

Tax Statistics Report 2015/16

Data used to compile the 2015/16 Tax Statistics Report were collected from Tanzania Revenue Authority (TRA). The Ministry of Finance and Planning (MoFP) The Presidents' Office – Regional Administration and Local Government (PO-RALG) and the National Bureau of Statistics (NBS). Some of the data might be on provisional levels and may be subject to update. This report covers some years back to 2004/05

ABOUT THE PUBLICATION

The Tax Statistics Report 2015/16 becomes the fourth edition in the series of NBS tax reports releases. Since 2001/02 NBS has been producing the Tax and Government Finance Statistics which covered selected tax lines from TRA and some general government revenues as extracted from the annual Economic Survey Publication. Revenue is defined by the IMF as being an increase in net worth resulting from a transaction. Taxation is a form of revenue, but revenues that do not constitute taxation include grants (e.g. foreign aid), returns on government market investments, rents on the extraction of resources from public lands, sales of government-produced goods and services, and the collection of fines and forfeits. In this collaboration, the four institutions agreed to make some improvements which include the revision to the report title to “Tax Statistics Report for Tanzania Mainland” instead of Tax and Government Finance Statistics Report simply because taxes are part of the Government Finance Statistics – GFS.

Performance in brief:

For the 2015/16 fiscal year Tax revenue collected amounted to TZS.13, 246.1 billion and grew by TZS.2, 581.0 billion (an equivalent of 24.0)

- The tax-to-GDP ratio increased from 12.5% in 2014/15 to 13.6% in 2015/16 exceeding the long-term average of 11.6%. This however remains below the peak of 13.1% achieved in 2013/14;
- Tax rates in Tanzania are shown by tax item. For the purpose of this report, tax rates are shown for individual, company, employees, and VAT. (Table). Generally, Tax rates for all items have been constant for a couple of years since 2008/09. The bottom tax marginal rates for PAYE has been declining from 15 percent in 2008/09 to 11 percent in 2015/16.
- Tax rates in Tanzania are shown by tax item. Tax rates for most tax items have been constant for a couple of years since 2008/09. The bottom tax marginal rates for PAYE has been declining from 15 percent in 2008/09 to 11 percent in 2015/16.

- The ratio of tax revenue to Gross Domestic Product (GDP) has been constantly increasing from 9.5 percent in 2004/05 to 13.6 percent in 2015/16.

Government Revenue - Central Government

In this report, sources of government revenue are divided into two broad categories namely internal sources and external sources. Internal sources refer to revenue collected through domestic and international taxes together with borrowing from domestic institutions such as banks, social security institutions, among others, while external sources cover all grants, loans and assistance provided by development partners.

Table 1. 1: Government Revenue (TZS Billion) by Source, Tanzania Mainland, 2004/05 – 2015/16

Year	Internal Revenue (Excl.LGAs)		External Revenue		Total Government Revenue	Change in Government Revenue between Years	
	Amount	Percent	Amount	Percent		Amount	Percent
2004/05	1,773.7	53.8	1,523.7	46.2	3,297.4	739.4	28.9
2005/06	2,124.8	55.4	1,712.4	44.6	3,837.2	539.8	16.4
2006/07	2,739.0	61.4	1,719.1	38.6	4,458.1	620.9	16.2
2007/08	3,634.6	60.8	2,348.2	39.2	5,982.8	1,524.7	34.2
2008/09	4,185.3	65.2	2,229.0	34.8	6,414.3	431.5	7.2
2009/10	4,661.5	62.0	2,853.0	38.0	7,514.5	1,100.2	17.2
2010/11	5,578.0	66.4	2,819.2	33.6	8,397.2	882.7	11.7
2011/12	7,025.9	65.7	3,670.9	34.3	10,696.8	2,299.6	27.4
2012/13	8,292.3	70.2	3,528.4	29.8	11,820.7	1,123.9	10.5
2013/14	9,867.3	71.0	4,040.0	29.0	13,907.3	2,086.6	17.7
2014/15	10,569.3	76.4	3,257.5	23.6	13,826.8	-80.5	-0.6
2015/16	13,622.1	86.2	2,179.9	13.8	15,802.0	1,975.2	14.3
Total	74,073.8	66.2	31,881.3	33.8	105,955.1		

Source: Ministry of Finance, 2017

Generally, more than half of total government revenue from each year has been Contributed by internal sources. The share of internal revenue to total government revenue has been increasing by each fiscal year whereby the external revenue seemed to be diminishing each fiscal year.

Internal Revenue

Table 1.2 shows government revenue collected from internal sources from year 2004/05 to 2015/16 in Tanzania Mainland. The table shows that internal revenue increased from TZS 10,597.7 billion in 2014/15 to TZS 13,622.2 billion in 2015/16.

Over the period under review, the share of tax revenue to total internal government revenue was largest in 2014/15 with 95.3 percent.

Table 1. 2: Internal Government Revenue (TZS Billion) by Type, Tanzania Mainland, 2004/05 – 2015/16

Year	Tax Revenue		Non-Tax Revenue (excl. revenue from LGAs)		Total Government Finance from Internal Revenue	Change in Government Finance between Years	
	Amount	Percent	Amount	Percent		Amount	Percent
2004/05	1,615.2	91.1	158.5	8.9	1,773.7	314.4	21.5
2005/06	1,946.4	91.6	178.4	8.4	2,124.8	351.1	19.8
2006/07	2,529.4	92.3	209.6	7.7	2,739.0	614.2	28.9
2007/08	3,359.3	92.4	275.3	7.6	3,634.6	895.6	32.7
2008/09	4,043.7	94.2	249.4	5.8	4,293.1	658.5	18.1
2009/10	4,427.8	95.0	233.7	5.0	4,661.5	368.4	8.6
2010/11	5,293.3	94.9	284.7	5.1	5,578.0	916.5	19.7
2011/12	6,480.5	92.2	545.4	7.8	7,025.9	1,447.9	26.0
2012/13	7,730.0	93.2	562.3	6.8	8,292.3	1,266.4	18.0
2013/14	9,294.4	94.2	572.8	5.8	9,867.2	1,575.0	19.0
2014/15	10,097.9	95.3	499.8	4.7	10,597.7	730.5	7.4
2015/16	12,525.4	91.9	1,096.8	8.1	13,622.2	3,024.5	28.5
Total	69,343.3	93.2	4,866.6	6.8	74,209.9		

Source: Ministry of Finance, 2017

Tax collection done by the TRA has improved government finance as indicated in Table 1.2 and Figure 1.2. Government revenue increased by TZS 314.4 billion in 2004/05 and TZS 895.6 billion in 2007/08.

Tax Revenues

Direct and Indirect Taxes

Direct and Indirect taxes form a general taxation system in Tanzania. Direct taxes include taxes on payroll and workforce (PAYE), Basic Skills and Development Levy, Taxes on profits (Corporate tax), Taxes on income (Individual or Personal income Tax), Withholding Taxes (IRMD), Rental Tax, Gaming tax and other income taxes. Indirect taxes in Tanzania are in forms of consumption taxes, international trade taxes and other domestic taxes and charges when they are broadly categorized

Table 3. 1: Collection Direct and Indirect Taxes (TZS Billion), Tanzania Mainland, 2004/05 – 2015/16

Year	Direct Taxes		Indirect Taxes		Total	Changes of Taxes between Years	
	Amount	Percent	Amount	Percent		Amount	Percent
2004/05	510.9	30.4	1,169.1	69.6	1,680.0		
2005/06	637.8	31.6	1,380.1	68.4	2,017.9	337.9	20.1
2006/07	853.5	32.6	1,764.4	67.4	2,617.9	600.0	29.7
2007/08	1,105.7	31.9	2,357.9	68.1	3,463.6	845.7	32.3
2008/09	1,349.8	32.4	2,811.8	67.6	4,161.6	698.0	20.2
2009/10	1,498.0	32.8	3,072.5	67.2	4,570.5	408.9	9.8
2010/11	1,839.9	33.7	3,620.2	66.3	5,460.1	889.6	19.5
2011/12	2,471.5	37.1	4,197.1	62.9	6,668.6	1,208.5	22.1
2012/13	3,149.4	39.2	4,881.7	60.8	8,031.1	1,362.5	20.4
2013/14	3,968.3	40.2	5,911.8	59.8	9,880.1	1,849.0	23.0
2014/15	3,940.8	37.0	6,724.3	63.0	10,665.1	785.0	7.9
2015/16	4,865.1	36.7	8,381.0	63.3	13,246.1	2,581.0	24.2
Total	26,190.7	36.1	46,271.9	63.9	72,462.6		

Source: Tanzania Revenue Authority, 2015

Direct Taxes

Direct taxes include taxes on payroll and workforce (PAYE), Basic Skills and Development Levy, Taxes on profits (Corporate tax), Taxes on income (Individual or Personal income Tax), Withholding Taxes (IRMD), Rental Tax, Gaming tax and other income taxes.

Table 3. 2: Direct Taxes (TZS Billion) by Type, Tanzania Mainland, 2004/05 – 2015/16

Year	Type of Tax									Change in Collection between Years	
	P.A.Y. E	B. Skills & Dev. Levy	Individuals	Corporate Taxes	Withholding Taxes	Rental	Gaming	Others	Total Direct Taxes	Amount	Percent
2004/05	234.1	43.5	26.1	152.7	42.6	8.7	n.a	3.2	510.9		
2005/06	288.3	53.8	31.4	203.3	46.9	10.6	n.a	3.4	637.7	126.8	24.8
2006/07	408.6	61.1	31.2	267.2	68.0	12.1	n.a	5.3	853.5	215.8	33.8
2007/08	512.2	76.5	36.3	374.6	81.1	16.9	n.a	8.2	1,105.8	252.3	29.6
2008/09	662.3	91.7	42.1	414.7	105.3	23.9	2.7	7.2	1,349.9	244.1	22.1
2009/10	743.4	110.2	48.6	418.3	137.7	29.0	3.2	7.5	1,497.9	148.0	11.0
2010/11	928.5	120.0	58.4	537.6	142.1	33.0	4.1	16.3	1,840.0	342.1	22.8
2011/12	1,129.5	138.9	65.8	779.9	279.4	57.4	3.3	17.4	2,471.6	631.6	34.3
2012/13	1,395.6	155.3	69.9	1,039.7	382.9	68.9	8.9	28.2	3,149.4	677.8	27.4
2013/14	1,626.5	168.7	87.4	1,483.9	514.6	61.4	7.2	18.5	3,968.2	818.8	26.0
2014/15	1,750.8	216.1	101.9	1,182.7	592.9	64.4	10.2	21.7	3,940.7	-27.5	-0.7
2015/16	2,246.8	261.7	141.8	1,379.7	704.6	83.6	19.0	27.9	4,865.1	924.4	23.5

Source: Tanzania Revenue Authority, 2015

Indirect taxes

Indirect taxes in Tanzania are in forms of consumption taxes, international trade taxes and other domestic taxes and charges when they are broadly categorized.

Table 3.3 shows different types of items from which indirect taxes are collected. Indirect taxes increased to TZS.1, 656.6 billion in 2015/16 which is equivalent to 24.6 percent. This growth has been mostly supported by international trade taxes. The highest 33.6 percent growth rate was recorded in 2007/8. International trade taxes have been contributing the most of indirect taxes for the period under review. Its share increased to 64.1 percent in 2015/16 from 61.5 percent in the preceding fiscal year.

Table 3.3: Indirect Taxes (TZS Billion) by Broad Categories, Tanzania Mainland, 2004/05 – 2015/16.

Year	Consumption Taxes		Other Taxes and Domestic Charges		International Trade Taxes		Total Indirect Taxes	Change in Collection between Years	
	Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent
2004/05	394.1	33.7	25.8	2.2	749.3	64.1	1,169.2		
2005/06	466.5	33.8	30.0	2.2	883.6	64.0	1,380.1	210.9	18.0
2006/07	595.6	33.8	36.3	2.1	1,132.5	64.2	1,764.4	384.3	27.8
2007/08	768.5	32.6	74.0	3.1	1,515.4	64.3	2,357.9	593.5	33.6
2008/09	979.3	34.8	83.8	3.0	1,748.7	62.2	2,811.8	453.9	19.3
2009/10	1,031.6	33.6	97.4	3.2	1,943.4	63.3	3,072.4	260.6	9.3
2010/11	1,152.1	31.8	131.7	3.6	2,336.4	64.5	3,620.2	547.8	17.8
2011/12	1,429.0	34.0	151.8	3.6	2,616.3	62.3	4,197.1	576.9	15.9
2012/13	1,715.8	35.1	194.1	4.0	2,971.8	60.9	4,881.7	684.6	16.3
2013/14	2,064.3	34.9	220.2	3.7	3,627.3	61.4	5,911.8	1,030.1	21.1
2014/15	2,337.7	34.8	248.2	3.7	4,138.5	61.5	6,724.4	812.6	13.7
2015/16	2,709.3	32.3	295.5	3.5	5,376.2	64.1	8,381.0	1,656.6	24.6
Total	15,643.8	33.8	1,588.8	3.4	29,039.4	62.8	46,272.0		

Domestic Excise Taxes

Table 3.5 shows revenue collected through different domestic excise taxes. Items concerned include beer, spirit, soft drinks, bottled water, mobile phones, cigarettes and others. Revenue from domestic excise grew by 5.2 percent in 2015/16 compared to a growth of 10.5 percent in the preceding fiscal year, mostly supported by beer and other domestic excise. A highest 38.0 percent growth rate was recorded in 2011/12. On average, revenue from this source grew by 21.2 percent in past twelve years since 2004/05.

Table 3. 4: Domestic Excise Taxes (TZS Billion) by Type of Product, Tanzania Mainland, 2004/05 – 2015/16.

Year	Mobile Phone	Cigarettes	Beer	Spirits	Soft Drinks	Bottled Water	Other Domestic Excise Taxes	Total Domestic Excise Taxes	Changes Collection between
									Amount
2004/05	9.7	32.8	52.1	0.0	10.7	n.a	5.0	110.3	
2005/06	16.8	39.5	60.8	0.0	12.4	n.a	5.5	135.0	24.7
2006/07	32.3	43.3	73.6	9.1	15.0	n.a	2.6	175.9	40.9
2007/08	40.2	54.2	91.5	11.1	17.3	n.a	6.2	220.5	44.6
2008/09	67.7	58.5	106.7	17.5	21.4	n.a	14.9	286.7	66.2
2009/10	85.6	55.2	105.4	24.0	24.3	n.a	9.3	303.8	17.1
2010/11	90.2	62.1	115.6	29.4	26.7	n.a	2.2	326.2	22.4
2011/12	114.6	78.5	150.5	52.7	34.3	5.2	14.2	450.0	123.8
2012/13	150.0	87.3	179.7	69.9	43.1	0.8	29.6	560.4	110.4
2013/14	217.5	99.6	186.3	78.7	52.0	10.3	102.8	747.2	186.8
2014/15	250.9	133.9	202.5	118.1	37.3	14.8	68.2	825.7	78.5
2015/16	246.6	135.9	216.6	101.0	41.7	15.3	111.7	868.6	42.9
Total	1,322.20	880.9	1,541.20	511.6	336.3	46.3	372.2	5,010.80	
Percent	26.4	17.6	30.8	10.2	6.7	0.9	7.4	100.0	

Source: Tanzania Revenue Authority, 2015

VAT Revenue Collection

VAT revenues are collected from products and services. Some of the products and services that are charged in Tanzania include Beer, cigarettes, cement, electricity and telephones. Table 3.5 shows revenue collected from various VAT in the period from 2014/15 to 2015/16.

Table 3.5: Domestic VAT revenue in TZS billion collection by type of products and services, 2004/5 – 2015/16, Tanzania Mainland

Years		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
VAT on Products	Beer	33.0	36.0	47.6	56.3	66.9	66.2	80.5	90.1	105.6	118.6	136.3	141.8
	Cigarettes	15.3	13.1	20.8	23.5	33.0	29.1	33.9	39.1	45.7	37.6	46.1	48.7
	Soft Drinks	3.8	4.7	10.4	13.7	20.0	19.5	25.9	27.2	34.7	41.4	48.0	41.6
	Cement	-	-	-	19.8	24.0	20.6	34.2	31.0	32.0	23.7	23.2	22.3
	Sugar	10.9	13.3	0.0	13.9	24.9	24.9	24.9	38.2	24.0	23.9	36.5	44.9
	Other products	221.8	264.2	102.0	151.1	74.8	92.2	105.5	158.3	60.3	97.9	115.1	161.5
VAT on services	Electricity	-	-	-	24.9	42.5	56.0	31.5	27.3	78.5	97.1	137.6	106.9
	Telephones	-	-	-	105.5	128.8	123.1	139.4	190.4	224.0	168.8	219.0	203.6
	Retailers	-	-	-	-	14.8	16.1	19.9	39.5	42.1	39.7	18.6	23.9
	Wholesalers	-	-	-	-	13.5	14.5	17.3	17.2	26.3	24.6	25.4	33.3
	Transport	-	-	-	-	62.3	67.0	67.5	19.9	26.9	39.9	37.1	48.8
	Hotel Services	-	-	-	-	26.1	27.5	36.1	45.1	41.3	45.5	47.7	45.6
	Other services	-	-	240.5	141.4	161.0	171.4	209.1	255.8	413.9	558.4	621.3	917.9
	Total VAT	284.7	331.3	421.3	550.1	692.6	727.8	825.8	979.1	1,155.3	1,317.2	1,511.9	1,840.7

Total VAT revenues collected increased by 21.7 percent from TZS 1,511.9 billion in 2014/15 to TZS 1,840.7 billion in 2015/16, which is above an average growth of 18.4 percent recorded up to 2014/15. However, the highest 30.6 percent growth was noted in 2007/8 just before World economic recession.

VAT on Domestic Products

Table 3.6 shows revenue collected from VAT on domestic products for the period from 2004/05 to 2015/16. The revenue increased by 13.7 percent from TZS 405.2 billion in 2014/15 to TZS 460.7 billion recorded in 2015/16, mostly supported by sugar. Highest growth of 56.2 percent was recorded in 2006/7 after a negative growth of 3.8 percent in the preceding period. This growth was mainly supported by beer and cigarettes.

Table 3. 6: VAT from Products (TZS Billion) by Type of Product, Tanzania Mainland, 2004/05 – 2015/16

Year	Type of Product						Total VAT Domestic Products	Changes in Collection between Years	
	Beer	Cigarettes	Soft Drinks	Cement	Sugar	Others		Amount	Percent
2004/05	33.0	15.3	6.4	0.0	10.9	61.8	127.4		
2005/06	36.0	13.1	7.7	0.0	13.3	52.5	122.6	-4.8	-3.8
2006/07	47.6	20.8	10.4	0.0	0.0	112.7	191.5	68.9	56.2
2007/08	56.3	23.5	13.7	19.8	13.9	72.5	199.7	8.2	4.3
2008/09	66.9	33.0	20.0	24.0	24.9	74.8	243.6	43.9	22.0
2009/10	66.2	29.1	19.5	20.6	24.9	92.2	252.5	8.9	3.7
2010/11	80.5	33.9	25.9	34.2	24.9	105.5	304.9	52.4	20.8
2011/12	90.1	39.1	27.2	31.0	38.2	158.3	383.9	79.0	25.9
2012/13	105.6	45.7	34.7	32.0	24.0	60.3	302.3	-81.6	-21.3
2013/14	118.6	37.6	41.4	23.7	23.9	97.9	343.1	40.8	13.5
2014/15	136.3	46.1	48.0	23.2	36.5	115.1	405.2	62.1	18.1
2015/16	141.8	48.7	41.6	22.3	44.9	161.5	460.7	55.5	13.7
Total	978.9	385.9	296.5	230.8	280.3	1,165.1	3,337.4		
Percent	29.3	11.6	8.9	6.9	8.4	34.9	100.0		

Source: Tanzania Revenue Authority, 2015

VAT on Domestic Services

VAT from domestic services comprise of taxes from electricity, telephone, retail and wholesale businesses, transport, hotel services and other services. Table 3.7 shows revenue collected through VAT on domestic services from 2004/05 to 2015/16. Between 2014/15 and 2015/16 revenue increased by 24.7 percent from TZS 1,106.7 billion to TZS 1,380 billion respectively.

Table 3. 7: VAT from Domestic Services (TZS Billion) by Type of Service, Tanzania Mainland, 2004/05 – 2015/16

Year	Type of Service							Total VAT from Domestic Services	Changes in Collection between Years	
	Electricity	Telephone	Retailers	Wholesalers	Transport	Hotels	Others		Amount	Percent
2004/05	13.4	45.7	10.8	7.1	11.2	12.7	55.5	156.4		
2005/06	13.9	60.2	10.5	10.5	13.2	15	85.5	208.8	52.4	33.5
2006/07	20.8	63.3	10.3	9.2	16.7	19.2	88.7	228.2	19.4	9.3
2007/08	31.2	105.6	13.4	10.9	26.7	26.1	134.4	348.3	120.1	52.6
2008/09	42.5	128.8	14.8	13.5	62.3	26.1	161	449	100.7	28.9
2009/10	56	123.1	16.1	14.5	67	27.5	171.4	475.6	26.6	5.9
2010/11	31.5	139.4	19.9	17.3	67.5	36.1	209.1	520.8	45.2	9.5
2011/12	27.3	190.4	39.5	17.2	19.9	45.1	255.8	595.2	74.4	14.3
2012/13	78.5	224	42.1	26.3	26.9	41.3	413.9	853	257.8	43.3
2013/14	97.1	168.8	39.7	24.6	39.9	45.5	558.4	974	121	14.2
2014/15	137.6	219	18.6	25.4	37.1	47.7	621.3	1,106.70	132.7	13.6
2015/16	106.9	203.6	23.9	33.3	48.8	45.6	917.9	1,380.00	273.3	24.7
Shares										
2004/05	8.6	29.2	6.9	4.5	7.2	8.1	35.5	100		
2005/06	6.7	28.8	5.0	5.0	6.3	7.2	40.9	100		
2006/07	9.1	27.7	4.5	4.0	7.3	8.4	38.9	100		
2007/08	9.0	30.3	3.8	3.1	7.7	7.5	38.6	100		
2008/09	9.5	28.7	3.3	3.0	13.9	5.8	35.9	100		
2009/10	11.8	25.9	3.4	3.0	14.1	5.8	36.0	100		
2010/11	6.0	26.8	3.8	3.3	13.0	6.9	40.1	100		
2011/12	4.6	32.0	6.6	2.9	3.3	7.6	43.0	100		
2012/13	9.2	26.3	4.9	3.1	3.2	4.8	48.5	100		
2013/14	10.0	17.3	4.1	2.5	4.1	4.7	57.3	100		
2014/15	12.4	19.8	1.7	2.3	3.4	4.3	56.1	100		
2015/16	7.7	14.8	1.7	2.4	3.5	3.3	66.5	100		

Source: 2015 Tanzania Revenue Authority

Taxpayers and VAT vendors Registration

The number of taxpayers registered reached 2.2 million in 2015/16 which is an increment of 10.5 percent. The highest growth of 55.6 percent of taxpayers registration was observed in 2012/13 surpassing an average growth of 23.2 percent recorded from 2006/07 to 2015/16. Table 4.1: shows the trend of Taxpayers registration from 2006/07 to 2015/16.

Table 4.1: Number of taxpayers registered in Tanzania Mainland, 2006/07 - 2015/16

Year	2006/07'	2007/08'	2008/09'	2009/10'	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Taxpayers	335,094	398,450	488,354	618,277	846,137	1,035,681	1,611,970	1,783,961	1,990,482	2,199,835
Growth	16.0%	18.9%	22.6%	26.6%	36.9%	22.4%	55.6%	10.7%	11.6%	10.5%

Table 4.2: Number of registered VAT vendors, in Tanzania Mainland, 2006/07 - 2015/16

Year	2006/07'	2007/08'	2008/09'	2009/10'	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
VAT registered	7,723	9,036	10,844	13,253	16,848	17,860	21,362	24,346	25,908	27,235
Growth	25.5%	17.0%	20.0%	22.2%	27.1%	6.0%	19.6%	14.0%	6.4%	5.1%

INTERNATIONAL TRADE TAXES

The international trade taxes are categorized into import duties, excise duties, VAT on imports, fuel levy and non-tax revenue. Revenue collected through international taxes grew by 29.3 percent from TZS 4,138.4 billion in 2014/5 to 5,351.1 billion in 2015/16. The highest growth of 33.8 percent of revenue collected from international trade taxes was observed in year 2007/08. The largest contribution of 32.3 percent on International taxes came from VAT on imports, followed by import duties (25.1%) in 2015/16. Table 5.1 show the revenue collected through the international trade taxes in Tanzania Mainland from 2004/05 to 2015/16 periods.

Table 5.1: International Trade Taxes (TZS Billion) by Type of Tax, Tanzania Mainland, 2004/05 – 2015/16

Year	Import Duties	Excise Duties	VAT on Imports	Fuel Levy and Petroleum Fee - REA	Non-Tax Revenue	Total International Trade Taxes	Changes in Collection between Years	
							Amount	Percent
2004/05	106.9	127.6	437.7	67.8	9.3	749.3		
2005/06	177.8	126.5	502.4	69.4	7.5	883.6	134.3	17.9
2006/07	251.4	312	463.8	94.8	10.4	1,132.40	248.8	28.2
2007/08	313	440.3	550.1	200.4	11.5	1,515.30	382.9	33.8
2008/09	373.9	475.3	641.4	246.1	12	1,748.70	233.4	15.4
2009/10	383.3	533.8	759.4	256	10.9	1,943.40	194.7	11.1
2010/11	489	614.3	905.6	315.3	12.1	2,336.30	392.9	20.2
2011/12	546.3	583.6	1,082.90	390.5	12.9	2,616.20	279.9	12.0
2012/13	610.9	697.4	1,213.40	436.3	13.8	2,971.80	355.6	13.6
2013/14	766.7	761.9	1,329.70	750.3	18.7	3,627.30	655.5	22.1

2014/15	910.9	916.9	1,543.00	750.3	17.3	4,138.40	511.1	14.1
2015/16	1,344.30	1,275.80	1,727.20	983.4	20.4	5,351.10	1,212.70	29.3
Share								
2004/05	14.3	17.0	58.4	9.0	1.2	100.0		
2005/06	20.1	14.3	56.9	7.9	0.8	100.0		
2006/07	22.2	27.6	41.0	8.4	0.9	100.0		
2007/08	20.7	29.1	36.3	13.2	0.8	100.0		
2008/09	21.4	27.2	36.7	14.1	0.7	100.0		
2009/10	19.7	27.5	39.1	13.2	0.6	100.0		
2010/11	20.9	26.3	38.8	13.5	0.5	100.0		
2011/12	20.9	22.3	41.4	14.9	0.5	100.0		
2012/13	20.6	23.5	40.8	14.7	0.5	100.0		
2013/14	21.1	21.0	36.7	20.7	0.5	100.0		
2014/15	22.0	22.2	37.3	18.1	0.4	100.0		
2015/16	25.1	23.8	32.3	18.4	0.4	100.0		

Source: Tanzania Revenue Authority, 2015

Import Duties

Import duties are mainly charged on non petroleum imports. Revenue collected from import duties between 2014/15 and 2015/16 grew by 17.7 Percent. For the past eleven years, the highest growth of 66.8 percent was registered in 2005/6.

Excise Duties

Excise duties on Import are mainly charged on petroleum and non- petroleum imports. Revenue collected from excise duties on import between 2014/15 and 2015/16 grew by 39.1 Percent

Table 5. 2: Excise Duties (TZS Billion) by Type of Duty, Tanzania Mainland, 2004/05 – 2015/16

Year	Excise Duties on Non-Petroleum Imports	Excise Duties on Petroleum Imports	Total Excise Duties	Changes in Collection between Years	
				Amount	Percent
2004/05	11,767	115,849	127,615		-
2005/06	10,120	116,387	126,507	-1,108	0.9
2006/07	20,785	291,200	311,985	185,477	146.6
2007/08	23,887	416,414	440,301	128,317	41.1
2008/09	31,546	443,708	475,254	34,953	7.9
2009/10	40,597	493,198	533,795	58,541	12.3
2010/11	70,806	543,487	614,293	80,498	15.1
2011/12	58,806	524,800	583,606	-30,687	5.0
2012/13	68,978	628,415	697,393	113,787	19.5
2013/14	124,368	637,511	761,879	64,486	9.2
2014/15	260,947	655,999	916,946	155,067	20.4
2015/16	539,380	736,395	1,275,775	358,829	39.1

Source: Tanzania Revenue Authority, 2015

VAT on Imports

VAT on Imports is only charged on non petroleum products. Revenue collected from non petroleum products grew by 11.9 percent between 2014/15 and 2015/16. For the past eleven years, the highest growth of 19.6 percent was recorded in 2011/12. On average the overall growth rate of 13.6 percent was recorded on the entire period under review.

Tax Rates

Tax rates in Tanzania are shown by tax item. For the purpose of this report, tax rates are shown for individual, company, employees, and VAT. (Table). Generally, Tax rates for all items have been constant for a couple of years since 2008/09. The bottom tax marginal rates for PAYE has been declining from 15 percent in 2008/09 to 11 percent in 2015/16.

Table 5.3: Tax rates ranges for three types of taxes 2008/09 – 2015/16

Year	Individual		Company Maximum	Employee (PAYE)		VAT Maximum
	Bottom	Maximum		Bottom	Maximum	
2008/09	1.1%	3.3%	30%	15%	30%	20%
2009/10	1.1%	3.3%	30%	15%	30%	18%
2010/11	1.1%	3.3%	30%	14%	30%	18%
2011/12	2.0%	3.5%	30%	14%	30%	18%
2012/13	2.0%	3.5%	30%	14%	30%	18%
2013/14	2.0%	3.5%	30%	13%	30%	18%
2014/15	4.0%	7.0%	30%	12%	30%	18%
2015/16	3.0%	5.3%	30%	11%	30%	18%

Source: Tanzania Revenue Authority

Tax-to-GDP Ratios

This is the proportion of taxes revenue collected by Government relative to a country's output, or GDP, which is an important economic indicator mostly used internationally by institutions such as the International Monetary Fund (IMF) AND the World Bank and the Organization for Economic Co-operation and Development (OECD) to analyze the tax systems and economic performance for comparative analysis between countries.

Year	Nominal GDP (TZS mil.)	Tax Revenue (TZS mil.)	Tax to GDP ratio
2004/05	17,915,857	1,696,543	9.5
2005/06	21,205,632	2,056,257	9.7
2006/07	25,034,434	2,645,077	10.6
2007/08	29,767,686	3,499,540	11.8
2008/09	35,245,882	4,194,142	11.9
2009/10	40,781,421	4,601,452	11.3
2010/11	48,299,299	5,489,268	11.4
2011/12	57,098,397	6,705,229	11.7
2012/13	66,193,740	8,058,913	12.2
2013/14	75,335,841	9,904,752	13.1
2014/15	85,291,121	10,685,680	12.5
2015/16	97,304,216	13,246,116	13.6

Revenue from Local Government Authorities

Data set on revenues collected by local authorities were made available through the President's Office, Regional Administration and Local Government – PORALG head quarters in Dodoma. Revenues in terms of local taxes, levies, fees and other revenue sources are collected under the mandate given to local authorities and they are limited depending on the available sources in respective authorities. The broader sources of LGA taxes include Local taxes; Licenses and Permits, Fees and Charges and Other Own Revenues.

Table 6.1: Local Government Revenue from Own Source (TZS Million), Tanzania Mainland, 2010/11 – 2015/16

Type of Tax	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Property Tax	7,784	7,418	6,846	44,203	21,340	28,712
Land Rent	5,638	4,550	4,592	5,326	7,452	6,426
Produce Cess	37,444	52,360	51,378	70,602	62,753	82,551
Service Levy	30,232	35,821	48,431	34,567	74,924	90,780
Other Revenue	77,182	95,383	129,662	168,580	212,654	224,410
Total	158,279	195,532	240,909	323,278	379,124	432,878