The Tanzania Budget 2016/17: "Industrial Growth for Job Creation".

Budget Overview

For the fiscal year 2016/17, the Government expects to raise and expend TZS 29.54 trillion. This is an ambitious budget and is an increase of TZS 7.04 trillion i.e. 31% as compared to the budget of TZS 22.49 trillion in 2015/2016. The major macroeconomic objectives and targets for the 2016/2017 are summarised below:

Details	**2016 (%)**	**2015 (%)**
GDP Growth	7.2	7.5
Inflation	5-8	5.6
	2016/2017 (%of GDP)	**2015/2016 (% of GDP)**
Domestic Revenue	16.9	14.8
Tax Revenue	13.8	12.6
Total Expenditure	23.2	27%
Budget Deficit	4.5	4.2

Dubbed a budget for "***Industrial Growth for Job Creation"*** the 2016/17 National Budget aims at the implementation of the promises of the fifth phase Government to address challenges facing citizens. Industrial development is a key premise in the budget for a sustainable economy. Thus major focus is on improving the basic infrastructure for provision of water, power and transportation for industrial development and increase production of agriculture produce as a source of raw materials for industries. Allocations for key sectors is as shown below:

Sector	**Amount (TZS) in Trillions**
Transport and Transportation Services	5.47
Electricity	1.13
Education	4.77
Health	1.99
Agriculture, Livestock and Fisheries	1.06
Water	1.02

Revenue

Tax and non-tax domestic revenue are projected to be TZS 18.46 trillion equivalent to 62.3 percent of the total budget. Tax revenue is projected at TZS 15.11 trillion i.e. 13.8% of GDP and non-tax revenue and revenue from Local Government own source is projected at TZS 2.69 trillion and 665.4 billion respectively. The Government has attributed this ambitious revenue collection targets to the available capacity in TRA and other Public institutions in collecting revenue. The planned non-tax collections is very high as compared to last year and may not be achieved.

It is expected that Development Partners will continue to contribute to the Government budget through grants and concessional loans, whereby TZS 3.6 trillion is expected i.e. 12% of the total budget. Out of this amount, TZS 483 billion are General Budget Support, TZS 2.75 trillion are grants and concessional loans for development projects and sector basket funds are TZS 372.1 billion.

The Government intends to borrow TZS 7.48 trillion from both domestic and external sources. Of this amount, TZ 5.37 trillion will be for financing rolling over of maturing Treasury bills and bonds, new loans to finance development projects and verified payment claims. TZS 2.10 trillion will be raised from external non concessional borrowing to speed up infrastructure construction to ensure that the Five Years Development plan is fully achieved. Major projects include the upgrade of the central line to standard gauge and improvement of ports.

Expenditure

During the financial year 2016/17, Government expenditures are estimated at TZS 29.54 trillion for both recurrent and development expenditure. Out of which, recurrent expenditure is TZS 17.72 trillion while development expenditure is estimated at TZS 11.82 trillion i.e. 40% of the total collections. TZS 8.70 trillion will be sourced locally while TZS 3.12 trillion will be foreign funds.

Budget Deficit and Pressure on Interest rates

The budget continues to have deficit i.e. TZS 7.48 trillion. Development expenditure which is 40% of the total projected expenditure will almost entirely be funded by borrowings. A big chunk of the borrowings will be from the domestic market. This will put pressure on interest rates and squeeze the amount of credit available to the private sector.

Objectives

Overall, the goal is to address challenges facing Tanzanians to bring new hope for better life to the people in particular low income earners and transform the economy into real middle income status through sustainable macroeconomic stability and growth of industries for job creation and agricultural productivity so as to increase incomes of the majority. The 2016/17 budget takes into account:

(a) the priorities set in the Five Years Development Plan (2016/2017-2020/2021)
(b) National Development Vision 2025, and
(c) CCM Election Manifesto 2015-2020

Revenue and Expenditure Policies

To achieve the budget objectives and targets highlighted above, the Minister has proposed the following measures:

Revenue Policies

The Government intends to take various measures to enhance collection of domestic revenues. The focus will be on:

(i) ***EFDs:*** The Government will ensure effective use of electronic systems and devices for revenue collection to increase efficiency and minimize revenue losses.

(ii) ***Widening Tax Base:*** This is through formalization of the informal sector.

(iii) ***Revenue Collection:*** Strengthening monitoring of revenue collections in Government Institutions and agencies.

(iv) ***Tax Exemptions:*** Control and reduce tax exemptions.

(v) ***Inspections:*** Strengthening management and frequent inspections at the ports, airports and border posts for appropriate tax collections.

(vi) ***Non-Tax Revenue:*** Administration and collection of non-tax revenue including property tax will be under Tanzania Revenue Authority. Other non-tax revenue include fines e.g court and traffic fines, fees e.g entrance fees to national reserves and sports grounds, levies etc.

(vii) ***Retention Schemes:*** Effectively from 1st July 2016 the retention of revenue by government institutions will not be allowed. All revenue of government institutions will be collected and remitted to the Consolidated Fund. Disbursement will be made on the basis of the approved budget.

Expenditure policies

During the 2016/17 the Government will implement the following expenditure policies:

(i) Avoid accumulation of arrears by matching monthly expenditure with actual revenue collection. Commitments should only be made after receiving exchequer.
(ii) Payments to Contractors and Suppliers should be supported by Local Purchase Orders (LPOs) generated from IFMS.
(iii) Amend the Public Procurement Act, 2011 to address loop holes leading to misappropriation of funds and ensure value for money.
(iv) Control public expenditure and monitor operating costs and take appropriate actions.
(v) Connect all LGAs to the Tanzania Interbank Settlement System (TISS).
(vi) Ensure that public institutions operating commercially do not rely on Government subvention.
(vii) Improve management of public funds through monitoring and evaluation of development projects.

Taxes and other Revenue Measures

The Minister has proposed to make amendments to the following tax *laws (a) The Value Added Tax Act, CAP. 148 (b) The income Tax Act, CAP. 332 (c) The Excise (Management & Tariff) Act, CAP 147 (d) The Vocational Education and Training Act, CAP 82 (e) The Motor Vehicles (Tax on Registration and Transfer)Tax Act, CAP 124 (f) The Tanzania Revenue Authority Act, Cap 399 (together with the Urban Authorities (Rating) Act 289, The Local Government Finance Act, CAP 290; The Tax Administration Act, 2015; and the Tax Appeals Act, CAP 408); (g) The Treasury Registrar (Powers and Functions) Act, CAP 370; (h) The East African Community Customs Management Act, 2004;(i) Minor amendments in tax laws and other laws; and (j) Amendment of fees and levies imposed by Ministries, Regions and Independent Departments.*

Value Added Tax (VAT)

The Minister proposed the following tax measures:

Impose VAT – Tourism Services

The Minister proposes to impose VAT on tourism services including supplies of tourist guiding, game driving, water safaris, animal or bird watching, park fees and ground transport services. The Minister argued that exemptions were kept for a year at the inception of the new VAT Act, 2014 to allow operators to conclude contractual obligations already entered with tourists.

The introduction of VAT on tourism services will lead to increased costs for the sector and make Tanzania less competitive as a tourist destination. Our major competitor i.e. Kenya has offered some VAT exemptions to the sector in their 2016/2017 budget.

Introduce VAT-Financial services

The Minister proposes to introduce VAT on fee based financial services (with the exception of interest paid on loans) to widen the tax base and increase revenue collections.

This implies that VAT will now apply to all fees charged by banks and financial institutions to customers i.e. fund withdraw fees (including ATM withdraws), loan processing fees, accounts operation fees etc. The 18% VAT coupled with the 10% excise duty introduced before for a majority of these fee based financial services will increase financial services costs which are likely to be passed on to customers. This will also slow down the objectives of the Government to promote financial inclusiveness which is currently at low levels in Tanzania.

Exempt VAT on Raw Soya Beans

The commodity was erroneously omitted under the exemption schedule in item 3, which comprises livestock, basic unprocessed agricultural products and foods for human consumption.

Exempt VAT – All un-processed vegetables and un-processed edible animal products

The minister proposes to exempt VAT on un-processed vegetables and unprocessed edible animal products under EAC Common External Tariff, 2012, Chapter 2 and 3 (Un-processed edible animal products including Live fish), Chapter 7 (fruits and nuts), Chapter 8 (Cereals), Chapter 10 (Cereal flour) and Chapter 11 (seeds).This change is aimed at providing exemption to all unprocessed foodstuff and ensure availability of basic nutritional necessities at affordable price.

Exempt VAT-Vitamins and food supplements (micronutrient compound)

The Minister proposes to include Vitamins and food supplements in the list of items approved by the Minister for Health Community Development, Gender, Elderly and Children.This is aimed at improving nutritional content as an effective way to improve community health.

Exempt VAT-Water treatment chemicals

The minister has proposed to include water treatment chemicals in the list of exempted items which have been approved by the Minister responsible for Health. This will help to protect human health through provision of safe water.

Imposing VAT at the place of consumption-Goods transferred between Mainland Tanzania and Zanzibar

The minister proposes that goods manufactured in Mainland Tanzania and sold to Zanzibar will attract VAT in Zanzibar while those goods manufactured in Zanzibar and sold to Mainland Tanzania will attract VAT in Mainland Tanzania. This implies that VAT at 0% will apply from where the goods are supplied and 18% from where they are consumed. The objective is to resolve the issues of refund claims to Zanzibar Treasury as the new VAT Act, 2014 does not provide for refund as it was the case in the repealed VAT Act, 1997.

VAT will thus be charged at the place of consumption in line with the destination principle. For the measure to be effective Zanzibar must amend its VAT Act by treating goods to the Mainland as exports thus zero rated. The Minister should also address VAT on services provided across Tanzania and Zanzibar to ensure that input VAT claim for supplies by suppliers operating from Mainland Tanzania is also allowed.

VAT Exemption-Aviation insurance

The minister proposes to exempt VAT on aviation insurance so as to promote aviation industry by supporting them to cover insurance risks without additional taxation costs. The measure is also aimed at promoting tourism. We also note that an important opportunity has been missed to address the challenges encountered in the general insurance industry after the introduction of the VAT Act, 2014 and the related VAT regulations.

Align Tanzania Investment Act with VAT

The Minister has also proposed to review the Tanzania Investment Act to align it with the new VAT Act, 2014 so as to control and reduce unproductive exemptions.

Further the Government has proposed various administrative measures under TRA so as to improve revenue collections and widen the tax base. These are:

- Effectively keep and up-date tax payer register and maintenance of accurate tax payers records and information;
- Ensure all active VAT registered taxpayers are provided with EFDs
- To enhance audits of taxpayer's business records and come up with a comprehensive compliance programme.
- Establish EFD Units in Dar es Salaam Tax Regions and all new taxpayer's service centers to improve compliance and VAT collections.

Income Tax

Reduction of the lowest PAYE marginal tax rate to 9%

The employment income taxable bands remain unchanged but the tax rate has been reduced from 11% to 9% on the lowest taxable band (monthly income from TZS 170,000 to TZS 360,000). The new PAYE rates are as shown below:

Taxable Income (TZS)	Tax
Up to 170,000	NIL
170,001 to 360,000	9% of the amount in excess of TZS170,000
360,001 to 540,000	TZS 17,100 + 20% on excess of TZS 360,000
540,001 to 720,000	TZS 53,100 + 25% on excess of TZS 540,000
Over 720,000	TZS 98,100 + 30% on excess of TZS 720,000

The Minister also stated that this measure is aiming at reducing the tax burden. With this change, however, employees will only achieve a maximum tax saving of TZS 3,800 per month.

Remove Exemption on Non-investment Assets (shares)

The Minister has also proposed to remove exemptions on gains from non-investment assets (shares) to remove the 5% reduced tax rate on dividend. This advantage is currently applying to shares or securities listed in the Dar es Salaam Stock Exchange (DSE) owned by resident or non-resident who (alone or with associates) controls less than 25% of the controlling shares issued by the company.

Given the small size of DSE, this measure is step backward in terms of ensuring a strong stock market for a robust financial sector.

Impose Withholding Tax on Payments to Approved Retirement Funds

The Minister has proposed to impose withholding tax on payments to approved retirement funds arising from investment incomes (from leasing and lending) in line with the equity and fairness taxation principle. Thus rent, dividend and interest payments to approved retirement funds will now be subjected to withholding tax.

Remove Income Tax Exemptions on Final Gratuity to members of Parliament

The Minister proposes to remove the income tax exemptions on the final gratuity to members of parliament in line with the equity and fairness taxation principles.

Grant Power to the TRA Commissioner General on Rental Income

The TRA Commissioner General has been granted powers to determine rental income on the basis of the minimum market value to charge withholding tax on rental income. They may be administrative challenges on this measure specifically on the mechanisms to be used and the legality of the adjustments of the rental income (if any) by the Commissioner General.

Other income tax administrative measures proposed by the Minister are:

- Developing a comprehensive compliance programme to improve revenue collection;
- Establish various units in Dar es Salaam Tax Regions and new tax payer's service centers for registration of more new tax payers.

Skills and Development Levy (SDL)

Widening and reduction in SDL rate

The Minister proposed to reduce Skills and Development Levy (SDL) from 5% to 4.5% to relieve employers from the tax burden and improve compliance so as to increase revenue. The reduction is very minimal and not in line with the private sector proposals to scrap the levy as it discourages formal employment.

The Motor Vehicles Fees

Motor Vehicle registration fee and Personalized Registration Number Fee: The Minister has proposed to increase Motor Vehicle Registration fee from the current rate of TZS 150,000 to TZS 250,000 per motor vehicle and TZS 45,000 to TZS 95,000 per motor cycle and tricycles. The increase by 67% and 111% respectively is extraordinary amid the transport challenges in the country. The Minister proposes to increase the Personalized Registration Number fee from TZS 5,000,000 to TZS 10,000,000 for every three years so as to reflect the true value of the money.

Property Taxes

The Minister has proposed to transfer the mandate to collect property tax from Local Government Authorities to the Tanzania Revenue Authority (TRA). Under this mandate, TRA will be able to estimate tax and perform valuation of the properties; collect property tax using the relevant tax laws; put proper procedures for remittance of property tax collected by TRA in the respective local governments; institute proper procedures for dispute resolution emanating from collection of property tax by using the existing tax laws; review property tax exemptions to ensure that more properties are included in the tax structure. This is an appropriate measure to broaden the tax base.

The Treasury Registrar

The Treasury Registrar shall have power to require all Agencies and Regulatory Authorities under his office to remit 15% of their gross income to the consolidated fund. A list of the institutions will be gazetted in the Government Notice.

Excise Duty: More Costs on Financial Services?

The Minister made 4 proposals on excise duty under the Excise (Management and Tariff) Act, CAP 147.

Inflationary Adjustments

The Minister proposes the following adjustments as a result of inflation to preserve the real value of the Government Revenue from non-petroleum products.

Product	Old	New
Soft Drinks	TZS 55 Per Litre	TZS 58 Per Litre
Local Fruit Juices	TZS 10 Per Litre	TZS 11 Per Litre
Imported Fruit Juices	TZS 200 Per Litre	TZS 210 Per Litre
Beers from local Un-malted Cereals	TZS 409 Per Litre	TZS 430 Per Litre
Other Beers	TZS 694 Per Litre	TZS 729 Per Litre
Non-Alcoholic Beers	TZS 508 Per Litre	TZS 534 Per Litre
Wines produced with domestic grapes (Content exceeding 75%)	TZS 192 Per Litre	TZS 202 Per Litre
Wines produced by imported grapes (Content exceeding 25%)	TZS 2130 Per Litre	TZS 2237 Per Litre
Excise Duty on Spirits	TZS 3157 Per Litre	TZS 3315 Per Litre
Cigarettes without filter tip and containing domestic tobacco more than 75%	11,289 per thousand cigarettes	11,854 per thousand cigarettes
Cigarettes with filter tip and containing domestic tobacco more than 75%	TZS 26,689 per thousand cigarettes	TZS 28,024 per thousand cigarettes
Other Cigarettes	TZS 48,285 per thousand cigarettes	TZS 50,700 per thousand cigarettes
Cut rag or Cut filler	TZS 24,388 per kilogram	TZS 25,608 per Kilogram
Lubricating oils	TZS 665.5 Per Litre	699 Per Litre
Lubricating greases	Cent 75 per Kilo	Cent 79 per Kilo
Natural Gas	Cent 43 per cubic feet	Cent 45 per cubic feet

Note: The excise duty rate on Cigar and bottled water remain the same.

Imported Furniture

The Minister proposed an increase of excise duty for imported furniture from 15% to 20% under HS Code 94.01 and HS Code 94.03 to promote local production of furniture, increase Government revenue, promote employment and assimilate technology.

Plastic Bags

The Minister has proposed to abolish the manufacturing, selling, buying and use of plastic bags of less than 50 microns. This measure is aimed at protection of the environment.

Extension of excise duty of 10% to Mobile Money Charges or Fees

The Minister proposed an extension of excise duty of 10% on charges or fees payments to a telecommunication service provider for money transfers services to include all commission received in respect of mobile money services. The objective of this measure is to charge the duty to withdraw services not covered under the current arrangement. The duty will lead to increased costs of money transfers which may be passed on to consumers. This measure is also against the efforts by the Government to promote financial inclusiveness.

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

Common External Tariff (CET): The Ministers for Finance from EAC Partner States, during the Pre-Budget Consultative meeting which was held in Arusha, agreed to effect changes in the Common External Tariff (CET) and amend the EAC Customs Management Act, 2004 (EACCMA 2004) for the financial year 2016/17 as follows:

i. ***Cement:*** Increase import duty rate on cement under HS Code 2523.29.00 from 25% to 35% so as to encourage and protect local production of cement in the region.

ii. ***Iron or non-alloy steel:*** Increase the CET rate on flat rolled iron or non-alloy steel from o% to 10% under HS Codes 7208.54.00; 7208.90.00; 7208.52.00; 7208.53.00. following HS Codes so as to protect local production of those products and increase government revenue.

iii. ***Bars and rods:*** Increase the import duty rate on bars and rods of iron and steel from 10 percent to 25 percent on HS Codes 7213.10.00;7213.20.00; 7213.99.00; 7227.10.00; 7227.20.00; 7227.90.00; 7308.20.00; 7308.40.00; 9406.00.90.

iv. ***Iron and steel products:*** Apply duty rate of 0% for 1 year and grant stay of application of CET rate of 25% on iron and steel products used in construction of bridges and bridge sections under HS Code 7308.10.00.

v. ***Automotive bolts and nuts:*** Continue grating the CET rate of 25% on automotive bolts and nuts classified under HS Code 7318.15.00 and duty rate of 10percent for one year, so as to encourage manufactures of these products to use high tensile bars which are not manufactured in the region.

vi. ***Bolts and Nuts:*** Remission of duty from 10 percent to 0 percent to manufacturers of bolts and nuts classified under HS Code 7228.30.00 and 7228.50.00, so as to enable manufacturers to obtain raw materials at reasonable prices

vii. ***Fishing nets:*** Increase the import duty rate from 10 percent to 25 percent on made up fishing nets under HS Code 5608.11.00, so as to encourage the use of local manufactured nets.

viii. ***Oil and Petrol filters***: Increase the import duty rate from 10 percent to 25 percent on oil and petrol filters under HS Code 8421.31.00 and intake air filters of HS Code 8421.31.00,so as to protect production by local producers

ix. ***Manufacturers of motor vehicle air filters:*** Grant duty of 0 percent to local manufacturers of motor vehicle air filters. The type of raw material for manufacturing air filters will be gazetted in the East African Community Gazette.

x. ***Raw materials used in matches manufacturing:*** Reduce import duty to 0 percent on splints which are raw materials used in the manufacture of matches under HS Code 4421.90.00

xi. ***Sugar and Sugar confectionery***: Reduce progressively import duty remission levels on sugar and sugar confectionery from the current rate by 10 percent. The reduction rate will be as follows: 2016/17the rate will be 15 percent; 2017/18the rate will be 20 percent and 2018/19 the rate will be 25 percent.

xii. ***Aluminum milk cans:*** Increase the CET rate on Aluminum milk cans under HS Code 7612.90.90 from 10 percent to 25 percent so as to protect local manufacturers who have sufficient capacity to manufacture these products.

xiii. ***Manufacturers of Aluminum milk cans:*** Remission of duty rate to 0 percent on manufacturers of raw materials for Aluminium cans under HS Code 7606.12.00 and HS Code 7606.92.00 so as to encourage production of Aluminium cans in the region.

xiv. ***Wheat grains:*** Grant stay of application of EAC CET rate of 35 percent on Wheat (Wheat grain) under HS Code 1001.99.10 and HS Code 1001.99.90 and instead apply duty rate of 10 percent for one year. This is done due to lack of capacity in the region to produce wheat and satisfy the demand.

xv. ***Worn clothes and shoes:*** Increase the specific duty rate on worn clothes and shoes from 0.2 USD/Kg to 0.4 USD/Kg.This measure intends to gradually phase out importation of used clothes and footwear and promote textile and shoe making industries in the region.

xvi. ***Iron or non-alloy steel:*** Continue application of import duty rate of 25 percent or charge specific duty rate of USD 200 per metric tons, whichever the higher, for one year on Flat-rolled products of iron or non-alloy steel under the following HS Codes 7210.41.00; 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00; 7212.30.00; 7212.40.00.This measure intends to protect domestic industries against importation of inferior products from outside the region.

xvii. ***Flat-rolled products:*** Continue application of import duty rate of 25 percent or charge specific duty rate of USD 200 per metric tons, whichever is higher for one year on Flat-rolled products of bars, rods, sections, angles, shapes and related products under the following HS Codes 7214.10.00; 7214.20.00; 7214.30.00; 7214.91.00; 7214.99.00.This measure intends to protect domestic industries against importation of inferior products from outside the region.

xviii. ***Steel reinforcement bars and angles:*** Continue application of CET rate of 25 percent or charge specific duty rate of USD 200 per metric tons whichever is higher for one year on steel reinforcement bars,angles,sections under the following HS Codes 7216.10.00; 7216.21.00; 7216.22.00; 7216.50.00. This measure intends to protect domestic industries against importation of inferior and cheap products from outside the region.

xix. ***Crude edible oil:*** Grant stay of application of CET rate under HS Code 1511.10.00 to manufacturers of crude edible oil and apply 10 percent instead of 0 percent for one year. This measure intends to promote local production of oil seeds and growth of edible oil industries.

xx. ***Paper products:*** Increase import duty rate from 10 percent to 25 percent for one year on paper products falling under the following HS Codes 4804.11.00; 4804.19.10; 4804.19.90; 4804.21.00; 4804.29.00; 4804.31.00; 4804.39.00; 4804.41.00; 4805.59.00; 4805.11.00; 4805.12.00; 4805.19.00; 4805.24.00; 4805.25.00; 4805.30.00; 4805.91.00; 4805.92.00.

xxi. ***Bars and rods of iron:*** Continue applying CET rate of 25 percent or charge specific rate of USD 200 per metric tons whichever is higher on bars and rods of iron or steel for one year on the following HS Codes 7228.30.00; 7228.20.00; 7228.30.00; 7228.40.00; 7228.50.00; 7228.60.00; 7228.70.00; 7228.80.00. This measure intends to protect domestic production against unfair competition from imported products.

xxii. ***Products of iron and steel:*** Apply CET rate of 25 percent or specific duty rate of USD 200 per metric tons whichever is higher on products of iron and steel for one year on the following HS Codes 7212.40.00; 7215.10.00; 7215.50.00; 7215.90.00; 7216.61.00; 7216.69.00; 7216.91.00; 7216.99.00.

Amendment of the EAC Customs Management Act, 2004:

i. ***5th Schedule (exemptions):*** Introduce Refrigeration equipment for human dead bodies under HS Code 8418.69.90 for use in Hospitals, city councils or funeral homes in the fifth schedule.

ii. ***5th Schedule to EAC –CMA (Chapters 84 and 69):*** Include incinerator's equipment and materials used in hospitals to burn waste.

iii. ***5th Schedule:*** Remove import duty exemption on uniforms for hospital staff.

iv. ***Manufacturers of Inputs for cycle batteries:*** Duty remission to the manufacturers of inputs for the manufacture of deep cycle batteries, so as to boost local industries and facilitate industries to set up shops in the region

v. ***5th Schedule to the EAC-CMA:*** Include blood collection tubes in the schedule. This measure is in line with the products catered for under item 13 part B, for hygienic bags.

vi. ***Inputs or raw materials:*** Duty remission for inputs or raw materials for use in the manufacture of solar equipment.

Other Tax Changes

The Minister has also proposed various minor amendments in other tax laws including:

- Amendment of Various Fees and Levies imposed by the by the Ministries, Regions and Independent Departments to rationalize with the current economic development. The entities covered by the amendments include Tanzania Food and Drugs Authority (TFDA); Cotton Board; Tea Board; Coffee Board; Cashewnut Board.
- Maintain the current levels of taxes and levies imposed on Petroleum Products
- Removal of Tax Exemptions Granted to the Armed Forces on excise duty, VAT and Import Duty through canteens and shops for provision of necessities to the armed forces due to abuse.

Auditax International has taken all measures to ensure that views expressed in this summary are appropriate. However, the firm shall not be liable for errors or incorrect interpretation contained in this summary relied upon in making tax or other decisions. Kindly find our contacts below for appropriate tax advice in relation to the 2016/2017 budget or any other tax matter.

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