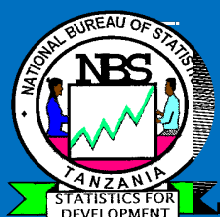




The United Republic of Tanzania

TAX STATISTICS REPORT 2016/17

TANZANIA MAINLAND



National Bureau of Statistics
June, 2018

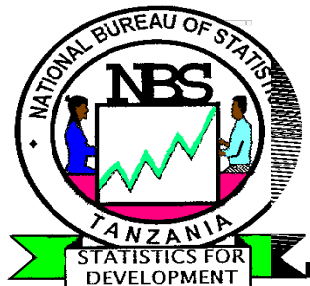


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Published by the National Bureau of Statistics



Abbreviations and Acronyms

ACV	-	Agreement on Customs Valuation
BOS	-	Bureau of Statistics
CIT	-	Company Income Tax
CRMS	-	Computerized Risk Management System
DSI	-	Destination Inspection Scheme
EPZ	-	Export Processing Zone
GFS	-	Government Finance Statistics
IMF	-	International Monetary Fund
LGAs	-	Local Government Authorities
MDAs	-	Ministries, Departments and Agencies
MoFP	-	Ministry of Finance and Planning
NBS	-	National Bureau of Statistics
NSS	-	National Statistical System
NSGRP	-	National Strategy for Growth and Reduction of Poverty
PAYE	-	Pay As You Earn
PIT	-	Personal Income Tax
SDL	-	Skills Development Levy
SS	-	Statistics Section
TRA	-	Tanzania Revenue Authority
TSMP	-	Tanzania Statistical Master Plan
TZS	-	Tanzanian Shilling
VAT	-	Value Added Tax
OGL	-	Other Government Loans
NBC	-	National Bank of Commerce
NSOs	-	National Statistical Offices
UNSD	-	United Nations Statistics Division
WB	-	World Bank
OECD	-	Organization for Economic Cooperation and Development

Preface

The production of this document is a continuation of National Bureau of Statistics (NBS) responsibilities in implementing the Tanzania Statistical Master Plan (TSMP). The aim of this publication is to reveal the Government's economic performance in terms of tax collections from various sources in the economy for the period from 2005/06 to 2016/17. This is the fifth publication on Tax Statistics Report for Tanzania Mainland produced by the NBS since it has become an Executive Agency in March, 1999.

Generation and compilation of tax statistics published in this report is a results of collaborative efforts of institutions including Ministry of finance and planning (MoFP), Tanzania revenue Authority (TRA), the President's office – Regional Administration and Local Government (PO-RALG) and the Bank of Tanzania (BOT). While the Ministry of Finance and Planning and the Bank of Tanzania provided general government revenue and other fiscal data, data on tax revenues were largely collected from TRA. On the other hand, revenue statistics collected by local government authorities were centrally obtained from PO-RALG before being aggregated into regional and national figures for reporting purposes. Although each institution has mandate to produce statistics in its area of jurisdiction, the custodianship of all official statistics in the country is entrusted to NBS vide the Statistics Act No.9 of 2015.

For the first time, statistics on revenue collected by local government authorities are reported in a nutshell in this report. Additional tax items such as tax rate by type, individual and company income tax and ratios of tax items to GDP are also compiled to meet the current demand by researchers and the community in general. Recommended guidelines for producing official tax and revenue statistics are published by the IMF and OECD including the Government Finance Statistics Manual 2014, the SNA 1993 and SNA 2008.

In this report, NBS and TRA provided indicators that can be used to sharpening policy debates and enhance fact-based decision-making. NBS and TRA trust that users will continue to engage with them so as to improve future editions of the Tax Statistics Report.

Preparation of this report has been a long complex endeavor involving a number of people. Special thanks should be extended to the Ministry of Finance, Tanzania Revenue Authority and the PO – RALG for their generous supports in supplying us with the requested information. The NBS is looking forward to their continuing support in future. I wish to explicitly express my

sincere gratitude to all NBS staff who participated in one way or the other to make this report a successful. In particular I thank Mr. Ephraim E. Kwesigabo, Director for Population Census and Social Statistics and Mr. Fred E. Matola, Manager for Tax Statistics Department, for supervising this exercise with cordial technical support from Mr. Bakilla H. Bakilla, Mr. Ludovick G. Materu both Statisticians and Mr. Elienea A. Mnguruta, Senior Statistical Officer both from the Tax Statistics Department. Lastly, I wish to commend invaluable editorial remarks from the NBS Editorial Board for shaping the report to a readable document.

.....

Dr. Albina Chuwa,

Director General

NATIONAL BUREAU OF STATISTICS

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About this Publication

The Tax Statistics Report 2016/17 builds and expands on the previous four editions. This publication provides an overview of tax revenue collections and information for the fiscal years 2005/06 to 2016/17. The objective of this publication is to present comprehensive information on tax revenue in order to inform decision making processes. In addition, the report will help the contextualization of economic and demographic information provided by other publications. Feedback from a variety of sources indicates that tax statistics also provide valuable insights into socio-economic trends.

The Tax Statistics Report 2016/17 is the fifth edition in the series of NBS tax statistics reports. 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 excludes 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.

The term ‘taxes’ is confined to compulsory, unrequited payments to general government. The OECD/IMF methodology classifies tax according to its base as follows: income, profits and capital gains (under heading 111 in the Government Finance Statistics Manual of OECD/IMF); payroll (112); property (113); goods and services (114); and other taxes (116). Compulsory social security contributions paid to the general government are also treated as taxes (IMF). Non-tax revenue includes all general government revenue that does not meet the OECD/IMF definition of taxation. It includes certain compulsory transfers such as fines, penalties, and most social security contributions; grants; property income; sales of goods and services and miscellaneous revenues. This report examines changes in the level and composition of taxation plus the attribution of tax revenues by level of government from 2005/06 to 2016/17. The difference between this edition and the last four editions is that, in this edition, indicators have been expanded throughout to cover other tax items and ratios including tax to GDP ratios, tax rates, tax payer’s registration by tax year and the elaborated revenue statistics from LGAs as shown in their main aggregates.

Data used to compile the 2016 2017 Tax Statistics Report were obtained 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 used are provisional and may be updated. Beside 2016 - 2017, the report gives information of earlier years since 2005/06.

Introduction

Tax revenue grew by an average annual growth of 19.7 percent from 2006/07 to 2016/17. The effect of the 2008 Global Financial Crisis caused relatively low growth of 9.8 percent in 2009/10 fiscal year. However, tax revenues recovered quickly and the annual growth rate of tax revenue was 19.5 percent in 2010/11. It remained high up to 2013/14 before it fell to 7.9 percent in 2014/15 which was below the magnitude observed during the global crisis. A long term average of tax-to-Gross Domestic Product (GDP) ratio from 2005/06 to 2016/17 was 11.9 percent.

Methodology

In this report, trends of various tax items over the 2005/06 to 2016/17 period are discussed. This report is for Tanzania Mainland and all figures are reported into Tanzania shillings. All data are reported on fiscal year basis up to a preceding year of the reporting period. Tax statistics are produced according to international guidelines for comparison purposes. National Statistics Offices (NSOs) and other producers of official statistics try to follow guidelines normally provided by UN agencies such as the United Nations Statistics Division (UNSD), the International Monetary Fund (IMF) and the World Bank (WB) when compiling these statistics.

These agencies prepare guidelines and manuals for production of official statistics. These statistics must meet the criteria of fundamental principles of official statistics that were endorsed by United Nations' General Assembly in 2014. Tax statistics classifications follow the Government Finance Statistics Manual 2014 as prepared by the IMF whereby tax items fall under revenue classification. Tax are broadly classified as Tax on income, profits and capital gains (111), Taxes on payroll and workforce (112), Taxes on property (113), Taxes on goods and services (114), Taxes on international trade and transactions (115) and Other taxes (116).

The role of Tanzania Revenue Authority is to assess, collect and account for Government revenue through administering effectively and efficiently all revenue laws of the Central Government among others. The role of NBS is to coordinate production of official statistics within the National Statistics System to ensure that quality official statistics are produced. In this view, NBS collaborates with tax statistics stakeholders to make sure that fundamental principles of producing official statistics are followed and that tax information are disseminated.

In brief

- All statistics are based on the income, expenses, deductions and items as reported by taxpayers and traders in tax returns and assessment documents.
- Nominal data are reported in fiscal year throughout this publication.
- Some figures have been rounded so discrepancies may occur between the numbers of the component items and the totals in the tables.
- Total revenue collected by Central Government (which excludes revenue by LGAs) grew by 9.5 percent from TZS 18,101.3 billion in 2015/16 to TZS 19,829.0 billion in 2016/17. Looking at table 1.1, it is realized that the revenue from domestic resources have changed because the domestic borrowing values have been incorporated since 2005/06. However, these values for domestic borrowing were not included in the previous publications.
- Tax revenue contributed 87.1 percent of total domestic resources in 2016/17.
- Collection of tax revenue increased from TZS. 13,246.1 billion in 2015/16 to TZS 14,221.9 billion in 2016/17 which is an equivalent of annual growth of 7.4 percent.
- From the two major sources of government resources, domestic resources dominated the share for about a decade and contributed 81.3 percent in 2016/17.
- The tax-to-GDP ratio slightly decreased to 13.3 percent in 2016/17 from 13.6 percent in 2015/16 but exceeding the long-term average of 11.9 percent. This however remains below the peak of 13.6 percent achieved in 2015/16.
- About 93 percent of total government revenue from external sources in 2016/17 were in terms of grants, project loans and non-concessional loans.
- Magnitude of revenue collected by Local Government Authorities shows an annual increasing trend from TZS 195,532 million in 2011/12 to TZS 544,898 million in 2016/17.

CHAPTER ONE

Government Revenue Collection

1.1 Introduction

This chapter presents overall government revenue collections in line with Government Finance Statistics (GFS) methodology prepared by the International Monetary Fund (IMF). The GFS was designed to provide statistics that would enable policymakers and analysts to study developments in the financial operations, fiscal position, and liquidity situation of the general public sector in a consistent and systematic manner.

1.2 Government Resources

In this report, government resources are divided into two broad categories namely domestic and external resources. Domestic resources refer to revenue collected domestically (tax revenue, non-tax revenue and borrowing from domestic market while external sources cover all grants, concessional and non-concessional loans.

Table 1.1 shows that government resources increased from TZS 4,186.1 billion in 2005/06 to TZS 8,074.3 billion in 2009/10 and reached TZS 19,829.0 billion in 2016/17. The largest change was observed in 2007/08 when an increase of 27.4 percent was recorded, followed by 23.5 percent in 2015/16. There was a decrease by 1.5 percent in government resources in 2014/15 due to shortfall in grants and concessional loans. The revenue collection increased by 9.5 percent from TZS 18,101.3 billion in 2015/16 to TZS 19,829.0 billion in 2016/17.

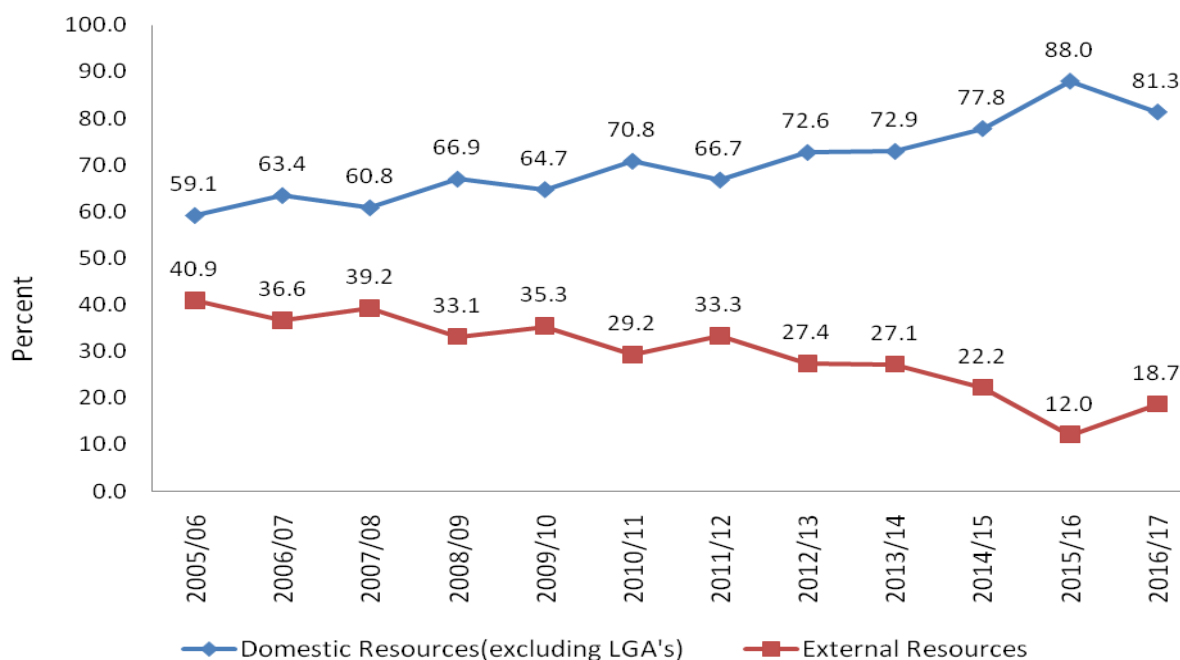
Table 1. 1: Government Resources (TZS Billion) by Source, Tanzania Mainland, 2005/06 – 2016/17

Year	Domestic Resources (excluding LGAs)		External Resources		Total Government Resources	Change in Government Resources between Years	
	Amount	Percent	Amount	Percent		Amount	Percent
2005/06	2,473.7	59.1	1,712.4	40.9	4,186.1		
2006/07	2,977.0	63.4	1,719.1	36.6	4,696.1	510	12.2
2007/08	3,634.6	60.8	2,348.2	39.2	5,982.8	1287	27.4
2008/09	4,506.8	66.9	2,229.0	33.1	6,735.8	753	12.6
2009/10	5,221.3	64.7	2,853.0	35.3	8,074.3	1338	19.9
2010/11	6,822.3	70.8	2,819.2	29.2	9,641.5	1567	19.4
2011/12	7,360.8	66.7	3,670.9	33.3	11,031.7	1390	14.4
2012/13	9,361.6	72.6	3,528.4	27.4	12,890.0	1858	16.8
2013/14	10,843.9	72.9	4,040.0	27.1	14,883.9	1994	15.5
2014/15	11,397.5	77.8	3,257.5	22.2	14,655.0	-229	-1.5
2015/16	15,921.4	88.0	2,179.9	12.0	18,101.3	3446	23.5
2016/17	16,128.1	81.3	3,700.9	18.7	19,829.0	1728	9.5
Total	96,648.9	70.4	34,058.5	29.6	130,707.4		

Source: Ministry of Finance and Planning, 2017

Generally, more than half of total government revenue is contributed by internal sources. The share of internal revenue to total government resources has been increasing while that of external revenue has been decreasing overtime. Figure 1.1 presents the shares of internal and external revenues to total government resources.

Figure 1.1: Percentage Contribution of Domestic and External Resources to Total Government Resources, Tanzania Mainland, 2005/06 – 2016/17.



1.2.1 Domestic Resources

Domestic Government resources consists of tax revenue, non-tax revenues and domestic borrowings. Revenue collected by local government authorities are analyzed separately in chapter five.

Table 1.2 shows government resources collected from domestic sources from year 2005/06 to 2016/17 in Tanzania Mainland. The table shows that domestic resources increased from TZS 15,921.4 billion in 2015/16 to TZS 16,128.1 billion in 2016/17, but the growth between these consecutive years was low as compared to the growth from 2014/15 to 2015/16. Out of the total domestic revenue collected in 2016/17, TZS 14,055.2 billion (87.1 percent) was tax revenue and TZS 2,072.9 billion (12.9 percent) was non-tax revenue.

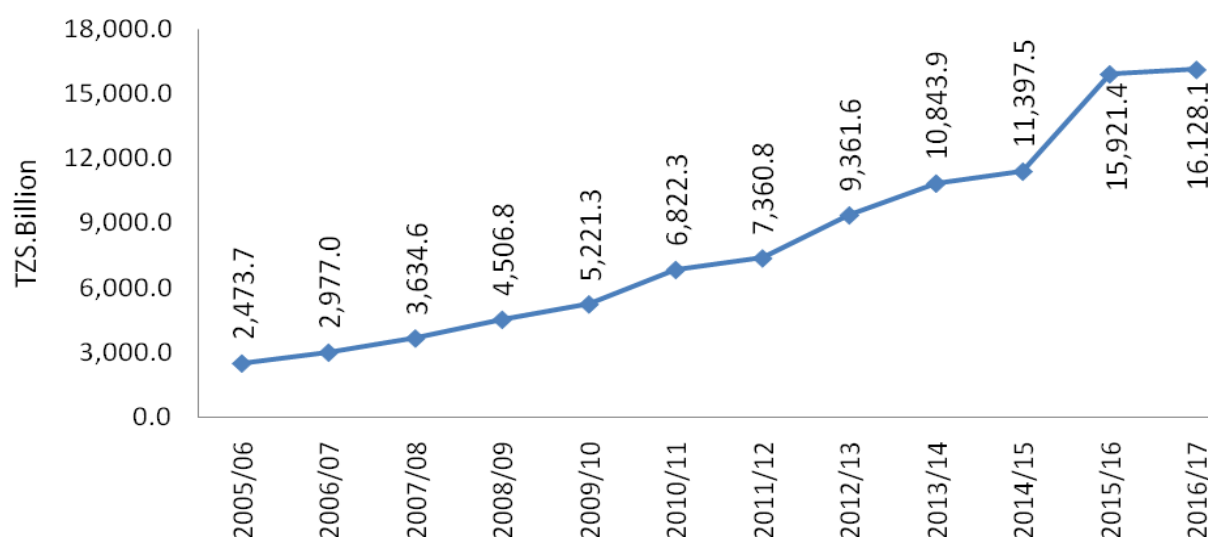
From 2005/06 to 2016/17, the share of tax revenue to total domestic resources was largest in 2007/08 with 92.4 percent.

Table 1. 2: Domestic Resources (TZS Billion) by Type of Revenue, Tanzania Mainland, 2005/06 – 2016/17.

Year	Tax Revenue (excluding TRA Non Tax)		Non-Tax Revenue (excluding revenue for LGAs)		Domestic Borrowing		Total Domestic Resources	Change in Domestic Resources between Years	
	Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent
2005/06	1,946.4	78.7	178.4	7.2	348.9	14.1	2,473.7		
2006/07	2,529.4	85.0	209.6	7.0	238.0	8.0	2,977.0	503.3	20.3
2007/08	3,359.3	92.4	275.3	7.6	0.0	0.0	3,634.6	657.6	22.1
2008/09	4,043.7	89.7	249.4	5.5	213.7	4.7	4,506.8	872.2	24.0
2009/10	4,427.8	84.8	233.7	4.5	559.8	10.7	5,221.3	714.5	15.9
2010/11	5,293.3	77.6	284.7	4.2	1,244.3	18.2	6,822.3	1,601.1	30.7
2011/12	6,480.5	88.0	545.4	7.4	334.9	4.5	7,360.8	538.4	7.9
2012/13	7,730.0	82.6	562.3	6.0	1,069.3	11.4	9,361.6	2,000.9	27.2
2013/14	9,294.4	85.7	572.8	5.3	976.7	9.0	10,843.9	1,482.3	15.8
2014/15	10,097.9	88.6	499.8	4.4	799.8	7.0	11,397.5	553.6	5.1
2015/16	12,525.4	78.7	1,096.8	6.9	2,299.2	14.4	15,921.4	4,523.9	39.7
2016/17	14,055.2	87.1	2,072.9	12.9	0.0	0.0	16,128.1	206.8	1.3
Total	81,783.3	84.9	6,781.1	6.6	8,084.5	8.5	96,648.9		

Source: Ministry of Finance and Planning, 2017

Table 1.2 shows that the Government domestic resources has been increasing at a compounded average growth of 16.9 percent each year from 2005/06 to 2016/17. The highest growth rate of 39.7 percent in 2015/16 has been attributed to increased in both tax and non – tax revenue. The improvement in Government resources enables the government to cover its expenditure including debt servicing. There has been an overall increasing trend in Government resources over the 2005/06 to 2016/17 period (figure 1.2).

Figure 1. 2: Trend of Government Domestic Resources (TZS Billion), Tanzania Mainland, 2005/06 – 2016/17.

1.2.2 External Resources

In Tanzania, Government revenue from external sources consists of grants and loans. During the period from 2005/06 to 2016/17 the Government continued to receive grants and loans from Development Partners, Multilateral Financial Institutions and International Commercial Banks. The purpose of these loans and grants is to complement Government financing efforts in the implementation of the Second Five Year Development Plan (FYDP II).

Table 1. 3: External Government Resources in (TZS Billion) by Source, Tanzania Mainland, 2005/06 – 2016/17.

Year	Grants		Concessional Loans						Non-Concessional Loans		Total External Resources	Changes in Revenue between Years	
			Basket Support		Import Support		Project Loans					Amount	Percent
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent					
2005/06	1,043.4	60.9	82.3	4.8	257.7	15	329	19.2	0.0	0.0	1,712.4		
2006/07	971.6	56.5	47.3	2.8	267.0	15.5	433.2	25.2	0.0	0.0	1,719.1	6.7	0.4
2007/08	1,573.2	67	200.6	8.5	365.0	15.5	209.4	8.9	0.0	0.0	2,348.2	629.1	36.6
2008/09	1,257.3	56.4	151.4	6.8	331.5	14.9	488.8	21.9	0.0	0.0	2,229.0	-119.2	-5.1
2009/10	1,405.2	49.3	194	6.8	558.3	19.6	695.5	24.4	0.0	0.0	2,853.0	624.0	28.0
2010/11	1,627.4	57.7	220.7	7.8	173.8	6.2	643.4	22.8	153.9	5.5	2,819.2	-33.8	-1.2
2011/12	1,855.1	50.5	172.2	4.7	246.8	6.7	595.4	16.2	801.3	21.8	3,670.8	851.6	30.2
2012/13	1,521.5	43.1	211	6	358.8	10.2	374.1	10.6	1063.0	30.1	3,528.4	-142.4	-3.9
2013/14	1,587.6	39.3	207.7	5.1	526.2	13	524	13	1194.5	29.6	4,040.0	511.6	14.5
2014/15	1,024.1	31.4	163.2	5	374.7	11.5	640.7	19.7	1054.8	32.4	3,257.5	-782.5	-19.4
2015/16	495.4	22.7	161.8	7.4	291.4	13.4	777.8	35.7	453.5	20.8	2,179.9	-1077.6	-33.1
2016/17	1,092.5	29.5	105.0	2.8	152.5	4.1	1,124.2	30.4	1226.8	33.1	3,700.9	1521.0	69.8
Total	15,454.3	47.0	1,917.19	5.7	3903.7	12.1	6,835.5	20.7	5947.8	14.4	31,881.2		

Source: Ministry of Finance and Planning, 2017

CHAPTER TWO

Tax Revenues

2.1 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 Rental Tax, Gaming tax and other income taxes. Indirect taxes in Tanzania are paid as consumption taxes, international trade taxes and other domestic taxes and charges when they are broadly categorized.

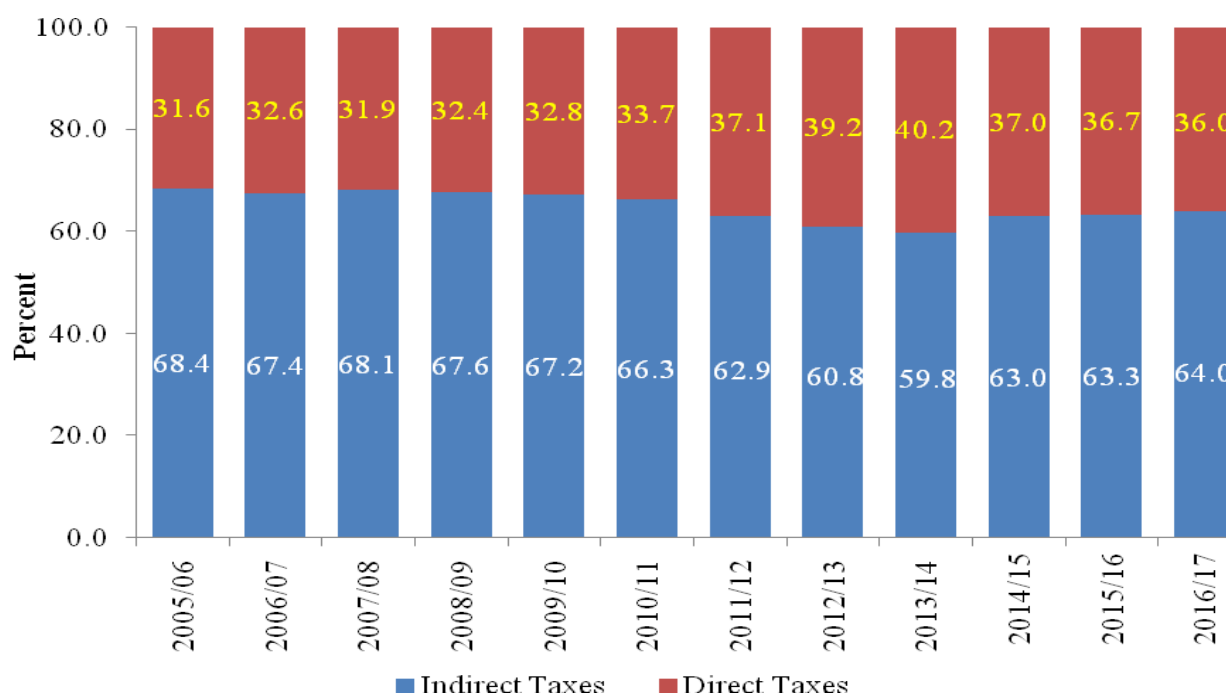
Table 2. 1: Collection of Direct and Indirect Taxes (TZS Billion), Tanzania Mainland, 2005/06 – 2016/17.

Year	Direct Taxes		Indirect Taxes		Total	Changes in Taxes between Years	
	Amount	Percent	Amount	Percent		Amount	Percent
2005/06	637.8	31.6	1,380.1	68.4	2,017.9		
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
2016/17	5,121.0	36.0	9,100.9	64.0	14,221.9	975.8	7.4
Total	30,800.8	36.2	54,203.7	63.8	85,004.5		

Source: Tanzania Revenue Authority, 2017

Table 2.1 shows collection of direct and indirect taxes in Tanzania Mainland. From 2005/06 to 2012/13, the amount of indirect taxes collected was about twice the amount of direct taxes. Table 2.1 also reveals that revenue collection increased from TZS 13,246.1 billion in 2015/16 to TZS 14,221.9 billion in 2016/17 which is equivalent to 7.4 percent increase. The highest percentage increase of 32.3 percent in revenue collection was attained in 2007/08 where tax collection increased by TZS 845.7 billion. The worst growth was 7.9 percent in 2014/15.

Figure 2. 1: Contribution of Direct and Indirect Taxes to Total Domestic Tax Revenue, Tanzania Mainland, 2005/06 – 2016/17.



The gap between shares of direct and indirect taxes is narrower after 2009/10 than before. This is an indication of improved collection of direct taxes in the recent years. Furthermore, observation of Figure 2.1 shows that indirect taxes were increasing at a decreasing rate of marginal return while the trend in direct taxes was increasing gradually.

2.1.1 Direct Taxes

This is a major source of government revenue collected in the form of tax on gains and profits from business, employment and investment of individuals, corporate and other entities. It is charged as direct tax on individual income, corporate profit, employee's income, provisional and final withholding and capital gains taxes. All these are part of a coherent income tax system.

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, Rental Tax, Gaming tax and other income taxes.

Table 2. 2: Direct Taxes Collected by Tax Type (TZS Billion) , Tanzania Mainland, 2005/06 – 2016/17.

Year	Type of Tax								Total Direct Taxes	Change in Collection between Years	
	P.A.Y.E	B. Skills & Dev.Levy	Individuals	Corporate Taxes	Withholding Taxes	Rental	Gaming	Others		Amount	Percent
2005/06	288.3	53.8	31.4	203.3	46.9	10.6	n.a	3.4	637.7		
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
2016/17	2,278.1	280.1	178.7	1,450.3	760.0	91.1	26.5	56.2	5,121.0	255.9	5.3

Source: Tanzania Revenue Authority, 2017

Table 2.2 shows different types of items of direct taxes collected. Revenue collected as direct taxes increased by 5.3 percent in 2016/17 compared to a decrease in growth of 0.7 percent in 2014/15. The highest growth was 34.3 percent in 2011/12 which was above the average growth of 21.4 percent in the period of 2005/06 to 2016/17.

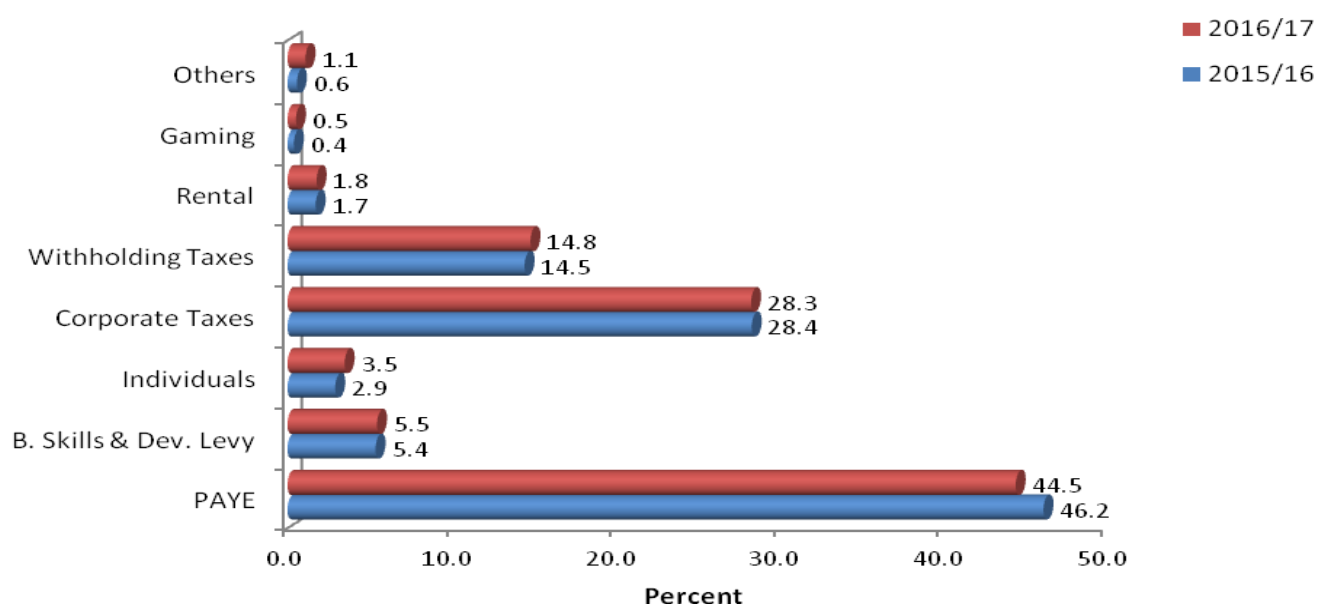
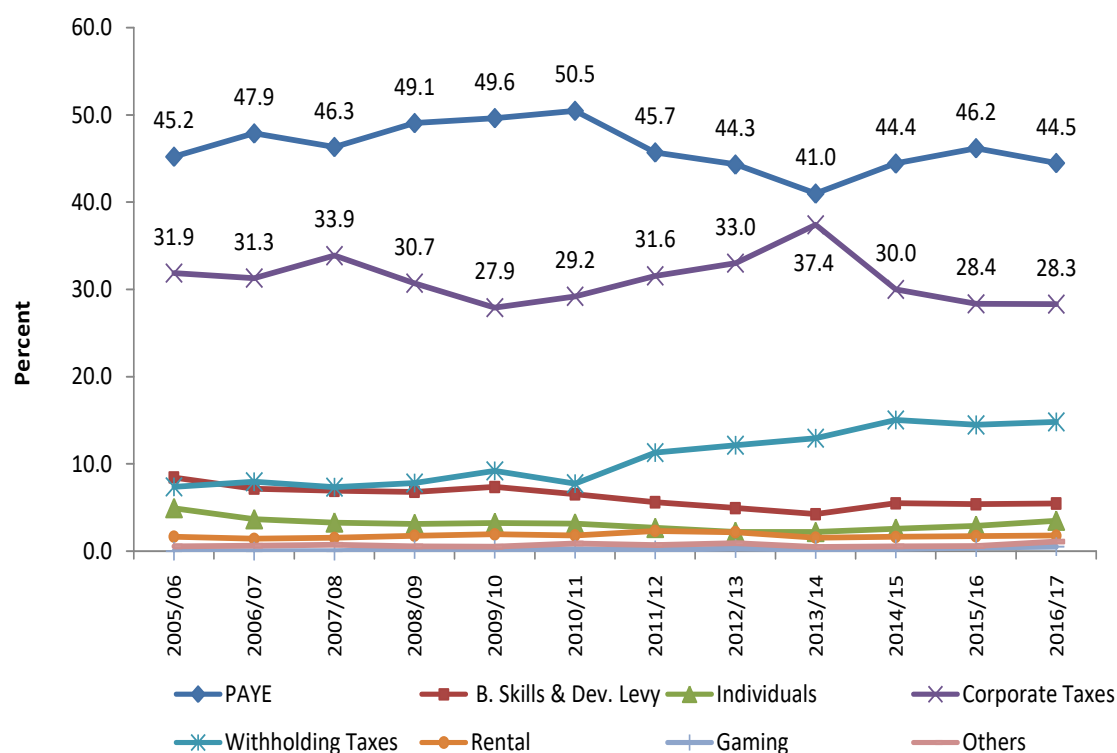
Figure 2. 2: Contributions of Individual Taxes to Total Direct Taxes, Tanzania Mainland, 2015/16 – 2016/17.

Figure 2.2 shows that PAYE taxes dominated the share of all direct taxes and has improved from a share of 44.5 percent in 2015/16 to a share of 46.2 percent in 2016/17. Gaming and other direct taxes all together contributed 1.6 percent of total direct taxes in 2016/17.

Figure 2.3 shows the shares of various direct taxes from 2005/06 to 2016/17. PAYE and corporate taxes have been contributing more than three quarter of total direct taxes. An average of 47.3 share of PAYE was recorded from 2005/06 to 2010/11 which was below the highest 50.5 percent share recorded in 2010/11. However, the average share dropped to 44.1 percent for the past five years after the highest peak observed in 2010/11. On average other taxes contributed 22.6 percent in the period from 2005/06 to 2016/17.

Figure 2. 3: Contribution of Various Taxes to Total Direct Taxes, Tanzania Mainland, 2005/06 - 2016/17.

2.1.2 Indirect Taxes

Broadly, indirect taxes in Tanzania consist of consumption taxes, international trade taxes and other domestic taxes and charges.

Table 2.3 shows different types of indirect taxes collected. Indirect taxes increased by 24.6 percent from TZS 8,381.0 billion in 2015/16 to TZS 9,100.9 billion in 2016/17. The highest growth rate was 33.6 percent recorded in 2007/08. International trade taxes made the largest contribution to total indirect taxes during the period of 2005/06 to 2016/17. However, its share decreased to 62.3 percent in 2016/17 from 64.1 percent in 2015/16.

Table 2. 3: Indirect Taxes (TZS Billion) Collected by Broad Category, Tanzania Mainland, 2005/06 – 2016/17.

Year	Consumption Taxes		Other Domestic Taxes and Charges		International Trade Taxes		Total Indirect Taxes	Change in Collection between Years	
	Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent
2005/06	466.5	33.8	30.0	2.2	883.6	64.0	1,380.1		
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
2016/17	3,095.1	34.0	337.9	3.7	5,667.9	62.3	9,100.9	719.9	8.6
Total	18,344.8	33.8	1,900.9	3.3	33,958.0	62.9	54,203.7		

Source: Tanzania Revenue Authority, 2017

2.2 Consumption Taxes

Consumption taxes are comprised of domestic excise and VAT on domestic goods and services. Table 2.4 shows that revenue collected increased by 14.2 percent from TZS 2,709.3 billion in 2015/16 to TZS 3,095.1 billion in 2016/17 compared to the growth of 15.9 recorded between 2014/15 and 2015/16. However, the current growth was below the average growth of 19.0 percent attained in the entire period.

Table 2. 4: Consumption Taxes by Tax Type (TZS Billion), Tanzania Mainland, 2005/06 – 2016/17.

Year	Domestic Excise Taxes		Domestic VAT						Total Consumption Taxes	Changes in Collection between Years	
	Amount	Percent	VAT on Domestic Goods		VAT on Domestic Services		Total			Amount	Percent
			Amount	Percent	Amount	Percent	Amount	Perce nt			
2005/06	135.1	29.0	122.6	26.3	208.9	44.8	331.5	71.0	466.6		
2006/07	176.0	29.6	191.4	32.1	228.2	38.3	419.6	70.4	595.6	129.0	27.6
2007/08	220.6	28.7	199.7	26.0	348.2	45.3	547.9	71.3	768.5	172.9	29.0
2008/09	286.7	29.3	243.7	24.9	448.9	45.8	692.6	70.7	979.3	210.8	27.4
2009/10	303.8	29.4	252.4	24.5	475.4	46.1	727.8	70.6	1,031.6	52.3	5.3
2010/11	326.3	28.3	304.9	26.5	520.9	45.2	825.8	71.7	1,152.1	120.5	11.7
2011/12	450.0	31.5	383.8	26.9	595.3	41.7	979.1	68.5	1,429.1	277.0	24.0
2012/13	560.5	32.7	302.3	17.6	853.0	49.7	1,155.3	67.3	1,715.8	286.7	20.1
2013/14	747.1	36.2	343.2	16.6	974.0	47.2	1,317.2	63.8	2,064.3	348.5	20.3
2014/15	825.8	35.3	405.2	17.3	1,106.7	47.3	1,511.9	64.7	2,337.7	273.4	13.2
2015/16	868.6	32.1	460.7	17.0	1,380.0	50.9	1,840.7	67.9	2,709.3	371.6	15.9
2016/17	936.6	30.3	459.9	14.9	1,698.6	54.9	2,158.5	69.7	3,095.1	385.8	14.2
Total	5,837.1	31.8	3,669.8	20.0	8,838.1	48.2	12,507.9	68.2	18,344.8		

Source: Tanzania Revenue Authority, 2017

The average annual growth of consumption taxes from 2005/06 to 2016/17 was 19.0 percent. The largest annual growth was 29.0 percent recorded in 2007/08. The share of Domestic VAT increased from 67.9 percent in 2015/16 to 69.7 percent in 2016/17 with most of the share coming from VAT on domestic services whose share increased from 50.9 percent in 2015/16 to 54.9 percent in 2016/17.

Figure 2.4 also depicts that Domestic VAT (mostly from services) has been contributing largely the increase in Consumption taxes for the entire period under review.

Figure 2. 4: Collected Consumption Tax Revenue (TZS Billion) by Tax Type , Tanzania Mainland, 2005/06 – 2016/17.

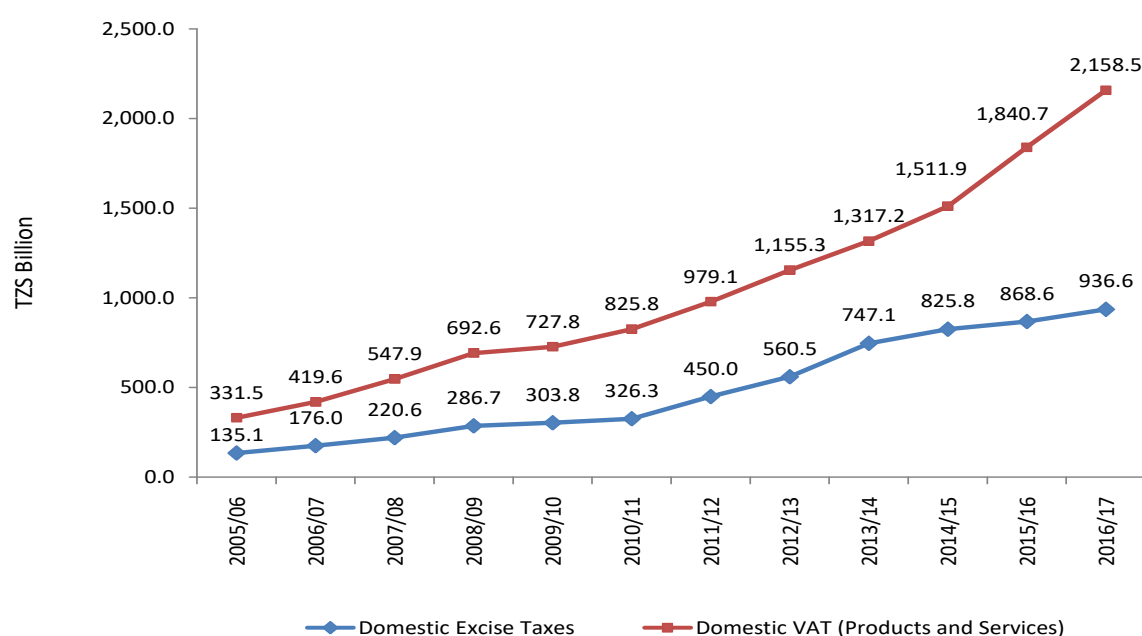


Table 2.5 shows revenue collected through different domestic excise taxes. Among others, items with significant contribution include beer, spirit, soft drinks, bottled water, mobile phones and cigarettes. Revenue from domestic excise tax grew by 7.8 percent in 2016/17 compared to a growth of 5.2 percent in 2015/16 with excise on beer and other domestic excise taxes being responsible for most of the increase. The largest annual growth was 38.0 percent in 2011/12. From 2005/06 to 2016/17, the average annual growth of revenue from domestic excise taxes was 19.9 percent.

In 2016/17, most revenue from domestic excise taxes came from mobile phones with a share of 28.1 percent followed by beer (26.1%) and Cigarette (15.5 %). However, revenue from beer contributed the highest share of 29.7 percent to total Domestic Excise from 2005/06 to 2016/17.

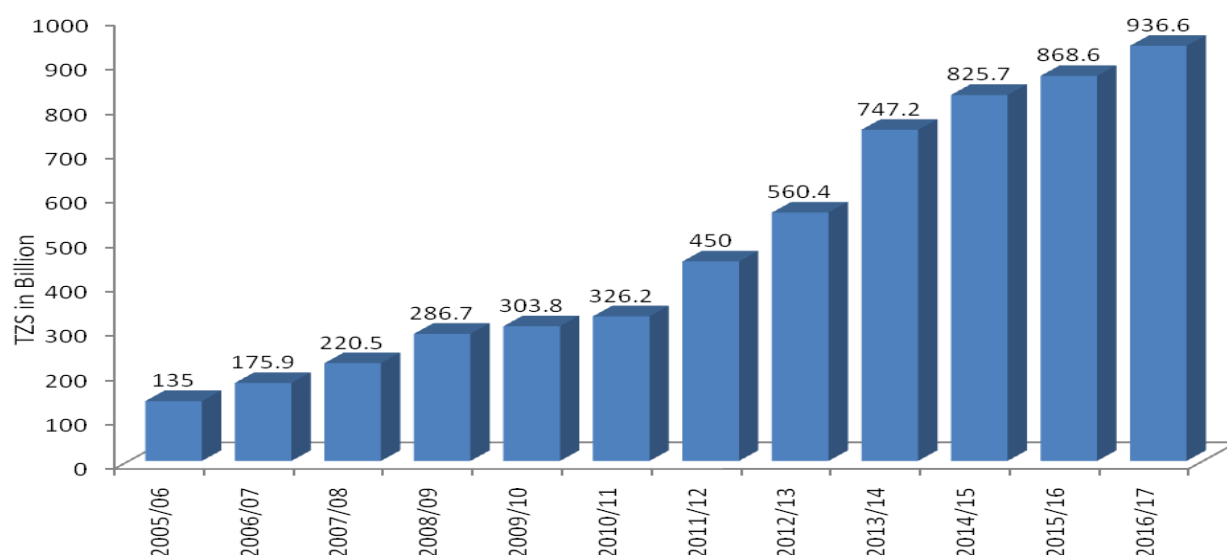
Table 2. 5: Domestic Excise Taxes (TZS Billion) by Type of Product, Tanzania Mainland, 2005/06 – 2016/17.

Year	Mobile Phone	Cigarettes	Beer	Spirits	Soft Drinks	Bottled Water	Other Domestic Excise Taxes	Total Domestic Excise Taxes	Changes in Collection between Years	
									Amount	Percent
2005/06	16.8	39.5	60.8	0	12.4	n.a	5.5	135.0		
2006/07	32.3	43.3	73.6	9.1	15	n.a	2.6	175.9	40.9	30.3
2007/08	40.2	54.2	91.5	11.1	17.3	n.a	6.2	220.5	44.6	25.4
2008/09	67.7	58.5	106.7	17.5	21.4	n.a	14.9	286.7	66.2	30.0
2009/10	85.6	55.2	105.4	24	24.3	n.a	9.3	303.8	17.1	6.0
2010/11	90.2	62.1	115.6	29.4	26.7	n.a	2.2	326.2	22.4	7.4
2011/12	114.6	78.5	150.5	52.7	34.3	5.2	14.2	450.0	123.8	38.0
2012/13	150	87.3	179.7	69.9	43.1	0.8	29.6	560.4	110.4	24.5
2013/14	217.5	99.6	186.3	78.7	52	10.3	102.8	747.2	186.8	33.3
2014/15	250.9	133.9	202.5	118.1	37.3	14.8	68.2	825.7	78.5	10.5
2015/16	246.6	135.9	216.6	101	41.7	15.3	111.7	868.8	43.1	5.2
2016/17	263.3	145.5	244.8	84.5	45.9	15.6	137	936.6	67.8	7.8
Total	1,575.7	993.5	1,734.0	596.0	371.4	62	504.2	5,836.8		
Percent	27.0	17.0	29.7	10.2	6.4	1.1	8.6	100		

Source: Tanzania Revenue Authority, 2017

Figure 2.5 depicts the upward trend in revenue collected through domestic excise taxes from 2005/06 to 2016/17. Revenue increased from TZS 135.0 billion to TZS 936.6 billion from 2005/06 to 2016/17 respectively.

Figure 2. 5: Domestic Excise Taxes (TZS Billion), Tanzania Mainland, 2005/06 – 2016/17.



CHAPTER THREE

Value- Added Tax

3.1 Introduction

Valued Added Tax (VAT) is the amount payable on the supply of goods and services within Tanzania as well as goods and services imported into the country. The Tanzanian VAT system is destination based where only the domestic consumption of goods and services is subjected to VAT. It is broad-based tax on consumption rather than a tax on specific products. Tanzanian tax legislation enforces qualifying businesses to register and to charge and collect VAT on their supply of goods and services. VAT continues to be a significant source of revenue for the Government and contributed on average around 30.9 percent of total tax revenue for the past decade. The standard rate of VAT for Tanzania has remained at 18% for the past eight years. VAT is levied at each stage of the production and distribution chain as value added. A VAT refund occurs when a VAT Registered Taxpayers input tax exceeds its output tax.

3.2 Taxpayers and VAT Registered Taxpayers

According to the Tanzania VAT Act No.5 of 2014, it is mandatory for a business that produces taxable supplies at a threshold of TZS 100 million for 12 month period to register for VAT. Any person who carries on an economic activity involving the supply of professional services and Government entity or institution which carries on economic activity shall be required to be registered for value added tax.

Table 3.1 shows the number of registered taxpayers increased by 13.7 percent from 2.2 million in 2015/16 to 2.5 million in 2016/17. The largest growth of registered taxpayers was 55.6 percent in 2012/13 which surpassed the average growth of 22.3 percent in the period from 2006/07 to 2016/17. The following table shows the trend of taxpayers registration from 2006/07 to 2016/17.

Table 3. 1: The Number of Registered Taxpayers, Tanzania Mainland, 2006/07 - 2016/17.

Year	2006/ 07	2007/08	2008/ 09	2009/ 10	2010 /11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Taxpayers ('000')	335	398	488	618	846	1,036	1,612	1,784	1,990	2,200	2,501
Growth (Percent)	16.0	18.9	22.6	26.6	36.9	22.4	55.6	10.7	11.6	10.5	13.7

Table 3.2 indicates that the number of registered VAT taxpayers increased by 8.5 percent from 27,235 in 2015/16 to 29,561 in 2016/17. The trend also depicts that the number of VAT registers has been progressively increasing from 2008/09 to 2010/11.

Table 3. 2: The Number of VAT Registered Taxpayers Tanzania Mainland, 2006/07 - 2016/17.

Item	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Registered Taxpayers	7,723	9,036	10,844	13,253	16,848	17,860	21,362	24,346	25,908	27,235	29,561
Growth (Percent)	25.5	17.0	20.0	22.2	27.1	6.0	19.6	14.0	6.4	5.1	8.5

3.3 Domestic VAT Revenue

Domestic VAT revenue are collected from domestic goods and services. Significant domestic goods and services that are charged in Tanzania include beer, cigarettes, cement, electricity and telephones. Table 3.3 shows VAT revenue collected from various goods and services in the period from 2005/06 to 2016/17. Total Domestic VAT revenues collected increased by 17.3 percent from TZS 1,840.8 billion in 2015/16 to TZS 2,158.5 billion in 2016/17, which is less than the average annual growth of 18.8 percent recorded in the period of 2005/06 to 2016/17. The largest annual growth was 30.6 percent in 2007/08 before World economic recession.

The highest rate of growth recorded in the period between 2005/06 and 2016/17 was 30.6 percent attained in 2007/08. This growth was higher than the average growth of 18.6 in the same period.

Figure 3. 1: Trend in the Growth of Domestic Value Added, Tanzania Mainland, 2005/06 – 2016/17

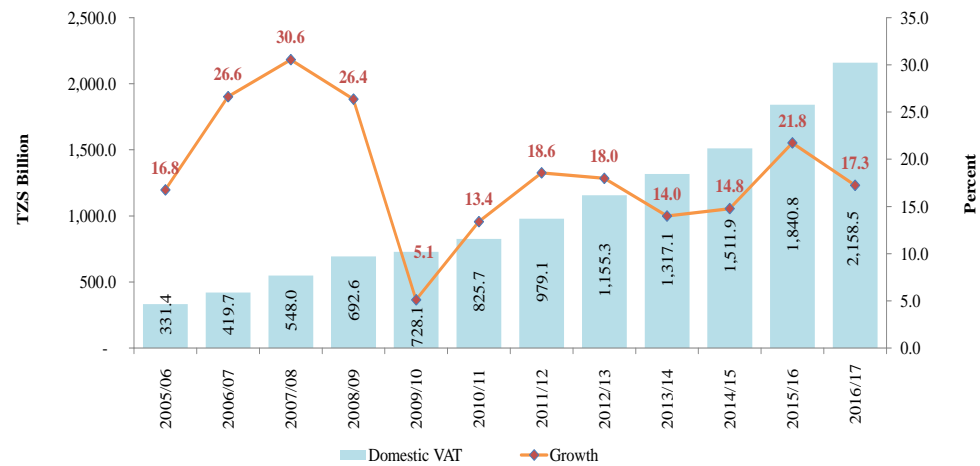


Table 3. 3: Domestic VAT Revenue (TZS Billion) collected by Type of Goods and Services, Tanzania Mainland, 2005/06 – 2016/17.

Type of VAT		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
VAT on Goods	Beer	36	47.6	56.3	66.9	66.2	80.5	90.1	105.6	118.6	136.3	141.8	138.2
	Cigarettes	13.1	20.8	23.5	33	29.1	33.9	39.1	45.7	37.6	46.1	48.7	40.2
	Soft Drinks	7.7	10.4	13.7	20	19.5	25.9	27.2	34.7	41.4	48	41.6	37.7
	Cement	-	-	19.8	24	20.6	34.2	31	32	23.7	23.2	22.3	13.5
	Sugar	13.3	-	13.9	24.9	24.9	24.9	38.2	24	23.9	36.5	44.9	71.0
	Other goods	52.5	112.7	72.5	74.8	92.2	105.5	158.3	60.3	97.9	115.1	161.5	159.3
VAT on services	Electricity	13.9	20.8	31.2	42.5	56	31.5	27.3	78.5	97.1	137.6	106.9	79.6
	Telephones	60.2	63.3	105.6	128.8	123.1	139.4	190.4	224	168.8	219	203.6	191.6
	Retailers	10.5	10.3	13.4	14.8	16.1	19.9	39.5	42.1	39.7	18.6	23.9	19.2
	Wholesalers	10.5	9.2	10.9	13.5	14.5	17.3	17.2	26.3	24.6	25.4	33.3	33.3
	Transport	13.2	16.7	26.7	62.3	67	67.5	19.9	26.9	39.9	37.1	48.8	49.4
	Hotel Services	15	19.2	26.1	26.1	27.5	36.1	45.1	41.3	45.5	47.7	45.6	58.6
	Other services	85.5	88.7	134.4	161	171.4	209.1	255.8	413.9	558.4	621.3	917.9	1,266.8
Total Domestic VAT		331.4	419.7	548.0	692.6	728.1	825.7	979.1	1,155.3	1,317.1	1,511.9	1,840.8	2,158.5
Growth		16.8	26.6	30.6	26.4	5.1	13.4	18.6	18.0	14.0	14.8	21.8	17.3

Source: Tanzania Revenue Authority, 2017

3.3.1 VAT on Domestic Goods

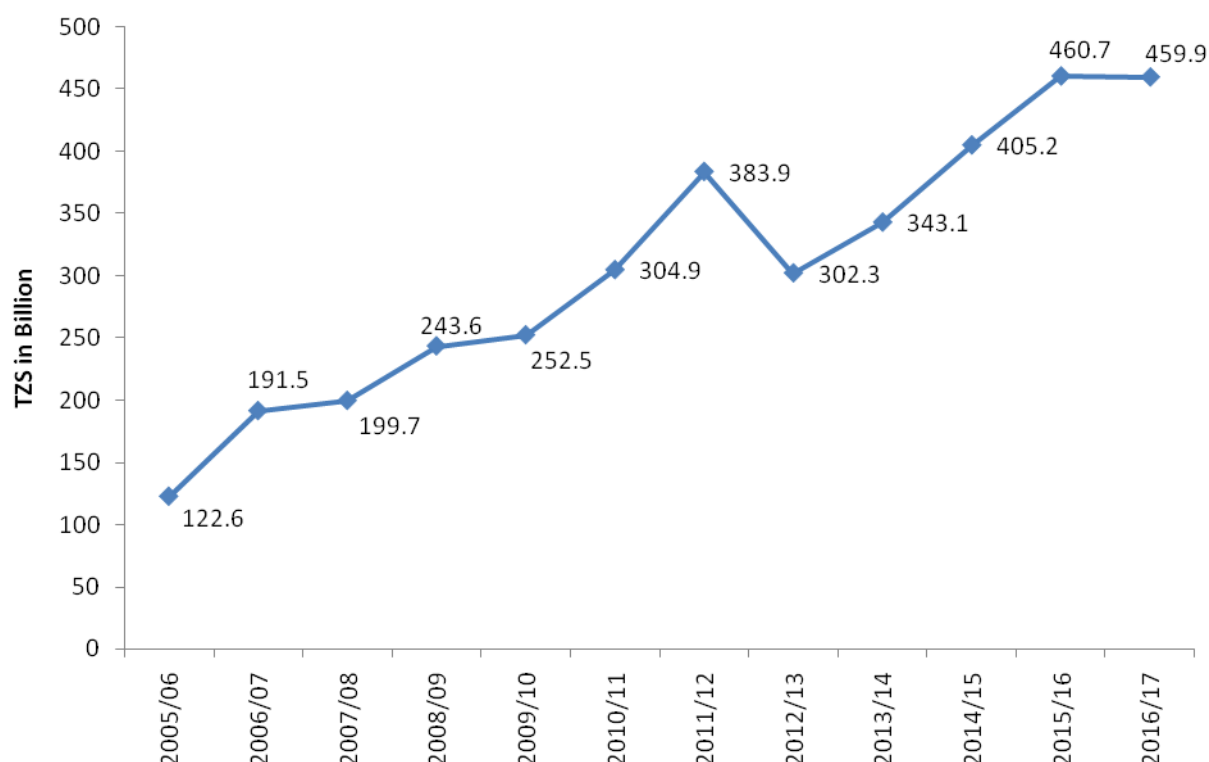
Table 3.4 shows revenue collected through VAT on domestic goods from 2005/06 to 2016/17. The revenue slightly decreased to 0.2 percent from TZS 460.7 billion in 2015/16 to TZS 459.9 billion in 2016/17. With the exception of sugar, revenue from beer, cigarettes, soft drinks and cement decreased marginally. The largest growth of 56.2 percent was realized in 2006/07. The largest contribution to the growth came from beer and followed by cigarettes. Out of the revenue from VAT on domestic goods, beer had the largest shares of 34.9 percent in 2012/13. In 2016/17, the total VAT on domestic goods has resulted from the contribution of beer by 30.1 percent followed by sugar (15.4%) and cigarettes (8.7%).

Table 3.4: VAT on Domestic Goods (TZS Billion) by Type of Product, Tanzania Mainland, 2005/06 – 2016/17.

Year	Type of Product						Total VAT on Domestic Goods	Changes in Collection Between Years	
	Beer	Cigarettes	Soft Drinks	Cement	Sugar	Others		Amount	Percent
2005/06	36.0	13.1	7.7	0.0	13.3	52.5	122.6		
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	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
2016/17	138.2	40.2	37.7	13.5	71.0	159.3	459.9	-0.8	-0.2
Total	1,084.1	410.8	327.8	244.3	340.4	1,262.6	3,669.9		
Share	29.3	11.6	8.9	6.9	8.4	34.9	100		

Source: Tanzania Revenue Authority, 2017

Figure 3.2 shows revenue collected through VAT on domestic goods for the period of 2005/06 to 2016/17. Revenue collection in absolute terms has been increasing at varying value from TZS 122.6 billion in 2005/06 up to a total of TZS 460.6 billion in 2015/16 before it decreased to TZS 459.9 billion in 2016/17.

Figure 3. 2: VAT (TZS billion) on Domestic Goods, Tanzania Mainland, 2005/06 - 2016/17.

3.3.2 VAT on Domestic Services

VAT on domestic services is charged on electricity, telephone, retail and wholesale businesses, transport, hotel and other services. Table 3.5 shows VAT on domestic Revenue increased by 23.1 percent from TZS 1,380.0 billion in 2015/16 to TZS 1,698.6 billion in 2016/17. The highest growth of 52.6 percent was recorded in 2007/8 as supported by revenue collected from telephones, electricity and transport services. In 2016/17, the largest share of VAT on domestic services was 11.3 percent of telephone followed by 4.7 percent of electricity. From 2005/06 to 2016/17, the largest yearly share of VAT on services was VAT on telephone services.

Table 3. 5: VAT from Domestic Services (TZS Billion) by Type of Service, Tanzania Mainland, 2005/06 – 2016/17.

Year	Type of Service							Total VAT on Domestic Services	Changes in Collection between Years	
	Electricity	Telephone	Retailers	Wholesalers	Transport	Hotel Services	Others		Amount	Percent
2005/06	13.9	60.2	10.5	10.5	13.2	15.0	85.5	208.8		
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	161.0	449.0	100.7	28.9
2009/10	56.0	123.1	16.1	14.5	67.0	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	224.0	42.1	26.3	26.9	41.3	413.9	853.0	257.8	43.3
2013/14	97.1	168.8	39.7	24.6	39.9	45.5	558.4	974.0	121.0	14.2
2014/15	137.6	219.0	18.6	25.4	37.1	47.7	621.3	1,106.7	132.7	13.6
2015/16	106.9	203.6	23.9	33.3	48.8	45.6	917.9	1,380.0	273.3	24.7
2016/17	79.6	191.6	19.2	33.3	49.4	58.6	1,266.8	1,698.6	318.6	23.1
Shares										
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		
2016/17	4.7	11.3	1.1	2.0	2.9	3.5	74.6	100		

Source: Tanzania Revenue Authority, 2017

CHAPTER FOUR

Other Domestic Taxes and Charges

4.1 Introduction

Other domestic taxes and charges include departure charges, motor vehicle taxes, stamp duties and treasury vouchers. Table 4.1 shows other domestic taxes and charges increased by 14.3 percent from TZS 295.6 billion in 2015/16 to TZS 337.9 billion in 2016/17. The largest contribution to 2016/17 growth was made by motor vehicle taxes. The highest growth of 90.1 percent was recorded in 2007/08 as supported by revenue collected from departure charges, motor vehicle taxes and treasury vouchers. In 2016/17, the largest share to total other domestic taxes and charges was 72.0 percent of motor vehicle taxes followed by 20.4 percent of departure charges. From 2005/06 to 2016/17, the largest yearly share to total other domestic taxes and charges came from motor vehicle taxes.

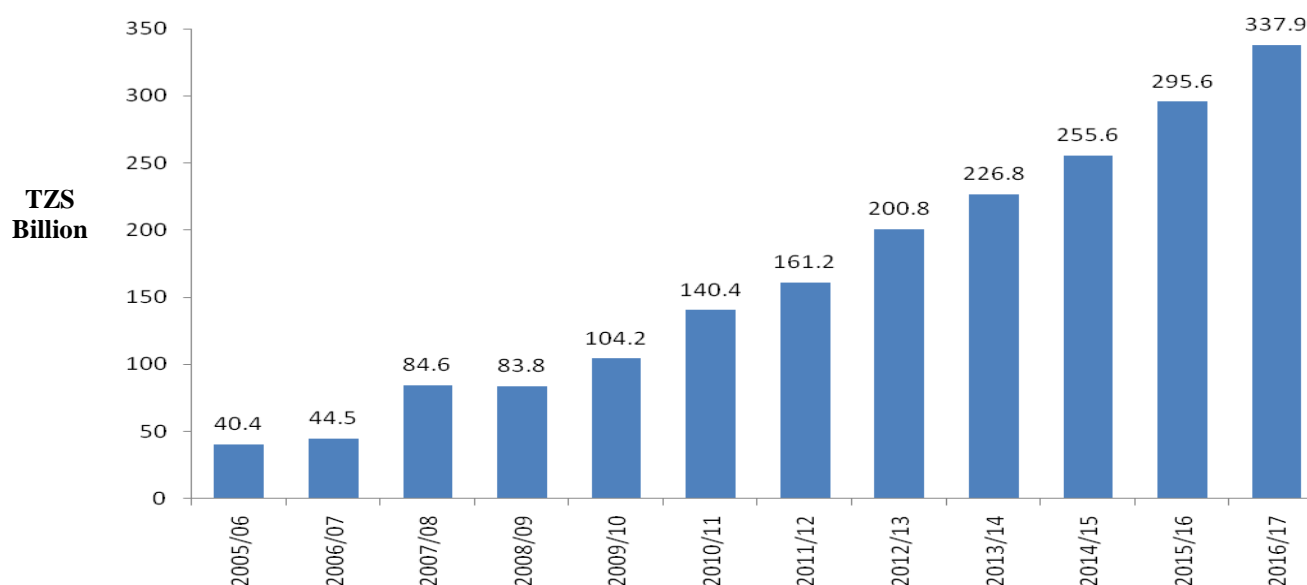
Table 4.1: Other Domestic Taxes and Charges (TZS Billion) by Type of Tax or Charge, Tanzania Mainland, 2005/06 – 2016/17.

Year	Departure Charges	Motor Vehicle Taxes	Stamp Duties	Treasury Vouchers	Total Other Domestic Taxes and Charges	Change of Collection between Years	
						Amount	Percent
2005/06	10.1	17.7	4.5	8.1	40.4		
2006/07	14.4	17.0	4.8	8.3	44.5	4.1	10.1
2007/08	16.2	52.3	5.3	10.8	84.6	40.1	90.1
2008/09	16.9	62.3	4.6	0.0	83.8	-0.8	-0.9
2009/10	21.2	70.1	6.1	6.8	104.2	20.4	24.3
2010/11	23.3	101.3	7.0	8.8	140.4	36.2	34.7
2011/12	23.2	117.6	11.0	9.4	161.2	20.8	14.8
2012/13	35.2	147.8	11.1	6.7	200.8	39.6	24.6
2013/14	42.4	158.4	8.6	6.5	226.8	26.0	12.9
2014/15	53.1	184.4	10.7	7.4	255.6	28.8	12.7
2015/16	68.7	214.2	12.1	0.6	295.6	40.0	15.6
2016/17	69.1	256.8	12.0	0.0	337.9	42.3	14.3
Shares							
2005/06	25.0	43.8	11.1	20.0	100		
2006/07	32.4	38.2	10.8	18.7	100		
2007/08	19.1	61.8	6.3	12.8	100		
2008/09	20.2	74.3	5.5	-	100		
2009/10	20.3	67.3	5.9	6.5	100		
2010/11	16.6	72.2	5.0	6.3	100		
2011/12	14.4	73.0	6.8	5.8	100		
2012/13	17.5	73.6	5.5	3.3	100		
2013/14	18.7	69.8	3.8	2.9	100		
2014/15	20.8	72.1	4.2	2.9	100		
2015/16	23.2	72.5	4.1	0.2	100		
2016/17	20.4	72.0	3.6	0.0	100		

Source: Tanzania Revenue Authority, 2017

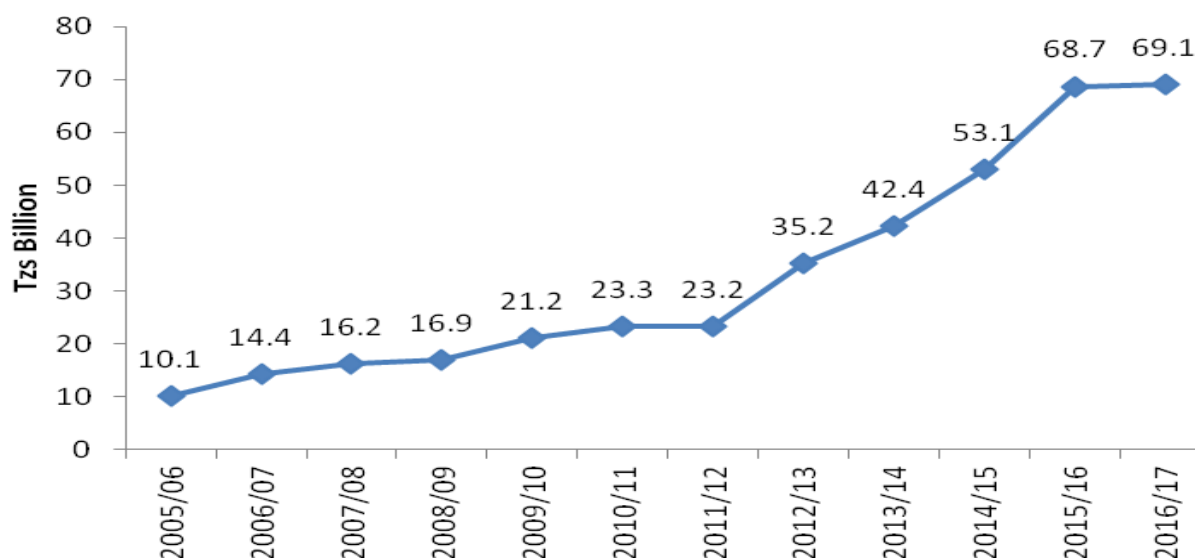
Figure 4.1 shows revenue collected through other domestic taxes and charges for the period from 2005/06 to 2016/17. Revenue collection has been increasing in absolute values from TZS 40.4 billion in 2005/06 up to a total of TZS 337.9 billion in 2016/17.

Figure 4. 1: Other Domestic Taxes and Charges (TZS billion), Tanzania Mainland, 2005/06 – 2016/17.



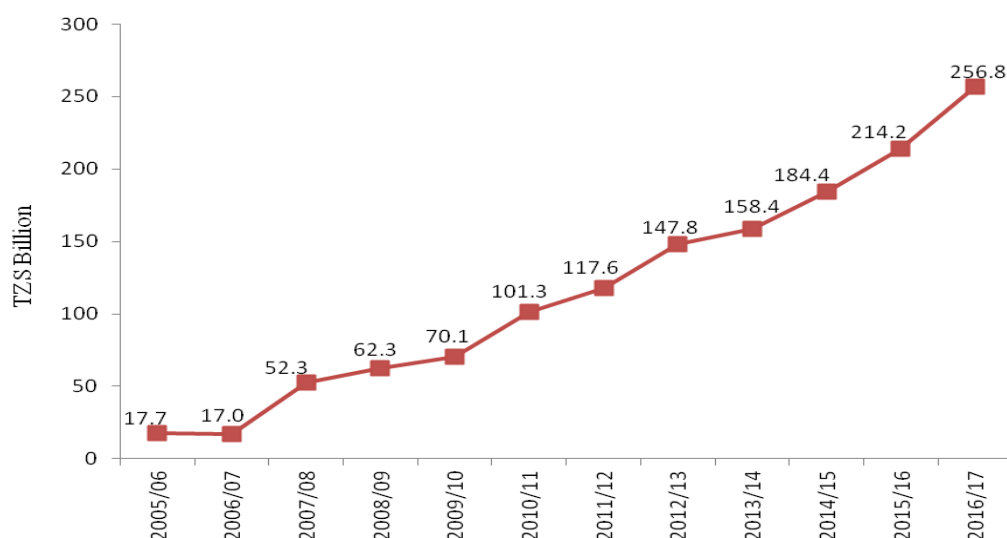
4.2 Departure Charges

International air passenger departure charges is a tax imposed on international air travel. Figure 4.2 also indicates that the revenue from departure charges increased by 0.4 percent from TZS 68.7 billion in 2015/16 to TZS 69.1 billion in 2016/17. The trend also depicts that the departure charges has been progressively increasing from 2005/06 to 2016/17.

Figure 4. 2: Trend of Departure Charges (TZS Billion),Tanzania Mainland, 2005/06 – 2016/17.

4.3 Motor Vehicle taxes

Figure 4.3 also indicates that the revenue from motor vehicles taxes grew by 19.9 percent from TZS 214.2 billion in 2015/16 to TZS 256.8 billion in 2016/17. The trend also shows that the motor vehicles taxes has been progressively increasing from 2005/06 to 2016/17 by an average of TZS 116.7 billion.

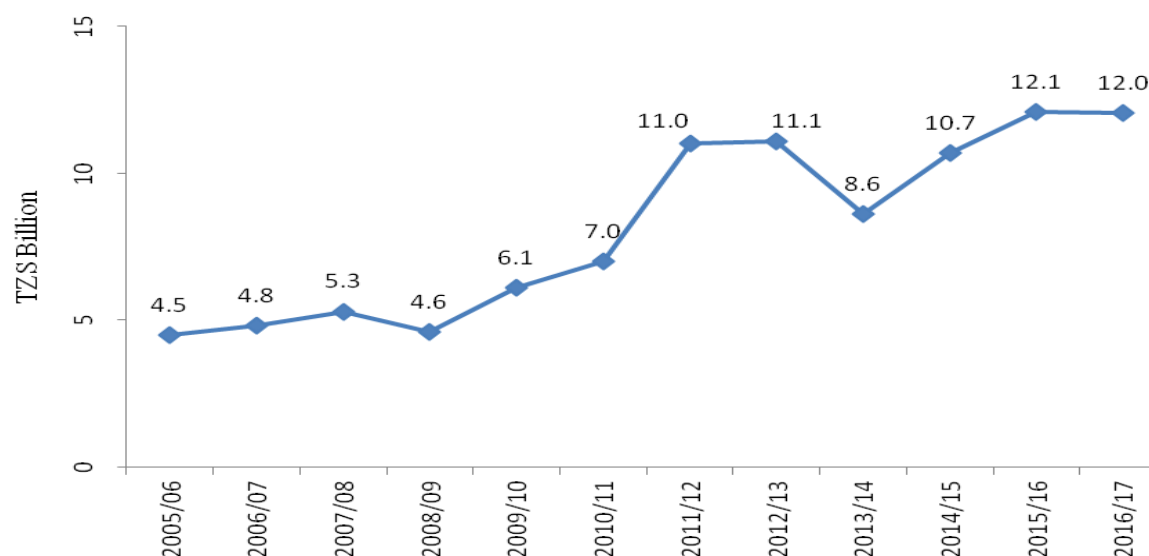
Figure 4. 3: Trend of Motor Vehicle taxes (TZS Billion),Tanzania Mainland, 2005/06 – 2016/17

4.4 Stamp Duties

Figure 4.4 also indicates that the revenue from stamp duties decreased by 0.6 percent from TZS 12.1 billion in 2015/16 to TZS 12 billion in 2016/17. The trend also depicts that growth in

revenue collected from stamp duties has been fluctuating from TZS 4.5 billion in 2005/06 to TZS 12.0 billion in 2016/17 around an average of TZS 8.2 billion in years under review.

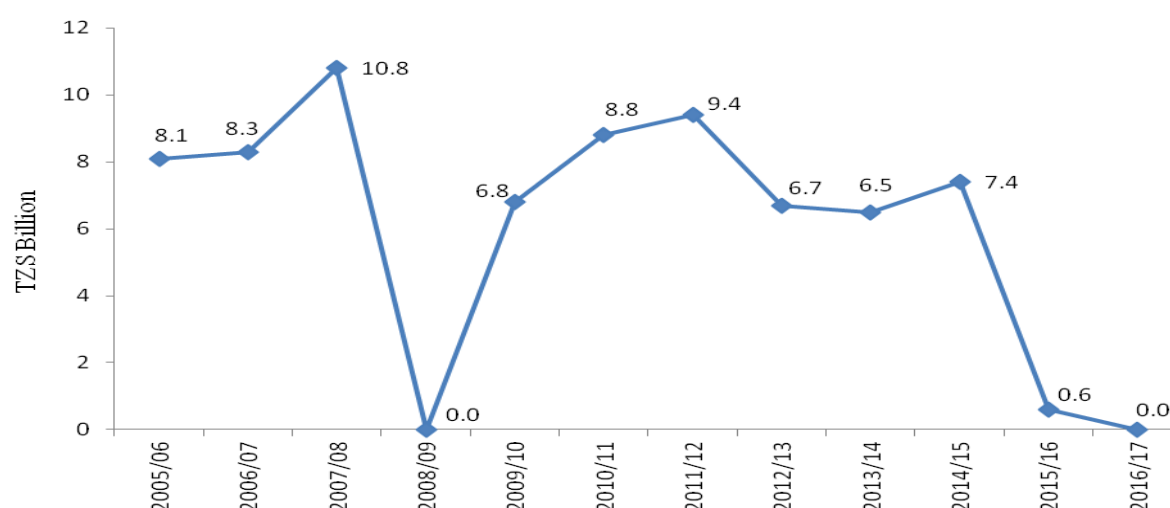
Figure 4. 4: Trend of revenue from Stamp Duties (TZS Billion),Tanzania Mainland, 2005/06 – 2016/17.



4.5 Treasury Vouchers

Figure 4.5 indicates that the revenue from treasury vouchers decreased from TZS 0.6 billion in 2015/16 to TZS 0.0 billion in 2016/17. The trend also depicts that the treasury vouchers has been fluctuated from 2005/06 to 2016/17.

Figure 4. 5: Trend of Treasury Vouchers (TZS Billion),Tanzania Mainland, 2005/06 – 2016/17



CHAPTER FIVE

International Trade Taxes and Transactions

5.1 International Trade Taxes

International trade taxes are categorized into import duties, excise duties, VAT on imports, fuel levy and some other non-tax revenue. Table 5.1 shows the revenue collected through the international trade taxes in Tanzania Mainland from 2005/06 to 2016/17. Revenue collected through international trade taxes grew by 5.4 percent from TZS 5,376.2 billion in 2015/16 to TZS 5,667.9 billion in 2016/17. The highest growth of 33.8 percent in revenue collected from international trade taxes was observed in 2007/08. In 2016/17, the largest contribution to revenue from international trade taxes was 31.8 percent from VAT on imports. However, this share was the smallest ever recorded compared to others in the period under review.

Note: Figures on import duty from 2005/06 to 2016/17 exclude values of other import charges in table 5.1 which are shown on a separate column.(refer previous Editions).

Table 5.1: Revenue collected through International Trade Taxes (TZS Billion) by Type of Tax, Tanzania Mainland, 2005/06 – 2016/17.

Year	Imports Duty	Other Import Charges ¹	Excise Duties	VAT on Imports	Non-Tax Revenue ²	Fuel Levy and Petroleum Imports	Total International Taxes and Transactions	Changes in Collection between Years	
2005/06	177.8	0.0	126.5	502.4	35.5	69.4	911.7		
2006/07	245.5	6.0	312.0	463.8	27.7	94.8	1,149.7	238.0	26.1
2007/08	304.5	8.6	440.3	550.1	34.4	200.4	1,538.3	388.5	33.8
2008/09	366.7	7.2	475.3	641.4	44.5	246.1	1,781.2	243.0	15.8
2009/10	377.0	6.4	533.8	759.4	35.1	256.0	1,967.6	186.4	10.5
2010/11	459.9	29.1	614.3	905.6	32.5	315.3	2,356.7	389.1	19.8
2011/12	509.7	36.6	583.6	1,082.9	40.1	390.5	2,643.5	286.7	12.2
2012/13	580.9	29.9	697.4	1,213.4	34.9	436.3	2,992.9	349.4	13.2
2013/14	734.8	31.9	761.9	1,329.7	36.9	750.3	3,645.5	652.6	21.8
2014/15	781.0	130.0	916.9	1,543.0	30.4	750.3	4,151.6	506.1	13.9
2015/16	919.0	425.3	1,275.8	1,727.2	45.5	983.4	5,376.2	1,224.6	29.5
2016/17	998.2	539.8	1,169.9	1,803.7	95.7	1,060.6	5,667.9	291.7	5.4
Share									
2005/06	19.5	0.0	13.9	55.1	3.9	7.6	100.0		
2006/07	21.4	0.5	27.1	40.3	2.4	8.2	100.0		
2007/08	19.8	0.6	28.6	35.8	2.2	13.0	100.0		
2008/09	20.6	0.4	26.7	36.0	2.5	13.8	100.0		
2009/10	19.2	0.3	27.1	38.6	1.8	13.0	100.0		
2010/11	19.5	1.2	26.1	38.4	1.4	13.4	100.0		
2011/12	19.3	1.4	22.1	41.0	1.5	14.8	100.0		
2012/13	19.4	1.0	23.3	40.5	1.2	14.6	100.0		
2013/14	20.2	0.9	20.9	36.5	1.0	20.6	100.0		
2014/15	18.8	3.1	22.1	37.2	0.7	18.1	100.0		
2015/16	17.1	7.9	23.7	32.1	0.8	18.3	100.0		
2016/17	17.6	9.5	20.6	31.8	1.7	18.7	100.0		

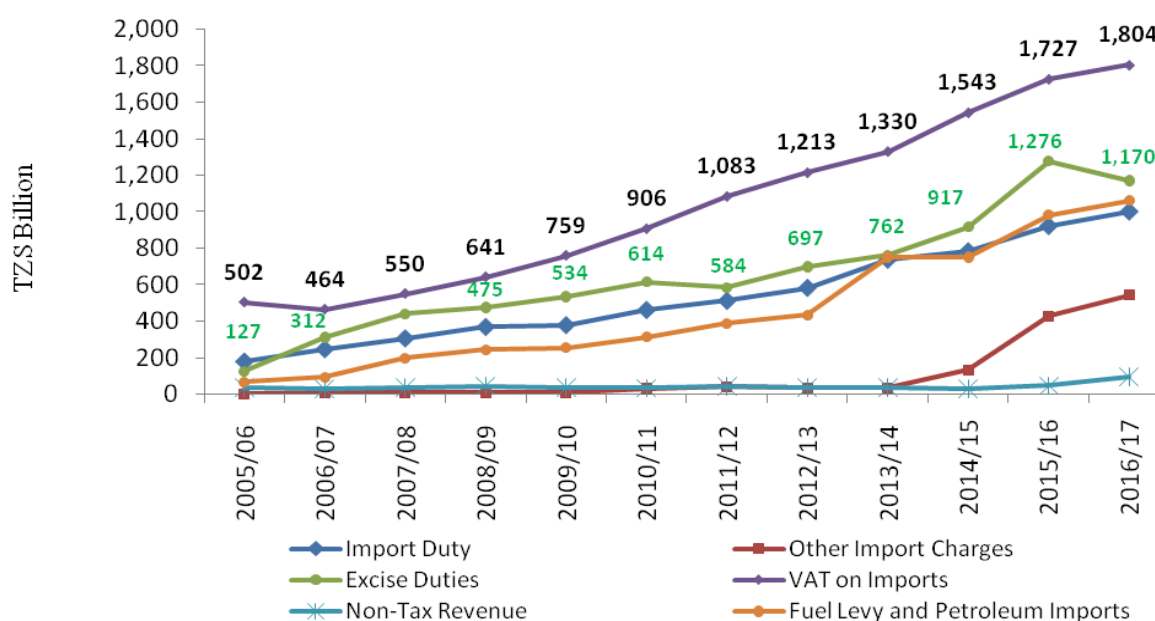
Source: Tanzania Revenue Authority, 2017

1 includes Export Duty & Levy, Processing fee-REA, Railway Development Levy, Processing Fee-dry cargo-TRA and Water supply and sanitation.

2 includes Transit Fees, Auction Sales, Sales of Stores, Printing & Publications, Customs Warehouse Rent, Customs Agency Fees, Other Collectios and Treasury Vouchers.

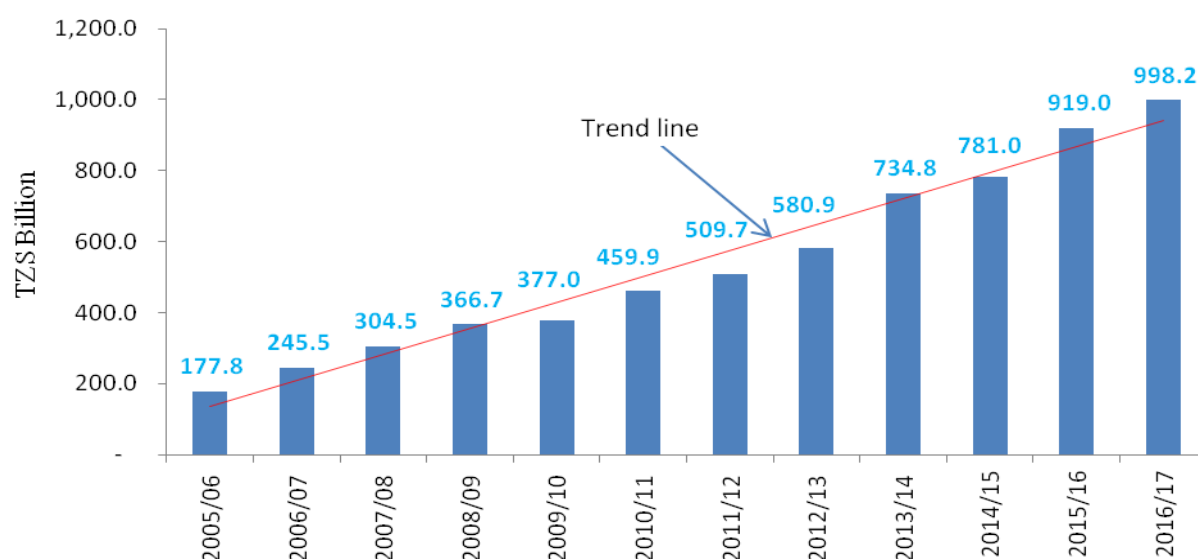
The trend in Figure 5.1 shows that all types of tax items under international trade taxes were increasing in a similar pattern from year to year except for excise duty in 2016/17. VAT on imports dominated over the whole period under review.

Figure 5. 1: Revenue from International Trade Taxes (TZS Billion) by Type of Tax, Tanzania Mainland, 2005/06 – 2016/17.



5.1.1 Import Duty

Import duty are mainly charged on non petroleum imports. Revenue collected through import duties grew by 47.6 percent from TZS 1,344.3 billion in 2015/16 to TZS 1,538.0 billion in 2016/17. In the past twelve years from 2005/06 to 2016/17, the largest annual growth was of 33.8 percent observed in 2005/06. Import duty showed an upward trend in the entire period. (See Figure 5.2).

Figure 5. 2: Trend of Import Duty (TZS Billion),Tanzania Mainland , 2005/06 – 2016/17.

5.1.2 Excise Duty on Imports

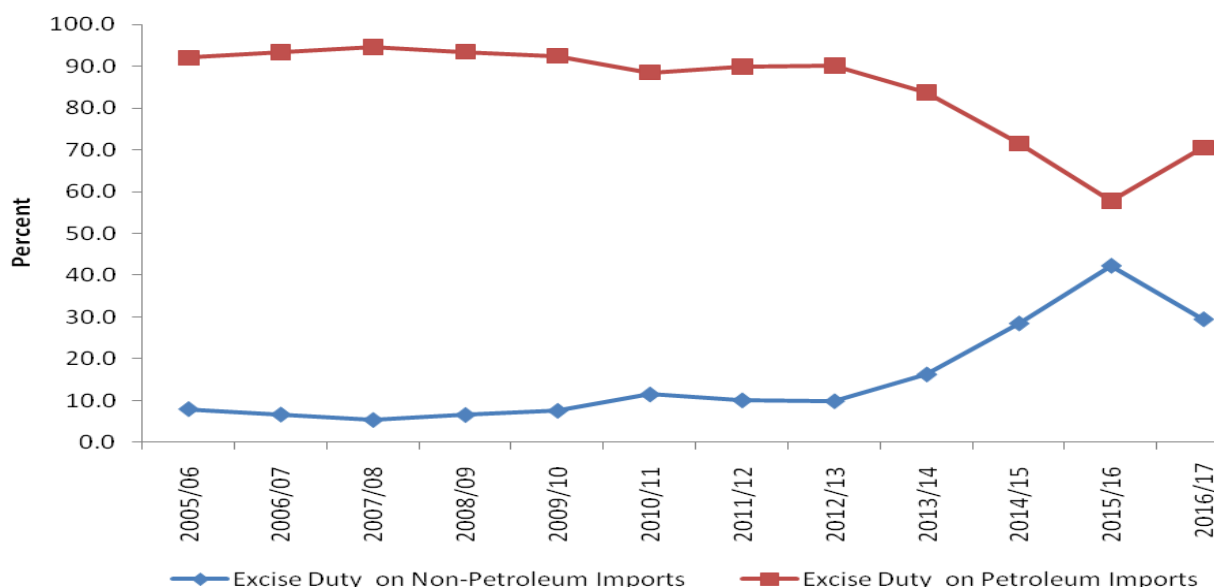
Excise duty on imports is charged on petroleum and non-petroleum imports. Table 5.2 shows that the revenue collected from excise duty on imports declined to 8.3 percent from TZS 1,275.8 billion in 2015/16 to TZS 1,169.9 billion in 2016/17. From 2005/06 to 2016/17, the average annual growth of revenue from excise duty on imports was 27.1 percent. The growth was mostly influenced by excise duty on petroleum products. Petroleum imports contributed about 84.8 percentage points to total excise duty on imports as indicated in figure 5.3.

Table 5. 2: Excise Duty on Imports (TZS Billion), Tanzania Mainland for 2005/06 – 2016/17.

Year	Petroleum Imports	Percent	Non-Petroleum Imports	Percent	Total Excise Duty	Changes in Collection between Years	
						Amount	Percent
2005/06	10.1	8.0	116.4	92.0	126.5		
2006/07	20.8	6.7	291.2	93.3	312.0	185.5	146.6
2007/08	23.9	5.4	416.4	94.6	440.3	128.3	41.1
2008/09	31.5	6.6	443.7	93.4	475.3	35.0	7.9
2009/10	40.6	7.6	493.2	92.4	533.8	58.5	12.3
2010/11	70.8	11.5	543.5	88.5	614.3	80.5	15.1
2011/12	58.8	10.1	524.8	89.9	583.6	-30.7	-5.0
2012/13	69.0	9.9	628.4	90.1	697.4	113.8	19.5
2013/14	124.4	16.3	637.5	83.7	761.9	64.5	9.2
2014/15	260.9	28.5	656.0	71.5	916.9	155.1	20.4
2015/16	539.4	42.3	736.4	57.7	1,275.8	358.8	39.1
2016/17	345.6	29.5	824.2	70.5	1,169.9	-105.9	-8.3

Source: Tanzania Revenue Authority, 2017

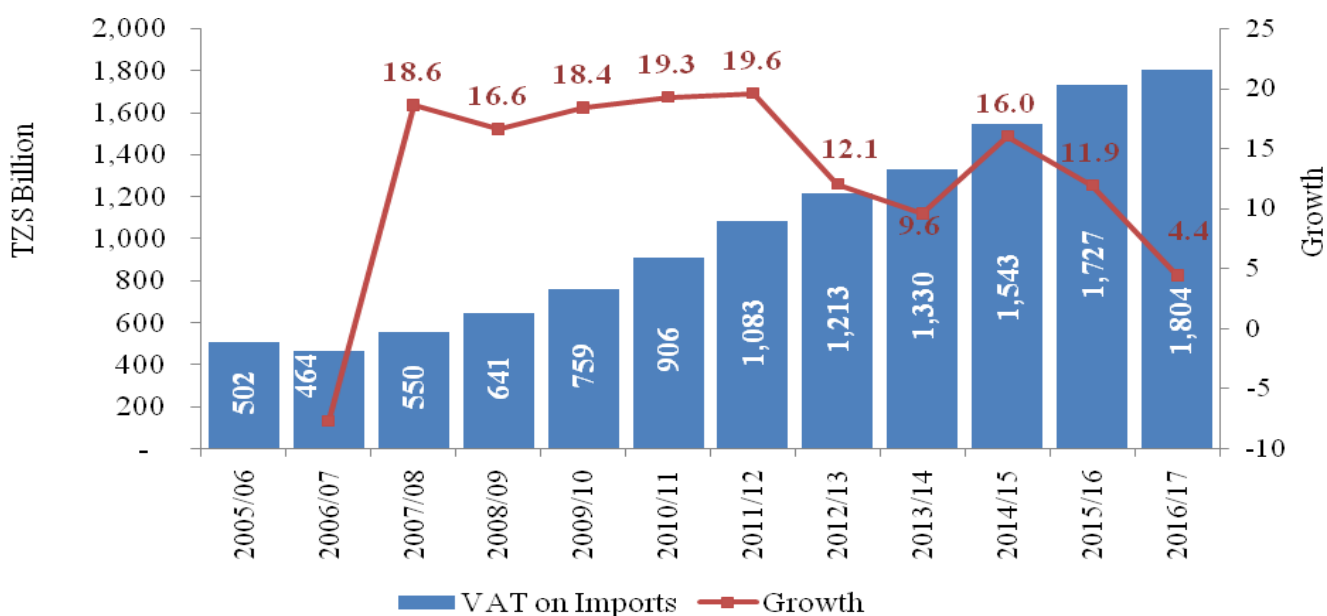
Figure 5.3: Shares of Petroleum and Non Petroleum Imports to Total Excise Duty on Imports, Tanzania Mainland, 2005/06 – 2016/17.



5.1.2 VAT on Imports

VAT on imports is only charged on non-petroleum products. Revenue collected through VAT on non-petroleum products grew by 4.4 percent from TZS 1,727.2 billion in 2015/16 to TZS 1,804.0 billion in 2016/17. In the twelve years period from 2005/06 to 2016/17, the largest annual growth rate was 19.6 percent as registered in 2011/12. In the same duration, the average annual growth rate was 12.6 percent (*Figure 5.4*).

Figure 5.4: Trend of VAT on Imports (TZS Billion) and its Growth, Tanzania Mainland for 2005/06–2016/17.



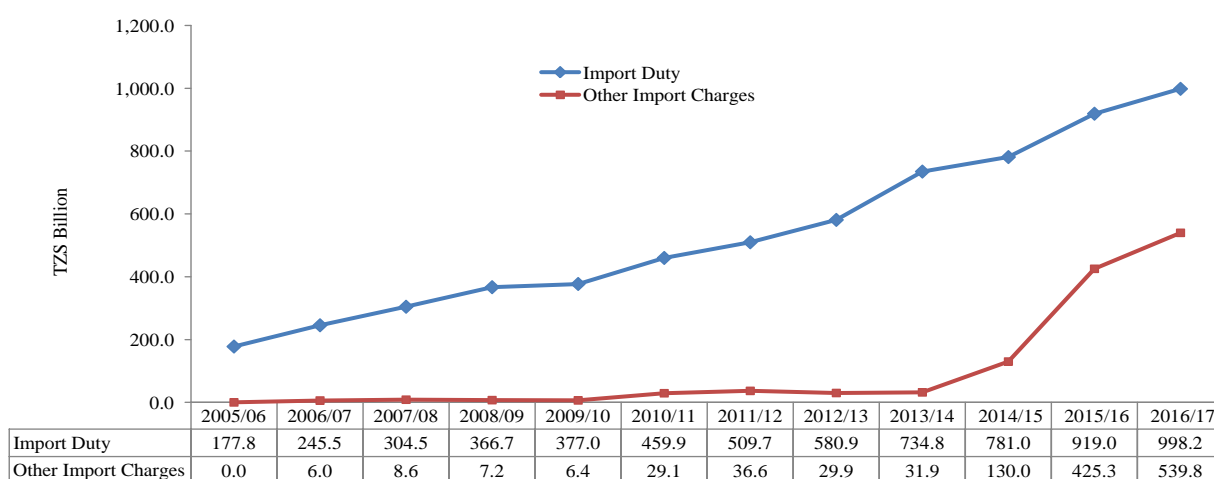
5.1.3 Fuel Levy and Petroleum Import Levy

Fuel levy is a specific excise tax imposed as per the Customs and Excise Act. From table 5.1, fuel and petroleum import levy has been increasing in the entire duration since 2005/06 and reached TZS 1,060.6 billion in 2016/17 from TZS 983.4 billion collected in 2015/16. This was an equivalent of 7.9 percent annual growth between the last two years.

5.1.4 Other Import Charge and Non Tax Revenue

Apart from import duty, other related import charges are levied on export duty & levy, processing fee-REA, railway development, processing fee-dry cargo-TRA and water supply and sanitation. Figure 5.5 shows the revenue collected from import duty relative to their corresponding other import charges.

Figure 5. 5: Trend on Import duty and other charges on imports (TZS Billion), Tanzania Mainland, 2005/06–2016/17.



5.2 Tax Rates

Table 5.3 shows tax rates by tax item. The items concerned are individual, company, employees, and VAT. Generally, for all items, tax rates have remained constant for a number of years in the period of 2008/09 to 2016/17. Maximum marginal rates for individual tax slightly decreased from 5.3 percent in 2015/16 to 5.0 percent in 2016/17. Unlike for individual tax rate, the bottom marginal rates on Employees (PAYE) declined gradually from 15 percent in 2008/09 to 9 percent in 2016/17. On the other hand, with the exclusion of year 2008/09, VAT rates have remained constant at 18 percent for a couple of years in the reference period.

Table 5. 3: Tax Rates by Type, Tanzania Mainland, 2008/09 – 2016/17

Year	Individual		Company	Employee (PAYE)		VAT
	Bottom	Maximum	Maximum	Bottom	Maximum	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%
2016/17	3.0%	5.0%	30%	9%	30%	18%

Source: Tanzania Revenue Authority, 2017

5.3 Tax Revenue - to - GDP Ratios

This is the proportion of taxes collected by the Government relative to the country's output or GDP. This is an important economic indicator which is used internationally by institutions such as the International Monetary Fund (IMF), 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. Table 5.4 indicates that the Tax to GDP ratio increased from 9.7 percent in 2005/06 to 13.6 percent in 2015/16 before it decreased to 13.3 percent in 2016/17. Overall tax revenue has been increasing from year to year in the same direction as the Gross Domestic Product.

Table 5. 4: Tax Revenue to GDP Ratios, Tanzania Mainland, 2005/06 – 2016/17.

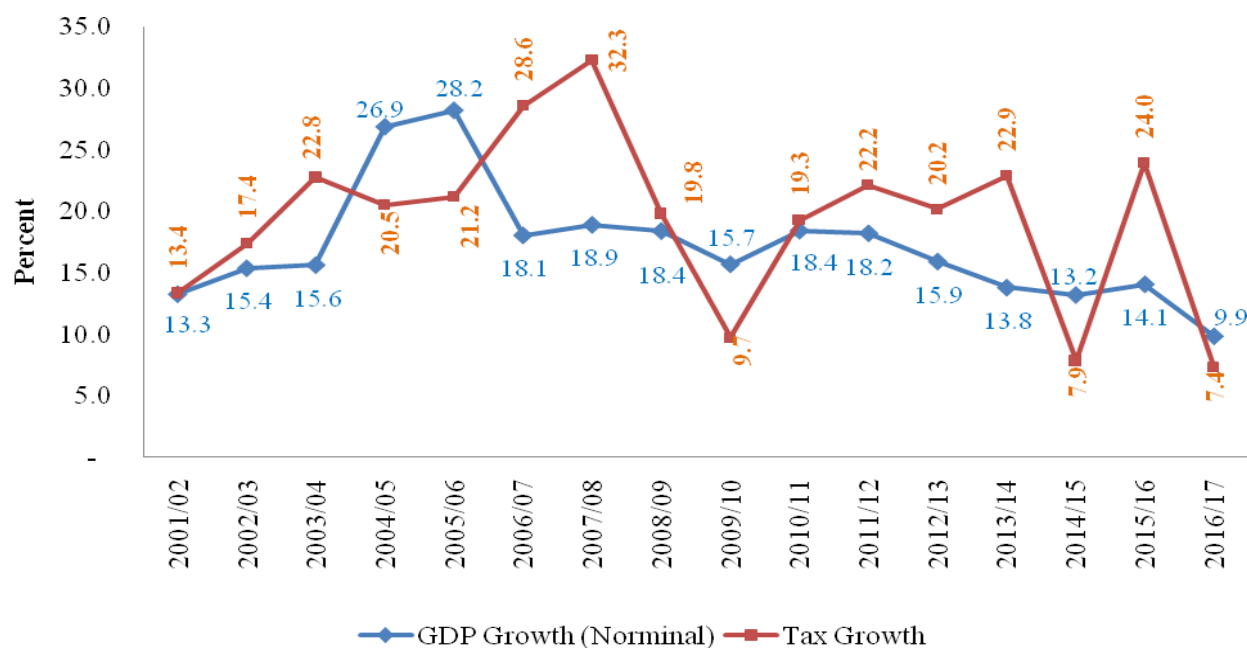
Year	Nominal GDP (TZS million)	GDP Growth	Tax Revenue (TZS million)	Tax Growth	Tax to GDP Ratio
2005/06	21,205,632	0.0	2,056,257	0.0	9.7
2006/07	25,034,434	18.1	2,645,077	28.6	10.6
2007/08	29,767,686	18.9	3,499,540	32.3	11.8
2008/09	35,245,882	18.4	4,194,142	19.8	11.9
2009/10	40,781,421	15.7	4,601,452	9.7	11.3
2010/11	48,299,299	18.4	5,489,268	19.3	11.4
2011/12	57,098,397	18.2	6,705,229	22.2	11.7
2012/13	66,193,740	15.9	8,058,913	20.2	12.2
2013/14	75,335,841	13.8	9,904,752	22.9	13.1
2014/15	85,291,121	13.2	10,685,680	7.9	12.5
2015/16	97,304,216	14.1	13,246,116	24.0	13.6
2016/17	106,906,270	9.9	14,221,900	7.4	13.3

Source: Tanzania Revenue Authority, 2017

5.3.1 GDP and Tax Growth

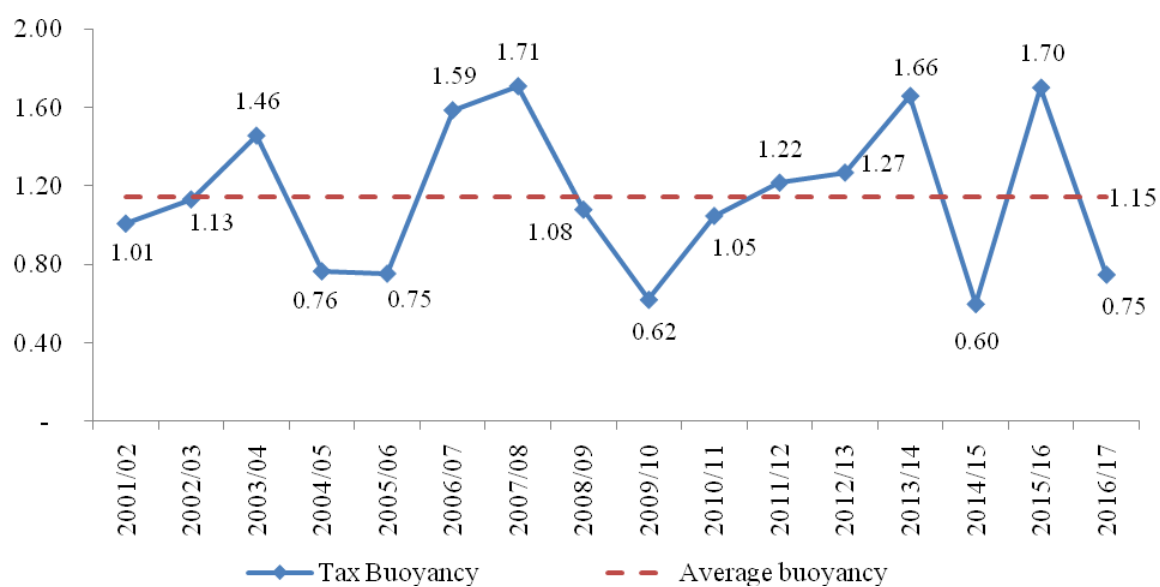
A general path observed over the whole period in subject shows that both growth in Nominal GDP and tax revenue has been resembling one another though each with different speed of growth.. There has been more constant patterns in GDP growth than Tax revenue growth (*figure 5.6*). In order to judge whether this trend is favourable or not, let us engage in buoyancy tests.

Figure 5. 6: Trend of GDP and Tax Growth (percent), Tanzania Mainland, 2005/06 – 2016/17.



5.3.2 Tax Buoyancy

Tax buoyancy is a ratio of change in tax revenue to the change in the tax base or GDP. It is an important indicator of tax revenue performance . This indicator measures the sensitivity of tax revenues to changes in economic performance. Buoyancy of tax revenue reflects both the effect of automatic stabilizers and of discretionary fiscal policy alterations. A buoyancy ratio greater than unity over the long-term supports the sustainability of fiscal policy. Short-term buoyancy ratios fluctuate more and are the outcome of economic structural factors, tax policy changes and tax administration.

Figure 5. 7: Tax Revenue Bouyancy, Tanzania Mainland, 2001/02 – 2016/17

CHAPTER SIX

Revenue from Local Government Authorities – Own source

6.1 Introduction

Information on revenue collected by local government authorities was incorporated for the first time in the fourth edition of Tax Statistics Report 2015/16. Data and information are obtained from the President's Office - Regional Administration and Local Government (PO-RALG). Local Government Authorities (LGAs) under the PO-RALG are mandated to collect revenue through local taxes, levies and fees which are prescribed in the Local Government Finance Act (CAP 290) Sections 6-8. Sources are broadly grouped into local taxes, licences and permit, fees and charges and other revenue sources. These revenues are included in the estimation of total domestic revenue in Tanzania Mainland.

6.2 Categories of revenue collected by Local Government Authorities

There are various types of revenue collected by Local Government Authorities in Tanzania. Each council passes some financial by-laws with the aim of meeting the targeted amount of council revenues. Generally, the following are major categories:

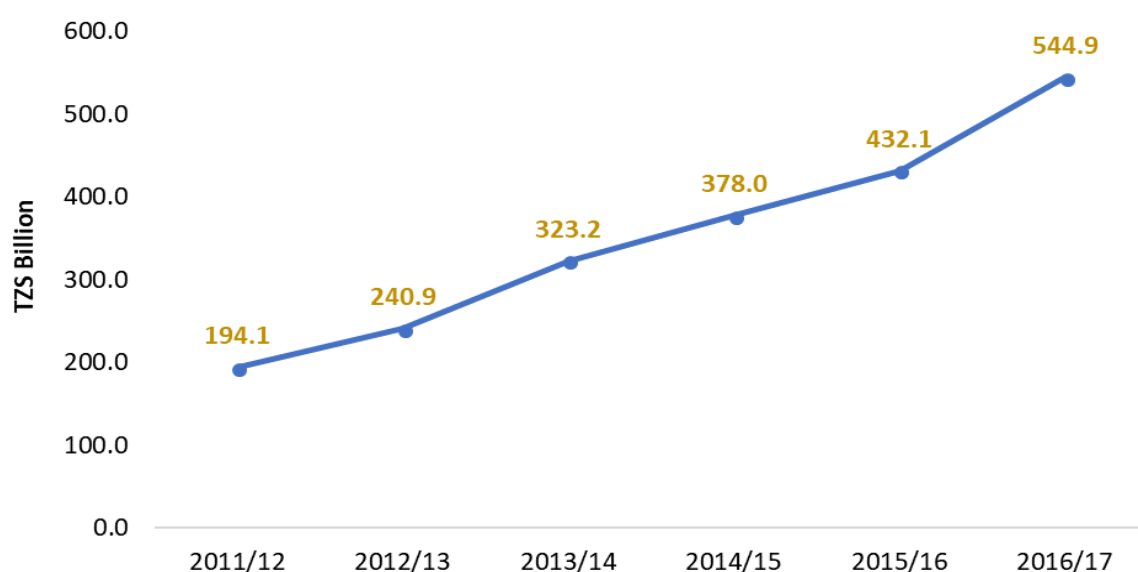
- i) **Local Taxes:** include property tax, land rent, produce cess, service levy, guest house levy, and other levies on business activities;
- ii) **Licenses and Permits:** licenses and permits on business activities, permits on construction activities, license on extraction of forest products, and licenses/permits on vehicles and transport;
- iii) **Fees and Charges:** market fees and charges, sanitation fees and charges, and specific fees which include parking and central bus stand fees; and
- iv) **Other Own Revenues:** all fines and penalties, income from sales or rent, and any other own revenues are classified in this category.

Table 6. 1: Revenue collected from LGAs own sources by major type of sources, 2011/12 - 2016/17.

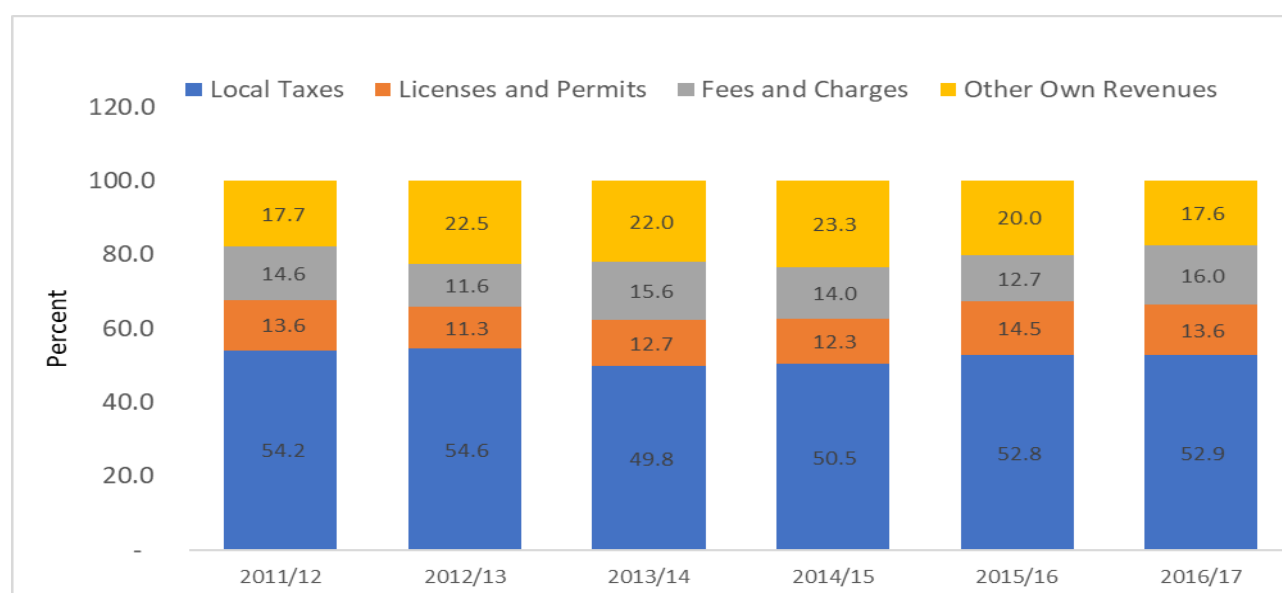
						TZS. Million
Category of Revenue	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Local Taxes	105,163	131,454	160,938	190,735	228,295	288,123
Licenses and Permits	26,354	27,191	40,921	46,399	62,436	74,131
Fees and Charges	28,239	28,048	50,343	52,890	54,976	86,967
Other Own Revenues	34,317	54,216	71,025	87,989	86,377	95,677
Total, Own Source Revenue	194,072	240,909	323,227	378,013	432,085	544,898
Growth		24..1	34.2	16.9	14.3	26.1
Shares						
Local Taxes	54.2	54.6	49.8	50.5	52.8	52.9
Licenses and Permits	13.6	11.3	12.7	12.3	14.5	13.6
Fees and Charges	14.6	11.6	15.6	14.0	12.7	16.0
Other Own Revenues	17.7	22.5	22.0	23.3	20.0	17.6
Total, Own Source Revenue	100	100	100	100	100	100

Total revenue from own sources increased by 26.1 percent from TZS 432,085 million in 2015/16 to TZS 544,898 million in 2016/17. Collection from local taxes has been contributing largely to total revenue during the period from 2011/12 to 2016/17. The highest contribution by 54.6 percent was recorded in 2012/13, in which a total of TZS 131,454 million was collected out of TZS 240,909 million.

An overall trend in the performance of revenue collection shows that revenue has been increasing from one financial period to the other up to a collection of TZS 544,898 million in 2016/17 as shown in figure 6.1.

Figure 6. 1: Revenue Collection in TZS Billion from LGA's own sources, Tanzania Mainland, 2011/12 – 2016/17

Local taxes as defined earlier is composed of property taxes, land rent, produce cess, service levy, guest house levy and other levies on business activities. However, within this category, contribution from property tax has marginally decreased in 2016/17 due to the government decisions on collection of property tax revenue by the central government through TRA. A summary on trend of contribution since 2011/12 is shown in figure 6.1.

Figure 6. 2: Contribution to total revenues from LGAs own source by major category, Tanzania Mainland, 2011/12 – 2016/17.

The lowest contribution to total own source revenue during the period under review has been observed from licenses and permits.

ANNEX

Concepts and Definitions

Tax

Tax is a compulsory levy or charge imposed by the state on her citizens or non-citizens that is usually payable in monetary terms. Taxes are compulsory financial contributions to state revenue made by a person or body of persons from workers' income and business profits or value added to the cost of some goods, services and transactions expenditure of a public authority. Basically, there are two types of taxes namely direct and indirect taxes. Each type is classified according to the legal and effective incidence to the final payer.

Direct Taxes

These are taxes levied directly on people's income from employment, business, ownership of property or investment. They include income tax, corporate tax, property tax, Pay as You Earn (PAYE), skills and development levy, individual tax, withholding tax, rental and gaming tax.

Imposition of Income Tax

It is charged and payable for each year of income by every person who:-

- Has total income, which is the sum of employment, business and investment income;
- Has a domestic permanent establishment that has repatriated income for the year of income; or
- Receives final withholding payments for the year of income.

Corporate Tax

It is levied on all the corporate taxable profits, accruing to all companies carrying on business in Tanzania. It is generally applied to a company's operating earnings, after expenses such as Cost of Goods Sold (COGS), Selling General and Administrative expenses (SG&A) and depreciation have been deducted from a company revenues.

Individual Income Taxes

These refer to

- Tax charged to non-corporate payers who include sole traders (proprietors) taxed at progressive individual income tax rates; and
- Pay As You Earn (PAYE) is a tax whereby a certain amount of money from employee's gross emoluments is levied.

Taxation of Small Traders with and without Complete Records

It is levied income tax on all small traders who operate mostly in the informal sector with and without business records based on their annual business turnover.

Gains or Profits from Employment

This is an income that an employee earns from an employment in the form of salary, which is payable daily, weekly or monthly. It includes payments of wages, salary, payment in lieu of leave, fees, commissions, bonus and gratuities, payments of any personal allowance, payments providing any discharge or reimbursement of expenditure incurred by an individual or by an associate of an individual and payment for an individual's agreement to any conditions of the employment. Contributions made on behalf of the employee to retirement funds and retirement payments made directly to employees. It also includes redundancy and other payments for loss or termination of employment relating to the year of payment and any benefits in kind.

Qualification of Benefits in Kind

Benefits which an employer may decide to give to the employee. These include

- **Motor vehicle benefit:** where an employee is provided with motor vehicle by an employer for personal use in return for employment rendered and the employer incurs all necessary expenses to maintain the vehicle then this is a taxable benefit to the employee quantified annually;
- **Subsidized loans:** it is a loan to an employee provided by employer at no interest or at an interest rate that is below the statutory interest rate; and
- **Provision of housing:** it is the value of housing provided to an employee by the employer which is taxable benefit and is included in the employee's monthly pay. The value of housing is calculated as the market value of renting that housing or 15 percent of the rest of the employee's income from employment, whichever is less.

Gains or Profit from Business

It is a person's income from a business during a year. The following amounts derived from business are regarded as gains or profits and they are taxable

- i) service fees;
- ii) incomings from trading stock (sales of business stocks);
- iii) gains from sale of business assets or liabilities;
- iv) sale of depreciable assets;
- v) amounts derived as consideration for accepting a restriction on the capacity to conduct the business; and
- vi) gifts and other payments received by the person in respect of a business.

Gains from Investment

Taxable income from investment include

- any dividend, distribution of a trust, gains from life insurance, gains from an interest in an unapproved retirement fund, interest, natural resources payment, rent, or royalty;
- net gains from realization of investment assets (capital gains); and
- amounts derived as a consideration for accepting a restriction on the capacity to conduct the investment.

Losses from Business or Investments

The income tax law provides the treatment of unrelieved losses as follows

- i) when computing income from business or investments during any year of income and a loss is incurred which becomes unrelieved loss, the law allows it to be carried forward and offset against future business income as the case may be, until the whole unrelieved loss is exhausted;
- ii) a person is allowed to deduct a foreign loss from investment only in calculating the person's income from foreign source investment;
- iii) a person is allowed to deduct losses other than foreign losses from investments only in calculating the person's income from investments;
- iv) in case of foreign business, loss is allowed only in calculating the foreign business income; and
- v) in case of a loss incurred in agricultural business it is allowed only in calculating the person's income from agricultural business.

Payment of Tax by Installments

Single installment: is a payment of income tax by single installment required from any person who derives a gain in conducting investments from realization of interest in land or buildings situated in Tanzania.

A rate of 10 and 20 percent of the gain for a resident and nonresident person respectively, is required to pay income tax by single installment. Payment by single installment also applies in case of non-resident person who receives a payment in conducting a business of land, sea, or air transport or chartered (without having a domestic permanent establishment in Tanzania) which involves the carriage of passengers who embarked or cargo, mail or other moveable tangible assets that are embarked in Tanzania and which are not for transit, the payer is required to withhold 5 percent of the gross payments before the proper vessel, vehicle or aircraft is allowed to leave Tanzania.

Quarterly installment: it is a payment required from business or investments during the year of income at the end of each three-month period commencing at the beginning of the year of income and a final installment on the last day of the year of income.

Indirect Taxes

These are taxes based on consumption. Categorically they are divided into consumption taxes, other domestic taxes and international trade taxes. Examples of such taxes are Import Duty, Excise Duty and Value Added Tax (VAT). By definition, the legal incidence of the tax falls on the trader who act as a collecting agent of the Government while the effective incidence falls on the final consumer of goods or service who eventually pays the tax.

Value-Added Tax (VAT)

It is a consumption tax charged on all taxable goods and services at a standard rate of 18 percent. It is a multi-stage tax levied on the difference between a commodity's price before taxes and its production cost at each stage of production and distribution up to the retail stage. It is also levied on taxable imports made by a person whether or not registered for VAT.

Excise Duty (Local)

It is levied on certain locally manufactured goods and services such as soft drinks, beer, wines, spirit, mobile phone services, plastic shopping bags, satellite television services, cigarettes and petroleum products.

Value Added Tax on Imports

It is levied on all goods and services imported into the country unless such goods and services are specifically exempted under the VAT law. All importers must pay VAT regardless of whether or not they are registered for VAT. However, importers who are registered for VAT can claim the VAT paid on the imported goods as an input tax in their business. However, for VAT on imported services the input tax is treated as reverse charge hence added to the value of the service.

Other Taxes

Skills and Development Levy (SDL)

This tax is based on the total gross emoluments paid by an employer to employees (currently, at a rate of 6 percent). The gross emoluments include salary, wage, leave pay, payment in lieu of leave, subsistence allowance, etc.

Stamp Duty

Refers to the duty paid on certain legal instruments/transactions, affidavit, conveyance and lease agreements. The duty rate is 1 percent based on the consideration applicable to non business persons when issuing a receipt whenever they sell their privately owned assets/properties. Stamp duty on conveyance of agricultural land is TZS 500.

Airport Service Charge

Refers to charges levied on passengers who board an aircraft at any airport in Tanzania.

Port Service Charge

Refers to charges levied on passengers who board passenger shipping vessels at any port in Tanzania.

Motor Vehicle Registration and Transfer Tax

Refers to charges levied when a person is registering or transferring ownership of a motor vehicle or motor cycle.

Motor Vehicle Annual License Fee

It is charged on annual basis according to motor vehicle engine capacity. Note that tractors which are used solely for agriculture are exempted from the annual license fee.

Custom Modernization Programme

Refers to enhancement of efficiency and effectiveness in revenue collection, and at the same time facilitates the international trade. Some of the programs include Post Clearance Audit, Destination Inspection Scheme, Computerized Risk Management System, Agreement on Customs Valuation and Compliant Traders Scheme.

Post Clearance Audit

This is a trade facilitation tool where goods can be cleared prior to physical examination in Tanzania. The system verifies the accuracy of declaration through the examination of goods, records, business system and all relevant customs commercial data held by persons and companies directly or indirectly involved in international trade.

Destination Inspection Scheme (DSI)

Is the verification of the importers' declaration at the point of destination in Tanzania through certain procedures for the purposes of

- i) determining the quality and quantity of goods imported;
- ii) establishing the value of goods as compared to the declaration made by the importer;
- iii) establishing the country of origin and supplier;
- iv) determining the applicable customs tariff code under which the goods are to be classified and tax is computed;
- v) providing TRA with Computerized Risk Management Database, which assist in determining levels of intervention and valuation process; and
- vi) enhancing security and international trade facilitation.

Computerized Risk Management System (CRMS)

It identifies risks associated with each import transaction and determines the applicable level of intervention as follows:-

- **Low Risk:** goods covered by these transactions may be released without physical inspection;

- **Medium Risk:** consignments will be subjected to X-Ray scanning. In case no discrepancy is detected such goods will be released without physical inspection; and
- **High Risk:** transaction will be subjected to physical inspection by customs officers to determine compliance.

Agreement on Customs Valuation (ACV)

The system of goods valuation known as Agreement on Customs Valuation (ACV) provides for use of price actually paid or payable for the goods and forbids the use of arbitrary and fictitious values. It is part of Tanzania's obligation in implementing the World Trade Organization (WTO) agreement to which Tanzania is a signatory.

Compliant Traders Scheme

This scheme allows the audit exercise to be carried after the goods have been cleared. The scheme was introduced with a view of facilitating trade through quick clearance of imported goods.

Tax Incentives

Import Duty Relief

It is a relief on the payment of import duty tax for goods and services imported to Tanzania. It is based on the value of goods, the weight, dimensions, or other criteria of the item such as its size. Those exempted from import duty include all importers of raw materials, electronic cash registers, replacement parts, inputs for manufacturing agricultural equipment, inputs for horticulture and agriculture, hotel equipment, computer software, packing materials for manufactured medicaments and solar equipment and accessories.

Import Duty Drawback

It is a scheme, which allows exporters to claim refund of import duties paid on raw materials and other inputs used in the production of goods that are exported from Tanzania. This scheme is used as a measure of removing fiscal obstacles to export development. It includes inputs used in production process that do not form part of the qualified product e.g. catalysts and some other chemical agents.

Withholding Tax on Dividends and Interest

It refers to taxes paid by investors with incentive certificates.

Export Processing Zone (EPZ)

It is an area where goods processed or manufactured are exempted from import duty and other taxes.

Taxes, Fees and Levies Collected by Local Government Authorities

Tanzania has a two-tier system of Government that is the central government and the local government, which is at the district, town, and municipal or city level. Most of the local

government authorities collect taxes, fees and levies in: property tax, service levy, hotel levy or guest house levy, slaughtering fees, billboards and sign fees, market fees, trading license fees, and liquor license fees.

Property Tax

It is charged to owners of properties and is an important source of revenue for urban councils in Tanzania. Some properties like museums, places of worship, aerodromes and land used for sporting purposes, properties of charitable and educational institutions are exempted from property tax. The rate of the tax is fixed by the local authority (the councilors) through enacting by-laws depending on the value and location of the property.

Service Levy

This levy is charged on the value of goods manufactured by local industries. It is mainly for urban local authorities and it replaces the industrial cess. All corporate entities, which pay the service levy, are exempted from paying agricultural produce cess. Currently, the levy is charged at a rate of 0.3 percent of the turnover net of VAT for corporate entities

Other Taxes and Fees

Most of local authorities charge and collect fees from different sources such as local markets and stores, slaughtering activities, burial services, billboards and sign fees and liquor fees.

Subsidies

These are funds from central government allocated to support the budget for local governments recurrent and development expenditures.

APPENDICES

Appendix I: Classification and Recording of Revenue System

1 Revenue 11 Taxes 11.1 Taxes on income, profits and capital gains 11.1.1 Payable by individuals 11.1.2 Payable by corporations and other enterprises 11.1.3 Un-allocable 11.2 Taxes on payroll and workforce 11.3 Taxes on property 11.3.1 Recurrent taxes on immovable property 11.3.2 Recurrent taxes on net wealth 11.3.3 Estate, inheritance and gift taxes 11.3.4 Taxes on financial and capital transactions 11.3.5 Other non-recurrent taxes on property 11.3.6 Other recurrent taxes on property 11.4 Taxes on goods and services 11.4.1 General taxes on goods and services 11.4.1.1 Value added taxes 11.4.1.2 Sales taxes 11.4.1.3 Turnover and other general taxes on goods and services 11.4.2 Excises 11.4.3 Profits of fiscal monopolies 11.4.4 Taxes on specific services 11.4.5 Taxes on use of goods and on permission to use goods or perform activities 11.4.5.1 Motor vehicle taxes 11.4.5.2 Other taxes on use of goods and on permission to use goods or perform activities 11.4.6 Other taxes on goods and services 11.5 Taxes on international trade and transactions	12 Social Contributions 12.1 Social security contributions 12.1.1 Employee contributions 12.1.2 Employer contributions 12.1.3 Self-employed or non-employed contributions 12.1.4 Un-allocable contributions 12.2 Other social contributions 12.2.1 Employees contributions 12.2.2 Employer contributions 12.2.3 Imputed contributions 13 Grants 13.1 From foreign governments 13.1.1 Current 13.1.2 Capital 13.2 From international organizations 13.2.1 Current 13.2.2 Capital 13.3 From other general government units 13.3.1 Current 13.3.2 Capital 14 Other revenue 14.1 Property income 14.1.1 Interest 14.1.2 Dividends 14.1.3 Withdrawals from income of quasi-corporations 14.1.4 Property income attributed to insurance policyholders
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11.5.1 Customs and other import duties	14.1.5 Rent
11.5.2 Taxes on exports	14.2 Sales of goods and services
11.5.3 Profits of export or import monopolies	14.2.1 Sales by market establishments
11.5.4 Exchange profits	14.2.2 Administrative fees
11.5.5 Exchange taxes	14.2.3 Incidental sales by non-market establishments
11.5.6 Other taxes on international trade transactions	14.2.4 Imputed sales of goods and services
11.6 Other taxes	14.3 Fines, penalties and forfeits
11.6.1 Payable solely by business	14.4 Voluntary transfers other than grants
11.6.2 Payable by other than business or unidentifiable	14.4.1 Current
	14.4.2 Capital
	14.5 Miscellaneous and unidentified revenue

Appendix II: Local Revenues

Taxes, levies, fees and revenue sources which LGAs are mandated to raise under the Local Government Finances Act are as follows:

- Taxes on goods and services
 - Crop fees (maximum 5 percent of farm-gate price); and
 - Forest produces fees
- Taxes on specific services
 - 6 Guest house levy.
- Business and professional licenses
 - i) Commercial fishing license fees;
 - ii) Intoxicating liquor license fee;
 - iii) Private health facility license fee;
 - iv) Taxi license fee;
 - v) Plying permit fees; and
 - vi) Other business licenses fees.
- Motor vehicles, other equipment and ferry licenses
 - Vehicle license fees; and
 - Fishing vessel license fees.
- Other taxes on the use of goods, permission to use goods
 - i) Forest produce license fees;
 - ii) Building materials extraction license fee;
 - iii) Hunting licenses fees;
 - iv) Muzzle loading guns license fees; and
 - v) Scaffolding/Hoarding permit fees.
- Turnover taxes
 - 1. Service levy.
- Entrepreneurial and property income
 - i) Dividends;
 - ii) Other domestic property income;
 - iii) Interest; and
 - iv) Land rent.

- Administrative fees and charges
 - i) Market stalls/slabs dues;
 - ii) *Magulio*¹ fees;
 - iii) Auction mart fees;
 - iv) Meat inspection charges;
 - v) Land survey service fee;
 - vi) Building permit fee;
 - vii) Permit fees for billboards, posters or hoarding;
 - viii) Tender fee;
 - ix) Abattoir slaughter service fee;
 - x) Artificial insemination service fee;
 - xi) Livestock dipping service fee;
 - xii) Livestock market fee;
 - xiii) Fish landing facilities fee;
 - xiv) Fish auction fee;
 - xv) Health facility user charges;
 - xvi) Clean water service fee;
 - xvii) Refuse collection service fee;
 - xviii) Cesspit emptying service fee;
 - xix) Clearing of blocked drains service fee;
 - xx) Revenue from sale of building plans;
 - xxi) Building valuation service fee;
 - xxii) Central bus stand fees;
 - xxiii) Sale of seedlings;
 - xxiv) Insurance commission service fee;
 - xxv) Revenue from renting of houses;
 - xxvi) Revenue from renting of assets; and
 - xxvii) Parking fees.

10. Fees fines, penalties and forfeitures

- i) Stray animals penalty;
- ii) Share of fines imposed by Magistrates Court;
- iii) Other fines and penalties; and

NB: LGAs are not allowed to collect any taxes, levies or fees which are not on this list.

¹ Local Open Markets

Appendix III: Trends in Government Finance, Tanzania Mainland, 2011/12 – 2017/18.

	TZS Million								
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18
								Outturn	Projections
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Up to March	Up to June
A. Domestic Revenue (Incl. Revenue from LGAs)	7,221,409	8,442,611	10,182,455	10,957,765	14,048,034	16,639,831	19,977,001	13,535,730	18,188,897
Domestic Revenue	7,025,884	8,221,776	9,867,227	10,597,681	13,622,182	16,128,113	19,289,695	13,138,515	17,639,052
1. <i>Tax Revenue</i>	6,480,478	7,729,986	9,294,417	9,891,680	12,410,951	14,055,173	17,106,336	11,546,889	15,455,693
Import Duty and Excise Duty	1,538,617	1,845,218	2,243,413	2,495,082	3,090,110	3,116,298	3,885,921	2,462,238	3,497,329
Value Added Tax (VAT)	2,072,621	2,374,977	2,647,665	3,031,828	3,553,637	3,979,473	5,100,232	3,405,479	4,430,404
Imports	1,082,918	1,240,149	1,329,477	1,519,939	1,717,902	1,803,667	2,181,743	1,500,685	1,745,394
Domestic	989,703	1,134,829	1,318,188	1,511,889	1,835,735	2,175,806	2,918,489	1,904,795	2,685,010
Income Tax	2,311,350	3,036,110	3,791,713	3,727,934	4,608,245	4,832,759	5,817,928	3,909,722	5,352,494
Other Taxes	732,303	706,910	1,123,779	1,278,648	1,921,459	2,216,357	2,538,682	1,809,749	2,335,588
Refunds Accounts	-174,414	-233,231	-512,153	-641,811	-762,499	-89,714	-236,427	-40,299	-160,121
2. Non – Tax Revenue	545,406	491,790	572,810	706,001	1,211,231	2,072,941	2,183,359	1,591,626	2,183,359
3. Revenue from LGAs	195,525	220,835	315,228	360,084	425,852	511,718	687,306	397,215	549,845
B. Total Expenditure	10,764,528	13,543,018	13,958,162	14,603,714	17,759,598	18,898,690	25,581,106	20,254,863	24,775,032
1. <i>Recurrent Expenditure</i>	6,989,807	9,043,323	10,032,120	10,893,486	13,420,045	11,625,866	13,581,514	15,655,660	13,120,250
2. <i>Development Expenditure</i>	3,774,722	4,499,695	3,926,042	3,710,228	4,339,553	7,272,824	11,999,592	4,599,203	11,654,782
Local Funds	1,872,312	2,314,718	2,121,212	2,264,506	2,904,530	5,141,451	8,969,747	4,193,018	9,316,866
Foreign Funds	1,902,410	2,184,977	1,804,831	1,445,722	1,435,023	2,131,374	3,029,845	406,186	2,337,916
C. Deficit/Surplus (A-B)	3,543,120	-5,100,407	-3,775,707	-3,645,949	-3,711,564	-2,258,859	-5,604,105	-6,719,133	-6,586,136
D. Financing	3,543,120	5,100,407	3,775,707	3,830,651	6,281,252	2,258,859	5,604,105	6,719,133	6,586,136

TZS Million

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18
								Outturn	Projections
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Up to March	Up to June
<i>1. External Sources</i>	3,590,357	3,942,498	3,858,785	3,030,875	3,982,100	2,797,488	4,125,815	946,134	2,542,981
Grants	1,855,097	1,447,013	1,399,025	896,496	1,349,799	923,512	843,217	600,507	797,713
Basket support	172,212	280,936	188,623	127,637	81,073	168,984	200,621	109,444	177,799
Import Support/OGL Loans	246,850	543,817	733,822	537,881	546,846	257,473	849,068	71,078	343,202
Project Loans	595,414	734,389	524,019	640,724	344,800	1,124,190	1,820,576	856,862	1,197,563
Concessional Loans	801,282	1,063,006	1,194,516	1,054,803	2,142,469	1,226,760	1,594,985	347,856	1,374,000
Amortization (Foreign)	-80,497	-126,663	-181,220	-226,667	-482,887	-903,431	-1,182,651	-1,039,613	-1,347,296
<i>2. Internal Sources</i>	-47,237	1,157,910	-83,078	799,776	2,299,151	-538,629	1,478,290	5,772,999	4,043,155
Non - Bank Borrowing	263,614	401,391	21,216	-	776,945	989,283	122,067	400,957	119,937
Bank Borrowing	71,250	667,930	205,526	799,776	1,522,207	-1,100,145	1,098,601	-897,018	1,079,436
Payments of Arrears (Rollover)	1,326,852	1,734,535	1,528,153	2,064,756	2,600,000	4,615,670	4,948,229	3,805,964	4,835,199
Proceeds from Privatization	-	-	-	-	-	-	-	-	-
Adjustment to Cash	-198,539	439,984	300,810	-	-	-368,120	257,622	6,340,827	2,843,782
Amortization (local)	-1,326,852	-1,734,535	-1,528,153	-2,064,756	-2,600,000	-4,615,670	4,948,229	3,805,964	-4,835,199
Expenditure float	-183,562	-351,395	-610,630	-	-	-59,647	-	71,768	-
Source: Ministry of Finance and Planning									

Appendix IV: Trends in Tax Revenue (TZS Millions), Tanzania Mainland, 2005/06 – 2016/17.

TRA MAINLAND	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Nominal GDP	21,205,632	25,034,434	29,767,686	35,245,882	40,781,421	48,299,299	57,098,397	66,193,721	75,335,822	85,291,048	96,562,327	106,906,270
Revenue/GDP ratio	9.30%	10.10%	11.40%	11.50%	10.90%	11.00%	11.40%	11.70%	12.50%	11.60%	13.00%	13.20%
Net Collections	1,968,405.70	2,538,363.50	3,378,793.50	4,051,963.90	4,437,933.50	5,315,147.60	6,502,599.20	7,739,298.50	9,383,046.90	9,908,996.30	12,525,377.60	14,126,590.30
Less Tax Refunds	87,851.00	106,713.40	120,747.00	142,178.00	163,518.90	174,119.90	202,629.70	319,615.00	521,704.70	776,684.10	720,738.30	95,289.20
GRAND TOTAL (GROSS)	2,056,256.60	2,645,076.90	3,499,540.50	4,194,141.90	4,601,452.40	5,489,267.50	6,705,228.80	8,058,913.50	9,904,751.70	10,685,680.50	13,246,115.80	14,221,879.60
DIRECT TAXES	637,840.00	853,500.20	1,105,749.10	1,349,848.10	1,497,974.80	1,839,929.20	2,471,508.90	3,149,417.50	3,968,274.40	3,940,821.10	4,865,115.70	5,121,018.40
P.A.Y.E.	288,286.20	408,611.60	512,177.10	662,271.40	743,353.30	928,468.90	1,129,468.70	1,395,608.00	1,626,536.90	1,750,804.80	2,246,776.60	2,278,109.60
B. Skills & Dev. Levy	53,768.70	61,134.10	76,471.90	91,742.60	110,243.10	120,006.60	138,901.00	155,267.20	168,672.70	216,119.40	261,729.10	280,118.90
Individuals	31,433.70	31,174.20	36,306.80	42,109.70	48,632.00	58,402.80	65,768.30	69,909.00	87,409.30	101,881.90	141,801.20	178,666.30
Corporate Taxes	203,330.70	267,230.90	374,640.10	414,731.80	418,268.20	537,561.60	779,855.40	1,039,725.00	1,483,946.40	1,182,730.00	1,379,736.20	1,450,336.30
Withholding taxes	46,946.20	67,976.70	81,132.20	105,279.00	137,674.40	142,110.10	279,425.70	382,932.00	514,628.40	592,916.00	704,573.10	759,972.00
Rental Tax	10,629.80	12,054.40	16,869.00	23,881.60	29,032.90	33,037.50	57,370.90	68,898.20	61,373.40	64,422.30	83,601.80	91,094.70
Gaming Tax	664	1,826.70	2,536.00	2,664.30	3,247.10	4,057.00	3,302.60	8,861.70	7,185.50	10,245.80	18,987.00	26,502.50
All Other direct taxes	2,780.70	3,491.60	5,616.10	7,167.70	7,523.70	16,284.70	17,416.20	28,216.50	18,521.80	21,700.90	27,910.70	56,218.20
Less Refunds	8,791.20	18,784.00		30,580.90	36,747.70	40,834.50	42,014.30	198.1	4,423.60	8,016.80	8,415.40	3,156.40
INDIRECT TAXES	1,418,416.70	1,791,576.70	2,393,791.40	2,844,293.80	3,103,477.60	3,649,338.40	4,233,720.00	4,909,496.00	5,936,477.30	6,744,859.40	8,381,000.10	9,100,861.20
CONSUMPTION TAXES	466,317.40	597,207.60	770,696.50	979,289.60	1,031,623.90	1,152,114.50	1,429,040.80	1,715,778.20	2,064,333.70	2,337,663.40	2,709,299.60	3,095,101.50
Excises (Domestic)	135,062.90	175,955.00	220,616.00	286,728.50	303,826.50	326,279.20	449,958.50	560,479.30	747,131.40	825,775.20	868,620.10	936,575.20
Beer	60,820.80	73,638.70	91,531.40	106,693.20	105,356.10	115,595.80	150,542.60	179,726.00	186,254.90	202,464.20	216,570.40	244,815.30
Cigarettes	39,541.50	43,296.60	54,241.60	58,510.10	55,236.50	62,138.90	78,501.60	87,288.60	99,608.50	133,886.80	135,865.20	145,464.50

TRA MAINLAND	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Soft Drinks	12,442.00	14,997.90	17,330.40	21,392.80	24,253.70	26,669.30	34,293.30	43,104.10	52,039.40	37,333.60	41,696.30	45,859.20
Bottled Water						-	5,178.20	809.6	10,288.20	14,779.10	15,261.10	15,584.70
Mobile Phone	16,800.00	32,307.50	40,234.40	67,680.50	85,617.50	90,189.70	114,552.50	150,047.70	217,501.70	250,937.10	246,571.90	263,346.40
Spirits and Konyagi	2.2	9,089.90	11,077.70	17,517.50	24,049.70	29,438.80	52,719.40	69,934.50	78,665.70	118,125.80	100,976.80	84,494.80
All Other Excises (Domestic)	5,456.40	2,624.40	6,200.50	14,934.30	9,313.00	2,246.70	14,170.80	29,568.80	102,773.00	68,248.50	111,678.30	137,010.20
Aggregate VAT	331,254.50	421,252.60	550,080.50	692,561.10	727,797.40	825,835.30	979,082.30	1,155,298.90	1,317,202.40	1,511,888.20	1,840,679.40	2,158,526.30
VAT Domestic Products	331,254.50	180,790.70	278,284.70	243,683.50	252,440.90	304,886.90	383,815.70	302,331.00	343,163.80	405,188.40	460,710.80	459,943.30
Beer	36,018.50	47,556.30	56,305.70	66,930.20	66,172.00	80,504.00	90,140.40	105,628.00	118,599.10	136,269.70	141,778.90	138,151.00
Cigarettes	13,055.30	20,800.20	23,536.10	33,032.50	29,060.40	33,850.40	39,102.10	45,696.60	37,608.00	46,143.00	48,727.10	40,200.10
Soft Drinks	4,671.60	10,371.00	13,699.60	20,045.90	19,484.50	25,881.30	27,181.80	34,727.80	41,441.20	47,966.60	41,561.20	37,746.40
Cement	-	-	19,754.80	24,032.40	20,608.90	34,238.20	30,973.80	31,987.20	23,701.40	23,226.20	22,321.50	13,548.40
Sugar	13,295.70	43.2	13,922.60	24,863.90	24,916.60	24,868.90	38,161.30	23,994.00	23,879.60	36,519.10	44,856.40	70,993.10
Others	264,213.40	102,019.90	151,065.80	74,778.50	92,198.60	105,544.10	158,256.30	60,297.20	97,934.40	115,063.80	161,465.70	159,304.30
VAT Domestic Services	-	240,462.00	271,795.80	448,877.50	475,356.60	520,948.40	595,266.60	852,968.00	974,038.50	1,106,699.80	1,379,968.60	1,698,583.00
Electricity			24,940.80	42,483.60	55,974.10	31,536.50	27,294.70	78,503.10	97,111.30	137,623.10	106,934.90	79,580.10
Telephones			105,481.10	128,783.00	123,056.20	139,434.90	190,433.80	223,951.40	168,842.20	218,954.50	203,600.90	191,596.20
Retailers				14,771.00	16,051.40	19,882.40	39,548.00	42,085.50	39,730.80	18,631.90	23,855.90	19,218.00
Wholesalers				13,450.60	14,467.80	17,329.60	17,229.10	26,337.00	24,562.80	25,383.70	33,266.40	33,315.10
Transport				62,291.60	66,955.30	67,503.80	19,880.00	26,915.10	39,893.30	37,091.10	48,840.30	49,427.70
Hotel Services				26,085.30	27,477.90	36,114.30	45,068.50	41,274.60	45,470.10	47,749.20	45,612.40	58,630.10
Other		240,461.98	141,373.90	161,012.40	171,373.70	209,146.90	255,812.60	413,901.30	558,428.10	621,266.30	917,857.90	1,266,815.80
Less VAT Refunds	76,125.20	85,194.60	87,520.20	102,084.80	116,837.90	121,952.70	137,544.90	231,517.90	433,863.00	505,695.10	502,095.70	49,519.20
Less: Transfer to ZRB							-	23,564.90	34,314.40	34,072.90	23,470.70	

TRA MAINLAND	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Less: VETA							11,023.90	10,795.30	8,366.70	67,659.30	-	
Less: Bed night levy			25,884.00				-	52,024.20		-		
Less: MV D/license											9,219.60	1,732.60
Less: Departure charges											-	
OTHER Domestic Taxes & Charges	40,390.10	44,621.40	84,815.30	83,768.20	104,209.80	140,489.80	161,210.30	200,826.00	226,648.80	255,618.20	295,517.90	337,908.70
Business Licences	258.8	31.4	26	15	18.9	21.2	-	-	-			
Airport Departure Charges	-	-	-	-	-	-	-	-	-	-	67,387.40	66,482.20
Port Departure Charges	9,823.80	14,409.30	16,161.60	16,869.40	21,147.00	23,319.60	23,229.70	35,187.20	42,388.00	53,081.40	1,309.30	2,579.50
Motor Vehicle Taxes	17,654.70	17,016.50	52,315.80	62,334.60	70,095.60	101,340.60	117,595.30	147,841.40	158,371.50	184,422.80	214,157.10	243,319.40
o/w Fire Inspection Fees												13,478.30
DRD Treasury Vouchers	8,126.50	8,291.60	10,819.20		6,812.60	8,767.20	9,368.80	6,698.00	6,460.70	7,420.70	608.9	-
Stamp Duty	4,461.20	4,760.60	5,282.40	4,549.30	6,135.60	7,041.20	11,016.60	11,099.40	8,556.90	10,693.30	12,055.20	12,049.30
The Use of Telecommunication Traffic Monitoring System (TTMS)/DRD non tax revenue	65.1	112.1	210.3				-	-	10,871.60	-		
INTERNATIONAL TRADE TAXES-GROSS	911,709.10	1,149,747.60	1,538,279.60	1,781,236.00	1,967,643.90	2,356,734.10	2,643,468.90	2,992,891.80	3,645,494.80	4,151,577.70	5,376,182.70	5,667,851.00
Import Duties	177,795.60	251,444.60	313,028.30	373,948.50	383,329.60	489,010.50	546,334.90	610,865.40	766,706.30	910,936.80	1,344,286.60	1,537,963.10
Non-Petroleum Imports	177,795.60	245,477.90	304,477.10	366,748.10	376,975.60	459,863.20	509,701.00	580,944.40	734,797.80	780,977.60	919,022.00	998,163.60
Export Duty & Levy		5,878.70	8,380.90	7,064.40	6,321.60	29,027.40	36,601.50	29,605.10	27,994.50	62,581.10	50,899.40	128,267.20
Processing Fee-REA										14,557.80	22,092.80	17,536.50
Railway Development Levy											172,680.70	194,307.90

TRA MAINLAND	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Processing Fee-dry cargo-TRA & Other import charges	-	88	170.3	135.9	32.4	119.9	32.5	315.9	3,914.00	52,820.30	58,366.70	65,224.10
Water supply and sanitation											121,225.10	134,463.90
Excise Duties	126,507.40	311,984.60	440,301.20	475,254.10	533,795.50	614,293.40	583,606.00	697,393.40	761,879.10	916,946.00	1,275,775.10	1,169,866.40
Wines and Spirits		1,321.80	1,201.60		-		-	647.4	69.6	-		
Non-Petroleum Imports	10,120.40	19,462.90	22,685.70	31,546.30	40,597.10	70,806.20	58,806.40	68,330.90	124,298.80	260,947.40	539,379.80	345,631.90
Petroleum imports	116,387.00	291,199.90	416,413.80	443,707.80	493,198.40	543,487.20	524,799.60	628,415.10	637,510.70	655,998.60	736,395.20	824,234.40
VAT on Imports	502,437.30	463,753.20	550,066.00	641,378.00	759,396.50	905,610.80	1,082,917.70	1,213,436.80	1,329,712.00	1,542,962.60	1,727,172.50	1,803,666.90
Non-Petroleum Imports	502,437.30	463,753.20	550,066.00	641,378.00	759,396.50	905,610.80	1,082,917.70	1,213,436.80	1,329,712.00	1,542,962.60	1,727,172.50	1,803,666.90
Petroleum Levy-REA						-	-		124,341.30	127,089.80	278,289.40	316,518.90
Fuel Levy	69,422.70	94,849.70	200,449.30	246,134.30	256,046.30	315,309.30	390,499.30	436,292.10	625,995.20	623,217.00	705,151.10	744,100.10
Non-Tax Revenue	35,546.20	27,715.60	34,434.80	44,521.10	35,076.10	32,510.10	40,110.90	34,904.10	36,860.90	30,425.40	45,508.00	95,735.60
Less Customs & Excise Refunds	2,934.60	2,734.80	7,342.80	9,512.40	9,933.30	11,332.80	12,046.60	1,514.60	17,362.60	32,016.70	38,726.40	16,534.60
Less VAT-Mining							-	-	23,374.40	61,089.50	72,921.00	12,944.00
Less: Transfer to Customs proc. Fees-dry cargo TRA										48,175.40	65,889.50	11,402.50
Less: Transfer Processing Fee-REA										1,008.30	-	-
Less: Transfer Export Duty-Cashewnut Board										18,950.00	-	-

Appendix V: Revenue by category from all LGA's own Source, Tanzania Mainland, 2011/12 - 2016/17.

Category of Revenue	2011/12	2012/13	2013/14	2014/15	2015/16	TZS. Million 2016/17
Local Taxes						
Property Tax	16,316	18,021	17,459	26,140	40,429	42,637
Land Rent	5,804	6,566	4,734	10,170	13,993	17,653
Produce Cess	47,323	55,935	75,670	85,592	87,372	111,975
Service Levy	25,116	38,444	48,366	54,770	69,056	90,366
Guest House Levy	3,931	3,549	3,497	3,672	2,982	8,819
Other Levies on Business Activity	6,673	8,938	11,203	10,391	14,463	16,674
Subtotal, Local Taxes	105,163	131,454	160,938	190,735	228,295	288,123
Licences and Permits						
Licenses and permits on business activities	17,830	16,765	27,455	32,198	43,200	51,928
Permits on construction activities	2,214	3,315	4,576	5,096	7,098	9,910
Licenses on extraction of forest products	5,396	5,983	7,826	7,607	10,531	10,269
Licenses/permits on vehicles and transport.	915	1,129	1,064	1,499	1,608	2,023
Sub-Total, Licenses and Permits	26,354	27,191	40,921	46,399	62,436	74,131
Fees and Charges						
Market fees and charges	8,763	10,857	17,085	16,864	17,481	29,653
Sanitation fees and charges	4,455	3,290	5,168	10,181	14,321	19,761
Parking Fees	1,752	2,555	3,511	2,548	3,133	10,398
Central Bus Stand Fees	4,616	4,463	5,763	4,345	4,067	7,097
Other Specific service fees	8,653	7,011	19,092	18,952	15,973	20,058
Sub-Total, Fees and Charges	28,239	28,048	50,343	52,890	54,976	86,967
Other Own Revenues						
Fines and penalties	1,175	1,709	2,639	2,723	3,617	6,083
Income from sale or rent	6,486	15,915	22,356	28,826	25,790	31,499
Other own revenues	26,656	36,592	46,030	56,440	56,970	58,095
Sub-Total, Other Own Revenues	34,317	54,216	71,025	87,989	86,377	95,677
Total, Own Source Revenues	194,072	240,909	323,227	378,013	432,085	544,898

						Shares
Local Taxes						
Property Tax	8.4	7.5	5.4	6.9	9.4	7.8
Land Rent	3	2.7	1.5	2.7	3.2	3.2
Produce Cess	24.4	23.2	23.4	22.6	20.2	20.5
Service Levy	12.9	16	15	14.5	16	16.6
Guest House Levy	2	1.5	1.1	1	0.7	1.6
Other Levies on Business Activity	3.4	3.7	3.5	2.7	3.3	3.1
Subtotal, Local Taxes	54.2	54.6	49.8	50.5	52.8	52.9
Licences and Permits						
Licenses and permits on business activities	9.2	7	8.5	8.5	10	9.5
Permits on construction activities	1.1	1.4	1.4	1.3	1.6	1.8
Licenses on extraction of forest products	2.8	2.5	2.4	2	2.4	1.9
Licenses/permits on vehicles and transport.	0.5	0.5	0.3	0.4	0.4	0.4
Sub-Total, Licenses and Permits	13.6	11.3	12.7	12.3	14.5	13.6
Fees and Charges						
Market fees and charges	4.5	4.5	5.3	4.5	4	5.4
Sanitation fees and charges	2.3	1.4	1.6	2.7	3.3	3.6
Parking Fees	0.9	1.1	1.1	0.7	0.7	1.9
Central Bus Stand Fees	2.4	1.9	1.8	1.1	0.9	1.3
Other Specific service fees	4.5	2.9	5.9	5	3.7	3.7
Sub-Total, Fees and Charges	14.6	11.6	15.6	14	12.7	16
Other Own Revenues						
Fines and penalties	0.6	0.7	0.8	0.7	0.8	1.1
Income from sale or rent	3.3	6.6	6.9	7.6	6	5.8
Other own revenues	13.7	15.2	14.2	14.9	13.2	10.7
Sub-Total, Other Own Revenues	17.7	22.5	22	23.3	20	17.6
Total, Own Source Revenues	100	100	100	100	100	100

					Growth
Local Taxes					
Property Tax	10.5	-3.1	49.7	54.7	5.5
Land Rent	13.1	-27.9	114.8	37.6	26.2
Produce Cess	18.2	35.3	13.1	2.1	28.2
Service Levy	53.1	25.8	13.2	26.1	30.9
Guest House Levy	-9.7	-1.5	5	-18.8	195.7
Other Levies on Business Activity	33.9	25.3	-7.2	39.2	15.3
Subtotal, Local Taxes	25	22.4	18.5	19.7	26.2
Licences and Permits					
Licenses and permits on business activities	-6	63.8	17.3	34.2	20.2
Permits on construction activities	49.7	38	11.4	39.3	39.6
Licenses on extraction of forest products	10.9	30.8	-2.8	38.4	-2.5
Licenses/permits on vehicles and transport.	23.4	-5.8	40.9	7.3	25.8
Sub-Total, Licenses and Permits	3.2	50.5	13.4	34.6	18.7
Fees and Charges					
Market fees and charges	23.9	57.4	-1.3	3.7	69.6
Sanitation fees and charges	-26.2	57.1	97	40.7	38
Parking Fees	45.9	37.4	-27.4	23	231.8
Central Bus Stand Fees	-3.3	29.1	-24.6	-6.4	74.5
Other Specific service fees	-19	172.3	-0.7	-15.7	25.6
Sub-Total, Fees and Charges	-0.7	79.5	5.1	3.9	58.2
Other Own Revenues					
Fines and penalties	45.5	54.4	3.2	32.9	68.1
Income from sale or rent	145.4	40.5	28.9	-10.5	22.1
Other own revenues	37.3	25.8	22.6	0.9	2
Sub-Total, Other Own Revenues	58	31	23.9	-1.8	10.8
Total, Own Source Revenues	24.1	34.2	16.9	14.3	26.1



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