



The United Republic of Tanzania

TAX STATISTICS REPORT 2022/23 MAINLAND TANZANIA



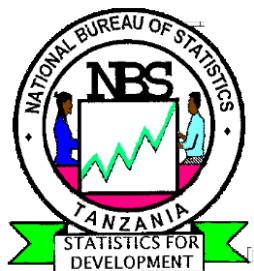
National Bureau of Statistics
Ministry of Finance
September, 2024



The United Republic of Tanzania

TAX STATISTICS REPORT 2022/23

MAINLAND TANZANIA



National Bureau of Statistics

Abbreviations and Acronyms

CIT	Company Income Tax
CRMS	Computerized Risk Management System
GFS	Government Finance Statistics
IMF	International Monetary Fund
LGAs	Local Government Authorities
MDAs	Ministries, Departments, and Agencies
MoF	Ministry of Finance
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
SNA	System of National Accounts
SS	Statistics Section
TRA	Tanzania Revenue Authority
TSMP	Tanzania Statistical Master Plan
TZS	Tanzanian Shilling
VAT	Value Added Tax
OGI	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
GDP	Gross Domestic Product

Preface

This report is a continuation of the National Bureau of Statistics (NBS) responsibilities in the production of official statistics for facilitating policy formulation, planning, and decision-making processes. It presents economic performance in terms of tax collections from various sources in the economy from 2011/12 to 2022/23. This is the tenth publication on Tax Statistics series for Mainland Tanzania produced by the NBS since 2013/14.

The tax statistics published in this report are result of collaborative effort of the Ministry of Finance (MoF); Tanzania Revenue Authority (TRA); and the President's Office – Regional Administration and Local Government (PO-RALG). The Ministry of Finance provided general government revenue and other fiscal data, while information on tax revenues was largely provided by TRA. On the other hand, revenue statistics collected by Local Government Authorities (LGAs) were centrally obtained from PO-RALG. Although each institution has been mandated to produce statistics in its area of jurisdiction, the custodianship of all official statistics in the country is entrusted to NBS as per the Statistics Act Cap 351.

This report comprised both tax and non-tax revenue sourced from respective institutions. It also presents tax rate by type, individual and company income tax, and tax to Gross Domestic Product (GDP) ratio. Tax statistics is compiled in accordance to international recommended guidelines such as Government Finance Statistics Manual 2014, and the System of National Accounts (SNA) 2008.

The statistical information presented in this publication will be used to facilitate policy debates and enhance evidence-based decision making. However, the NBS value and appreciate the comments raised by stakeholders that will improve the coming editions of Tax Statistics Report.

Special thanks are extended to the Ministry of Finance, Tanzania Revenue Authority, and the PO-RALG for their generous support in supplying us with the requested information. The NBS is looking forward to their continuing support in the future. I wish to explicitly express my sincere gratitude to all NBS staff who participated in one way or another to the successful production of this report.



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Albina Chuwa (PhD)

Statistician-General

NATIONAL BUREAU OF STATISTICS

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About this Publication

The Tax Statistics Report of 2022/23 builds and expands on previous editions. The objective of this publication is to provide comprehensive information related to tax and non-tax revenue collected for the fiscal years 2011/12 to 2022/23. In addition, the report will help the contextualization of economic and demographic information provided by other publications as well as offering valuable insights into socio-economic trends

The Tax Statistics Report 2022/23 is the tenth edition in the series of NBS tax statistics reports. Since 2013/14 NBS has been producing tax and Government finance statistics which covered selected tax items from TRA as well as some general government resources extracted from the Annual Economic Survey publication. Tax is a form of revenue which 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 ‘tax’ is confined to compulsory and unrequited payments to the 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, composition of taxation and the attribution of tax revenues by level of government from 2011/12 to 2022/23. This publication is an extension of the previous editions in which the indicators have been expanded throughout to cover current tax items such as tax to GDP ratios, tax rates, tax payer’s registration by tax year and the elaborated revenue statistics from LGAs.

Data used to compile the 2022/23 Tax Statistics Report were obtained from the President’s Office – Regional Administration and Local Government (PO-RALG), Ministry of Finance (MoF), Tanzania Revenue Authority (TRA), and the National Bureau of Statistics (NBS).

Methodology

Tax statistics are produced according to international guidelines for comparison purposes. National Statistics Offices (NSOs) and other producers of official statistics follow guidelines normally provided by UN agencies including the United Nations Statistics Division (UNSD), the International Monetary Fund (IMF) and the World Bank (WB).

The statistics produced must meet the criteria of fundamental principles of official statistics that were endorsed by the 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. Taxes are broadly classified as tax on income, profits and capital gains as well as on payroll and workforce, taxes on property, taxes on goods and services, taxes on international trade and transactions and other taxes.

This report is compiled 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.

The report was prepared using the data from PO-RALG, MoF and TRA. Prior to the preparation of this report, validation of the input data was carried out by officers from PO-RALG, MoF, TRA and NBS.

The role of Tanzania Revenue Authority (TRA) among others is to assess, collect and account for Government revenue through administering effectively and efficiently all revenue laws of the Central Government. The NBS has the role of ensuring fundamental principles of producing official statistics are followed prior dissemination to the public.

Note that: All statistics are based on income, expenses, deductions and other 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 up and therefore discrepancies may occur between the numbers of the component items and the totals prepared in the tables. Some of the data used in this report were provisional and might change when the final numbers are made available.

Concept and Definition

Revenue

According to International Monetary Fund (IMF), revenue is defined as an increase in net worth resulting from a transaction.

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 the 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 revenue.

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

Gains from Investment

Taxable income from investment includes 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:

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;

A person is allowed to deduct a foreign loss from investment only in calculating the person's income from foreign source investment; a person is allowed to deduct losses (other than foreign losses) from investments only in calculating the person's income from investments; in case of foreign business, loss is allowed only in calculating the foreign business income; and 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 land business, 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.

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.

Taxes, Fees, and Levies Collected by Local Government Authorities Tanzania has a two-tier system of Government which is the central government and the local government (the district, town, and municipal or city level). Most of the local government authorities collect taxes, fees, and levies on 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, that 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.

In brief:

Domestic revenue has continued to dominate the share of the Government resource in 2022/23 as it accounted to 69.3 percent followed by external source (18.0%) and domestic borrowing (12.6%). The trend of domestic revenue share fluctuates year after year.

The domestic collection of tax revenue has increased by 7.5 percent from TZS 23,506.10 billion in 2021/22 to TZS 25,256.85 billion in 2022/23.

The tax-to-GDP ratio slightly decreased by 0.3 percentage point from 12.3 percent in 2021/22 to 12.0 percent in 2022/23. This however, remains below the average ratio of 11.9 percent achieved during the period under review. About 27.3 percent of the total Government revenue from external sources in 2021/22 was non-concessional loans compared to 45.8 in 2022/23.

CHAPTER ONE

Government Revenue Collection

1.0 Introduction

This chapter presents Government's resource envelope in accordance with the Government Finance Statistics (GFS) manual 2014, as prepared by the International Monetary Fund (IMF). The GFS was designed to provide statistics that 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.

1.1 Government Resources

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 borrowings from the domestic market) while external sources cover all grants, concessional and non-concessional loans.

In the fiscal years, from 2020/21 to 2022/23, there was a noticeable increase in total government resources, reaching TZS 36,428.96 billion in 2022/23. This increase was driven by significant domestic revenues, which constituted 69.3 percent of total resources. External resources remained relatively stable at around 18 to 20 percent, while domestic borrowing fluctuated to 12.6 percent in 2022/23.

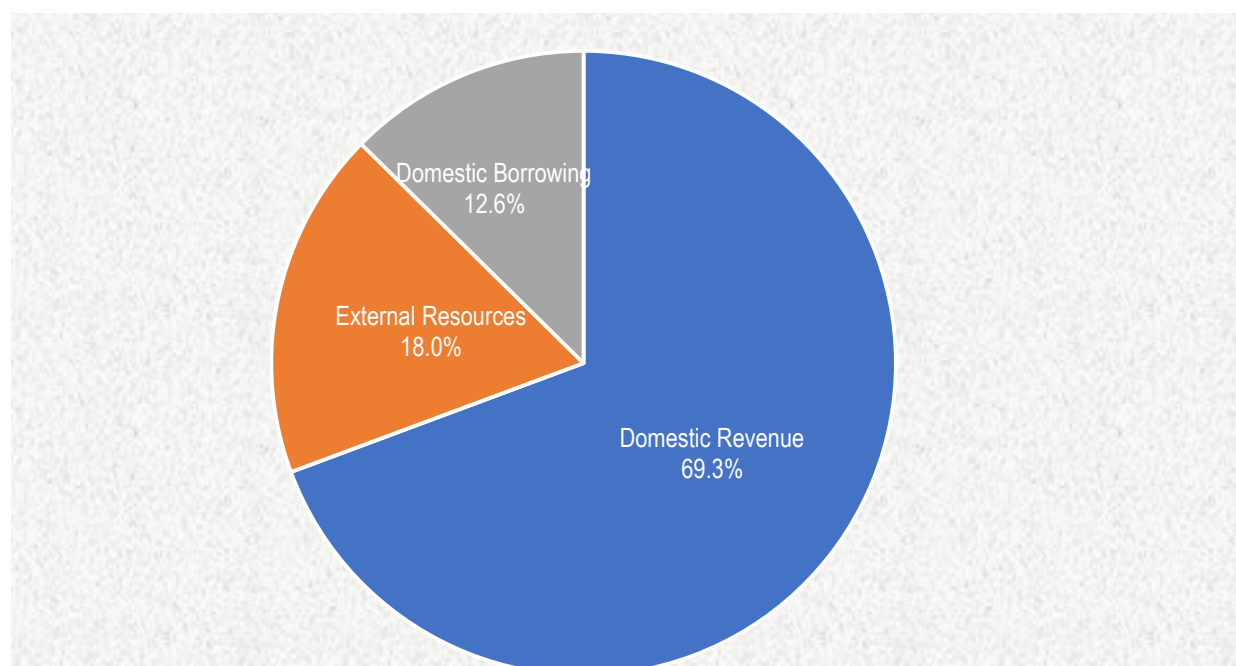
The growth rates during this period were relatively stable, with a 10.4 percent increase in 2022/23, reflecting a steady expansion in resource mobilization. The overall trend of government revenue from domestic sources shows a fluctuation of revenue, with external resources playing a decreasing role, and domestic borrowing emerging as a more significant contributor to total in the later years

Table 1.1: Government Resources (TZS Billion) by type of Source, Mainland Tanzania, 2011/12 to 2022/23

Year Item	Domestic Revenues (Excluding LGAs)		External Resources		Domestic Borrowing (Excluding Rollover)		Total Government Resources	Growth (Percent)
	Amount	Percent	Amount	Percent	Amount	Percent		
2011/12	7,360.80	64.8	3,670.90	32.3	334.86	2.9	11,366.56	
2012/13	9,361.60	67.1	3,528.40	25.3	1,069.32	7.7	13,959.32	22.8
2013/14	10,843.90	68.4	4,040.00	25.5	976.71	6.2	15,860.61	13.6
2014/15	11,397.50	73.8	3,257.50	21.1	796.78	5.2	15,451.78	-2.6
2015/16	15,921.40	78.1	2,179.90	10.7	2,294.15	11.2	20,395.45	32.0
2016/17	16,128.10	81.8	3,700.90	18.8	-110.86	-0.6	19,718.14	-3.3
2017/18	17,403.40	79.3	3,940.30	18.0	598.67	2.7	21,942.37	17.2
2018/19	17,868.19	74.3	3,144.48	13.1	3,037.18	12.6	24,049.85	9.6
2019/20	20,352.71	87.8	2,439.97	10.5	376.92	1.6	23,169.60	-3.7
2020/21	19,837.68	68.0	5,982.80	20.5	3,359.22	11.5	29,179.70	25.9
2021/22	23,506.10	71.3	6,634.80	20.1	2,850.00	8.6	32,990.90	13.1
2022/23	25,256.85	69.3	6,574.59	18.0	4,597.52	12.6	36,428.96	10.4

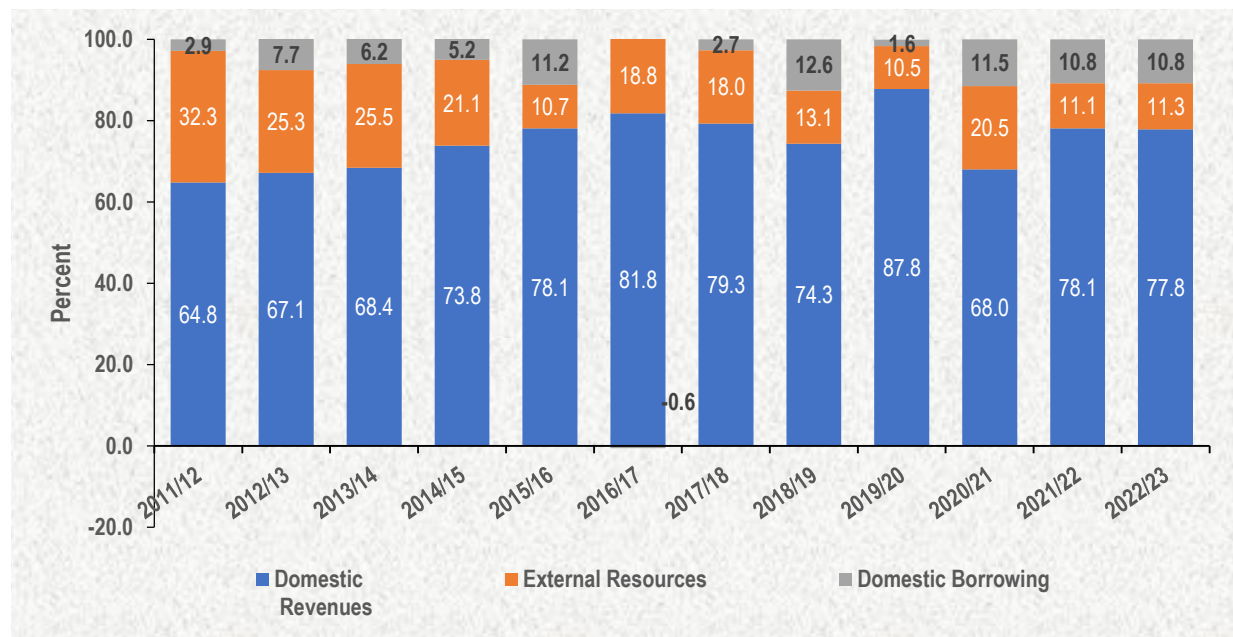
Source: Ministry of Finance, 2023

Domestic revenue accounted for the largest share (69.3%) of the Government Revenue. External resources from international entities, contributed 18.0 percent while domestic borrowing made up 12.6 percent. This breakdown suggests that, the country relied primarily on its own income, supplemented by foreign support and internal borrowing to finance its budget or expenditures (Figure 1.1).

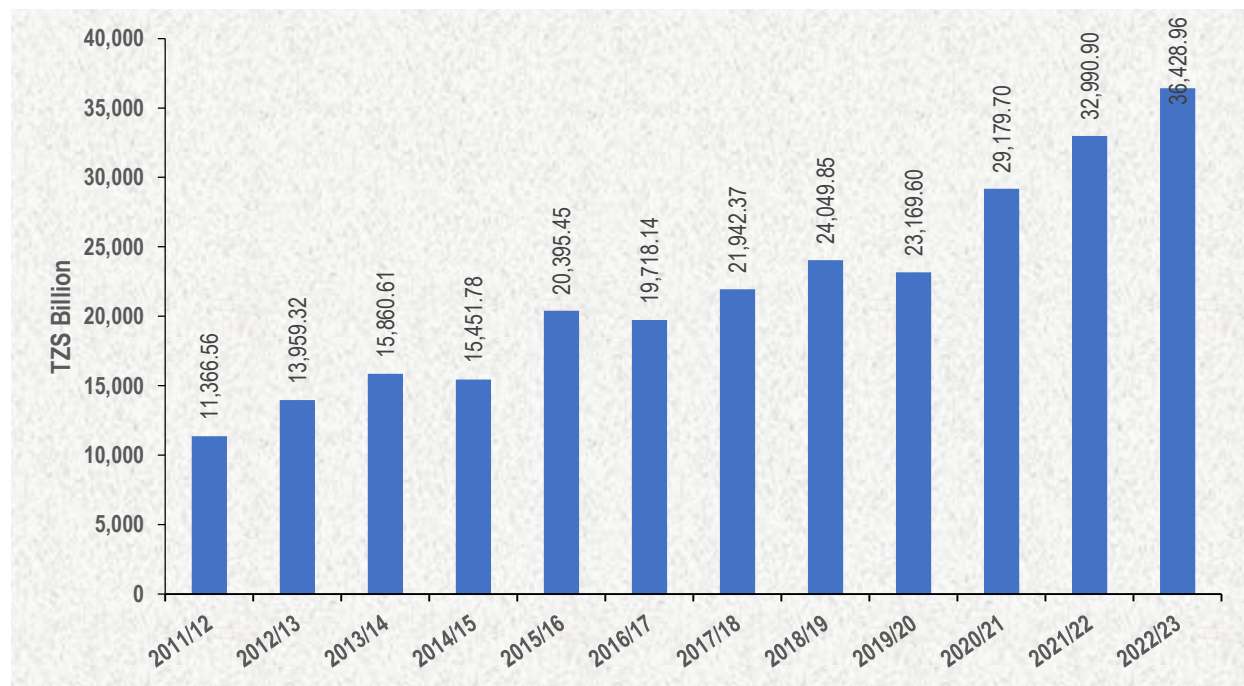
Figure 1.1: Percentage Distribution of Government Revenue by type of Source, Mainland Tanzania 2022/23

The results in figure 1.2 records fluctuation in the domestic revenue peaking at 87.8 percentage share in 2016/17 from 64.8 percent in 2011/12 before declining to 77.8 percent in 2022/23. The collection from external resources shows gradual decline from 32.3 percent to 10.7 percent in the period of 2011/12 to 2015/16. It then fluctuating from 18.8 percent to 11.3 percent in the period of 2016/17 to 2022/23. However, domestic borrowing declined to negative 0.6 in 2016/17 from 2015/16 before gaining again to 10.8 percent in 2022/23 (**Figure 1.2**)

Figure 1.2: Percentage Composition of the Government Resources by type of Source, Mainland Tanzania, 2011/12 to 2022/23



In the most recent fiscal year, 2022/23, the total Government Resources reaches its peak at TZS 36,428.96 billion, marking a notable increase from TZS 32,990.90 billion in 2021/22. This steady upward trend extends back to 2011/12, when the total Government Resources was TZS 11,366.56 billion. Some years, such as 2015/16 and 2020/21, show more pronounced jumps, highlighting significant growth in financial allocations or earnings during these periods (**Figure 1.3**)

Figure 1.3: Trend of the Total Government Resources, Mainland Tanzania, 2011/12 to 2022/23

1.1.1 Domestic Resources

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

In the fiscal year 2022/23, total domestic government resources amounted to TZS 29,854.35 billion, reflecting a growth of 13.3 percent from the previous year. This increase was primarily driven by revenue from TRA, which contributed TZS 21,411.40 billion, making up 71.72 percent of the total resources. Non-tax revenue accounted for TZS 3,845.45 billion (12.88%), and domestic borrowing contributed TZS 4,597.50 billion, or 15.4 percent.

Significant growth occurred in years like 2015/16, with a 42 percent increase, driven by a notable rise in domestic borrowing. On the other hand, 2019/20 recorded slight contraction of 0.8 percent attributed to lower growth in domestic borrowing and non-tax revenue (**Table 1.2**).

Table 1.2: Domestic Government Resources (TZS Billion) by Type, Tanzania Mainland, 2011/12 to 2022/23

Year	TRA Revenue		Non-Tax Revenue (excluding revenue from LGAs)		Domestic Borrowing		Total Domestic Government Resources	Growth (Percent)
	Amount	Percent	Amount	Percent	Amount	Percent		
2011/12	6,502.60	88.00	545.4	7.40	334.86	4.50	7,382.86	
2012/13	7,739.30	82.60	562.3	6.00	1,069.32	11.40	9,370.92	26.9
2013/14	9,383.05	85.70	572.8	5.30	976.71	8.90	10,932.56	16.7
2014/15	9,909.00	88.60	499.8	4.40	796.78	7.10	11,205.57	2.5
2015/16	12,525.38	78.70	1,096.80	6.90	2,294.15	14.40	15,916.33	42.0
2016/17	14,126.59	87.10	2,072.90	12.90	-110.86	-0.70	16,088.63	1.1
2017/18	15,191.42	83.80	2,311.60	12.80	598.67	3.30	18,101.70	12.5
2018/19	15,511.33	74.20	2,356.90	11.30	3,037.18	14.50	20,905.41	15.5
2019/20	17,622.82	72.40	2,729.89	11.20	376.92	1.80	20,729.63	-0.8
2020/21	17,624.45	76.00	2,213.23	9.50	3,359.22	14.50	23,196.90	11.9
2021/22	20,931.26	79.42	2,574.84	9.77	2,850.00	10.81	26,356.10	13.6
2022/23	21,411.40	71.72	3,845.45	12.88	4,597.50	15.40	29,854.35	13.3

Source: Ministry of Finance, 2023

1.1.2 External Resources

In Tanzania, Government revenue from external sources consists of grants, and concessional and non-concessional loans. During the period from 2011/12 to 2022/23, the Government continued to receive grants, and concessional and non-concessional loans from Development Partners, Multilateral Financial Institutions and International Commercial Banks. Loans and grants are used to complement Government financing efforts in the implementation of the Second Five Year Development Plan (FYDP II) 2021/22 – 2025/26.

Total external resources for the fiscal 2022/23 amounted to TZS 6,574.59 billion, reflecting a slight decline of 0.9 percent from 2021/22. Grants contributed TZS 506.33 billion (7.7%), with concessional loans at TZS 1,851.24 billion (28.2%), and non-concessional loans adding TZS 1,115.24 billion (17.0%). In 2021/22, external resources reached TZS 6,634.83 billion, marking a 14.8 percent increase from 2020/21. This was primarily driven by concessional loans (42.5%) and non-concessional loans (27.3%). The most significant growth occurred in 2019/20, with a 137.6 percent increase, largely due to a flow in grants and project loans. (**Table 1.3**).

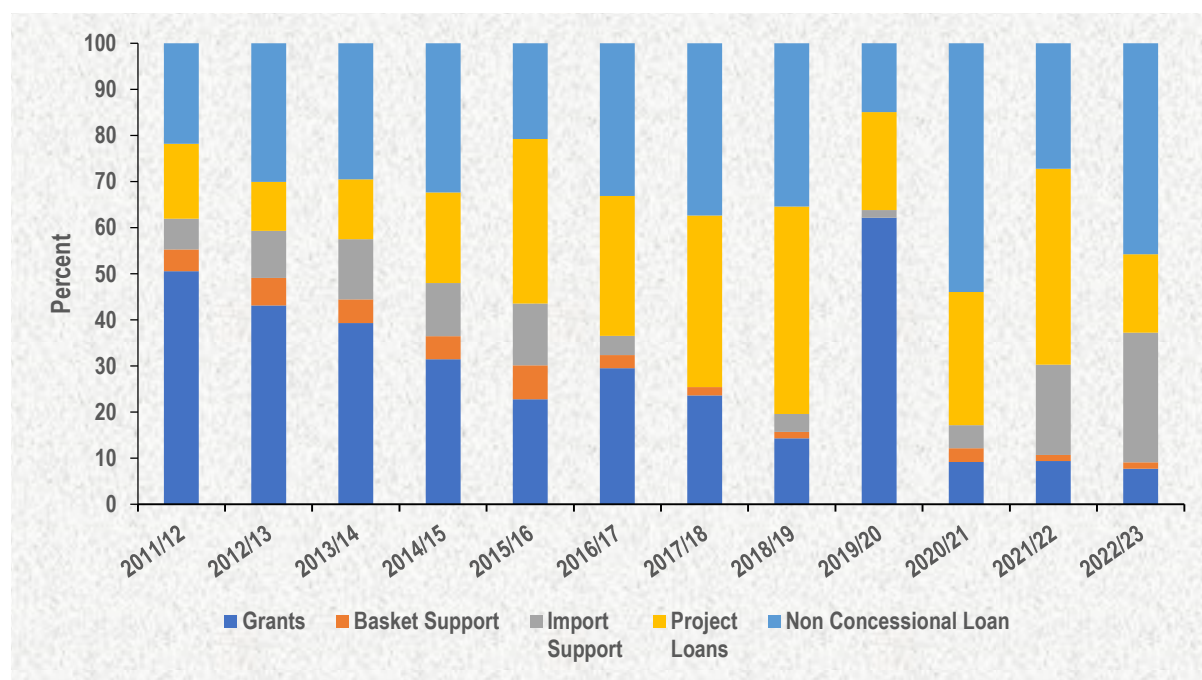
Table 1.3`: External Government Resources in (TZS Billion) by Type of Source, Tanzania Mainland, 2011/12 to 2022/23

Year	Grants		Concessional Loans						Non - Concessional Loans		Total external resources	Growth (Percent)
			Basket Support		Import Support		Project Loans					
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent		
2011/12	1,855.10	50.5	172.20	4.7	246.80	6.7	595.40	16.2	801.30	21.8	3,670.80	
2012/13	1,521.50	43.1	211.00	6.0	358.80	10.2	374.10	10.6	1,063.00	30.1	3,528.40	-3.9
2013/14	1,587.60	39.3	207.70	5.1	526.20	13.0	524.00	13.0	1,194.50	29.6	4,040.00	14.5
2014/15	1,024.10	31.4	163.20	5.0	374.70	11.5	640.70	19.7	1,054.80	32.4	3,257.50	-19.4
2015/16	495.36	22.7	161.80	7.4	291.40	13.4	777.80	35.7	453.50	20.8	2,179.86	-33.1
2016/17	1,092.50	29.5	105.00	2.8	152.50	4.1	1,124.20	30.4	1,226.80	33.1	3,701.00	69.8
2017/18	930.60	23.6	71.10	1.8	0.00	0.0	1,464.29	37.2	1,474.30	37.4	3,940.29	6.5
2018/19	461.20	14.3	44.28	1.4	125.40	3.9	1,452.48	45.0	1,144.82	35.5	3,228.18	-18.1
2019/20	4,767.18	62.1	0.00	0.0	126.92	1.7	1,632.76	21.3	1,144.82	14.9	7,671.68	137.6
2020/21	527.49	9.1	175.36	3.0	287.35	5.0	1,669.87	28.9	3,121.19	54.0	5,781.26	-24.6
2021/22	622.53	9.4	85.97	1.3	1,298.50	19.6	2,818.34	42.5	1,809.49	27.3	6,634.83	14.8
2022/23	506.33	7.7	90.05	1.4	1,851.24	28.2	1,115.24	17.0	3,011.73	45.8	6,574.59	-0.9

Source: Ministry of Finance, 2023

Non-concessional loans formed the largest share of external resources in 2022/23, while grants accounted for a much smaller portion compared to previous years. This trend is consistent with 2021/22, where non-concessional loans dominated, though project loans showing a notable increase. Since 2016/17, the share of grants has steadily decreased, with a growing reliance on non-concessional loans and project loans. The peak in non-concessional loans occurred in 2019/20, when grants were minimal (Figure 1.4).

Figure 1.4: Percentage Composition of External Resources by Funding Type, Mainland Tanzania, 2011/12 to 2022/23



CHAPTER TWO

Tax Revenues

2.0 Direct and Indirect Taxes

Direct and indirect taxes form a general taxation system in Tanzania. Direct taxes include taxes on payroll and workforce, Pay As You Earn (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 are paid as consumption taxes, international trade taxes, and other domestic taxes, and charges are broadly categorized.

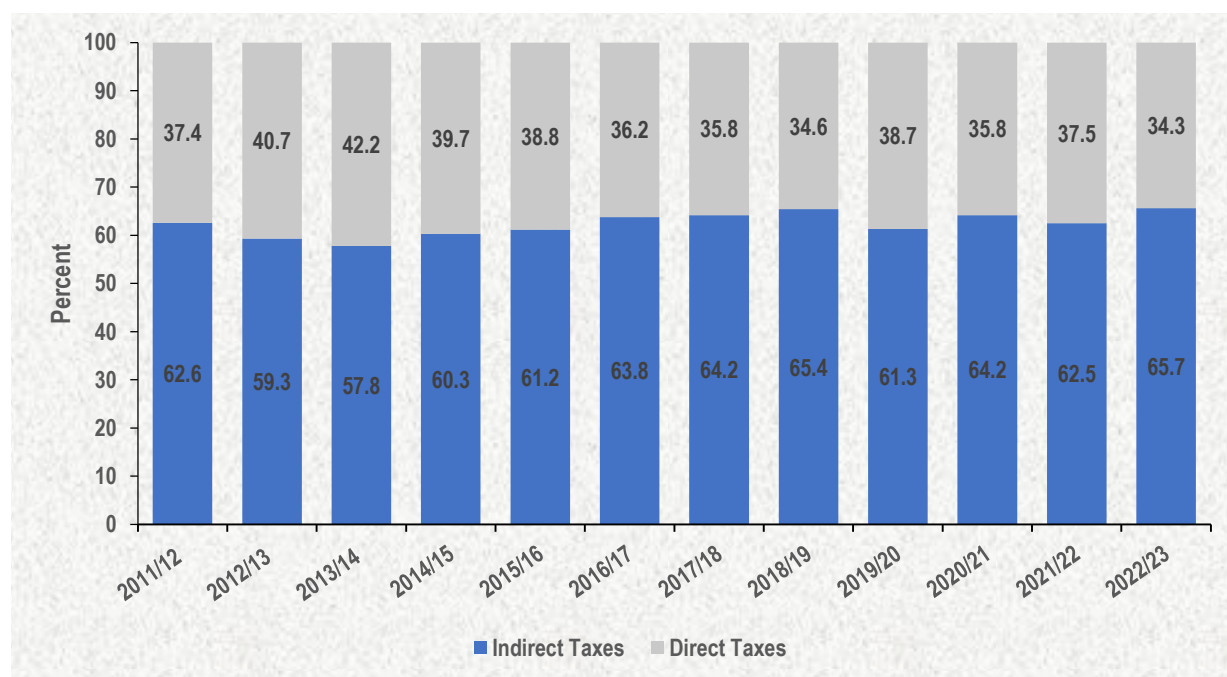
The results indicates that, total tax revenue for the fiscal year 2022/23 increased to TZS 23,682.99 billion, equivalent to 13.1 percent increase of the TZS 20,931.26 billion recorded in the previous year. Indirect taxes made up 65.7 percent of the total, while direct taxes contributed 34.3 percent, slightly lower than the 37.5 percent recorded in 2021/22. Indirect taxes have consistently dominated the tax structure, with significant growth in years such as 2015/16 (26.4 %) and 2019/20 (13.6 %), highlighting a continued reliance on consumption-based revenue sources (**Table 2.1**)

Table 2.1: Percentage Composition of Taxes by Type, Mainland Tanzania, 2011/12 to 2022/23

Year	Direct Taxes		Indirect Taxes		Total Taxes	Growth (Percent)
	Amount	Percent	Amount	Percent		
2011/12	2,429.49	37.4	4,073.10	62.6	6,502.60	
2012/13	3,149.22	40.7	4,590.08	59.3	7,739.30	19.0
2013/14	3,963.85	42.2	5,419.20	57.8	9,383.05	21.2
2014/15	3,932.80	39.7	5,976.19	60.3	9,909.00	5.6
2015/16	4,856.70	38.8	7,668.68	61.2	12,525.38	26.4
2016/17	5,117.86	36.2	9,008.73	63.8	14,126.59	12.8
2017/18	5,436.41	35.8	9,755.01	64.2	15,191.42	7.5
2018/19	5,365.28	34.6	10,146.05	65.4	15,511.33	2.1
2019/20	6,815.25	38.7	10,807.57	61.3	17,622.82	13.6
2020/21	6,301.10	35.8	11,323.27	64.2	17,624.36	0.0
2021/22	7,840.21	37.5	13,091.05	62.5	20,931.26	18.8
2022/23	8,133.95	34.3	15,549.04	65.7	23,682.99	13.1

Source: Tanzania Revenue Authority, 2023

In the fiscal year 2022/23, the share of indirect taxes increased to 65.7 percent, while direct taxes contributed 34.3 percent, marking a decline from the 37.5 percent share of direct taxes in 2021/22. Over the years, indirect taxes have consistently dominated the overall tax structure, demonstrating a notable reliance on consumption-based revenue sources. The trend reflects a gradual decline in the percentage of direct taxes since 2016/17, highlighting a sustained shift towards indirect taxation as a primary source of government revenue. (**Figure 2.1**)

Figure 2.1: Percentage Composition of Taxes by Type, Mainland Tanzania, 2011/12 to 2022/23

2.1. Direct Taxes

This is a major source of government revenue, collected in the form of taxes on gains and profits from businesses, employment, and investments of individuals, corporations, and other entities. It is levied as a direct tax on individual income, corporate profits, employee income, provisional and final withholding, and capital gains taxes.

Total direct taxes decreased to TZS 8,133.95 billion from TZS 8,281.34 billion, reflecting a decline of 0.2 percent. Corporate taxes and P.A.Y.E. were the largest contributors, accounting for TZS 2,909.96 billion and TZS 2,862.40 billion, respectively. Additionally, the Skills and Development Levy experienced a notable increase, contributing TZS 374.32 billion. This year indicates a continued recovery in direct tax collections after a decline in 2020/21, underscoring a gradual stabilization in revenue generation from direct taxation amid fluctuating economic conditions (**Table 2.2**).

Table 2.2: Composition of Direct (TZS Billion) Tax by Type, Mainland Tanzania, 2011/12 to 2022/23

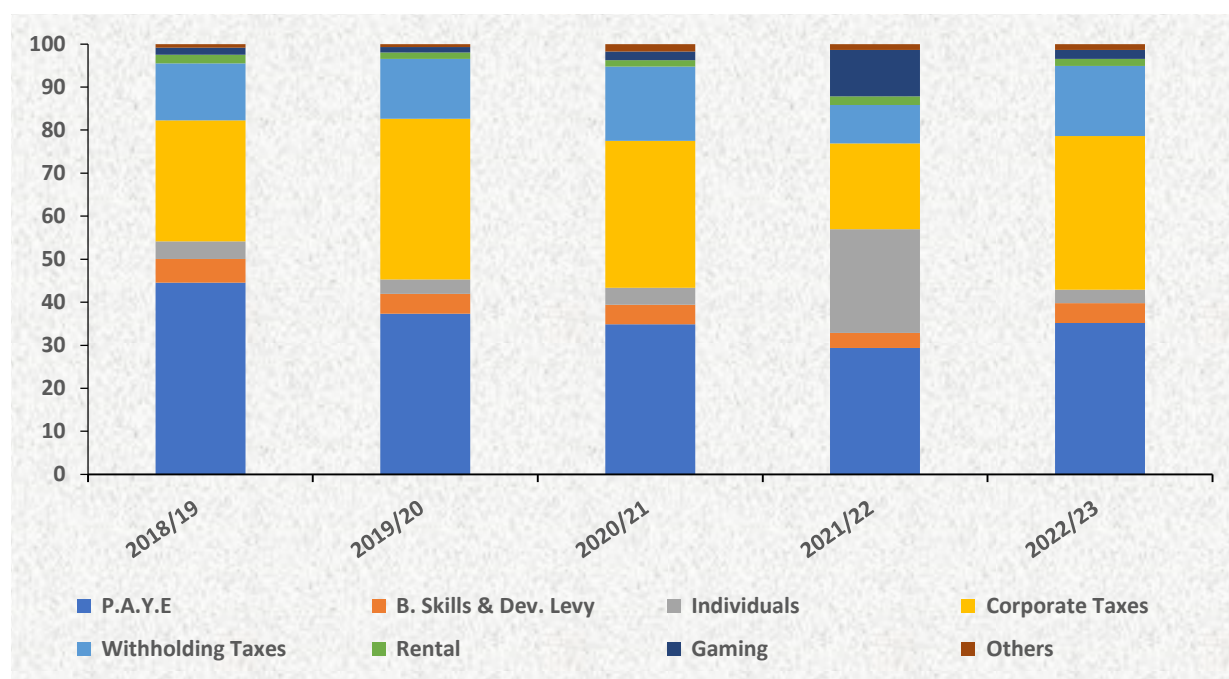
Year	Types of Tax								Total direct taxes	Growth (Percent)
	P.A.Y.E	B. Skills & Dev. Levy	Individuals	Corporate Taxes	Withholding Taxes	Rental	Gaming	Others		
2011/12	1,116.90	138.90	65.80	750.49	279.40	57.40	3.30	17.31	2,429.50	
2012/13	1,395.54	155.30	69.90	1,039.56	382.90	68.90	8.90	28.22	3,149.22	29.6
2013/14	1,625.17	168.70	87.40	1,480.80	514.60	61.40	7.20	18.57	3,963.84	25.9
2014/15	1,748.39	216.10	101.90	1,177.09	592.90	64.40	10.20	21.82	3,932.80	-0.8
2015/16	2,244.28	261.70	141.80	1,373.81	704.60	83.60	19.00	27.92	4,856.71	23.5
2016/17	2,277.15	280.10	178.70	1,448.09	760.00	91.10	26.50	56.22	5,117.86	5.4
2017/18	2,344.53	282.80	213.40	1,659.80	722.40	94.50	75.50	43.48	5,436.41	6.2
2018/19	2,391.50	296.00	216.80	1,507.64	711.40	108.80	89.00	44.14	5,365.28	-1.3
2019/20	2,542.82	315.41	227.17	2,547.67	948.23	101.71	85.07	47.18	6,815.26	27.0
2020/21	2,198.00	285.18	248.63	2,150.48	1,090.63	89.88	127.60	110.69	6,301.09	-7.5
2021/22	2,431.53	291.03	1,997.91	1,646.37	742.16	163.49	898.51	110.34	8,281.34	28.7
2022/23	2,862.40	374.32	251.03	2,909.96	1,325.02	133.53	168.13	109.55	8,133.95	0.2

Source: Tanzania Revenue Authority, 2023

The results shows that there is a significant increase in corporate taxes; PAYE and withholding tax. Apart from an increase in the mentioned items, there was a decrease in items like individual, rental, gaming, and others.

There is a noticeable recovery in 2022/23 for some tax categories after fluctuations in previous years. Corporate taxes show a strong rebound after a dip in 2021/22, while the individual taxes also see a modest rise. Skills and Development Levy remains relatively stable across the years, and withholding taxes consistently contribute significantly to the overall revenue. Rental taxes show minor fluctuations, and gaming taxes demonstrate growth, especially in 2021/22. Other categories remain small but consistent contributors, reflecting slight volatility in revenue generation sources across the observed period as see in **Figure 2.2**.

Figure 2.2: Percentage composition of Total Direct Taxes, Mainland Tanzania, 2018/19 to 2022/23



2.2. Indirect Taxes

Indirect taxes in Tanzania consists of consumption taxes, international trade taxes and other domestic taxes and charges.

In 2022/23, indirect taxes show strong growth, reaching 15,549.04, with consumption taxes contributing a significant portion at TZS 5,004.21 billion, or 32.2 percent of the total. International trade taxes, although making up 60.2 percent continued to dominate, while other domestic taxes and charges accounted for 7.7percent, marking their highest contribution in the recorded period. Compared to prior years, the tax structure shifted noticeably, particularly with

the steep rise in both consumption taxes and domestic charges, which had been steadily growing since 2011/12.

The overall tax growth for 2022/23 was 18.5percent marking one of the highest growth rates since 2015/16's dramatic 28.3 percent. The trends reflect increased reliance on consumption and trade taxes to drive revenue (**Table 2.3**)

Table 2.3: Composition of Indirect Taxes (TZS Billion) by Category, Mainland Tanzania 2011/12 to 2022/23

Year	Consumption Taxes		Other Domestic Taxes and Charges		International Trade Taxes		Total indirect taxes	Growth (Percent)
	Amount	Percent	Amount	Percent	Amount	Percent		
2011/12	1,280.47	31.4	161.21	4.0	2,631.42	64.6	4,073.10	
2012/13	1,397.88	30.5	200.83	4.4	2,991.38	65.2	4,590.09	12.7
2013/14	1,587.79	29.3	226.65	4.2	3,604.76	66.5	5,419.20	18.1
2014/15	1,730.24	29.0	255.62	4.3	3,990.34	66.8	5,976.20	10.3
2015/16	2,174.51	28.4	295.52	3.9	5,198.65	67.8	7,668.68	28.3
2016/17	3,043.85	33.8	337.91	3.8	5,626.97	62.5	9,008.73	17.5
2017/18	3,433.31	35.2	171.40	1.8	6,150.30	63.0	9,755.01	8.3
2018/19	3,698.65	36.5	200.50	2.0	6,246.90	61.6	10,146.05	4.0
2019/20	3,841.01	35.5	212.01	2.0	6,754.55	62.5	10,807.57	6.5
2020/21	3,700.55	32.7	320.21	2.8	7,302.50	64.5	11,323.26	4.8
2021/22	3,422.25	26.1	979.98	7.5	8,720.69	66.5	13,122.92	15.9
2022/23	5,004.21	32.2	1,190.85	7.7	9,353.98	60.2	15,549.04	18.5

Source: Tanzania Revenue Authority, 2023

2.3. Consumption Taxes

Consumption taxes comprise domestic excise and VAT on domestic goods and services. The analysis of Consumption Taxes from 2011/12 to 2022/23 highlights key trends in Domestic Excise Taxes, VAT on Domestic Products, and the total Aggregate VAT on Consumption Taxes.

In 2022/23, total consumption taxes grew by 14.3 percent, reaching 5,004.20 compared to the previous year's 4,376.29. This increase was driven by growth in both domestic excise taxes, which rose by 10.8 percent to 1,576.9, and domestic VAT, which grew to 3,427.3. Notably, VAT on domestic products and services continued to contribute significantly, with the aggregate domestic VAT increasing by 15.7 percent. While the growth rate was higher than 2021/22's 12.5 percent the percentage contribution of domestic VAT remained stable at around 68.5percent. The overall trend shows consistent reliance on VAT, with a balanced increase across both excise taxes and domestic VAT components see **table 2.4**

Table 2.4: Composition of Consumption Taxes (TZS Billion) by Type, Mainland Tanzania, 2011/12 - to 2022/23

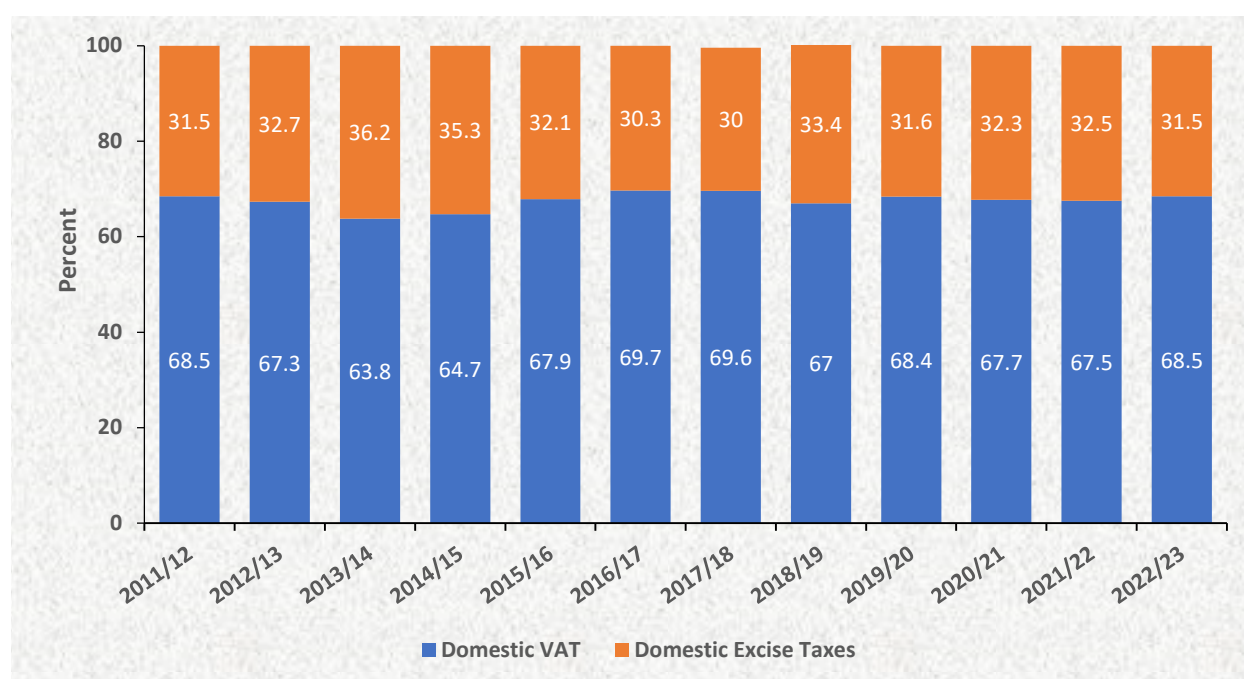
Year	Consumption Taxes								Total consumption taxes	Growth (Percent)
	Domestic Excise Taxes		Domestic VAT				Aggregate domestic VAT			
	Amount	Percent	VAT on Domestic Products		VAT on Domestic Services		Amount	Percent		
			Amount	Percent	Amount	Percent				
2011/12	450	31.5	383.8	26.9	595.27	41.7	979.07	68.5	1,429.07	
2012/13	560.5	32.7	302.3	17.6	852.97	49.7	1,155.27	67.3	1,715.77	20.1
2013/14	747.1	36.2	343.2	16.6	974.04	47.2	1,317.24	63.8	2,064.34	20.3
2014/15	825.8	35.3	405.2	17.3	1106.7	47.3	1,511.9	64.7	2,337.70	13.2
2015/16	868.6	32.1	460.7	17	1,379.97	50.9	1,840.67	67.9	2,709.27	15.9
2016/17	936.6	30.3	459.9	14.9	1,698.58	54.9	2,158.48	69.7	3,095.08	14.2
2017/18	1,059.9	30.4	560.6	15.9	1,865.67	54.9	2,426.27	69.6	3,486.17	12.6
2018/19	1,232.4	33.0	591.2	16	1,914.23	49.9	2,505.43	67.0	3,737.83	7.2
2019/20	1,274.64	31.6	620.87	15.4	2,142.05	53.1	2,762.92	68.4	4,037.56	8.0
2020/21	1,255.77	32.3	644.34	16.6	1989.1	51.1	2,633.44	67.7	3,889.21	-3.7
2021/22	1,423.37	32.5	699.48	16	2,253.45	51.5	2,952.92	67.5	4,376.29	12.5
2022/23	1,576.9	31.5	708.44	14.2	2,718.87	54.3	3,427.3	68.5	5,004.20	14.3

Source: Tanzania Revenue Authority, 2023

Figure 2.4 illustrates the composition of domestic VAT and domestic excise taxes as a percentage of total consumption taxes over the years.

In the fiscal year 2022/23, domestic VAT contributed 68.5percent to the total consumption tax, which is slightly higher than 67.5 percent recorded in 2021/22. Conversely, domestic excise taxes show a slight decrease from 32.5 percent in 2021/22 to 31.5 percent in 2022/23. This indicates a marginal shift towards greater reliance on VAT for total consumption tax revenue, maintaining a relatively stable overall tax structure similar to previous years, but with a small increase in VAT contribution and a corresponding decline in excise taxes

Figure 2.4: Percentage Composition Consumption Tax by Type, Mainland Tanzania, 2011/12 to 2022/23



The total domestic excise taxes grew by 10.8percent, reaching TZS 1,576.90 billion (2022/23), compared to TZS 1,423.37 billion in 2021/22. The largest contributors to this growth were mobile phone taxes (15.5%) which increased to TZS 457.30 billion, and spirits, which show a significant to TZS 230.27 billion equivalent to 20.6 percent increase.

Cigarettes and beer also experienced moderate growth, with cigarettes increasing by 8.1 percent and beer by 3.5 percent. However, soft drinks and bottled water saw slight declines, while other domestic excise taxes rose to TZS 214.97 billion equivalent to 17.7 percent increase.

Overall, the growth in 2022/23 reflects strong performance across most categories, with mobile phones and spirits leading the increase (**Table 2.5**)

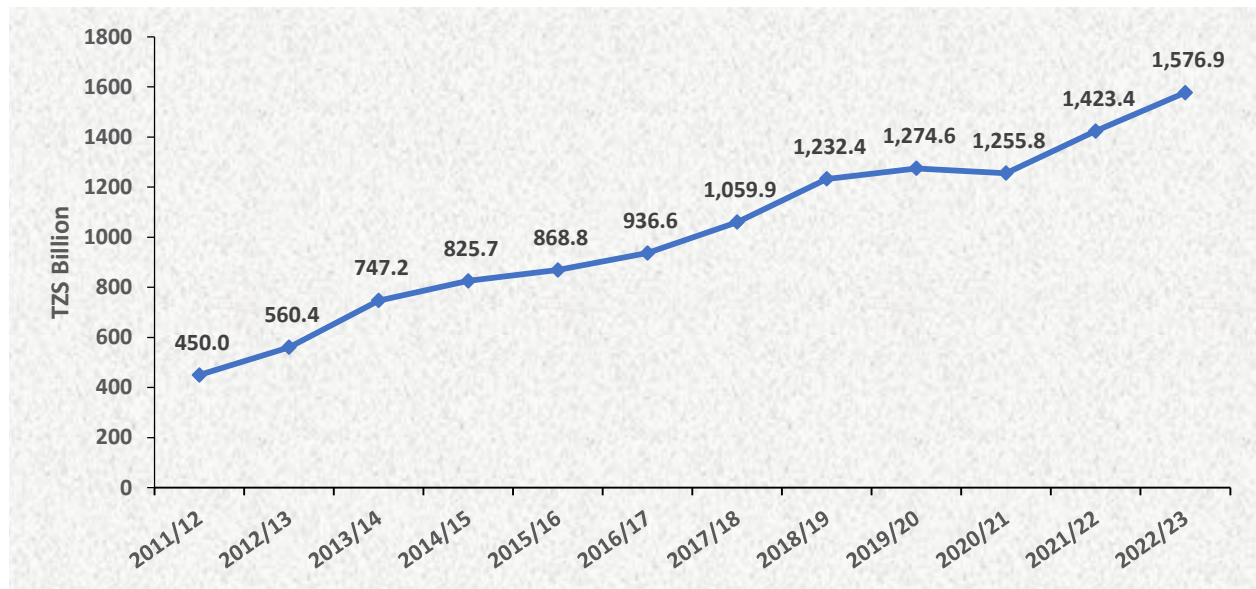
Table 2.5: Composition of Domestic Excise Taxes (TZS Billion) by Type of Product, Mainland Tanzania, 2011/12 to 2022/23

Year	Mobile Phone	Cigarettes	Beer	Spirits	Soft Drinks	Bottled Water	Other Domestic Excise Taxes	Total Domestic Excise Taxes	Growth (Percent)
2011/12	114.60	78.50	150.50	52.70	34.30	5.20	14.20	450.00	
2012/13	150.00	87.30	179.70	69.90	43.10	0.80	29.60	560.40	24.5
2013/14	217.50	99.60	186.30	78.70	52.00	10.30	102.80	747.20	33.3
2014/15	250.90	133.90	202.50	118.10	37.30	14.80	68.20	825.70	10.5
2015/16	246.60	135.90	216.60	101.00	41.70	15.30	111.70	868.80	5.2
2016/17	263.30	145.50	244.80	84.50	45.90	15.60	137.00	936.60	7.8
2017/18	311.30	157.30	306.70	69.30	48.00	19.50	147.80	1059.90	13.2
2018/19	230.80	155.50	320.50	84.10	51.60	21.30	368.50	1232.40	16.3
2019/20	320.30	147.20	304.20	115.70	57.90	21.00	308.40	1274.64	3.4
2020/21	344.90	150.20	317.30	157.20	72.30	33.20	180.60	1255.77	-1.5
2021/22	395.85	166.74	346.28	190.86	80.87	60.22	182.55	1423.37	13.3
2022/23	457.30	180.25	358.31	230.27	79.89	55.92	214.97	1576.90	10.8

Source: Tanzania Revenue Authority, 2023.

In 2022/23, total domestic excise taxes increased to TZS 1,576.9 billion from TZS 1,423.4 billion in 2021/22, marking a growth of 10.8 percent. This upward trajectory signifies a positive trend in revenue generation. Analyzing the data from 2011/12 to 2022/23 reveals a consistent growth pattern, with total domestic excise taxes arising from TZS 450.0 billion in 2011/12 to the current figure. The data in Figure 2.5 indicates a steady increase over the years, with notable spikes in certain periods, particularly from 2013/14 to 2014/15 and again from 2021/22 to 2022/23. This sustained growth indicates an expanding tax base and possibly increased consumption of taxed goods, reflecting economic resilience and adjustments in tax policies over the years.

Figure 2.5: Trend of the Total Collected Domestic Excise Taxes(TZS Billion), Mainland Tanzania, 2011/12 to 2022/23



CHAPTER THREE

Value Added Tax

3.0 Introduction

Value 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 are exposed to VAT. It is a 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. For the past decade, VAT has continued to be a large source of revenue for the Government. The standard rate of VAT for Tanzania has remained at 18 percent for the past twelve years. VAT is levied at each stage of the production and distribution chain as value-added. A VAT refund occurs when a VAT-registered taxpayer's input tax exceeds its output tax.

3.1. 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 the 12-month period to register for VAT. Any person who carries on an economic activity involving the supply of professional services and a Government entity or institution which carries on economic activity shall be required to be registered for value-added tax.

The total number of registered taxpayers in 2022/23, rose to 4.7 million, reflecting a growth of 5.4 percent compared to 4.5 million in the previous year. However, the number of VAT-registered taxpayers experienced a significant decline, dropping to 31.8 million, which marks a sharp decrease of 35.3 percent from the previous year. This contrasting trend highlights a potential issue in VAT registration or compliance, despite the overall increase in registered taxpayers. The data indicates that while the tax base is expanding, challenges remain in ensuring that taxpayers are registering for VAT, suggesting a need for improved outreach or incentives to enhance VAT participation among businesses (**Table 3.1**)

Table 3.1: Number of Registered Tax Payers and VAT Registered Tax Payers, Tanzania Mainland, 2011/12 to 2022/23

Year	Registered (Taxpayers) ('000')	Growth (Percent)	VAT Registered (Taxpayers)	Growth (Percent)
2011/12	1,036		17,860	
2012/13	1,612	55.6	21,362	19.6
2013/14	1,784	10.7	24,346	14.0
2014/15	1,990	11.5	25,908	6.4
2015/16	2,200	10.6	27,235	5.1
2016/17	2,501	13.7	29,561	8.5
2017/18	2,739	9.5	32,141	8.7
2018/19	2,917	6.5	37,251	15.9
2019/20	3,181	9.1	73,882	98.3
2020/21	4,107	29.1	45,348	-38.6
2021/22	4,455	8.5	49,188	8.5
2022/23	4,697	5.4	31,844	-35.3

Source: Tanzania Revenue Authority, 2023

3.2. Domestic VAT Revenue

Domestic VAT is among the Valued value-added tax (VAT) category which is collected from domestic goods and services. The domestic goods and services that are charged VAT domestically include beer, cigarettes, cement, electricity, telephones.

The total VAT collection in 2022/23 show a notable increase to TZS 3,427.3 billion from TZS 2,952.9 billion in 2021/22. This increase is largely attributed to the rise in VAT on products, particularly in cigarettes, which raised significantly from TZS 58.9 billion to TZS 105.8 billion, reflecting a growth of 79.6 percent. However, VAT on beer declined from TZS 171.7 billion to TZS 148.5 billion, a decrease of 13.5 percent. VAT from electricity services fell sharply from TZS 107.2 billion to TZS 71.0 billion, while VAT on other services saw substantial growth, rising from TZS 1,382.9 billion to TZS 2,069.9 billion, indicating a strong performance in the services sector. Overall, the data illustrates a mixed performance across various product and service categories, with some areas experiencing robust growth and others facing declines, ultimately contributing to an overall positive trend in VAT revenue see **Table 3.2**.

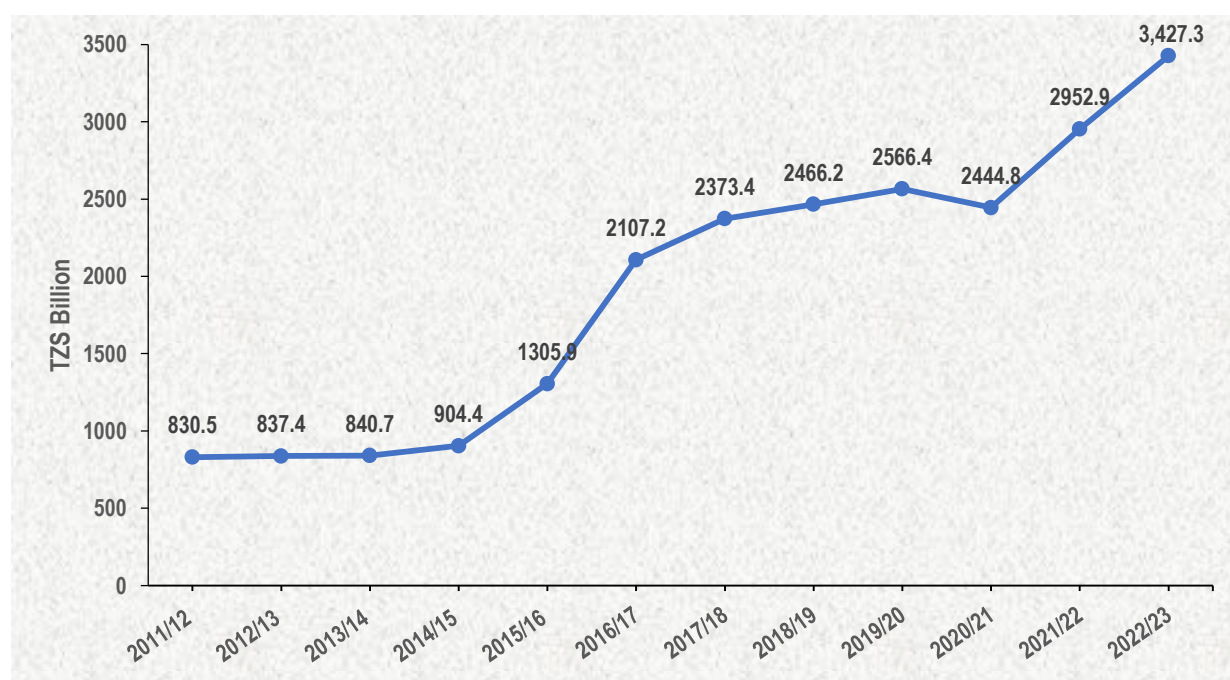
Table 3.2: Domestic VAT Revenue (TZS Billion) Collected by Type of Goods and Services, Mainland Tanzania, 2011/12 - 2022/23

Type of VAT		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
VAT on Products	Beer	90.1	90.6	118.6	136.3	141.8	138.0	160.7	155.8	145.2	155.4	171.7	148.5
	Cigarettes	39.1	45.7	37.6	46.1	48.7	40.2	45.8	55.4	52.8	50.4	58.9	105.8
	Soft Drinks	27.2	34.7	41.4	48.0	41.6	37.7	37.9	36.8	41.6	54.7	44.0	41.8
	Cement	31.0	32.0	23.7	23.2	22.3	13.5	23.5	32.8	51.3	44.1	65.0	48.7
	Sugar	38.2	24.0	23.9	36.5	44.9	71.0	76.3	84.9	89.7	91.7	94.5	86.8
	Other products	84.0	63.1	61.2	43.9	185.1	133.8	190.0	205.9	142.0	153.7	265.3	276.9
VAT on services	Electricity	27.3	54.4	97.1	137.6	106.9	79.6	99.2	86.3	85.9	109.5	107.2	71.0
	Telephones	190.4	197.9	168.8	219.0	203.6	191.6	72.7	257.3	250.2	242.5	303.3	324.8
	Retailers	39.5	29.2	39.7	18.6	23.9	19.2	26.4	34.2	39.0	37.2	37.9	39.0
	Wholesalers	17.2	18.2	24.6	25.4	33.3	33.3	45.2	49.4	52.4	47.7	55.0	61.3
	Transport	19.9	18.6	39.9	37.1	48.8	49.4	51.1	54.7	63.2	56.4	56.0	65.1
	Hotel Services	45.1	28.6	45.5	47.7	45.6	58.6	73.2	79.9	69.4	18.6	44.8	87.7
	Other services	181.5	200.3	118.7	85.1	359.4	1241.3	1471.5	1332.8	1483.6	1382.9	1649.2	2069.9
Total VAT	Total	830.5	837.4	840.7	904.4	1,305.9	2,107.2	2,373.4	2,466.2	2,566.4	2,444.8	2,952.9	3,427.3
	Growth		0.8	0.4	7.6	44.4	61.4	12.6	3.9	4.1	-4.7	20.8	16.1

Source: Tanzania Revenue Authority, 2023

The trend in the total VAT revenue indicates substantial increase from TZS 2,952.9 billion in 2021/22 to TZS 3,427.3 billion in 2022/23. This growth highlights a positive trend in tax collection, which has shown significant upward movement over the years. From 2011/12 to 2022/23, VAT revenue rose markedly from TZS 830.5 billion, particularly experiencing a sharp increase starting around 2015/16, when revenues jumped to TZS 1,305.9 billion. The consistent growth indicates improvements in tax compliance and collection efforts, contributing to a stronger revenue base for the government (**Figure 3.1**).

Figure 3.1: Trend of Total Domestic Value Added Tax (TZS Billion), Mainland Tanzania, 2011/12 – 2022/23



3.3 VAT on Domestic Goods

The data on VAT collection from domestic goods over the years provides insight into the trends and performance of various products contributing to tax revenue. This analysis covers the period from 2011/12 to 2022/23, highlighting key changes in VAT contributions from products such as beer, cigarettes, soft drinks, cement, sugar, and others.

The total VAT on domestic products increased to TZS 708.44 billion in 2022/23 from TZS 699.48 billion in 2021/22, reflecting a modest growth of 1.3 percent. Notably, VAT on cigarettes indicate a significant increase, rising to TZS 105.80 billion from TZS 58.86 billion in the previous year, marking a remarkable growth. However, VAT on beer decreased from TZS 171.71 billion to TZS 148.45 billion, indicating a decline in revenue from this type of product. Soft drinks and cement also experienced slight fluctuations, with soft drinks remaining

relatively stable and cement seeing a reduction in VAT collected (**Table 3.3**)

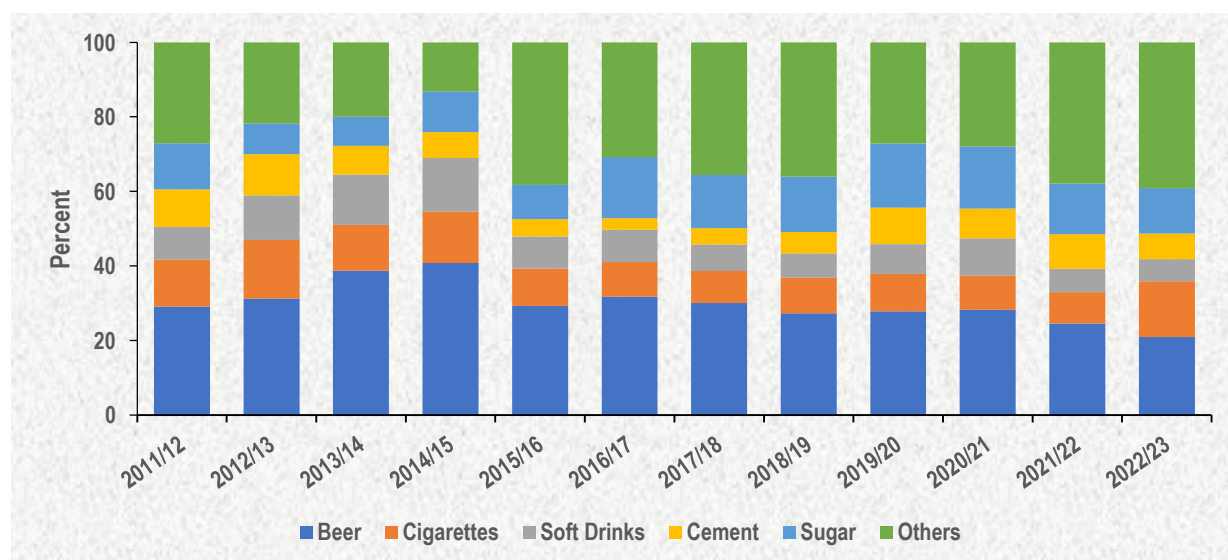
Table 3.3: VAT on Domestic Goods (TZS Billion) by Type of Product, Mainland Tanzania, 2011/12 to 2022/23

Year	VAT on type of product						Total VAT Domestic Products	Growth (Percent)
	Beer	Cigarettes	Soft Drinks	Cement	Sugar	Others		
2011/12	90.10	39.10	27.20	31.00	38.20	83.97	309.57	
2012/13	90.60	45.70	34.70	32.00	24.00	63.08	290.08	-6.3
2013/14	118.60	37.60	41.40	23.70	23.90	61.15	306.35	5.6
2014/15	136.30	46.10	48.00	23.20	36.50	43.85	333.95	9.0
2015/16	141.80	48.70	41.60	22.30	44.90	185.13	484.43	45.1
2016/17	138.00	40.20	37.70	13.50	71.00	133.82	434.22	-10.4
2017/18	160.70	45.80	37.90	23.50	76.30	189.96	534.16	23.0
2018/19	155.80	55.40	36.80	32.80	84.90	205.91	571.61	7.0
2019/20	145.20	52.75	41.64	51.30	89.73	141.97	522.6	-8.6
2020/21	155.43	50.39	54.74	44.11	91.68	153.66	550.01	5.2
2021/22	171.71	58.86	43.99	65.03	94.54	265.35	699.48	27.2
2022/23	148.45	105.80	41.81	48.68	86.81	276.88	708.44	1.3

Source: Tanzania Revenue Authority, 2023

The distribution of tax revenue contributions from various goods remains relatively stable, with beer continuing to hold the largest share, followed by cigarettes. Contributions from soft drinks, cement, and sugar have remained consistent compared to previous years, while the "Others" category has also maintained a significant portion, reflecting a balanced contribution across multiple sectors. The trend across the years indicates steady dominance by beer and other key goods, with only minor fluctuations in individual categories (**Figure 3.2**)

Figure 3.2: Percentage Composition of VAT on Domestic Goods by Type, Mainland, Tanzania 2011/12 to 2022/23



3.3.1 VAT on Domestic Services

Value Added Tax (VAT) on domestic services is charged on electricity, telephone, retail and wholesale businesses, transport, hotels, and other services.

In 2022/23, the "Others" category dominates VAT revenue from domestic services, accounting for 76.1 percent a slight increase from the previous year. Telephone follows as the second-largest contributor at 11.9 percent, while other sectors such as electricity services, retailers, wholesalers, transport, and hotel services contribute much smaller percentages, all remaining under 3.5 percent. This reflects a continued trend of increasing reliance on the "Others" category for VAT revenue, while contributions from other traditional sectors have generally been declining (Table 3.4).

Table 3.4: Percentage Composition of VAT Domestic from Services by Types of Service, Mainland Tanzania, 2011/12 to 2022/23

Year	VAT Domestic Service						
	Electricity	Telephone	Retailers	Wholesalers	Transport	Hotel Services	Others
2011/12	5.2	36.6	7.6	3.3	3.8	8.7	34.8
2012/13	9.9	36.2	5.3	3.3	3.4	5.2	36.6
2013/14	18.2	31.6	7.4	4.6	7.5	8.5	22.2
2014/15	24.1	38.4	3.3	4.5	6.5	8.4	14.9
2015/16	13	24.8	2.9	4.1	5.9	5.6	43.7
2016/17	4.8	11.5	1.1	2	3	3.5	74.2
2017/18	5.4	4	1.4	2.5	2.8	4	80
2018/19	4.6	13.6	1.8	2.6	2.9	4.2	70.3
2019/20	4.2	12.2	1.9	2.6	3.1	3.4	72.6
2020/21	5.8	12.8	2	2.5	3	1	73
2021/22	4.8	13.5	1.7	2.4	2.5	2	73.2
2022/23	2.6	11.9	1.4	2.3	2.4	3.2	76.1

Source: Tanzania Revenue Authority, 20233.3.2

CHAPTER FOUR

Other Domestic Taxes and Charges

4.0 Introduction

This chapter includes information on departure charges, motor vehicle, stamp duties and treasury vouchers. The data on domestic taxes and charges from 2011/12 to 2022/23 shows significant variation across key categories.

In 2022/23, the total for "Other Domestic Taxes and Charges" show a growth of 21.5 percent, driven primarily by a significant surge in Treasury Vouchers, which reached TZS 994.73 billion, and Motor Vehicle Taxes, which amounted to TZS 97.58 billion. Departure charges increased to TZS 69.60 billion this year. The fluctuation in total figures suggests the impact of substantial but varying contributions from different categories over time (**Table 4.1**).

Table 4.1: Other Domestic Taxes and Charges (TZS Billion) by Type of Tax or Charge, Mainland Tanzania, 2011/12 to 2022/23

Year	Other Domestic Taxes and Charges				Total Other Domestic Taxes and Charges	Growth (Percent)
	Departure Charges	Motor Vehicle Taxes	Stamp Duties	Treasury Vouchers		
2011/12	23.23	117.6	11.02	9.37	161.2	
2012/13	35.19	147.84	11.1	6.7	200.8	24.6
2013/14	42.39	158.37	8.56	17.33	226.7	12.9
2014/15	53.08	184.42	10.69	7.42	255.6	12.8
2015/16	68.7	214.16	12.06	0.61	295.5	15.6
2016/17	69.06	256.8	12.05	0.0	337.9	14.3
2017/18	68.96	88.92	13.52	0.0	171.4	-49.3
2018/19	60.97	96.78	14.5	28.25	200.5	17.0
2019/20	55.01	111.9	20.02	25.09	212.0	5.7
2020/21	24.18	124.66	20.05	151.33	320.2	51.0
2021/22	46.20	149.85	21.02	762.9	980.0	206.0
2022/23	69.60	97.58	28.94	994.73	1,190.9	21.5

Source: Tanzania Revenue Authority, 2023

During the period of 2021/22 to 2022/23, the results indicate slight increases in the other domestics taxes and charges such as departure charges (5.8% to 14.4%), motor vehicle taxes (8.2% to 72.9%), and stamp duties (2.4% to 6.8%). Treasury voucher revenue, however,

recorded rapid decline from 83.5% to 5.8% in 2022/23. Over the broader period, motor vehicle taxes have seen a fluctuation peaking at 76 percent in 2016/17 (**Table 4.2**)

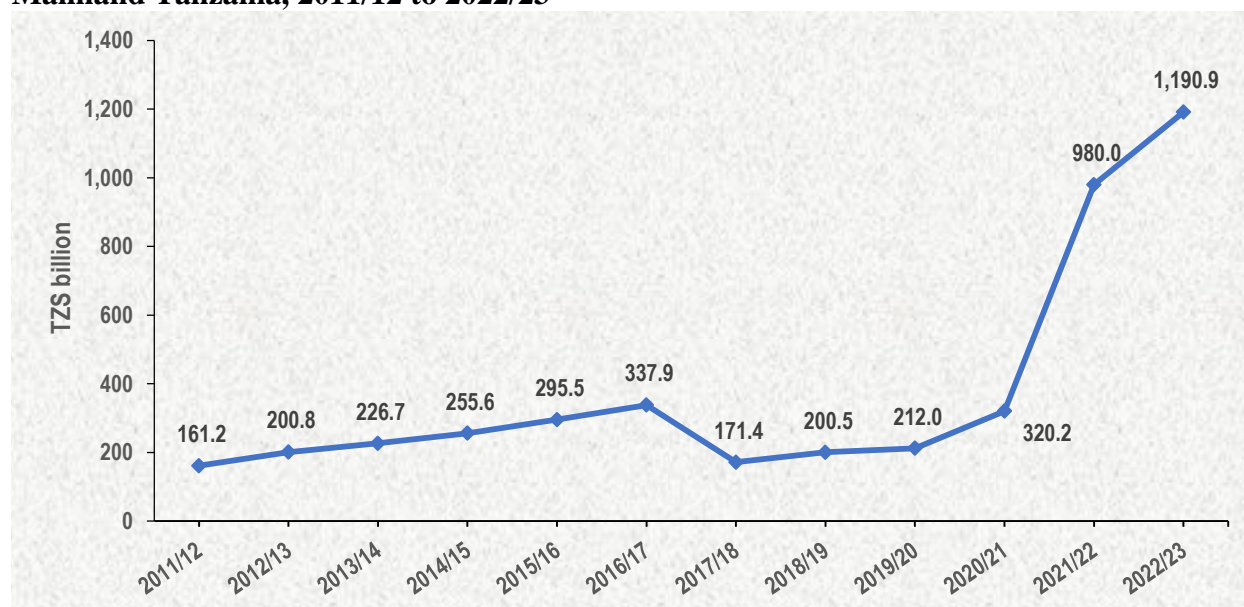
Table 4.2: Percentage Share of Other Domestic Taxes and Charges by Type, Mainland Tanzania, 2011/12 to 2022/23

Year	Departure Charges	Motor Vehicle Taxes	Stamp Duties	Treasury Vouchers
2011/12	14.4	72.9	6.8	5.8
2012/13	17.5	73.6	5.5	3.3
2013/14	18.7	69.9	3.8	7.6
2014/15	20.8	72.1	4.2	2.9
2015/16	23.2	72.5	4.1	0.2
2016/17	20.4	76.0	3.6	0.0
2017/18	40.2	51.9	7.9	0.0
2018/19	30.4	48.3	7.2	14.1
2019/20	25.9	52.8	9.4	11.8
2020/21	7.6	38.9	6.3	47.3
2021/22	4.7	15.3	2.1	77.8
2022/23	5.8	8.2	2.4	83.5

Source: Tanzania Revenue Authority, 2023

Government revenue show significant increase TZS 1,190.9 billion in 2022/23 from TZS 980.0 billion in 2021/22, marking a rise of TZS 210.9 billion. This sharp growth contrasts with the relatively stable but slow growth from 2011/12 to 2020/21, during which revenues gradually increased from TZS 161.2 billion to TZS 212.0 billion. After a dip in 2017/18, when revenues fell to TZS 171.4 billion, the trend rebounded slightly, leading to a major spike beginning in 2020/21. Recent years have seen rapid growth in revenue collection, outpacing the more gradual increases of earlier periods (**Figure 4.1**).

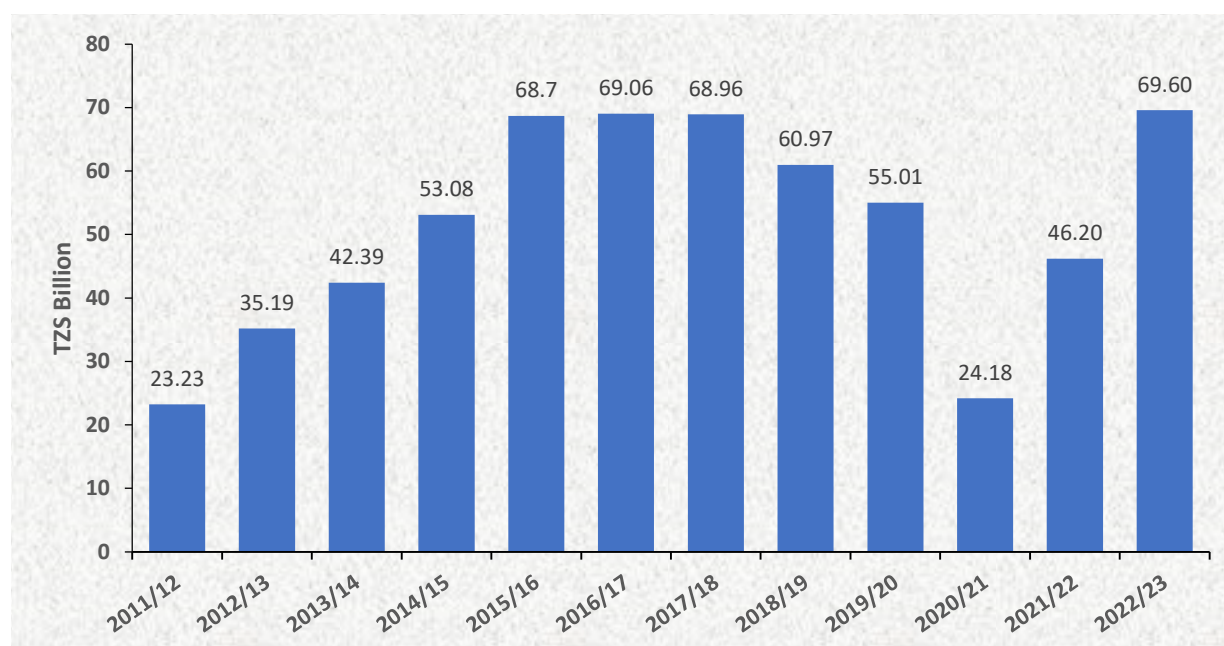
Figure 4.1: Trend of the Total Other Domestic Taxes and Charges (TZS Billion), Mainland Tanzania, 2011/12 to 2022/23



4.1 Departure Charges

In 2022/23, revenue amount TZS 69.60 billion, showing a significant increase from TZS 46.20 billion in 2021/22. This represents a substantial growth of TZS 23.4 billion year-on-year. The sharp rise in revenue in 2022/23 brings it back to the levels seen in the 2015/16 to 2017/18 period, where revenue hovered around TZS 68.7 billion to TZS 69.06 billion, suggesting a strong recovery following a low point of TZS 24.18 billion in 2020/21 see **figure 4.2**.

Figure 4.2: The Trend of Departure Charges (TZS Billion), Mainland Tanzania 2011/12 to 2022/23

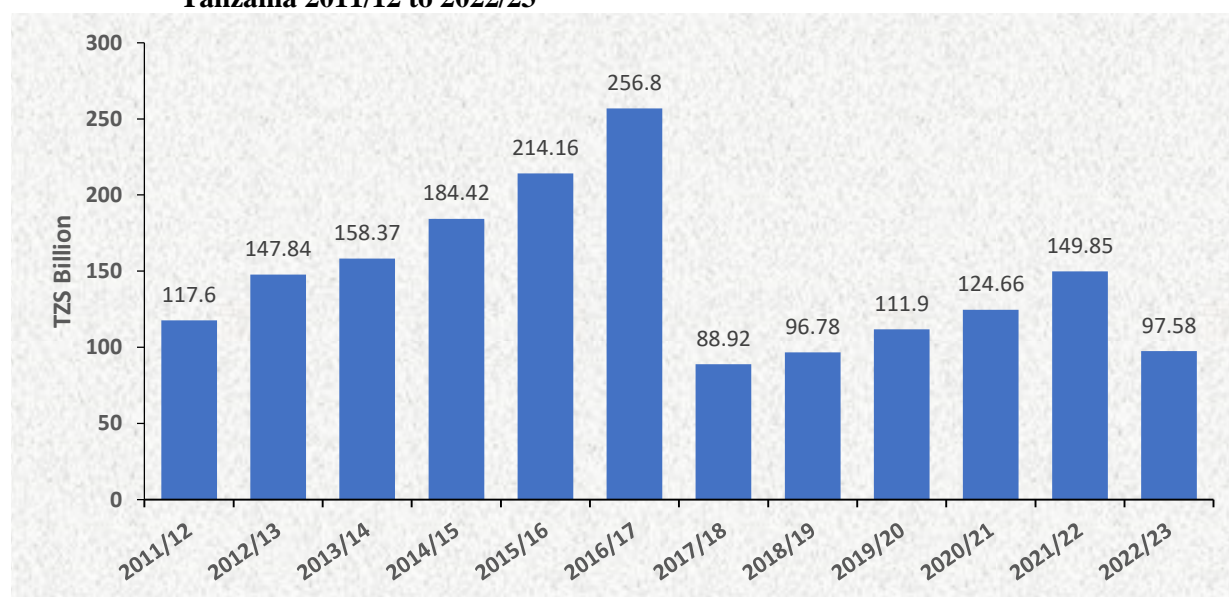


4.2 Motor Vehicle Taxes

Motor vehicle taxes refer to charges levied upon a person registering or transferring ownership of a motor vehicle or a motorcycle. It also includes motor vehicle annual license fees. However, annual motor vehicle taxes were abolished in 2017/18 and were incorporated into fuel (petrol and diesel) prices.

In 2022/23, motor vehicle taxes decreased to TZS 97.6 billion, from TZS 149.9 billion recorded in 2021/22, marking a significant drop of TZS 52.3 billion. This sharp decline contrasts with the general upward trend observed from 2011/12 to 2016/17, where motor vehicle taxes steadily increased from TZS 117.6 billion to a peak of TZS 256.8 billion. Following 2016/17, there were fluctuations, with a notable drop to TZS 88.9 billion in 2017/18, after which the tax collection gradually recovered, reaching TZS 149.9 billion in 2021/22 before the recent decline in 2022/23 (Figure 4.3).

Figure 4.3: The Trend of Motor Vehicle Taxes (TZS Billion), Mainland Tanzania, Mainland, Tanzania 2011/12 to 2022/23

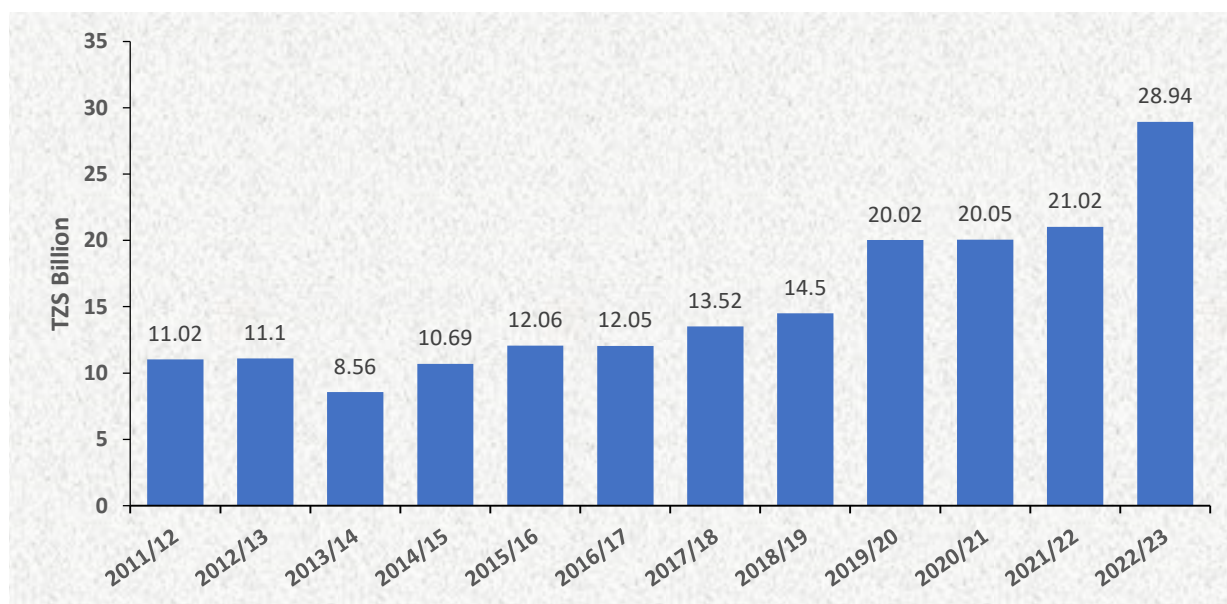


4.3 Stamp Duties

Stamp duties refers to the duty paid on certain legal instruments/transactions, affidavit, conveyance and lease agreements.

The result indicates that, revenue from stamp duties increased from TZS 21.02 billion in 2021/22 to TZS 28.94 billion in 2022/23. The trend also shows that growth in revenue collected from stamp duties has been fluctuating at an average of TZS 10.5 billion, with growth rates above average observed in some years such as 2014/15, 2015/16, 2017/18, 2019/20 and 2022/23 See figure 4.4.

Figure 4.4: Trend of Revenue from Stamp Duties (TZS Billion), Mainland Tanzania 2011/12 to 2022/23



CHAPTER FIVE

International Trade Taxes and Transactions

5.0 International Trade Taxes

International trade taxes are categorized into import duties, excise duties, VAT on imports, fuel levy, and some other non-tax revenue.

The revenue collected through international trade taxes in Mainland Tanzania increased by 7.1 percent, rising from TZS 8,730.43 billion in 2021/22 to TZS 9,353.98 billion in 2022/23. The largest recorded growth during this period was in 2021/22, with a substantial 29.6 percent increase. In 2022/23, VAT on imports contributed the most to international trade tax revenue, followed by import duty and lastly fuel and petroleum levies. (**Table 5.1**)

Table 5.1: Revenue Collected through International Trade Taxes (TZS Billion) by Type of Tax, Mainland Tanzania, 2011/12 to 2022/23

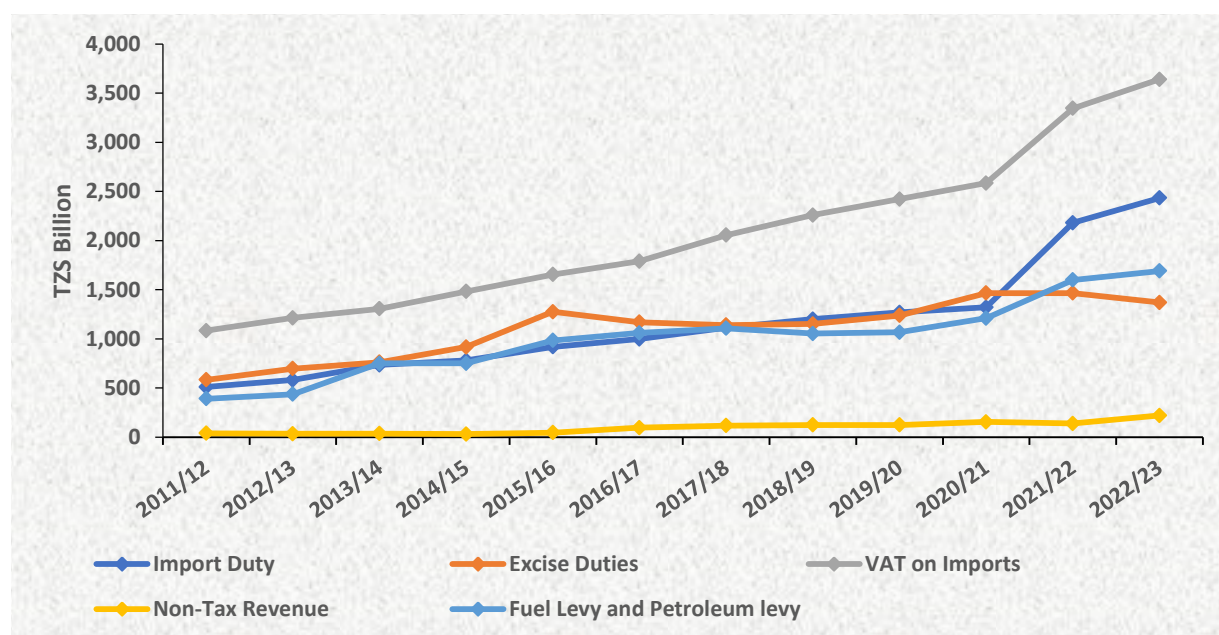
Year	Import Duty	Excise Duties	VAT on Imports	Non-Tax Revenue	Fuel Levy and Petroleum levy	Total International Taxes and Transactions	Growth (Percent)
2011/12	509.70	583.61	1,082.90	40.11	390.50	2,606.82	
2012/13	580.94	697.39	1,213.40	34.90	436.29	2,962.92	13.7
2013/14	734.80	761.88	1,306.30	36.86	750.34	3,590.18	21.2
2014/15	780.98	916.95	1,481.90	30.43	750.31	3,960.57	10.3
2015/16	919.02	1,275.78	1,654.30	45.51	983.44	4,878.05	23.2
2016/17	998.16	1,169.87	1,790.70	95.74	1,060.62	5,115.09	4.9
2017/18	1,113.77	1,140.31	2,054.70	117.02	1,107.21	5,533.01	8.2
2018/19	1,201.04	1,151.74	2,259.50	123.60	1,053.64	5,789.52	4.6
2019/20	1,269.22	1,237.78	2,421.30	123.44	1,066.61	6,118.35	5.7
2020/21	1,320.15	1,466.61	2,584.50	155.24	1,210.66	6,737.16	10.1
2021/22	2,181.16	1,465.15	3,344.80	139.33	1,599.99	8,730.43	29.6
2022/23	2,432.86	1,370.01	3,639.58	220.23	1,691.30	9,353.98	7.1

Source: Tanzania Revenue Authority, 2022

All types of taxes under international trade taxes were generally increasing in the period of 2011/12 to 2022/23. The figure also indicated that, the largest contribution to the revenue collected through international trade taxes was predominantly from VAT on imports. Excise duties and Fuel and petroleum levy recorded significant fluctuation in the whole period under review with the excise duties peaking at 2015/16. Non-tax revenue shows the minimal increase

in the collection from 2016/17 peaking at 2022/23. The import duty recorded sharp increase in the period of 2020/21 to 2021/22 before lowers the rate of growth to 2022/23 see figure 5.1.

Figure 5.1: Revenue (TZS Billion) from International Trade Taxes by Type, Tanzania Mainland, 2011/12 to 2022/23

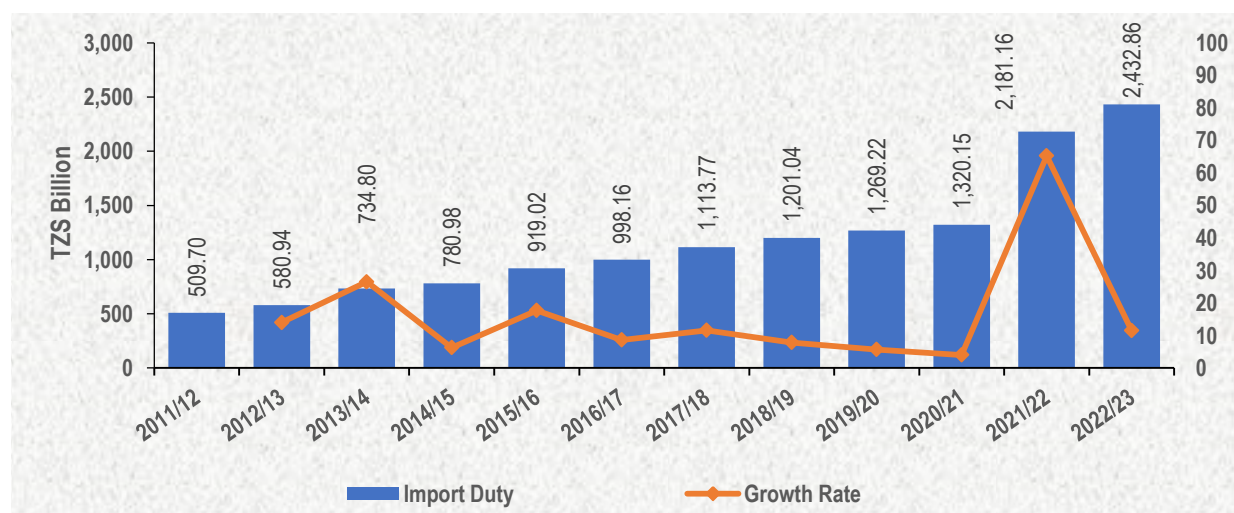


5.1 Categories of International Trade Taxes

5.1.1 Import Duty

Import duty is mainly charged on non-petroleum imports. Revenue collected through import duties increased from TZS 2,181.16 billion in 2021/22 to TZS 2,432.86 billion in 2022/23. During the review period import duty grew to an average of 11.4 percent, with the highest growth of 65.2 observed in 2021/22 and the lowest growth of 4.0 percent observed in 2020/21. The observed positive growth in import duty was due to the improvement of tax administration. (Figure 5.2).

Figure 5.2: Trend of Import Duty, Mainland Tanzania, 2011/12 to 2022/23



Excise Duty on Imports

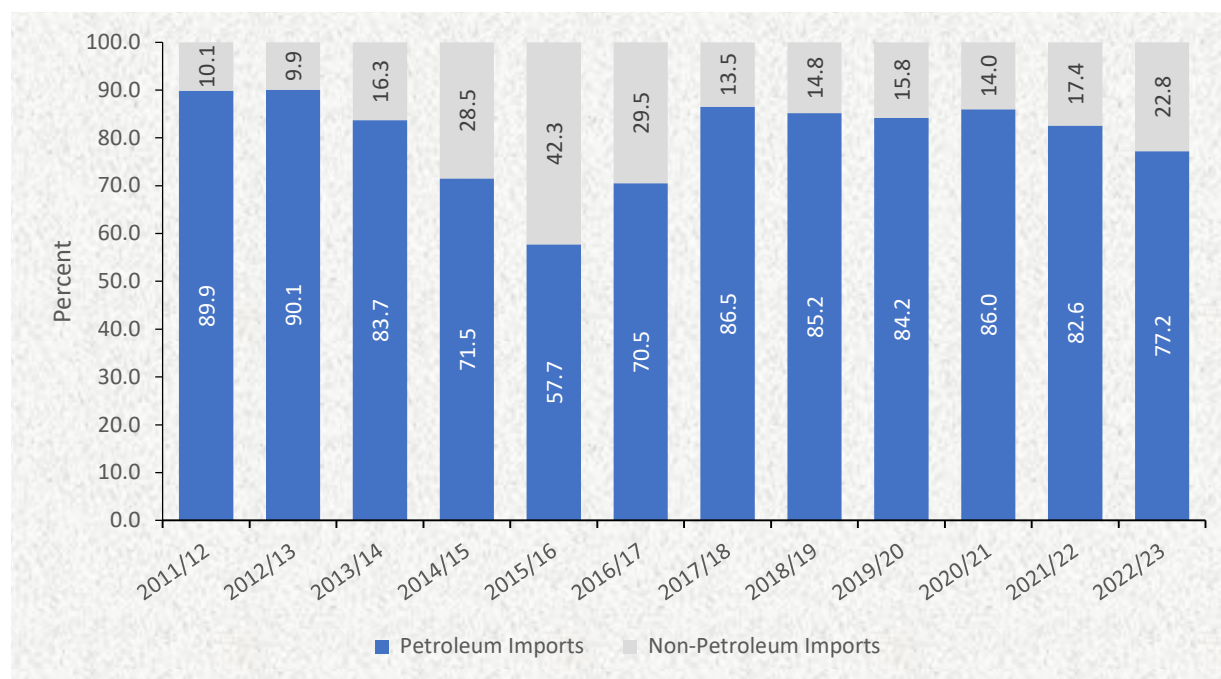
Excise duty on imports is charged on petroleum and non-petroleum imports. The results in Table 5.2 shows that, the revenue collected from excise duty on imports declined by 6.5 percent from TZS 1465.15 billion in 2021/22 to TZS 1370.01 billion in 2022/23. Under the period of review, the highest annual increase of the excise duty on imports was 39.1 percent observed in 2015/16, while the worst performance in the same period was negative 8.3 percent recorded in 2016/17. (Table 5.2).

Table 5.2: Excise Duty on Imports (TZS Billion), Mainland Tanzania, 2011/12 to 2022/23

Year	Excise Duty on Petroleum Imports	Percent	Excise Duty on Non-Petroleum Imports	Percent	Total Excise Duty	Growth (Percent)
2011/12	524.80	89.9	58.81	10.1	583.61	
2012/13	628.42	90.1	68.98	9.9	697.39	19.5
2013/14	637.51	83.7	124.37	16.3	761.88	9.2
2014/15	656.00	71.5	260.95	28.5	916.95	20.4
2015/16	736.40	57.7	539.38	42.3	1275.78	39.1
2016/17	824.23	70.5	345.63	29.5	1169.87	-8.3
2017/18	986.67	86.5	153.64	13.5	1140.31	-2.5
2018/19	981.66	85.2	170.08	14.8	1151.74	1.0
2019/20	1042.47	84.2	195.32	15.8	1237.78	7.5
2020/21	1261.08	86.0	205.53	14.0	1466.61	18.5
2021/22	1210.77	82.6	254.38	17.4	1465.15	-0.1
2022/23	1058.20	77.2	311.80	22.8	1370.01	-6.5

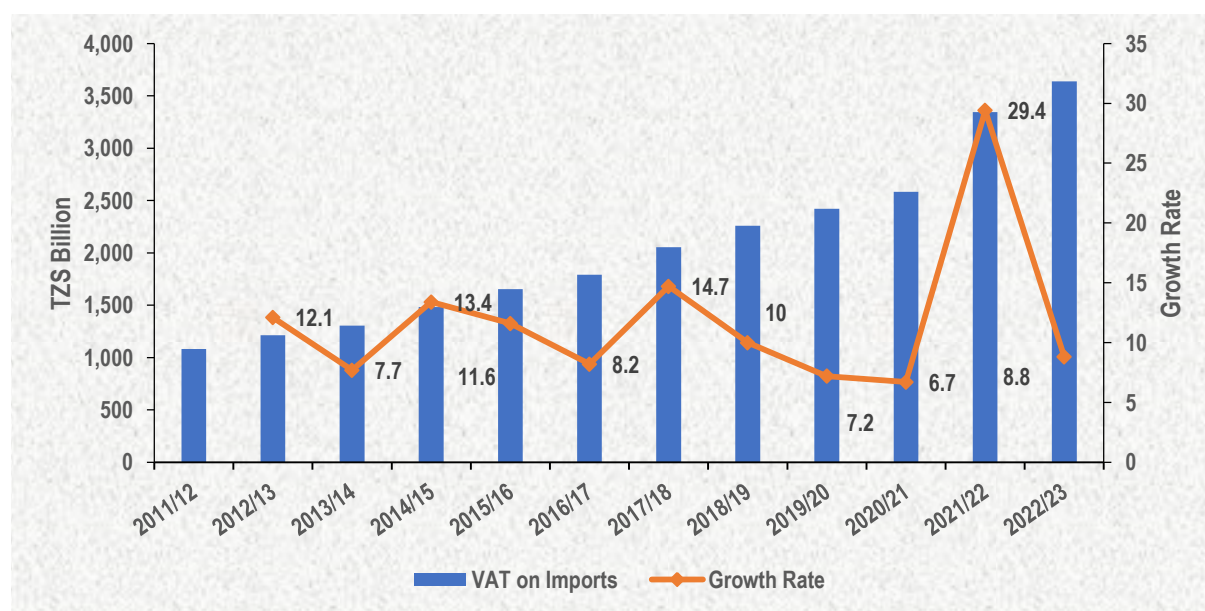
Source: Tanzania Revenue Authority, 2023

In 2022/23, the share of petroleum imports accounted for 77.2 percent of total imports, a decrease from 82.6 percent from 2021/22. It is also recorded an of non-petroleum imports from 17.4 percent in 2021/22 to 22.8 percent in 2022/23, marking a shift towards a higher share. This trend reflects a gradual diversification in the import composition, with non-petroleum imports steadily rising over recent years (Figure 5.3)

Figure 5.3: Percentage Composition of Petroleum and Non-Petroleum Imports to Total Excise Duty on Imports, Mainland Tanzania, 2011/12 to 2022/23

5.1.2 VAT on Imports

VAT on Imports is only charged on non-petroleum products. Revenue from VAT on non-petroleum products increased by 8.8 percent, from TZS 3,344.8 billion in 2021/22 to TZS 3,639.6 billion in 2022/23. The highest annual growth rate of VAT on imports in the period under review was 29.4 percent as recorded in 2021/22 (Figure 5.4).

Figure 5.4: Trend of VAT on Imports and its Growth Rate, Mainland Tanzania for 2011/12 to 2022/23

5.1.3 Fuel Levy and Petroleum Import Levy

A fuel levy is a specific excise tax imposed as per the Customs and Excise Act. **Table 5.1** shows that revenue collected through fuel and petroleum import levy increased by TZS 91.3

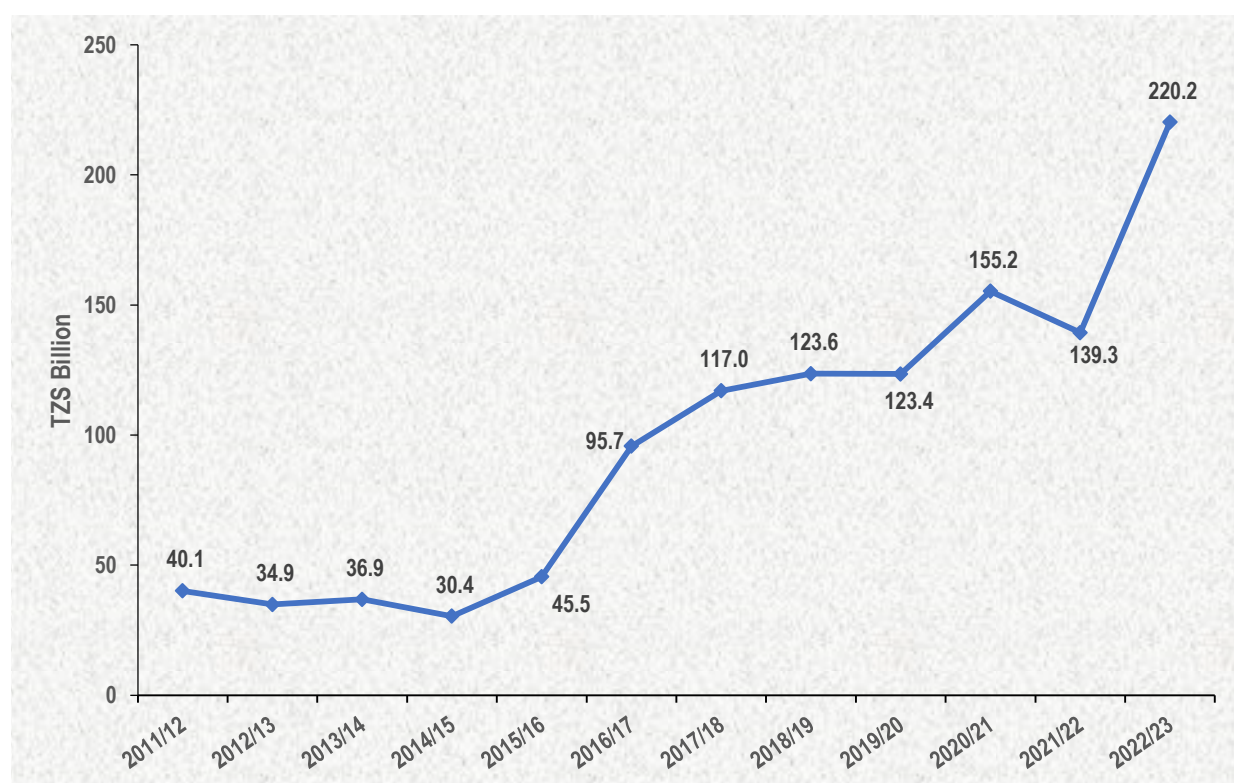
billion, from TZS 1,599.99 billion recorded in 2021/22 to TZS 1691.3 billion in 2022/23. The table further reveals that, in the period of 2011/12 to 2022/23 the highest share (20.90%) of petroleum import levy in the total international taxes and Transactions was recorded in 2013/14.

5.1.4 Other Import Charges and Non-Tax Revenue

Apart from import duty, other related import charges are levied on export duty & levy, processing fee-Rural Energy Agency (REA); railway development; processing fee-dry cargo-TRA; and water supply and sanitation.

Non-tax revenue has experienced significant fluctuations over the years, with a notable increase in recent periods. Starting from TZS 40.1 billion in 2011/12, it declined slightly to TZS 30.4 billion in 2014/15 before surging to TZS 45.5 billion in 2015/16. A major jump occurred in 2016/17, when non-tax revenue nearly doubled to TZS 95.7 billion, followed by continued growth, reaching TZS 155.2 billion in 2020/21. However, it dipped to TZS 139.3 billion in 2021/22 before rising sharply again to TZS 220.2 billion in 2022/23, marking the highest value in the period analyzed (**Figure 5.5**).

Figure 5.5: Trend of Non Tax Revenue (TZS Billion), Mainland Tanzania, 2011/12 to 2022/23



5.2 Tax Rates

Table 5.3 presents tax rates by tax item in the period between 2011/12 and 2022/23. The types of tax rates included are individual, company, employees (PAYE), and VAT. Generally, for

some items, tax rates have been changing for a number of years in the period of 2011/12 and 2022/23. Maximum individual tax was slightly reduced from 5.0 percent in 2019/20 to 3.5 percent 2022/23. Unlike individual tax, the bottom Employees (PAYE) declined gradually from 14.0 percent to 8.0 percent in the period of 2011/12 to 2022/23 while VAT maximum remained constant at 18 percent.

Table 5.3: Maximum and Minimum Tax Rates (Percent) by Type, Tanzania Mainland, 2011/12 to 2022/23

Year	Individual		Company	Employee (PAYE)		VAT
	Bottom	Maximum	Maximum	Bottom	Maximum	Maximum
2011/12	2	3.5	30	14	30	18
2012/13	2	3.5	30	14	30	18
2013/14	2	3.5	30	13	30	18
2014/15	4	7.0	30	12	30	18
2015/16	3	5.3	30	11	30	18
2016/17	3	5.0	30	9	30	18
2017/18	3	5.0	30	9	30	18
2018/19	3	5.0	30	9	30	18
2019/20	3	5.0	30	9	30	18
2020/21	3	3.5	30	8	30	18
2021/22	3	3.5	30	8	30	18
2022/23	3	3.5	30	8	30	18

Source: Tanzania Revenue Authority, 2023

5.3 Tax Revenue - to - GDP Ratios

Tax revenue to Gross Domestic Product (GDP) ratio 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 (WB) and the Organization for Economic Co-operation and Development (OECD) to analyze the tax systems and economic performance for comparative analysis across countries.

The tax-to-GDP ratio, a measure of how much tax revenue contributes to overall GDP, ranged between 11.2 percent and 12.4 percent throughout the period. It reached its highest point in 2013/14 at 12.1 percent and 2015/16 at 12.4 percent indicating effective tax mobilization relative to economic growth. However, the ratio remained relatively stable over the years, with minor variations, demonstrating that while tax revenues increased in absolute terms, the rate of taxation in relation to GDP did not drastically change. This stability highlights consistent tax policy, though the slight decrease to 12.0 percent in 2022/23 might suggest room for further enhancements in revenue collection efficiency (Table 5.4)

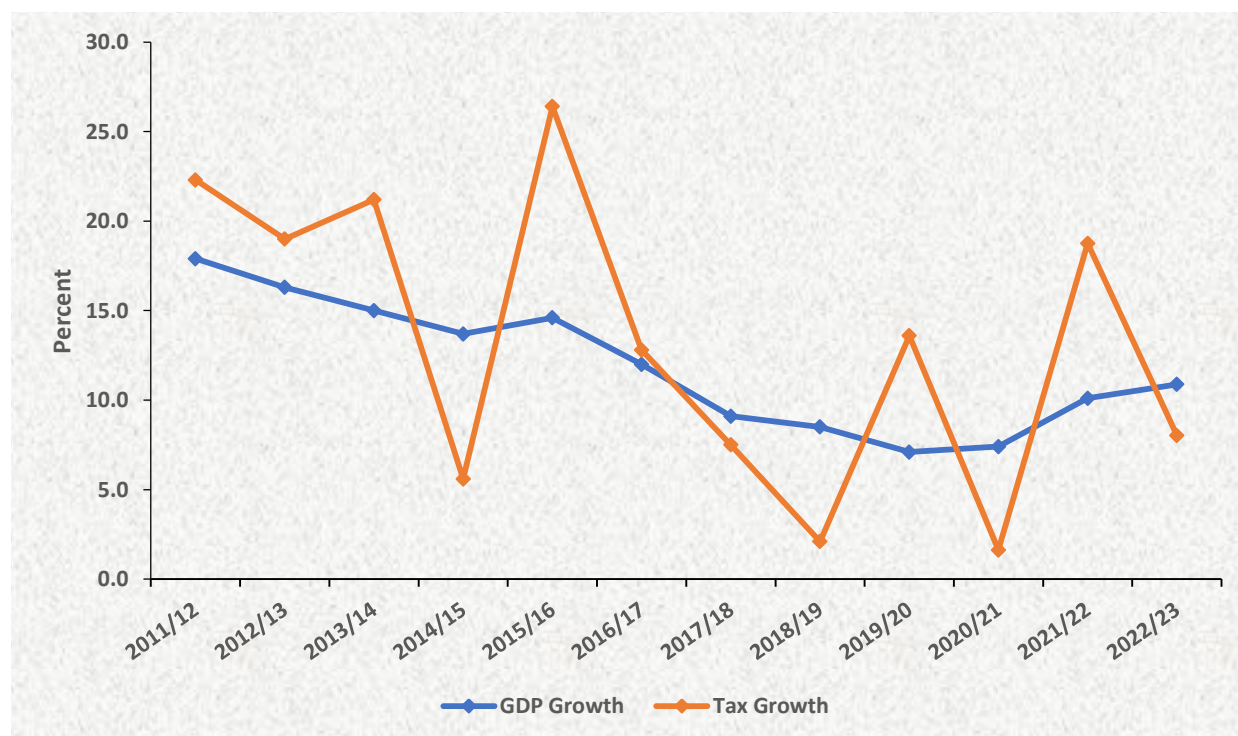
Table 5.4: Tax Revenue to GDP Ratios, Mainland Tanzania, 2011/12 to 2022/23

Year	Nominal GDP (TZS Billion)	GDP Growth (Percent)	TRA Revenue (TZS Billion)	Tax Growth (Percent)	Tax to GDP Ratio
2011/12	58,147.42		6,502.60		11.2
2012/13	67,647.93	16.3	7,739.30	19.0	11.4
2013/14	77,790.29	15.0	9,383.05	21.2	12.1
2014/15	88,476.35	13.7	9,909.00	5.6	11.2
2015/16	101,355.82	14.6	12,525.38	26.4	12.4
2016/17	113,553.41	12.0	14,126.59	12.8	12.4
2017/18	123,894.20	9.1	15,191.42	7.5	12.3
2018/19	134,468.85	8.5	15,511.33	2.1	11.5
2019/20	143,991.12	7.1	17,622.82	13.6	12.2
2020/21	154,635.12	7.4	17,624.45	0.0	11.4
2021/22	170,255.62	10.1	20,931.26	18.8	12.3
2022/23	188,788.05	10.9	22,610.16	8.0	12.0

Source: Tanzania Revenue Authority, 2023

5.3.1 GDP and Tax Growth

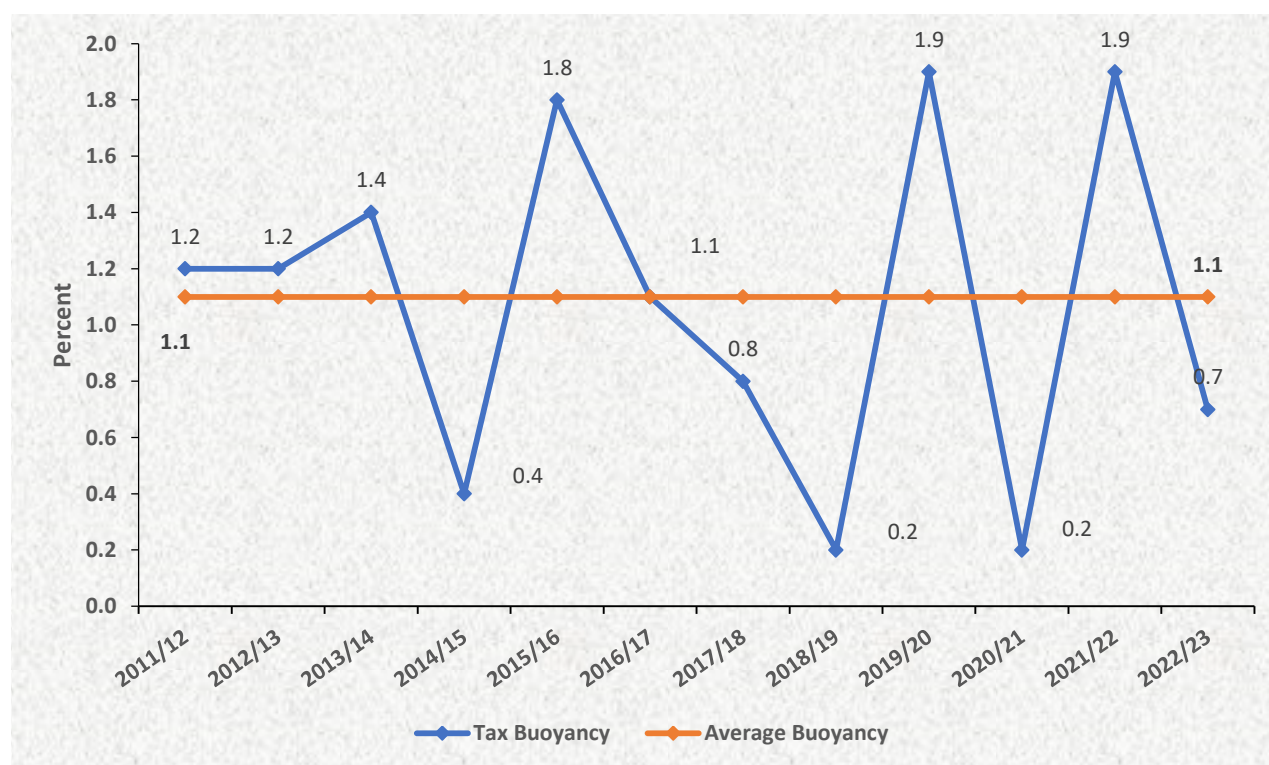
A general trend observed over the whole period from 2011/12 to 2022/23 shows that, both nominal GDP and tax revenue have been fluctuating at different rates of growth. There has been a more constant pattern in GDP growth than in tax revenue growth (**Figure 5.6**).

Figure 5.6: Trend of GDP and Tax Growth, Mainland Tanzania, 2011/12 to 2022/23

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 a unit 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. Results indicate that in the period between 2011/12 and 2022/23, tax revenue buoyancy ratio had an average of greater than one indicating the sustainability of fiscal policy for Mainland Tanzania (**Figure 5.7**).

Figure 5.7: Tax Buoyancy, Tanzania Mainland, 2011/12 to 2022/23



CHAPTER SIX

Revenue from Local Government Authorities – Own Source

6.0 Introduction

Local Government Authorities (LGAs) under the PORALG 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. Data and information are obtained from the President's Office - Regional Administration and Local Government (PORALG). Sources of revenue from local government authorities are broadly categorized into local taxes, licenses and permits, fees and charges, and other revenue sources. These revenues are included in the estimation of total domestic revenue in Mainland Tanzania.

6.1. Categories of Revenue Collected by Local Government Authorities

There are various categories 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.

From 2017/18 to 2022/23, own-source revenue shows a steady increase, with growth rates fluctuating across the years. Local taxes contributed the largest portion to own-source revenue, growing significantly from TZS 230.56 billion in 2017/18 to TZS 460.24 billion in 2022/23. Licenses and permits, though showing some fluctuations, remained relatively stable, peaking at TZS 99.27 billion in 2021/22 before slightly declining to TZS 95.07 billion in 2022/23. Fees and charges displayed a more volatile trend, reaching a high of TZS 183.06 billion in 2019/20, before declining to TZS 100.39 billion in 2022/23.

"Other own revenues" saw the most dynamic growth, rising from TZS 243,035.07 billion in 2021/22 to TZS 365.33 billion in 2022/23, with a particularly strong surge between 2021/22 and 2022/23. The overall growth in own-source revenue ranged from 4.9 percent in 2019/20 to 19.5 percent in 2018/19, with a notable increase of 14.8 percent in 2022/23. This growth reflects an overall improvement in revenue collection across various categories, especially in local taxes and other own revenues, contributing to stronger fiscal self-sufficiency see Table 6.1.

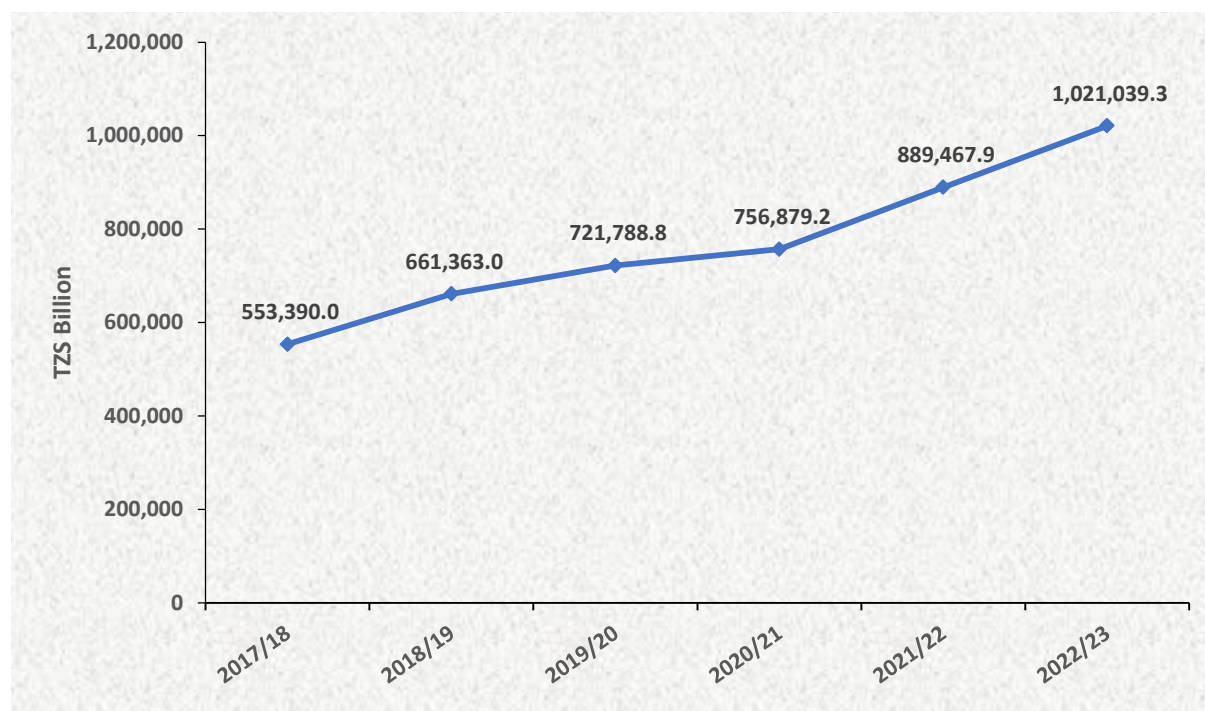
Table 6.1: Revenue Collected from LGAs Own Sources (TZS Million) by Major Type of Sources, 2017/18 to 2022/23 TZS Billion

Category of Revenue	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Local Taxes	230,560.00	276,764.00	352,082.98	312,816.54	394,099.29	460,242.71
Licenses and Permits	66,198.00	91,407.00	75,258.33	85,257.06	99,269.78	95,074.59
Fees and Charges	109,797.00	126,651.00	183,056.48	142,582.57	112,303.14	100,387.43
Other Own Revenues	146,835.00	166,541.00	111,391.00	216,222.98	243,035.07	365,334.54
Total, Own Source Revenue	553,390.00	661,363.00	721,788.79	756,879.15	889,467.93	1,021,039.27
Growth		19.5	9.1	4.9	17.5	14.8

Source: Local Government Authorities, 2023

In 2022/23, own-source revenue increased to TZS 1,021,039.3 billion from TZS 889,467.9 billion in 2021/22, marking a growth of approximately 14.8 percent. This continues the upward trend observed over the past five years. From 2017/18 to 2019/20, the revenue grew steadily from TZS 553,390.0 billion to TZS 721,788.8 billion, with growth rates of 19.5 percent in 2018/19 and 9.1 percent in 2019/20. However, the growth rate slowed to 4.9 percent in 2020/21, with total revenue reaching TZS 756,879.2 billion. Despite this temporary slowdown, the subsequent years saw a strong recovery, particularly in 2021/22 and 2022/23, highlighting sustained efforts in revenue collection and fiscal improvements (**Figure 6.1**)

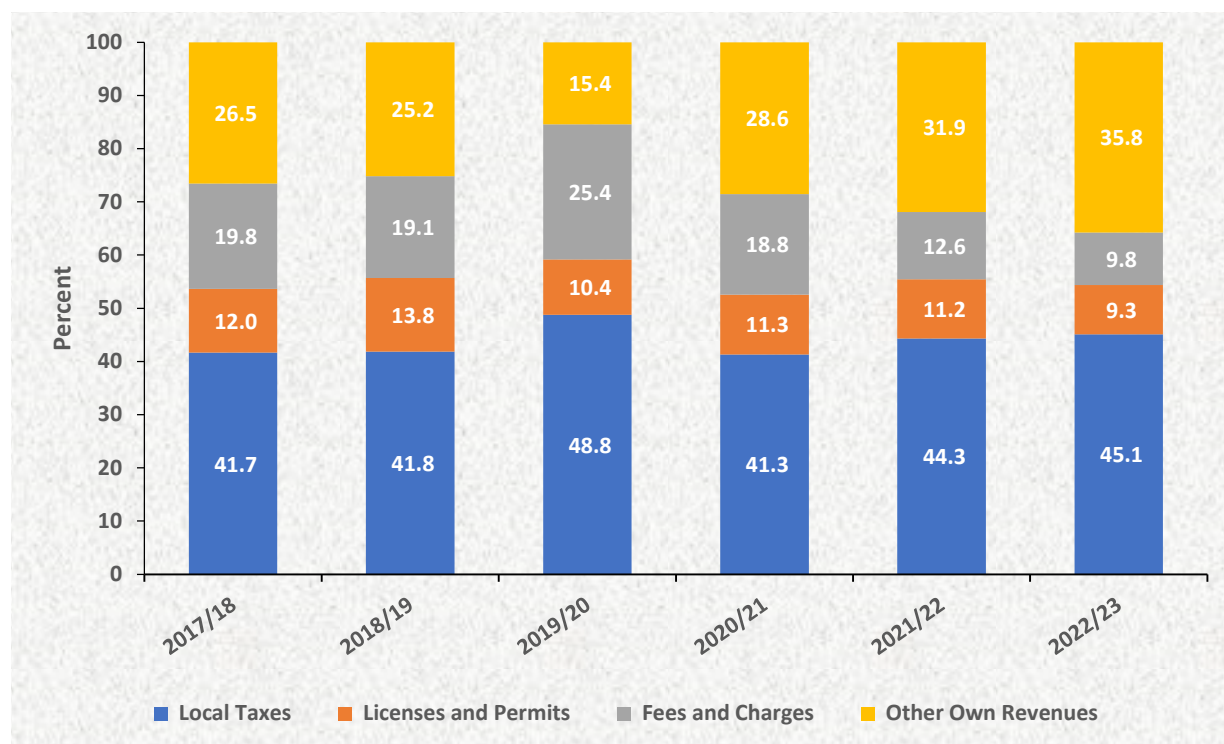
Figure 6.1: Trend of the Revenue Collection from LGA's Own Sources, Mainland Tanzania, 2017/18 to 2022/23



Local taxes as defined earlier composed of property taxes, land rent, produce cess, service levy, guest house levy, and other levies on business activities. However, property tax is no longer collected by LGAs, instead, TRA has taken the responsibility of collecting it on behalf of the central government.

During the period under review, Local Taxes consistently form the largest portion, showing a slight increase from 44.3 percent in 2021/22 to 45.1 percent in 2022/23. Licenses and Permits decrease from 11.2 percent in 2021/22 to 9.3 percent in 2022/23. Fees and Charges recorded gradually decrease from 25.4 percent in 2019/20 to 9.8 percent in 2022/23. Meanwhile, Other Own Revenues show a notable rise from 26.5 percent in 2017/18 to 35.8 percent in 2022/23. This suggests a shifting reliance on various revenue sources, with Local Taxes and Other Own Revenues becoming more prominent over time see **Figure 6.2**

Figure 6.2: Percentage Composition of Total Revenues from LGAs Own Source by Major Category, Mainland Tanzania 2017/18 to 2022/23



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 Unallowable 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 nonrecurrent 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 nonemployee contributions 12.1.4 Unallowable 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 14.1.5 Rent
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11.5.1 Customs and other import duties	14.2 Sales of goods and services
11.5.2 Taxes on exports	14.2.1 Sales by market establishments
11.5.3 Profits of export or import monopolies	14.2.2 Administrative fees
11.5.4 Exchange profits	14.2.3 Incidental sales by nonmarket establishments
11.5.5 Exchange taxes	14.2.4 Imputed sales of goods and services
11.5.6 Other taxes on international trade transactions	14.3 Fines, penalties and forfeits
11.6 Other taxes	14.4 Voluntary transfers other than grants
11.6.1 Payable solely by business	14.4.1 Current
11.6.2 Payable by other than business or unidentifiable	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 farmgate price); and
 - Forest produces fees
- Taxes on specific services
 - 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
 - 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 Actual Government Finance, Tanzania Mainland, 2014/15 – 2022/23

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
A. Domestic Revenue (Incl. Revenue from LGAs)	10,957,765	14,048,034	16,639,831	17,944,886.98	18,529,557.99	21,069,956.8	20,562,328.4	24,395,566.10	25,256,847.8
Domestic Revenue	10,597,681	13,622,182	16,128,113	17,403,387.93	17,868,194.98	20,352,708.1	19,837,680.3	23,506,098.20	25,256,847.8
1. <i>Tax Revenue</i>	9,891,680	12,410,951	14,055,173	15,191,421.33	15,511,330.10	17,622,822.1	17,624,454.4	20,931,261.60	21,411,398.9
Import Duty and Excise Duty	2,495,082	3,090,110	3,116,298	3,313,671.46	3,585,509.02	3,781,641.1	4,042,533.8	4,367,465.70	4,583,909.9
Value Added Tax (VAT)	3,031,828	3,553,637	3,979,473	4,478,850.59	4,781,633.01	5,184,322.0	2,584,453.5	3,344,798.5	3,639,577.6
Imports	1,519,939	1,717,902	1,803,667	2,054,675.39	2,259,827.38	2,421,392.8	6,015,898.	3,344,798.50	3,427,304.0
Domestic	1,511,889	1,835,735	2,175,806	2,424,175.20	2,521,805.63	2,762,929.2	2,633,435.8	7,549,185.9	7,760,301.5
Income Tax	3,727,934	4,608,245	4,832,759	5,157,886.30	5,148,191.50	6,523,795.2	2,570,987.9	3,712,545.6	3,073,133.2
Other Taxes	1,278,648	1,921,459	2,216,357	2,299,242.38	2,130,594.49	2,379,568.6	2,570,987.9	3,712,545.60	1,072,827.2
Refunds Accounts	641,811	762,499	89,714	(58,229.40)	(134,597.92)	(246,504.8)	(222,854.8)	(995,658.20)	
2. Non – Tax Revenue	706,001	1,211,231	2,072,941	2,211,966.60	2,356,864.88	2,729,886.0	2,213,225.8	2,574,836.60	3,845,448.9
3. Revenue from LGAs	360,084	425,852	511,718	541,499.05	661,363.01	717,248.7	724,648.2	889,467.90	1,021,039.3
B. Total Expenditure	14,603,714	17,759,598	18,898,690	20,468,072.32	22,300,627.38	23,509,931.6	26,545,124.7	26,545,124.7	36,157,462.0
1. <i>Recurrent Expenditure</i>	10,893,486	13,420,045	11,625,866	12,852,304.02	13,806,788.92	14,201,147.8	14,883,722.6	14,883,722.6	20,475,131.8
2. <i>Development Expenditure</i>	3,710,228	4,339,553	7,272,824	7,615,768.31	8,493,838.46	9,308,783.8	11,661,402.2	11,661,402.2	15,682,330.2
Local Funds	2,264,506	2,904,530	5,141,451	5,397,033.55	6,535,879.18	6,840,103.8	9,238,505.0	9,238,505.0	13,970,706.2
Foreign Funds	1,445,722	1,435,023	2,131,374	2,218,734.76	1,957,959.29	2,468,679.9	2,422,897	2,422,897.2	1,711,623.9
C. Deficit/Surplus (AB)	3,645,949	3,711,564	2,258,859	(2,523,185.35)	(3,771,069.39)	(2,439,974.8)	(5,982,796.3)	(5,982,796.3)	-9,879,574.8
D. Financing	3,830,651	6,281,252	2,258,859	2,523,185.35	3,771,069.39	12,927,807.	7 5,982,796.	5,982,796.3	8,167,950.9
1. <i>External Sources</i>	3,030,875	3,982,100	2,797,488	2,632,730.66	1,569,325.67	13,841,819.9	13,841,819.9	3,327,302.6	3,681,040.7
Grants	896,496	1,349,799	923,512	813,482.95	285,340.00	17,759,598.0	17,759,598.0	520,635.8	506,327.7
Basket support	127,637	81,073	168,984	117,165.44	92,162.52	6,015,898.2	-	175,363.7	90,052.5
Import Support/OGL Loans	537,881	546,846	257,473	71,077.78	169,676.95	(3,711,564.0)	287,345.5	1,298,502.6	1,851,237.4
Project Loans	640,724	344,800	1,124,190	1,464,294.03	1,452,477.00		1,649,790.8	1,649,790.8	1,115,243.7
Concessional Loans	1,054,803	2,142,469	1,226,760	1,474,281.58	1,144,822.29	1,822,093.1	3,121,190.2	3,121,190.2	3,011,725.4
Amortization (Foreign)	226,667	482,887	903,431	(1,307,571.11)	(1,575,153.09)	(2,028,307.3)	(2,427,023.4)	(2,427,023.4)	(2,893,546.0)
2. <i>Internal Sources</i>	799,776	2,299,151	538,629	(109,545.32)	2,201,743.72	(914,012.1)	2,655,493.7	2,655,493.7	4,486,910.2
Non-Bank Borrowing		776,945	989,283	(343,325.54)	653,774.14	781,780.6	1,550,288.0	1,550,288.0	2,171,460.3
Bank Borrowing	799,776	1,522,207	1,100,145	941,973.00	2,383,403.31	(404,856.6)	1,808,932.4	1,808,932.4	2,426,063.1
Payments of Arrears (Rollover)	2,064,756	2,600,000	4,615,670	4,835,199.26	3,718,008.34	3,976,811.2	3,262,551.9	3,262,551.9	3,513,913.7
Proceeds from Privatization									
Adjustment to Cash			368,120	(636,424.90)	(835,433.73)	(1,275,185.8)	(696,408.7)	(696,408.7)	(97,656.8)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Amortization (local)	2,064,756	2,600,000	4,615,670	(4,835,199.26)	(3,718,008.34)	(3,976,811.2)	(3,262,551.9)	(3,262,551.9)	(3,513,913.7)
Expenditure float			59,647	(71,767.88)		(15,750.3)	(7,318.0)	(7,318.0)	(12,956.4)

Source: Ministry of Finance

Appendix IV: Trends in Actual Tax Revenue, Tanzania Mainland, 2014/15 – 2022/23

TRA Mainland	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Nominal GDP	85,291,048.0	96,562,327.0	106,906,270.0	118,736,155.7	135,537,453	143,991,122	154,635,122	170,255,623	188,788,052
Revenue/GDP ratio	11.6%	13.0%	13.2%	12.8%	11.4%	12.4%	11.4%	10.1%	
Net Collections	9,908,996.3	12,525,377.6	14,126,590.3	15,191,421.3	15,511,330.4	17,622,822.1	17,624,361.6	20,931,262.0	22,610,162.3
Less Tax Refunds	776,684.1	720,738.3	95,289.2	58,016.7	134,609.0	246,505.0	222,854.9	995,658.2	1,072,827.2
GRAND TOTAL (GROSS)	10,685,680.5	13,246,115.8	14,221,879.6	15,249,438.0	15,645,939.3	17,869,327.1	17,847,216.5	21,926,920.3	23,682,989.5
DIRECT TAXES	3,940,821.1	4,865,115.7	5,121,018.4	5,436,982.6	5,444,938.5	6,848,804.6	6,301,252.5	7,840,214.3	8,133,951.3
P.A.Y.E.	1,750,804.8	2,246,776.6	2,278,109.6	2,344,698.9	2,415,429.9	2,552,891.0	2,198,047.2	2,431,529.8	2,862,403.6
B. Skills & Dev. Levy	216,119.4	261,729.1	280,118.9	282,839.6	296,009.4	315,405.2	285,178.9	291,028.4	74,321.1
Individuals	101,881.9	141,801.2	178,666.3	213,417.8	216,838.4	227,166.6	248,630.1	239,128.2	251,032.2
Corporate Taxes	1,182,730.0	1,379,736.2	1,450,336.3	1,660,242.5	1,563,429.8	2,571,155.7	2,150,593.6	3,289,284.2	2,909,957.5
Withholding taxes	592,916.0	704,573.1	759,972.0	722,432.2	711,404.0	948,232.4	1,090,634.2	1,221,872.8	1,325,020.6
Rental Tax	64,422.3	83,601.8	91,094.7	94,541.9	108,756.4	101,711.4	89,880.5	121,332.7	133,533.5
Gaming Tax	10,245.8	18,987.0	26,502.5	75,467.6	89,035.5	85,066.3	127,600.2	146,893.1	168,129.4
All Other direct taxes	21,700.9	27,910.7	56,218.2	43,342.1	44,035.1	47,176.0	110,687.9	99,145.0	105,652.8
Less Refunds	8,016.8	8,415.4	3,156.4	567.7	79,654.2	33,555.4	157.2	31,873.5	159,312.6
INDIRECT TAXES	6,744,859.4	8,381,000.1	9,100,861.2	9,812,455.3	10,201,000.8	11,020,522.5	11,545,963.9	14,086,706.0	15,549,038.2
CONSUMPTION TAXES	2,337,663.4	2,709,299.6	3,095,101.5	3,486,197.6	3,737,835.7	4,037,564.2	3,889,208.9	4,376,294.8	5,004,208.8
Excises (Domestic)	825,775.2	868,620.1	936,575.2	1,059,904.0	1,232,395.7	1,274,640.1	1,255,772.6	1,423,371.1	1,576,904.8
Beer	202,464.2	216,570.4	244,815.3	306,680.4	320,478.8	304,221.8	317,312.5	346,283.5	358,312.8
Cigarettes	133,886.8	135,865.2	145,464.5	157,270.4	155,517.6	147,202.8	150,196.7	166,736.7	180,246.0
Soft Drinks	37,333.6	41,696.3	45,859.2	47,973.0	51,604.1	57,917.9	72,331.3	80,866.9	79,891.2
Bottled Water	809.6	10,288.2	14,779.1	15,261.1	15,584.7	20,952.4	33,241.8	60,223.5	55,915.0
Mobile Phone	150,047.7	217,501.7	250,937.1	246,571.9	263,346.4	320,288.4	344,913.7		
Spirits and Konyagi	69,934.5	78,665.7	118,125.8	100,976.8	84,494.8	115,655.4	157,152.7	190,858.5	230,268.1
All Other Excises (Domestic)	29,568.8	102,773.0	68,248.5	111,678.3	137,010.2	308,401.5	180,623.9	182,554.3	214,973.8
Aggregate VAT	1,155,298.9	1,317,202.4	1,511,888.2	1,840,679.4	2,158,526.3	2,762,924.1	2,633,436.3	2,952,923.7	3,427,303.9
VAT Domestic Products	302,331.0	343,163.8	405,188.4	460,710.8	459,943.3	620,871.5	644,336.3	699,477.3	708,435.7
Beer	105,628.0	118,599.1	136,269.7	141,778.9	138,151.0	145,201.8	155,430.5	171,714.6	148,451.7
Cigarettes	45,696.6	37,608.0	46,143.0	48,727.1	40,200.1	52,753.2	50,387.5	58,859.2	105,800.4
Soft Drinks	34,727.8	41,441.2	47,966.6	41,561.2	37,746.4	41,643.2	54,737.8	43,991.3	41,813.8
Cement	31,987.2	23,701.4	23,226.2	22,321.5	13,548.4	51,297.7	44,111.1	65,026.9	48,678.9
Sugar	23,994.0	23,879.6	36,519.1	44,856.4	70,993.1	89,730.5	91,683.5	94,540.2	86,812.0

Tax Statistics Report 2022/23

TRA Mainland	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Others	60,297.2	97,934.4	115,063.8	161,465.7	159,304.3	240,245.2	247,986.0	265,345.1	276,879.0
VAT Domestic Services	852,968.0	974,038.5	1,106,699.8	1,379,968.6	1,698,583.0	2,142,052.7	,989,100.0	2,253,446.5	2,718,868.3
Electricity	78,503.1	97,111.3	137,623.1	106,934.9	79,580.1	85,863.8	109,478.9	107,162.3	71,019.6
Telephones	223,951.4	168,842.2	218,954.5	203,600.9	191,596.2	250,180.1	242,536.9	303,289.9	324,796.3
Retailers	42,085.5	39,730.8	18,631.9	23,855.9	19,218.0	39,011.1	37,223.4	37,865.7	39,049.1
Wholesalers	26,337.0	24,562.8	25,383.7	33,266.4	33,315.1	52,439.0	47,673.8	55,022.5	61,267.4
Transport	26,915.1	39,893.3	37,091.1	48,840.3	49,427.7	63,240.9	56,386.6	56,040.8	65,146.9
Hotel Services	41,274.6	45,470.1	47,749.2	45,612.4	58,630.1	69,443.3	18,554.5	44,848.9	87,678.6
Other	413,901.3	558,428.1	621,266.3	917,857.9	1,266,815.8	1,581,874.5	1,477,245.9	1,649,216.3	2,069,910.4
Less VAT Refunds	231,517.9	433,863.0	505,695.1	502,095.7	49,519.2	195,161.0	188,658.6	954,042.8	901,009.5
Less: Transfer to ZRB	23,564.9	34,314.4	34,072.9	23,470.7		1,390.0		-	-
Less: VETA	10,795.3	8,366.7	67,659.3					-	
Less: Bed night levy	52,024.2							-	-
Less: MV D/license				9,219.6	1,732.6			-	-
Less: Departure charges									
OTHER Domestic Taxes & Charges	200,826.0	226,648.8	255,618.2	295,517.9	337,908.7	212,005.9	320,212.0	979,981.2	1,190,851.5
Business Licences									
Airport Departure Charges				67,387.4	66,482.2	52,315.8	22,209.2	43,098.6	65,412.2
Port Departure Charges	35,187.2	42,388.0	53,081.4	1,309.3	2,579.5	2,691.2	1,966.9	3,104.5	4,187.5
Motor Vehicle Taxes	147,841.4	158,371.5	184,422.8	214,157.1	243,319.4	111,896.6	124,655.2	149,853.1	97,580.4
o/w Fire Inspection Fees					13,478.3				
DRD Treasury Vouchers	6,698.0	6,460.7	7,420.7	608.9		38.8	2.6	43.8	
Stamp Duty	11,099.4	8,556.9	10,693.3	12,055.2	12,049.3	20,015.3	20,050.2	21,025.0	28,943.8
The Use of Telecommunication Traffic Monitoring System (TTMS)/DRD non tax revenue		10,871.6							
INTERNATIONAL TRADE TAXESGROSS	2,992,891.8	3,645,494.8	4,151,577.7	5,376,182.7	5,667,851.0	6,770,952.3	7,336,542.9	8,730,429.9	9,353,977.9
Import Duties	610,865.4	766,706.3	910,936.8	1,344,286.6	1,537,963.1	1,921,753.5	1,919,582.1	2,181,161.8	2,432,861.6
Nonpetroleum Imports	580,944.4	734,797.8	780,977.6	919,022.0	998,163.6	1,269,218.4	1,320,153.5	1,478,947.9	1,637,671.0
Export Duty & Levy	29,605.1	27,994.5	62,581.1	50,899.4	128,267.2	174,977.4	93,889.7	88,394.4	68,933.4
Processing Fee REA			14,557.8	22,092.8	17,536.5	15,166.7	16,526.6	9,082.8	798.9
Railway Development Levy				172,680.7	194,307.9	249,888.5	254,975.8	346,732.8	298,101.5
Processing Fee dry cargoTRA & Other import charges	315.9	3,914.0	52,820.3	58,366.7	65,224.1	65,878.7	69,027.4	81,875.3	109,435.5
Water supply and sanitation				121,225.1	134,463.9	146,623.9	165,009.2	176,128.6	179,492.4
Excise Duties	697,393.4	761,879.1	916,946.0	1,275,775.1	1,169,866.4	1,237,782.5	1,466,607.6	1,465,146.6	1,370,005.3
Wines and Spirits	647.4	69.6							
Nonpetroleum Imports	68,330.9	124,298.8	260,947.4	539,379.8	345,631.9	195,316.7	205,525.6	254,379.2	311,803.0
Petroleum imports	628,415.1	637,510.7	655,998.6	736,395.2	824,234.4	1,042,465.8	1,261,082.0	1,210,767.5	1,058,202.3
VAT on Imports	1,213,436.8	1,329,712.0	1,542,962.6	1,727,172.5	1,803,666.9	2,421,369.8	2,584,453.5	3,344,798.5	3,639,577.6
Nonpetroleum Imports	1,213,436.8	1,329,712.0	1,542,962.6	1,727,172.5	1,803,666.9	2,421,369.8	,584,453.5	3,344,798.5	3,639,577.6
Petroleum Levy REA		124,341.3	127,089.8	278,289.4	316,518.9	294,455.6	342,262.8	246,901.9	376,390.8

TRA Mainland	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Fuel Levy	436,292.1	625,995.2	623,217.0	705,151.1	744,100.1	772,155.5	868,399.3	1,353,091.1	1,314,908.7
Nontax Revenue	34,904.1	36,860.9	30,425.4	45,508.0	95,735.6	123,435.4	155,237.6	139,330.0	220,233.9
Less Customs & Excise Refunds	1,514.6	17,362.6	32,016.7	38,726.4	16,534.6	16,313.8	34,039.0	9,741.9	12,505.1
Less VAT Mining			23,374.4	61,089.5	72,921.0	12,944.0	84.7	-	
Less: Transfer to Customs proc. Fees dry cargo TRA				48,175.4	65,889.5	11,402.5			

Appendix V: Revenue by category from all LGA's own source, Tanzania Mainland, 2017/18 to 2022/23**TZS. Millions**

Category of Revenue	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Local Taxes						
Property Tax	1,277		41	17	4	10
Land Rent	2,381		299	404	1	0
Produce Cess	95,003		128,831	144,888	151,567	172,556
Service Levy	108,644		153,583	158,595	205,299	233,617
Guest House Levy	6,575		7,988	8,872	10,371	11,242
Other Levies on Business Activity	16,680		61,340	41	26,857	42,818
Subtotal, Local Taxes	230,560		352,083	312,817	394,099	460,243
Licenses and Permits						
Licenses and permits on business activities	16,765	27,455	64,067	56,334	22,232	64,638
Permits on construction activities	3,315	4,576	4,733	20,085	9,033	22,509
Licenses on extraction of forest products	5,983	7,826	6,050	8,675	4,134	7,586
Licenses/permits on vehicles and transport.	1,129	1,064	408	164	-	342
Subtotal, Licenses and Permits	27,191	40,921	75,258	85,257	76,903	95,075
Fees and Charges						
Market fees and charges	10,857	17,085	28,936	30,978	22,232	15,525
Sanitation fees and charges	3,290	5,168	11,937	10,192	9,033	14,102
Parking Fees	2,555	3,511	5,161	5,388	4,134	8,338
Central Bus Stand Fees	4,463	5,763	17,619	20,364	-	-
Other Specific service fees	7,011	19,092	119,404	75,662	76,903	62,423
Subtotal, Fees and Charges	28,048	50,343	183,056	142,583	112,303	100,387
Other Own Revenues						
Fines and penalties	1,709	2,639	5,779	10,928	7,105	4,603
Income from sale or rent	15,915	22,356	1,720	62,655	33,656	34,512
Other own revenues	36,592	46,030	103,892	142,640	243,035	326,220

Category of Revenue	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Subtotal, Other Own Revenues	54,216	71,025	111,391	216,223	283,796	365,335
Total, Own Source Revenues	240,909	323,227	721,788	756,880	867,101	1,021,040
1Shares						
Local Taxes						
Property Tax	7.5	5.4	6.9	9.4	7.8	0.2
Land Rent	2.7	1.5	2.7	3.2	3.2	0.4
Produce Cess	23.2	23.4	22.6	20.2	20.5	17.2
Service Levy	16.0	15.0	14.5	16.0	16.6	19.6
Guest House Levy	1.5	1.1	1.0	0.7	1.6	1.2
Other Levies on Business Activity	3.7	3.5	2.7	3.3	3.1	3.0
Subtotal, Local Taxes	54.6	49.8	50.5	52.8	52.9	41.7
Licenses and Permits						
Licenses and permits on business activities	7.0	8.5	8.5	10.0	9.5	7.8
Permits on construction activities	1.4	1.4	1.3	1.6	1.8	1.2
Licenses on extraction of forest products	2.5	2.4	2.0	2.4	1.9	2.5
Licenses/permits on vehicles and transport.	0.5	0.3	0.4	0.4	0.4	0.5
Subtotal, Licenses and Permits	11.3	12.7	12.3	14.4	13.6	12.0
Fees and Charges						
Market fees and charges	4.5	5.3	4.5	4.0	5.4	6.2
Sanitation fees and charges	1.4	1.6	2.7	3.3	3.6	5.2
Parking Fees	1.1	1.1	0.7	0.7	1.9	3.9
Central Bus Stand Fees	1.9	1.8	1.1	0.9	1.3	2.7
Other Specific service fees	2.9	5.9	5.0	3.7	3.7	1.8
Subtotal, Fees and Charges	11.6	15.6	14.0	12.7	16.0	19.8
Other Own Revenues						
Fines and penalties	0.7	0.8	0.7	0.8	1.1	1.7
Income from sale or rent	6.6	6.9	7.6	6.0	5.8	5.0
Other own revenues	15.2	14.2	14.9	13.2	10.7	19.9
Subtotal, Other Own Revenues	22.5	22.0	23.3	20.0	17.6	26.5
Total, Own Source Revenues	100.0	100.0	100.0	100.0	100.0	100.0
Growth						
Local Taxes						
Property Tax	10.4	3.1	49.7	54.7	5.5	97.0
Land Rent	13.1	27.9	114.8	37.6	26.2	86.5

Category of Revenue	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Produce Cess	18.2	35.3	13.1	2.1	28.2	15.2
Service Levy	53.1	25.8	13.2	26.1	30.9	20.2
Guest House Levy	9.7	1.5	5.0	18.8	195.7	25.4
Other Levies on Business Activity	33.9	25.3	7.2	39.2	15.3	0.0
Subtotal, Local Taxes	25.0	22.4	18.5	19.7	26.2	20.0
Licenses and Permits						
Licenses and permits on business activities	6.0	63.8	17.3	34.2	20.2	17.1
Permits on construction activities	49.7	38.0	11.4	39.3	39.6	30.7
Licenses on extraction of forest products	10.9	30.8	2.8	38.4	2.5	34.2
Licenses/permits on vehicles and transport.	23.4	5.8	40.9	7.3	25.8	23.2
Subtotal, Licenses and Permits	3.2	50.5	13.4	34.6	18.7	10.7
Fees and Charges						
Market fees and charges	23.9	57.4	1.3	3.7	69.6	15.7
Sanitation fees and charges	26.2	57.1	97.0	40.7	38.0	46.1
Parking Fees	45.8	37.4	27.4	23.0	231.9	105.7
Central Bus Stand Fees	3.3	29.1	24.6	6.4	74.5	112.1
Other Specific service fees	19.0	172.3	0.7	15.7	25.6	49.2
Subtotal, Fees and Charges	0.7	79.5	5.1	3.9	58.2	26.3
Other Own Revenues						
Fines and penalties	45.4	54.4	3.2	32.8	68.2	50.7
Income from sale or rent	145.4	40.5	28.9	10.5	22.1	12.9
Other own revenues	37.3	25.8	22.6	0.9	2.0	89.7
Subtotal, Other Own Revenues	58.0	31.0	23.9	1.8	10.8	53.5
Total, Own Source Revenues	24.1	34.2	16.9	14.3	26.1	1.6

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