  - **Law:** Solidarity Levy Act, 2021.
  - **Rate:** 0.3% of gross income.
  - **Example Calculation:** For an individual earning TZS 10 million, the levy would be TZS 30,000 (0.3% of TZS 10 million).
12. **Contribution to Workers' Compensation Fund**
- **Description:** Contribution to a fund that compensates workers for injuries or work-related illnesses.
  - **Law:** Workers' Compensation Act, Cap 263.
  - **Rate:** 1% of the employee's wages.

- **Example Calculation:** For an employee earning TZS 500,000 monthly, the contribution would be TZS 5,000 (1% of TZS 500,000).
13. **Contribution to Skills Development Fund**
- **Description:** Contribution to a fund aimed at enhancing skills and development.
  - **Law:** Skills and Development Levy Act, 2010.
  - **Rate:** Part of the Skills and Development Levy.
  - **Example Calculation:** Included in the Skills and Development Levy calculations.
14. **Contribution to Occupational Safety and Health Authority**
- **Description:** Contribution to support occupational safety and health initiatives.
  - **Law:** Occupational Safety and Health Act, 2003.
  - **Rate:** Included in broader employer obligations under the Act.
  - **Example Calculation:** Typically part of broader safety compliance costs.

This detailed overview provides a comprehensive understanding of each tax, duty, levy, and customs item, including how they are calculated and applied. For the most accurate and updated information, always refer to the latest legal texts or consult a tax professional.